

2003 COUNTY OF BEAVER, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2003**

Beaver County



Office of Controller

PREPARED BY RICHARD W. TOWCIMAK, CONTROLLER

Web Site: <http://co.beaver.pa.us>

County of Beaver, Pennsylvania
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2003

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RICHARD W. TOWCIMAK
CONTROLLER



VINCENT LaVALLE
DEPUTY CONTROLLER

JOHN P. DOHANICH
SOLICITOR

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

June 15, 2004

TO THE CITIZENS OF BEAVER COUNTY

I am pleased to present the Comprehensive Annual Financial Report ("CAFR") for Beaver County ("the County") for the 2003 fiscal year.

The CAFR consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. 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 CAFR consists of three major parts; the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section includes this transmittal letter which emphasizes significant management and financial details, the Certificate of Achievement for Financial Reporting awarded by the Government Finance Officers Association for the 2002 CAFR, an organizational chart, and a listing of principal officials and department managers. The Financial Section includes, under the new Governmental Accounting Standards Board Statement No. 34, as amended, the report of our independent auditors, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial schedules. The Statistical Section contains information of a historical nature relating to County finances, demographics, and other miscellaneous statistics for the County.

The County's financial statements have been audited by Case, Sabatini & Company, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2003, are fairly presented in conformity with GAAP.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special 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 legal requirements involving, the administration of federal awards. These reports are 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 Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF BEAVER COUNTY

The County was formulated on March 12, 1800, from parts of Washington and Allegheny counties. It is 441 square miles 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 182,000. Beaver County is comprised of thirty boroughs, five first class townships, seventeen second class townships and two third class cities. Rich in 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 manufacturing uses. Its close proximity to the Greater Pittsburgh International Airport enables the County to market itself as a center for manufacturing and service industries. Beaver County also has educational opportunities 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 with The Medical Center, Beaver and Aliquippa Community Hospital.

PROFILE OF BEAVER COUNTY – (Continued)

Beaver County's government structure consists of a three-member Board of Commissioners that performs all legislative and executive functions. The Controller is elected as the chief financial officer of the County and is responsible for many administrative 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 six judges that preside over the Court of Common Pleas. Other court related Row Officers are the District Attorney, Clerk of Courts, Prothonotary, Sheriff, Register of Wills and Clerk of the Orphans Court, Recorder of Deeds, and 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 after their ten year term expires.

The County provides a full range of services to its citizens, ranging from health to law enforcement, from the construction and maintenance of infrastructure to recreational activities and cultural events. The County also provides funding to and aid in the management of 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 to the financial statements.

Under the provisions of the Fourth Class County Code, the Controller is responsible for maintaining the financial reporting system. The Controller is the supervisor of the budget. He is also responsible for auditing and payment of all County bills. In Beaver County the Controller is responsible for the payroll function as well. The Controller sits on many boards in an administrative capacity. As supervisor of the County 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 in late summer with each department receiving a budget request form to formally request operating allocations for the next 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 meetings that may be attended by the public. 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 adoption must be made a matter of public notice for at least ten days prior to the Commissioners' approval at a public meeting.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

FACTORS AFFECTING FINANCIAL CONDITION – (Continued)

The County is continuing to feel the affects of the downturn in the Airline Industry. One of the major area employers, USAirways, has been expressing a desire to leave the Pittsburgh International Airport as a HUB. They are becoming more regional in the Pittsburgh area and have drastically curtailed flights which has had a negative effect on the employment status of Beaver County.

LOCAL ECONOMY

Through the efforts of the Corporation of Economic Development, which is partially funded by the County, projects have been completed that enhance the Beaver County economy. Efforts are made to encourage diversified job creation and private investment. A summary of those activities and involved companies include those which are listed below.

The Corporation for Economic Development (CED) assists many qualifying businesses for loans to improve, expand or develop their operation that results in economic strength for Beaver County. One such effort was for Keystone Profiles, Ltd. which acquired the former Republic Steel Plant located in Beaver Falls, PA. Through the Pennsylvania Industrial Development Authority (PIDA), CED secured a \$240,000 loan for the company. The plant concentrates on engineered specialty products which consists of cold-drawn alloy and aircraft alloy rectangles and square bars, cold-drawn special shapes and grades of steel that require special applications. The firm has also expressed plans for future growth within the stainless steel, tool steel, and high-speed steel markets.

CED assisted Creekside Springs, a producer of bottled water, in obtaining a \$500,000 low interest loan through the Pennsylvania Department of Community and Economic Development (DCED). The company, located in Ambridge, PA manufactures spring and purified water by a process of reverse osmosis. The company projects to hire fifty (50) people to staff the Ambridge facility with expectations for additional hires in the future.

Service Link located in Hopewell Township has grown into one of the County's largest private employers with six hundred ninety (690) employees. Established in 1997, the company provides nationwide mortgage related services ranging from appraisals, title searches, real estate closings, and title insurance issuance. CED has approved a \$250,000 loan for the installation of an emergency generator to provide uninterrupted electricity supply critical to company operations.

The General Assembly of the state is projecting that in June of 2004 a bill will be passed that will legalize gambling within the Commonwealth of Pennsylvania. Beaver County is a leading contender for a gambling casino and harness racetrack if the bill is passed by legislation. This will have a very positive effect on employment and the tax base in the County.

LONG-TERM FINANCIAL PLANNING

In developing future economic strategies and potential prospects, we must make use of the natural resources that are available in Beaver County. One of the most prominent natural resources that Beaver County enjoys is its rivers. The County encourages and assists financially in the development of its riverfront for recreational, commercial, and residential use. The County also provides assistance through planning, tax incentives, marketing, and promotional activities.

The CED is in its 9th year of the Riverfront Development Program. The program encourages development of riverfronts along the Beaver and Ohio Rivers. The river communities involved in the program are Fallston, New Brighton, Bridgewater, Rochester Borough, Rochester Township, Beaver, Freedom, Greene Township and Monaca. The communities have formed an advisory committee which selects and prioritizes the projects to be developed by the program.

The Enterprise Zone (EZ program, which is a three party partnership between the Beaver County Board of Commissioners, the Corporation of Economic Development (CED), and eight municipalities within the County) provides the opportunity for continued growth and development. This program ended June 30, 2003 and CED is continuing to assist the county with the New Communities Program, a successor program to EZP.

In an effort to provide proactive, coordinated and comprehensive assistance to existing local industry, CED established the Beaver County Industrial Support Network (BCISN) as part of the Commonwealth's Team Pennsylvania program. The BCISN is an organized effort of eighteen (18) public and private groups involved in economic development. The group will provide annual on-site interviews with chief decision makers of local industry to develop a better understanding of Beaver County's industrial base and to attempt to address needs of local industry.

Another vehicle, established in an effort to ignite economic growth within the County, is the Beaver Initiative for Growth (BIG). BIG is an organization with 100 participants consisting of a variety of public agencies and private sector businesses. The group is committed to supporting long term economic development. This forum is responsible for promoting economic activity through open communications between the business community and government officials on federal, state and local levels. Through communication, business needs are discussed and legislation that may help to assist those needs and concerns is considered.

Combining efforts to accomplish a goal is key in developing quality economic strategies that are common to more than one county organization. The CED and Beaver County Industrial Development Authority (IDA) are in their eighth year of a joint management services agreement. The IDA has approved over \$1.1 million in tax-exempt financing during the past year through which PA bond financing was made available.

CERTIFICATE OF ACHIEVEMENT

The Beaver County Controller's Office was awarded the Certificate of Achievement for excellence in financial reporting by the Government Finance Officers Association (GFOA). The award was presented for the 2002 Comprehensive Annual Financial Report. It is given to those governmental units whose annual reports meet the program requirements and it is the highest award in government financial reporting. We are proud to have received such a prestigious award and continue to strive for reporting excellence in order to meet program standards. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

CONTROLLER'S CLOSING REMARKS

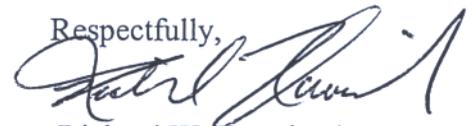
The information that is presented in this report reflects the unified effort of officials and administrators to provide the best possible services to the residents of Beaver County. By exercising prudent business practices and fiscally responsible decision-making, The County is able to offer many programs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

The County continues in its efforts to obtain federal funding and funding available through the Commonwealth of Pennsylvania for mandated programs and services.

ACKNOWLEDGMENTS

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 web site at <http://co.beaver.pa.us>.

Respectfully,



Richard W. Towcimak
Beaver County Controller

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, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



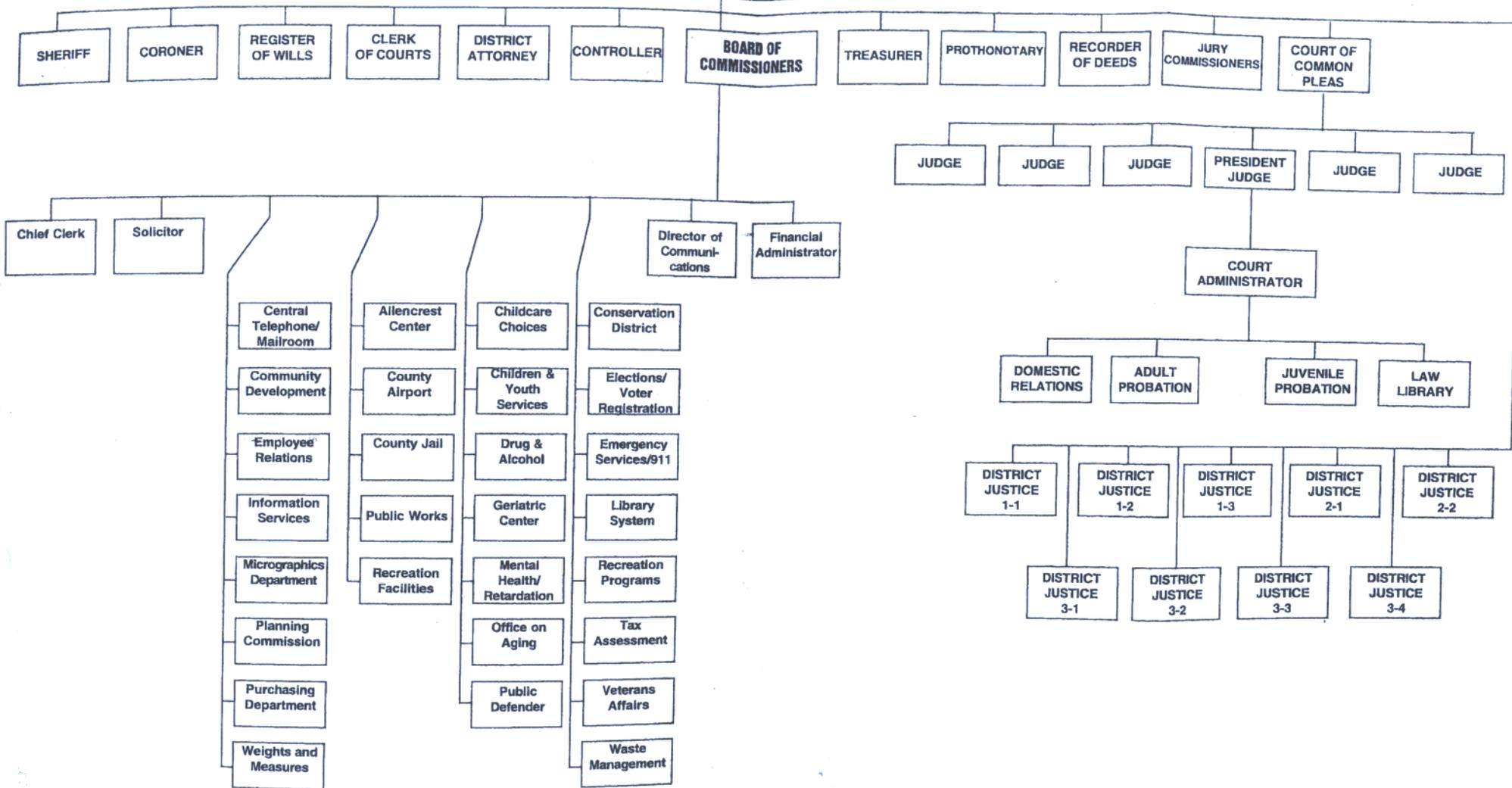
A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

ELECTORATE OF BEAVER COUNTY



**BEAVER COUNTY GOVERNMENT
ELECTED OFFICIALS**

BOARD OF COMMISSIONERS: DAN DONATELLA, CHAIRMAN
JOE SPANIK
CHARLES A. CAMP

CLERK OF COURTS: JUDY R. ENSLEN

CONTROLLER: RICHARD W. TOWCIMAK

CORONER: WAYNE N. TATALOVICH

DISTRICT ATTORNEY: DALE FOUSE

PROTHONOTARY: NANCY C. WERME

RECORDER OF DEEDS: JANICE JESCHKE BEALL

REGISTER OF WILLS: CAROL R. FIORUCCI

SHERIFF: FELIX A. DeLUCA, JR.

TREASURER: CONNIE T. JAVENS

JURY COMMISSIONERS: DOROTHY COLELLA
NANCY LOXLEY

COURT OF COMMON PLEAS: HON. ROBERT E. KUNSLEMAN
HON. JOHN D. McBRIDE
HON. GEORGE E. JAMES
HON. C. GUS KWIDIS
HON. RICHARD MANCINI
HON. JOHN P. DOHANICH

DISTRICT JUSTICES: HARRY E. KNAFELC 36-01-01
DONALD EILER 36-01-02
JAMES DiBENEDETTO 36-01-03
EDWARD C. HOWE 36-02-01
MARTIN V. SCHULTE 36-02-02
JOHN ARMOUR 36-03-01
C. DOUGLAS LOUGHNER 36-03-02
JANET SWIHART 36-03-04
JOSEPH ZUPSIC 36-03-03

DEPARTMENT MANAGERS

ADULT PROBATION	ED COLONNA
AIRPORT	BETH LaVALLE
ALLENCREST	ROBERT ROSE
ASSESSMENT/TAX CLAIM	MICHAEL KOHLMAN
FRIENDSHIP RIDGE	WILLIAM JUBECK*
CHIEF CLERK	JOANN CLARKE
CHILD CARE CHOICES	JOE PIROLI
COMMUNITY DEVELOPMENT	LISA SIGNORE (ACTING)
CONSERVATION DISTRICT	JOHN SCHERFEL
COURT ADMINISTRATOR	JOSEPH CABRAJA
DOMESTIC RELATIONS	JOE SIGNORE
ELECTIONS BUREAU	DORENE MANDITY
EMERGENCY SERVICES	WES HILL
FINANCIAL ADMINISTRATOR	ROB CYPHERT
DEPARTMENT OF PUBLIC WORKS	JAMES CAMP
HUMAN RESOURCES	RICHARD DARBUT
INFORMATION TECHNOLOGY	FRANK SIGNORE
JAIL WARDEN	WILLIAM SCHOUPPE
JUVENILE PROBATION	DEBORAH KUNSELMAN
LAW LIBRARY	BETTY DENGEL
LIBRARY COMMISSION	DIANE AMBROSE
MENTAL HEALTH/MENTAL RETARDATION	GERARD MIKE
MICROGRAPHICS	CHARLES HILT
OFFICE ON AGING	BRANDON JAMES
PLANNING COMMISSION	FRANK MANCINI
PUBLIC DEFENDER	JOSEPH BUDICAK
PURCHASING/MAILROOM	VACANT
RECREATION	TOM KING
VETERANS ADMINISTRATION	WILLIAM MUNS
VICTIM SERVICES	TERRY BRUCE
WASTE MANAGEMENT	CHARLES RAABE
WEIGHTS AND MEASURES	DAN SANTIA

* Contract with The Medical Center, Beaver.

ELECTED OFFICIALS

BOARD OF COMMISSIONERS

The Board of 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, accounts payable and payroll. In addition, the Controller sits on many 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, civil cases, filing financial statements, liens and 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.

ELECTED OFFICIALS – (Continued)

REGISTER OF WILLS

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

SHERIFF

The Sheriff is the chief law enforcement officer for the County.

TREASURER

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

JURY COMMISSIONERS

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

COURT OF COMMON PLEAS

There are six 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.

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 administrating state and federal grants that are received for such purposes.

AIRPORT

This department is responsible for the safe and efficient operation of the Beaver County Airport. This includes enforcing Federal Aviation Administration policies and administrating grants that are in effect for various airport projects.

ALLENCREST JUVENILE DETENTION CENTER

The center operates within guidelines as established by the court system pertaining to juveniles. This center houses and monitors juveniles while providing necessary counseling as required by the courts.

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.

CENTRAL TELEPHONE

This department is responsible for the maintenance and operation of the telephone communication system for the County. This department is under the management of the Chief Clerk.

CHIEF CLERK

The Chief Clerk is an administrative assistant to the Board of Commissioners.

CHILD CARE CHOICES

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.

DEPARTMENT DESCRIPTIONS - (Continued)

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.

CONSERVATION DISTRICT

The agency is responsible for environmental and soil erosion programs for the County. The agency is also responsible for the administration of grant programs awarded through Federal and Commonwealth governments.

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.

INFORMATION SERVICES

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.

DEPARTMENT OF PUBLIC WORKS

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

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.

DEPARTMENT DESCRIPTIONS - (Continued)

ELECTIONS BUREAU

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

EMERGENCY SERVICES

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.

FINANCIAL ADMINISTRATOR

This individual is responsible for the preparation of the County's budget.

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.

HUMAN RESOURCES

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

LAW DEPARTMENT

This department acts as general legal counsel for the County. They directly report to the Board of Commissioners but assist all county offices and departments with legal expertise.

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.

MAIL ROOM

This department is responsible for mail distribution for the County.

DEPARTMENT DESCRIPTIONS – (Continued)

MENTAL HEALTH/RETARDATION

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, mental retardation, 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

This department provides microfilming services and record assistance to all Beaver County offices.

OFFICE ON AGING

This agency is responsible for administrating 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 governments.

PUBLIC DEFENDER

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

PURCHASING

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

RECREATION AND TOURISM PROMOTION

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

DEPARTMENT DESCRIPTIONS - (Continued)

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.



June 15, 2004

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

P.O. BOX 10885
WHITEHALL TOWERS
470 STREETS RUN ROAD
PITTSBURGH, PA 15236-2023

TELEPHONE: (412) 881-4411
FAX: (412) 881-4421
WEB: WWW.CASESABATINI.COM

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaver County, Pennsylvania (the County) as of December 31, 2003, and for the year then ended, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component units' financial statements of the Beaver County Transit Authority and the Community College of Beaver County. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaver County Transit Authority and the Community College of Beaver County, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Beaver County, Pennsylvania as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A to the financial statements, the Community College of Beaver County has been added to the financial reporting entity as a discretely presented component unit.

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 15, 2004, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 20 through 32 and the respective budgetary comparisons for the general fund and major special revenue funds on pages 100 through 102 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparisons of the nonmajor special revenue funds and capital projects funds, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparisons of the nonmajor special revenue funds and capital projects funds have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Certified Public Accountants

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, 2003. 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

- The County's real property tax was maintained at 15.7 mills for a second consecutive year.
- Financial information for the Community College of Beaver County is presented along with the County's financial statements for the first time (Note A). The County helped fund the operations of the College by providing \$2.1 million during the year.
- The County owned nursing facility, Friendship Ridge, incurred a \$4 million loss during the year.
- In the face of continuing economic difficulties, tax revenues increased by approximately \$1.7 million.
- The County maintained an investment grade bond rating of AAA insured from Standard & Poor.
- Operating grants and contributions for governmental activities increased approximately \$7.2 million.
- Investment income for governmental and business-type activities decreased approximately \$0.55 million from the prior year and \$2.55 million from two years ago.

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 comprise 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 assets* provides information showing the status of the County's financial position at year-end. It reports the availability of assets for future use and is

an important management tool in financial planning. The statement distinguishes those assets used exclusively with regards to government operation versus those assets committed to the business operation of government.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes, earned but unused vacation leave, accrued interest on long-term debt, accrued payroll, and intergovernmental receivables.

Both of the 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, conservation, and human services. The business-type activities of the County are Friendship Ridge, Emergency Services, and Health Choices.

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 33-36 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.

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, a statement is presented that provides a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains sixteen individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balance for the General Fund, Mental Health / Mental Retardation, Children & Youth, and the 1996 Bond Issue, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The County adopts an annual appropriated budget for its governmental funds.

The basic governmental funds financial statements can be found on pages 37-42 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 enterprise funds to account for Friendship Ridge, Emergency Services, and Health Choices. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The County uses an internal service fund to account for the medical benefits of the County's employees. 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 the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Friendship Ridge and for Health Choices, both of which are considered to be major funds of the County, and for Emergency Services, which is a non-major fund. The proprietary funds' financial statements also provide separate information for the County's internal service fund.

The basic proprietary funds' financial statements can be found on pages 43-48 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are not reflected in the government-wide financial 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 49-50 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 51-98 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 statements for the general fund and major special revenue funds which have been provided to demonstrate compliance with the budget.

Required supplementary information can be found on pages 99-103 of this report.

The combining schedules referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Combining and individual fund schedules can be found on pages 104-147 of this report.

Government-wide Financial Analysis

This analysis focuses on the Primary Government (see above). Separate financial statements for the County's component units, including their management's discussion and analysis, can be obtained from the component units at the addresses disclosed in Note A.

Analysis of Net Assets

Net assets are a useful indicator of a government's financial position. For the County, total assets exceeded liabilities by \$23,902,685 and \$38,860,639 at December 31, 2003 and 2002, respectively.

County of Beaver's Statement of Net Assets
(in thousands)

The following is a summary of the County's Statement of Net Assets as of December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<i>Assets:</i>						
Current and Other Assets	\$ 24,375	\$ 34,270	\$ 20,174	\$ 28,013	\$44,549	\$ 62,283
Capital Assets	<u>76,077</u>	<u>76,770</u>	<u>13,498</u>	<u>13,436</u>	<u>89,575</u>	<u>90,206</u>
	100,452	111,040	33,672	41,449	134,124	152,489
<i>Liabilities:</i>						
Long-Term Liabilities Outstanding	85,056	86,813	6,019	5,162	91,075	91,975
Other Liabilities	<u>13,394</u>	<u>16,523</u>	<u>5,752</u>	<u>5,130</u>	<u>19,146</u>	<u>21,653</u>
	98,450	103,336	11,771	10,292	110,221	113,628
<i>Net Assets:</i>						
Invested in Capital Assets, net of related debt	1,138	3,204	8,882	8,274	10,020	11,478
Restricted		-	7,128	11,902	7,128	11,902
Unrestricted	<u>864</u>	<u>4,500</u>	<u>5,891</u>	<u>10,981</u>	<u>6,755</u>	<u>15,481</u>
	<u>\$ 2,002</u>	<u>\$ 7,704</u>	<u>\$ 21,901</u>	<u>\$ 31,157</u>	<u>\$ 23,903</u>	<u>\$ 38,861</u>

A significant portion of net assets are largely restricted for specific legal purposes in the HealthChoices program

Changes in Net Assets

The County's net assets decreased by \$14,957,954 and \$9,977,755 for the years ended December 31, 2003 and 2002, respectively. The mix of County revenues remained essentially unchanged from 2002. Approximately 41% of the County's revenue came from grants and contributions, 38% for services provided, and 20% from taxes on real property. The corresponding figures for 2002 were 40%, 39%, and 20% respectively. The County's expenses cover a wide range of services. The largest share of expenses continues to be incurred for human services, HealthChoices and Friendship Ridge.

The following summarizes the County's Statement of Activities for the years ended December 31, 2003 and 2002.

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

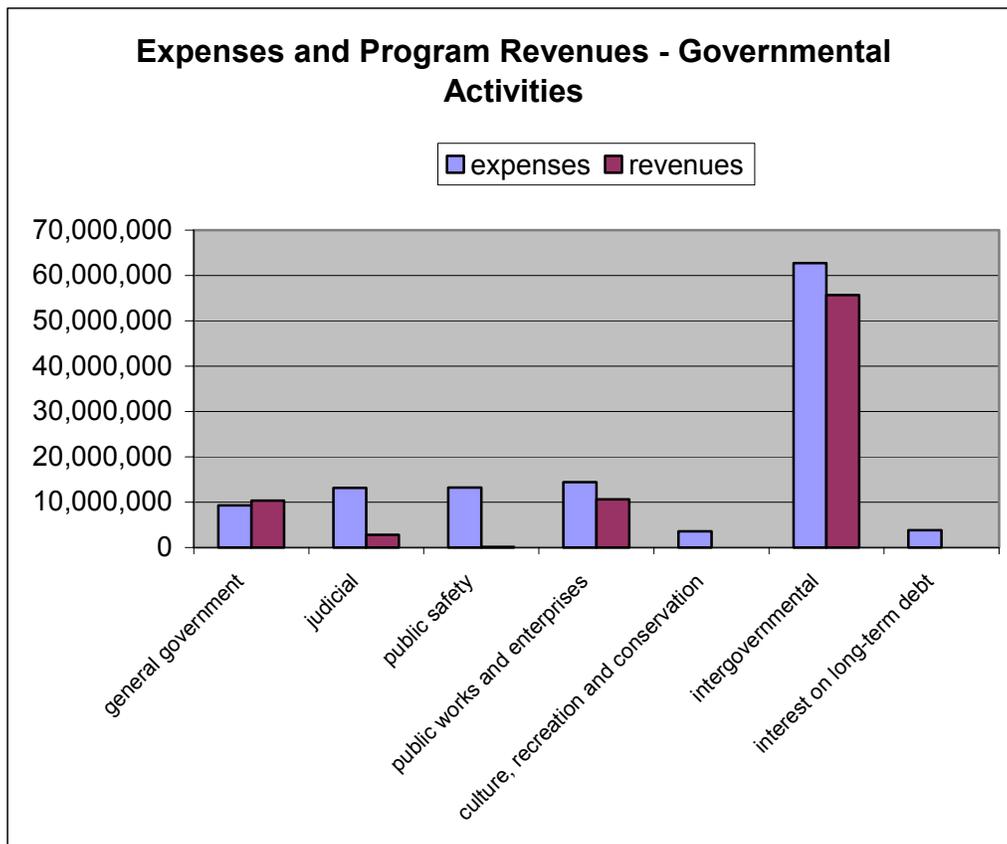
	Governmental Activities		Business-type Activities		Totals	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<i>Program Revenues:</i>						
Fees and Charges	\$ 10,460	\$ 9,940	\$ 53,300	\$ 51,766	\$ 63,760	\$ 61,706
Operating Grants and Contributions	70,376	63,124	-	-	70,376	63,124
<i>General Revenues:</i>			-			
Real Estate Taxes	32,829	31,173	-	-	32,829	31,173
Investment Income	987	1,344	146	340	1,133	1,684
Unrestricted Gifts	-	-	5	13	5	13
	114,652	105,581	53,451	52,119	168,103	157,700
<i>Program Expenses:</i>						
General Government	9,268	10,109	-	-	9,268	10,109
Judicial	13,136	12,259	-	-	13,136	12,259
Public Safety	13,236	11,841	-	-	13,236	11,841
Public Works and Enterprises	14,429	14,272	-	-	14,429	14,272
Culture, Recreation and Conservation	3,536	3,349	-	-	3,536	3,349
Human Services	61,905	56,843	-	-	61,905	56,843
Miscellaneous	795	593	-	-	795	593
Interest Expense	3,845	3,922	-	-	3,845	3,922
Friendship Ridge	-	-	45,551	41,826	45,551	41,826
Emergency Services	-	-	1,669	1,932	1,669	1,932
Health Choices	-	-	15,595	11,432	15,595	11,432
Total Expenses	120,150	113,188	62,815	55,190	182,965	168,378
Deficiency Before Other Items and Transfers	(5,498)	(7,607)	(9,364)	(3,071)	(14,862)	(10,678)
Gain (Loss) on Disposals	(96)	700	-	-	(96)	700
Transfers Out	(108)	(122)	-	-	(108)	(122)
Transfers In	-	-	108	122	108	122
Change in Net Assets	(5,702)	(7,029)	(9,256)	(2,949)	(14,958)	(9,978)
Net Assets – Beginning	7,704	14,733	31,157	34,106	38,861	48,839
Net Assets – Ending	<u>\$ 2,002</u>	<u>\$ 7,704</u>	<u>\$ 21,901</u>	<u>\$ 31,157</u>	<u>\$ 23,903</u>	<u>\$ 38,861</u>

Analysis of Changes in Net Assets

The County's net assets decreased by \$14,957,954 and \$9,977,755 for the years ended December 31, 2003 and 2002, respectively. This decrease is explained in the governmental and business-type activities discussion below.

Governmental Activities

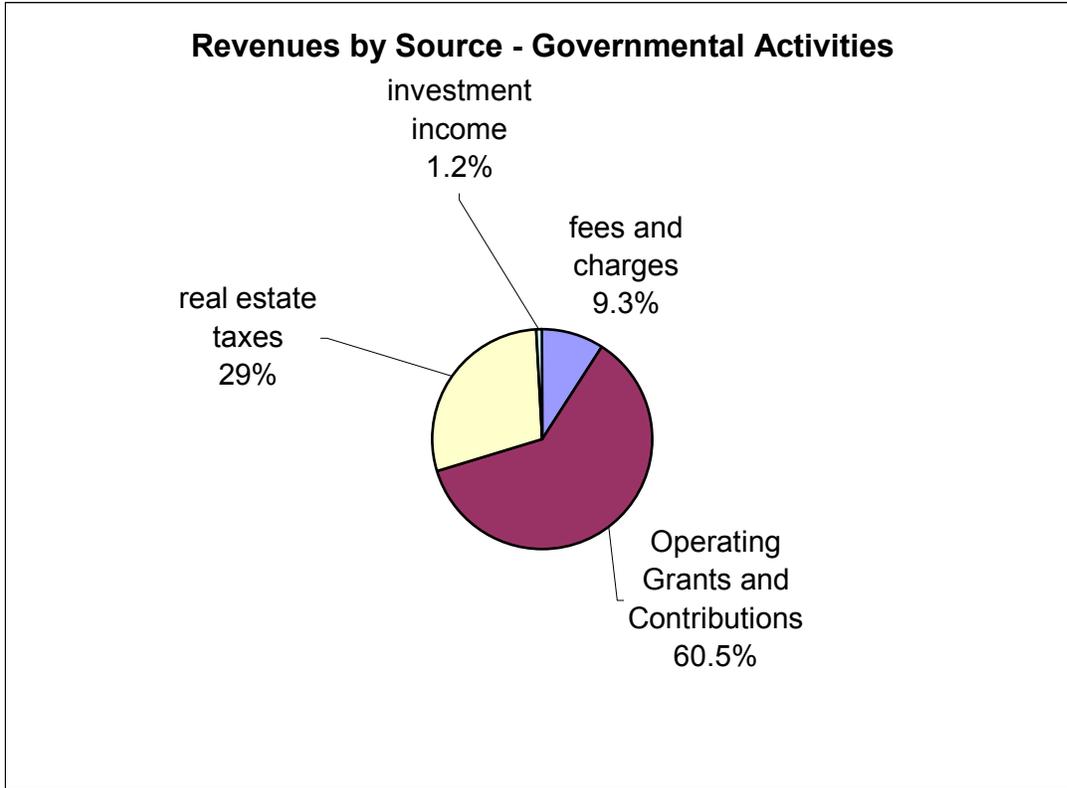
Governmental Activities decreased the County's net assets by \$5,701,847. Key elements of the decrease are a result of lower investment income and higher expenses for providing public safety and human services.



Increased salaries and responsibilities lead to an increase in the expenses net of revenues for the public safety function. Expenditures increased by \$1.39 million while revenues declined slightly.

In the human services function, increases in revenue of \$5.44 million were not enough to cover the increases in expense of \$5.06 million due to increased demand for services.

Due to declining interest rates, investment income fell approximately \$0.4 million during 2003.



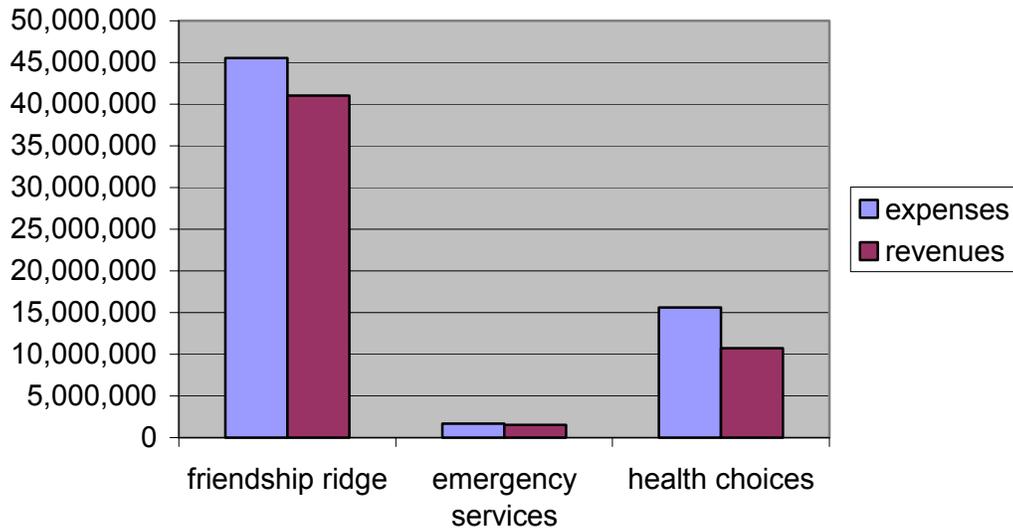
Business-type Activities

Business-type activities decreased the County’s net assets by \$9,256,107 for the year ended December 31, 2003. The two major enterprise funds, HealthChoices and Friendship Ridge, each experienced decreases in net assets of over \$4.3 million.

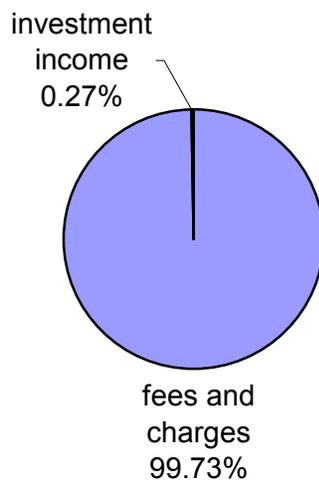
The decrease in net assets for the HealthChoices program is due to an increase in demand for the services of this program without a corresponding increase in revenues and the expenditure of funds within approved reinvestment plans. The Commonwealth of Pennsylvania provides revenue for this program based on fixed rates which are dependent on the number of County residents enrolled in the program. Enrollment was largely unchanged during 2003.

Friendship Ridge incurred a loss for the second year in a row due primarily to continued pressure by the Federal Government to cut back on Medicare/Medicaid costs despite the increasing costs of providing medical services.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



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, unreserved 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, 2003, the County's Governmental Funds reported a combined ending fund balance of \$12,437,433, a decrease of \$5,440,823 in comparison to the previous year. \$11,735,229 of this total amount or 94% represents unreserved fund balance, which is available for spending at the County's discretion in the coming year.

The General Fund is the main operating fund for the County. Its fund balance decreased by approximately \$1 million during 2003 and \$1.5 million during 2002. This improvement was due to an increase in revenues of \$3.11 million and continuing efforts to control expenditures. The General Fund is discussed in more detail in the General Fund budgetary highlights section (see below).

The Mental Health / Mental Retardation fund decreased by approximately \$.35 million during 2003 and \$0.86 million during 2002. Intergovernmental revenues were less than budgeted amounts and it failed to keep pace with service costs. The County anticipates that the fund's current decrease will be recaptured during the coming year once the County is able to recognize revenues currently deferred.

The Children & Youth fund increased by \$0.5 million during 2003 as compared to a decrease of \$0.76 million during the prior year. This increase was primarily due to timing differences in intergovernmental revenues. The Children & Youth fund had a fund balance of \$0.81 million at December 31, 2003.

During 2003, the County continued to spend down the balance of the 1996 Bond Issue fund. The fund decreased by \$4.76 million during 2003 as compared to \$4.87 million during the prior year. The County had \$3.73 million in unreserved fund balance to spend on capital projects as of December 31, 2003.

The County's numerous nonmajor funds experienced a decrease in fund balance of \$0.46 million and \$0.69 million during 2003 and 2002, respectively. The main source of this decrease during the current year was the continued spending of the balances in the nonmajor capital project funds.

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 the changes in net assets for business-type activities for a discussion of Friendship Ridge and the Health Choices program.

Fiduciary Funds

The County maintains Fiduciary Funds for the Pension Trust Fund and several agency funds. Net assets of the Pension Trust Fund increased by \$23,791,435 as compared to a decrease of \$7,265,002 during 2002. The increase during the current year was due in large part to increases in the fair value of investments and the County's contribution pursuant to its fiduciary responsibilities.

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 increased by \$0.96 million from the original budget primarily due to an increase in intergovernmental revenues. These changes in intergovernmental revenues were due to grant awards that were received but not anticipated at the time the original budget was approved.

The General Fund's budgeted expenses were increased by \$3.15 million from the original budget during the year. The main explanation for this increase was the increase in health costs. As explained more fully in Note L, the County pays most medical expenses for its employees directly. As medical costs rise, the County must increase the budget to reflect the increased cost of this employee benefit. The following table summarizes the difference in Salaries and Benefits by function between the original and final budget.

<i>Function</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Difference</i>
General Government	\$ 6,626,175	\$ 7,015,955	\$ 389,780
Judicial	8,004,201	8,577,344	573,143
Public Safety	11,576,418	12,449,847	873,429
Public Works	2,448,612	2,620,045	171,433
Culture, Recreation and Conservation	1,633,013	1,796,184	163,171
Human Services	-	-	-
TOTAL	\$ 30,288,419	\$ 32,459,375	\$ 2,170,956

While the Human Services function has no expenditures for salaries, the original budget for this function was increased by \$0.8 million due to additional amounts due for the required County match of certain Federal and State grants and additional amounts paid to the Beaver County Transit Authority.

In reviewing the General Fund budget, there are differences between actual amounts and those budgeted that are due to various business and economic factors within the County. General Fund expenses ended approximately \$4.1 million under budget. The County had operated fiscally prudent with each department manager monitoring employee expenses (overtime, travel), delaying major purchases, and imposing a freeze on job creation. The net result was a savings which enabled the County not to raise taxes for 2003. The current millage for Beaver County is 15.7.

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

What follows is a summary of the County's capital assets as of December 31, 2003 and 2002.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Land	\$ 1,874	\$ 1,874	\$ 42	\$ 42	\$ 1,916	\$ 1,916
Buildings and Improvements	68,322	68,981	4,724	3,516	73,046	72,497
Vehicles	415	259	-	-	415	259
Furniture and Equipment	3,980	4,387	8,732	9,878	12,712	14,265
Infrastructure	<u>1,486</u>	<u>1,269</u>	<u>-</u>	<u>-</u>	<u>1,486</u>	<u>1,269</u>
Total	<u>\$76,077</u>	<u>\$76,770</u>	<u>\$ 13,498</u>	<u>\$ 13,436</u>	<u>\$ 89,575</u>	<u>\$ 90,206</u>

Additional information on the County's capital assets can be found in Note F on pages 76-79 of this report.

Outstanding Debt, at Year End

The County continued to make principal and interest payments on its existing long-term debt as scheduled. During 2003, the County issued two bond issues, \$5,375,000 in General Obligation Refunding Notes, Series A of 2003 and \$1,405,000 in General Obligation Bonds, Series B of 2003. The Series A Notes were issued for the purpose of refunding a prior bond issue. By refunding the prior bond issue, the County was available to obtain a lower interest rate on its debt and improve cash flow during 2003. The Series B Bonds were issued for the purpose of making capital improvements at Friendship Ridge. Refer to Note J for further details.

Here is a summary of the County's long-term debt at December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Governmental activities		
General obligation debt	\$70,463,893	\$70,876,859
Other long-term debt	<u>4,180,000</u>	<u>4,325,000</u>
Governmental activities	74,643,893	75,201,859
Business-type activities	<u>6,018,792</u>	<u>5,170,000</u>
Total	<u>\$ 80,662,685</u>	<u>\$ 80,371,859</u>

The County's general obligation bond rating is 'AAA' insured from Standard and Poor. More detailed information about the County's long-term liabilities can be found in Note J on pages 86-94 of this report.

Economic Factors

The County has suffered significant losses in employment with the downsizing of USAirways. USAirways is the largest employer for Beaver County residents and is becoming a regional carrier. USAirways will no longer have Pittsburgh International as a HUB. Therefore, we are expecting further job losses for County residents.

Beaver County has been able to maintain a steady millage rate for two consecutive years and still maintain a positive fund balance without curtailing services to County residents. The Commissioners and elected officials continue to market Beaver County to entice tourists to visit the area and businesses to locate within the area.

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 the government's finances. 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

County of Beaver, Pennsylvania

**STATEMENT OF NET ASSETS
December 31, 2003 or June 30, 2003**

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 9,641,321	\$ 6,602,670	\$ 16,243,991
Restricted Cash	-	4,100,079	4,100,079
Investments	5,764,308	2,437,907	8,202,215
Receivables	8,119,747	6,523,928	14,643,675
Internal Balances	367,410	(367,410)	-
Supplies	-	193,276	193,276
Prepaid Expenses	71,847	268,366	340,213
Other Assets	409,979	415,248	825,227
Land	1,874,354	42,075	1,916,429
Buildings and Improvements	82,471,611	10,626,894	93,098,505
Vehicles	2,417,629	-	2,417,629
Furniture and Equipment	12,646,006	27,170,679	39,816,685
Infrastructure	1,527,086	-	1,527,086
Accumulated Depreciation	<u>(24,859,618)</u>	<u>(24,342,143)</u>	<u>(49,201,761)</u>
TOTAL ASSETS	<u>\$ 100,451,680</u>	<u>\$ 33,671,569</u>	<u>\$ 134,123,249</u>
LIABILITIES			
Accounts Payable and Other			
Current Liabilities			
Accounts Payable	\$ 7,541,335	\$ 1,900,244	\$ 9,441,579
Internal Balances	-	-	-
Compensated Absences	1,994,034	400,000	2,394,034
Accrued Interest	870,301	90,243	960,544
Accrued Other Liabilities	1,254,035	1,005,736	2,259,771
Resident Funds	-	260,488	260,488
Deferred Revenues	952,447	39,528	991,975
Accrued Healthcare Costs	782,250	2,055,527	2,837,777
Noncurrent Liabilities			
Due within one year	2,423,425	530,000	2,953,425
Due in more than one year	<u>82,632,179</u>	<u>5,488,792</u>	<u>88,120,971</u>
TOTAL LIABILITIES	<u>\$ 98,450,006</u>	<u>\$ 11,770,558</u>	<u>\$ 110,220,564</u>
NET ASSETS			
Invested in Capital Assets net of related debt	\$ 1,137,967	\$ 8,882,470	\$ 10,020,437
Restricted for:			
Restricted Fund	-	1,500,000	1,500,000
Risk and Contingency	-	2,500,000	2,500,000
Reinvestment	-	3,127,610	3,127,610
Unrestricted	<u>863,707</u>	<u>5,890,931</u>	<u>6,754,638</u>
TOTAL NET ASSETS	<u>\$ 2,001,674</u>	<u>\$ 21,901,011</u>	<u>\$ 23,902,685</u>

Component Units	
Beaver County Transit Authority as of June 30, 2003	Community College of Beaver County as of June 30, 2003
\$ 212,624	\$ 1,723,953
310,000	-
-	199,110
3,155,905	2,428,629
-	-
115,191	188,511
105,471	82,152
-	228,625
3,286,121	1,018,799
14,057,066	17,359,177
9,090,160	102,152
1,275,254	4,189,161
-	-
<u>(6,370,966)</u>	<u>(13,776,157)</u>
<u>\$ 25,236,826</u>	<u>\$ 13,744,112</u>
\$ 211,289	\$ 948,505
-	-
-	613,503
-	35,340
157,976	1,195,350
-	-
1,476,022	1,408,831
-	-
1,000,000	540,058
-	7,275,734
<u>\$ 2,845,287</u>	<u>\$ 12,017,321</u>
\$ 19,268,939	\$ 1,920,162
-	144,840
-	-
-	-
1,054,247	(338,211)
<u>\$ 20,323,186</u>	<u>\$ 1,726,791</u>

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

County of Beaver, Pennsylvania

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2003 or June 30, 2003

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Fees and Charges	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 9,267,579	\$ 6,458,387	\$ 3,911,642	\$ -
Judicial	13,136,088	275,774	2,525,688	-
Public Safety	13,236,526	1,790	108,350	-
Public Works and Enterprises	14,428,990	648,922	9,955,188	-
Culture, Recreation and Conservation	3,536,393	-	-	-
Intergovernmental				
Human Services	61,905,388	1,394,925	53,875,048	-
Miscellaneous	795,143	1,681,590	-	-
Interest Expense	3,845,322	-	-	-
Total Governmental Activities	<u>120,151,429</u>	<u>10,461,388</u>	<u>70,375,916</u>	<u>-</u>
Business-Type Activities				
Friendship Ridge	45,550,629	41,044,373	-	-
Emergency Services	1,668,613	1,512,831	-	-
Health Choices	15,595,080	10,742,058	-	-
Total Business-Type Activities	<u>62,814,322</u>	<u>53,299,262</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 182,965,751</u>	<u>\$ 63,760,650</u>	<u>\$ 70,375,916</u>	<u>\$ -</u>
Componet Units:				
Beaver County Transit Authority	8,700,331	2,760,940	4,379,269	315,573
Community College of Beaver County	22,762,721	15,750,882	6,907,722	-
TOTAL COMPONENT UNITS	<u>\$ 31,463,052</u>	<u>\$ 18,511,822</u>	<u>\$ 11,286,991</u>	<u>\$ 315,573</u>

General Revenues:
 Real Estate Taxes
 Investment Income
 Unrestricted Gifts
 Loss on Disposals
 Transfers Out
 Transfers In

Total General Revenues
 and Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

Net (Expenses) Revenues and Change in Net Assets			Component Units	
Primary Government			Beaver County Transit Authority for the year ended June 30, 2003	Community College of Beaver County for the year ended June 30, 2003
Governmental Activities	Business-type Activities	Total		
\$ 1,102,450	\$ -	\$ 1,102,450	\$ -	\$ -
(10,334,626)	-	(10,334,626)	-	-
(13,126,386)	-	(13,126,386)	-	-
(3,824,880)	-	(3,824,880)	-	-
(3,536,393)	-	(3,536,393)	-	-
(6,635,415)	-	(6,635,415)	-	-
886,447	-	886,447	-	-
(3,845,322)	-	(3,845,322)	-	-
<u>(39,314,125)</u>	<u>-</u>	<u>(39,314,125)</u>	<u>-</u>	<u>-</u>
-	(4,506,256)	(4,506,256)	-	-
-	(155,782)	(155,782)	-	-
-	(4,853,022)	(4,853,022)	-	-
<u>-</u>	<u>(9,515,060)</u>	<u>(9,515,060)</u>	<u>-</u>	<u>-</u>
<u>\$ (39,314,125)</u>	<u>\$ (9,515,060)</u>	<u>\$ (48,829,185)</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	(1,244,549)	-
-	-	-	-	(104,117)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,244,549)</u>	<u>\$ (104,117)</u>
32,828,964	-	32,828,964	-	-
987,180	145,763	1,132,943	2,033	38,433
-	5,050	5,050	-	-
(95,726)	-	(95,726)	-	-
(108,140)	-	(108,140)	-	-
<u>-</u>	<u>108,140</u>	<u>108,140</u>	<u>-</u>	<u>-</u>
33,612,278	258,953	33,871,231	2,033	38,433
(5,701,847)	(9,256,107)	(14,957,954)	(1,242,516)	(65,684)
<u>7,703,521</u>	<u>31,157,118</u>	<u>38,860,639</u>	<u>21,565,702</u>	<u>1,792,475</u>
<u>\$ 2,001,674</u>	<u>\$ 21,901,011</u>	<u>\$ 23,902,685</u>	<u>\$ 20,323,186</u>	<u>\$ 1,726,791</u>

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

County of Beaver, Pennsylvania

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2003**

	<u>General</u>	<u>Mental Health/ Mental Retardation</u>	<u>Children & Youth</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,249,248	\$ 3,109,217	\$ 439,571
Investments	742,727	-	-
Prepaid Other	-	15,346	16,871
Receivables	3,456,630	529,373	2,219,410
Due From Other Funds	<u>2,390,825</u>	<u>400,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 7,839,430</u>	<u>\$ 4,053,936</u>	<u>\$ 2,675,852</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,926,222	\$ 3,115,499	\$ 544,862
Due to Other Funds	400,000	84,152	1,323,243
Accrued Wages and Payroll Costs	1,125,496	-	-
Accrued Other Liabilites	128,539	-	-
Deferred Revenues	<u>2,237,198</u>	<u>574,723</u>	<u>-</u>
TOTAL LIABILITIES	5,817,455	3,774,374	1,868,105
FUND BALANCES			
Reserved for Encumbrances	191,216	31,931	25,365
Unreserved, Undesignated			
General Fund	1,830,759	-	-
Special Revenue Funds	-	247,631	782,382
Capital Projects Funds	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>2,021,975</u>	<u>279,562</u>	<u>807,747</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,839,430</u>	<u>\$ 4,053,936</u>	<u>\$ 2,675,852</u>

1996 Bond Issue	Other Governmental Funds	Total Governmental Fund
\$ 23,537	\$ 4,790,376	\$ 9,611,949
4,637,903	383,014	5,763,644
-	15,016	47,233
-	1,406,477	7,611,890
-	-	2,790,825
<u>\$ 4,661,440</u>	<u>\$ 6,594,883</u>	<u>\$ 25,825,541</u>
\$ 553,030	\$ 1,252,785	\$ 7,392,398
-	370,020	2,177,415
-	-	1,125,496
-	-	128,539
-	377,724	3,189,645
553,030	2,000,529	14,013,493
376,873	76,819	702,204
-	-	1,830,759
-	4,140,362	5,170,375
3,731,537	377,173	4,108,710
<u>4,108,410</u>	<u>4,594,354</u>	<u>11,812,048</u>
<u>\$ 4,661,440</u>	<u>\$ 6,594,883</u>	<u>\$ 25,825,541</u>

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 ASSETS
December 31, 2003**

		Total Governmental Fund
TOTAL FUND BALANCES		\$ 11,812,048
Expenditures of the current period which benefit future periods are reported as prepaid expense in the statement of net assets.		24,614
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds.		2,237,198
Receivables for intergovernmental revenue not available to pay for current period expenditures, and, therefore are not recognized in the funds.		260,976
Costs associated with the issuance of bonds are deferred in the statement of net assets and reported as Other Assets, net of accumulated amortization.		409,979
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Land	\$ 1,874,354	
Buildings and improvements	82,471,611	
Vehicles	2,417,629	
Furniture and equipment	12,646,006	
Infrastructure	1,527,086	
Accumulated depreciation	(24,859,618)	76,077,068
Accrued interest and accrued vacation payable are not recognized in governmental funds.		
Accrued interest payable	(870,301)	
Accrued vacation payable	(1,994,034)	(2,864,335)
Noncurrent liabilities not due and payable in the current period, and therefore, not reported in the funds. Those liabilities consist of:		
General obligation bonds payable	(70,463,893)	
Other general long-term liabilities - PFA Series 2002 Bonds	(4,180,000)	
Capital lease obligations	(8,539,189)	
Swaption	(1,511,500)	
Accrued sick payable	(361,022)	(85,055,604)
An internal service fund is used by management to account for medical benefits of the County employees. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.		(900,270)
NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$ 2,001,674

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

County of Beaver, Pennsylvania

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2003**

	<u>General</u>	<u>Mental Health/ Mental Retardation</u>	<u>Children & Youth</u>
REVENUES			
Real Estate Taxes	\$ 32,798,112	\$ -	\$ -
Licenses and Permits	120,258	-	-
Interest and Rents	743,509	65,217	16,997
Intergovernmental Revenues	3,822,542	28,637,659	14,441,876
Charges for Services and Facilities	6,190,617	-	-
Project Income	147,512	986,910	272,141
Miscellaneous	<u>1,557,190</u>	<u>113,946</u>	<u>102</u>
TOTAL REVENUES	45,379,740	29,803,732	14,731,116
EXPENDITURES			
Current			
General Government	9,004,269	-	-
Judicial	9,600,952	-	-
Public Safety	12,046,676	-	-
Public Works and Enterprises	3,601,430	-	-
Culture, Recreation and Conservation	3,250,341	-	-
Intergovernmental			
Human Services	6,603,949	29,945,592	14,031,952
Miscellaneous	795,143	-	-
Debt Service			
Principal	801,544	-	-
Interest	534,675	-	-
Bond issuance costs	92,282	-	-
Capital Outlay			
Infrastructure	57,697	-	-
Capital Asset Acquisition and Improvements	<u>187,645</u>	<u>207,240</u>	<u>202,066</u>
TOTAL EXPENDITURES	<u>46,576,603</u>	<u>30,152,832</u>	<u>14,234,018</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,196,863)	(349,100)	497,098
OTHER FINANCING SOURCES (USES)			
Proceeds of refunding bonds	5,375,000	-	-
Payment to refunded bonds escrow agent	(5,132,414)	-	-
Original issue discount - refunding issue	(10,737)	-	-
Transfers from Other Funds	107,439	-	-
Transfers to Other Funds	<u>(132,092)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>207,196</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(989,667)	(349,100)	497,098
Fund Balance - Beginning	<u>3,011,642</u>	<u>628,662</u>	<u>310,649</u>
Fund Balance - Ending	<u>\$ 2,021,975</u>	<u>\$ 279,562</u>	<u>\$ 807,747</u>

1996 Bond Issue	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 32,798,112
-	-	120,258
85,496	73,196	984,415
371,607	22,752,156	70,025,840
-	-	6,190,617
-	1,151,460	2,558,023
-	10,279	1,681,517
457,103	23,987,091	114,358,782
-	21,903	9,026,172
-	2,956,584	12,557,536
-	130,185	12,176,861
136,839	9,928,010	13,666,279
-	-	3,250,341
-	10,487,301	61,068,794
-	-	795,143
-	-	801,544
3,148,994	194,600	3,878,269
-	-	92,282
50,932	136,689	245,318
1,879,197	514,312	2,990,460
5,215,962	24,369,584	120,548,999
(4,758,859)	(382,493)	(6,190,217)
-	-	5,375,000
-	-	(5,132,414)
-	-	(10,737)
-	23,952	131,391
-	(107,439)	(239,531)
-	(83,487)	123,709
(4,758,859)	(465,980)	(6,066,508)
8,867,269	5,060,334	17,878,556
<u>\$ 4,108,410</u>	<u>\$ 4,594,354</u>	<u>\$ 11,812,048</u>

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 BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2003**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ (6,066,508)
Some expenditures in governmental funds benefit future periods, and therefore, are not reported as expenditures in the statement of activities.		833
Revenue timing differences resulted in greater revenue for real estate taxes in the statement of activities.		30,852
Government funds report the effect of issuance costs when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.		(48,248)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		260,976
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	\$ 3,235,778	
Depreciation expense	<u>(3,832,761)</u>	(596,983)
2. The effect of the disposal of capital assets is to decrease net assets by the net book value of the disposed assets.		(95,726)
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 governmental funds.		
Changes in accrued interest payable	44,676	
Changes in accrued vacation payable	<u>(109,495)</u>	(64,819)
The difference due to Non-current liabilities are:		
1. 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.		
Bond principal payments	801,544	
Capital lease obligation payments	160,615	
Proceeds of long-term debt issue	(5,375,000)	
Payment to refunded bond escrow agent	<u>5,132,414</u>	719,573
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.		
Original issue discount - refunding bonds	10,737	
Amortization of original issue discount - refunding bonds	(1,023)	
Loss on refunding issue	<u>(10,706)</u>	(992)
3. The expense for sick leave does not require the use of current financial resources. Accrued sick leave is reported as a non-current liability in the statement of net assets.		1,038,978
An internal service fund is used by management to account for medical benefits of the County employees. The net loss of the activity of the internal service is reported with governmental activities.		<u>(879,783)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ (5,701,847)</u>

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

County of Beaver, Pennsylvania

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2003**

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services 911	Totals	Internal Service Fund Risk Management Fund
ASSETS					
Current assets:					
Cash and Cash Equivalents	\$ 1,595,262	\$ 4,638,329	\$ 369,079	\$ 6,602,670	\$ 29,372
Restricted Cash	260,488	3,839,591	-	4,100,079	-
Receivables	6,382,848	7,975	133,105	6,523,928	246,881
Supplies	193,276	-	-	193,276	-
Prepaid Expenses	39,112	229,254	-	268,366	-
Total current assets	<u>8,470,986</u>	<u>8,715,149</u>	<u>502,184</u>	<u>17,688,319</u>	<u>276,253</u>
Non-current assets:					
Investments	2,437,907	-	-	2,437,907	664
Land	42,075	-	-	42,075	-
Buildings and Improvements	10,626,894	-	-	10,626,894	-
Furniture and Equipment	25,092,391	104,869	1,973,419	27,170,679	-
Less Accumulated Depreciation	(22,737,155)	(36,037)	(1,568,951)	(24,342,143)	-
Other Assets	415,248	-	-	415,248	-
Total non-current assets	<u>15,877,360</u>	<u>68,832</u>	<u>404,468</u>	<u>16,350,660</u>	<u>664</u>
TOTAL ASSETS	<u>\$ 24,348,346</u>	<u>\$ 8,783,981</u>	<u>\$ 906,652</u>	<u>\$ 34,038,979</u>	<u>\$ 276,917</u>
LIABILITIES					
Current liabilities:					
Accounts Payable	\$ 1,879,507	\$ 20,483	\$ 254	\$ 1,900,244	\$ 148,937
Compensated Absences	400,000	-	-	400,000	-
Due to Other Funds	-	10,443	356,967	367,410	246,000
Accrued Interest	90,243	-	-	90,243	-
Accrued Other Liabilities	874,123	131,613	-	1,005,736	-
Resident Funds	260,488	-	-	260,488	-
Deferred Revenues	39,528	-	-	39,528	-
Accrued Healthcare Costs	630,527	1,425,000	-	2,055,527	782,250
Bonds Payable	530,000	-	-	530,000	-
Total current liabilities	<u>4,704,416</u>	<u>1,587,539</u>	<u>357,221</u>	<u>6,649,176</u>	<u>1,177,187</u>
Long-term liabilities:					
Bonds Payable	5,488,792	-	-	5,488,792	-
TOTAL LIABILITIES	<u>10,193,208</u>	<u>1,587,539</u>	<u>357,221</u>	<u>12,137,968</u>	<u>1,177,187</u>
NET ASSETS					
Invested in Capital Assets, net of related debt	8,409,169	68,832	404,469	8,882,470	-
Restricted					
Reserve for Restricted Fund	-	1,500,000	-	1,500,000	-
Reserve for Risk and Contingency	-	2,500,000	-	2,500,000	-
Reserve for Reinvestment	-	3,127,610	-	3,127,610	-
Unrestricted	<u>5,745,969</u>	<u>-</u>	<u>144,962</u>	<u>5,890,931</u>	<u>(900,270)</u>
TOTAL NET ASSETS	<u>\$ 14,155,138</u>	<u>\$ 7,196,442</u>	<u>\$ 549,431</u>	<u>\$ 21,901,011</u>	<u>\$ (900,270)</u>

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

County of Beaver, Pennsylvania

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2003

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Friendship Ridge</u>	<u>Health Choices</u>	<u>Other - Non Major Fund Emergency Services 911</u>	<u>Totals</u>	<u>Risk Management Fund</u>
OPERATING REVENUES					
Charges for Services	\$ 41,044,373	\$ 10,742,058	\$ 1,512,831	\$ 53,299,262	\$ 5,844,591
OPERATING EXPENSES					
Costs of Services	41,834,995	14,103,564	340,460	56,279,019	5,766,281
Administrative	2,042,550	1,474,643	1,130,720	4,647,913	960,858
Depreciation	1,443,838	16,873	196,409	1,657,120	-
Total Operating Expenses	<u>45,321,383</u>	<u>15,595,080</u>	<u>1,667,589</u>	<u>62,584,052</u>	<u>6,727,139</u>
OPERATING (LOSS)	(4,277,010)	(4,853,022)	(154,758)	(9,284,790)	(882,548)
NON-OPERATING REVENUE/(EXPENSES)					
Debt Service Interest	(229,246)	-	(1,024)	(230,270)	-
Unrestricted Gifts	5,050	-	-	5,050	-
Investment Income	55,960	85,989	3,814	145,763	2,765
Total Non-Operating Revenue (Expense)	<u>(168,236)</u>	<u>85,989</u>	<u>2,790</u>	<u>(79,457)</u>	<u>2,765</u>
Income (Loss) Before Transfers	(4,445,246)	(4,767,033)	(151,968)	(9,364,247)	(879,783)
Transfers In	108,140	-	-	108,140	-
Change in net assets	(4,337,106)	(4,767,033)	(151,968)	(9,256,107)	(879,783)
Total net assets - beginning	<u>18,492,244</u>	<u>11,963,475</u>	<u>701,399</u>	<u>31,157,118</u>	<u>(20,487)</u>
TOTAL NET ASSETS - ENDING	<u>\$ 14,155,138</u>	<u>\$ 7,196,442</u>	<u>\$ 549,431</u>	<u>\$ 21,901,011</u>	<u>\$ (900,270)</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, 2003**

	Business-type Activities - Enterprise Funds		
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services
Cash Flows from Operating Activities:			
Receipts from customers	\$ 41,041,145	\$ 10,819,332	\$ 1,498,707
Other operating cash receipts	194,595	-	-
Cash payments to suppliers	(21,230,056)	(15,231,825)	(1,399,543)
Cash payments to employees	(21,804,526)	(394,424)	-
Internal activity-payments to other funds	-	-	(320)
Internal activity-receipts from other funds	-	-	-
Cash Payments for required escrow account	(300,400)	-	-
Net Cash Provided by (Used in) Operating Activities	(2,099,242)	(4,806,917)	98,844
Cash Flows from Capital and Related Financing Activities:			
2003 bond proceeds	1,372,724	-	-
Principal payments of long-term debt	(390,000)	-	(173,755)
Interest payments on long term debt	(210,317)	-	(8,497)
Expenditures for property, facilities and equipment	(1,674,640)	(23,954)	(9,897)
Net Cash Used in Financing Activities	(902,233)	(23,954)	(192,149)
Cash Flows from Investing Activities:			
Investment income	61,010	85,989	3,814
Net decrease in investments	1,698,207	-	-
Net Cash Provided by Investing Activities	1,759,217	85,989	3,814
Net increase (decrease) in cash and cash equivalents	(1,242,258)	(4,744,882)	(89,491)
Cash and cash equivalents at beginning of year	2,837,520	13,222,802	458,570
Cash and cash equivalents at end of year	\$ 1,595,262	\$ 8,477,920	\$ 369,079
Noncash capital financing activities: Change in fair value of investments	\$ -	\$ -	\$ -

<u>Totals</u>	<u>Internal Service Fund</u>	<u>Risk Management Fund</u>
\$ 53,359,184	\$ -	-
194,595	-	-
(37,861,424)	(6,170,524)	-
(22,198,950)	(2,793)	-
(320)	-	-
-	5,833,384	-
(300,400)	-	-
<u>(6,807,315)</u>	<u>(339,933)</u>	
1,372,724	-	-
(563,755)	-	-
(218,814)	-	-
(1,708,491)	-	-
<u>(1,118,336)</u>	<u>-</u>	
150,813	2,765	-
1,698,207	-	-
<u>1,849,020</u>	<u>2,765</u>	
(6,076,631)	(337,168)	-
<u>16,518,892</u>	<u>367,204</u>	
<u>\$ 10,442,261</u>	<u>\$ 30,036</u>	
<u>\$ -</u>	<u>\$ -</u>	

EXHIBIT A (PAGE 2 OF 4)

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

County of Beaver, Pennsylvania

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)**

For the Year Ended December 31, 2003

	Business-type Activities - Enterprise Funds		
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Operating loss	\$ (4,277,010)	\$ (4,853,022)	\$ (154,758)
Non-cash adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,443,838	16,873	196,409
Transfer in from General Fund	108,140	-	-
Change in operating assets and liabilities:			
Accounts receivable and due from other funds	82,620	77,274	(14,124)
Inventories	108,137	-	-
Prepaid expenses	103,942	38,837	-
Other assets - deposits	(300,400)	-	-
Accounts payable and due to other funds	681,535	(91,122)	71,317
Deferred credits	434	-	-
Accrued liabilities	(16,519)	4,243	-
Deferred income	(33,959)	-	-
	<u>\$ (2,099,242)</u>	<u>\$ (4,806,917)</u>	<u>\$ 98,844</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (2,099,242)</u>	<u>\$ (4,806,917)</u>	<u>\$ 98,844</u>

Disclosure of Accounting Policy:

For the purposes of the 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. Friendship Ridge's restricted cash and investments are not considered cash or cash equivalents.

<u>Totals</u>	<u>Internal Service Fund</u>	<u>Risk Management Fund</u>
\$ (9,284,790)	\$ (882,548)	
1,657,120	-	
108,140	-	
145,770	(11,207)	
108,137	-	
142,779	31,008	
(300,400)	-	
661,730	389,448	
434	-	
(12,276)	133,366	
(33,959)	-	
<u>\$ (6,807,315)</u>	<u>\$ (339,933)</u>	

EXHIBIT A (PAGE 4 OF 4)

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

County of Beaver, Pennsylvania

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2003**

	Pension Trust Fund	Agency Funds
	<hr/>	<hr/>
ASSETS		
Cash and cash equivalents	\$ 5,510,940	\$ 3,237,481
Investments		
Common and Preferred Stocks	84,927,583	-
U.S. Government Obligations	17,845,616	261,563
Corporate Bonds	36,191,227	-
Due from other funds	-	11,538
Receivables	-	51,791
Interest and Dividends	398,777	-
	<hr/>	<hr/>
TOTAL ASSETS	\$ 144,874,143	\$ 3,562,373
	<hr/>	<hr/>
LIABILITIES		
LIABILITIES		
Accounts payable	\$ -	\$ 3,550,835
Due to other funds	-	11,538
	<hr/>	<hr/>
TOTAL LIABILITIES	-	3,562,373
	<hr/>	<hr/>
NET ASSETS		
Held in trust for pension benefits and other purposes	144,874,143	-
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 144,874,143	\$ -
	<hr/>	<hr/>

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

County of Beaver, Pennsylvania

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2003

	<u>Pension Trust Fund</u>
ADDITIONS:	
Contributions:	
Member Contributions	\$ 4,488,424
County Contributions	<u>3,325,708</u>
Total Contributions	<u>7,814,132</u>
Net Investment Income	
Net Appreciation in Fair Value of Investments	18,010,018
Interest and Dividends	<u>3,682,887</u>
	21,692,905
Less: Investment management fees	<u>380,022</u>
Total Investment Income - net	<u>21,312,883</u>
Total	<u>29,127,015</u>
DEDUCTIONS:	
Benefits Paid	5,254,529
Administrative Expense	<u>81,051</u>
Total Deductions	<u>5,335,580</u>
Change in Net Assets	23,791,435
Net Assets - Beginning	<u>121,082,708</u>
Net Assets - Ending	<u>\$ 144,874,143</u>

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

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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 the commissioner-administrator form of government and provides the following services as authorized by Pennsylvania's County Code: public safety, judicial, medical, human services, and culture and recreation.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", 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 component units is reported in separate columns to emphasize that they are legally separated from the County. They were determined to be component units because their boards are appointed by the County Commissioners and they receive significant operating subsidies from the County. CCBC has been receiving these subsidies and having the County appoint its board of directors since July 2002. 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

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

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

Discretely Presented Component Units – Continued

The reporting period for BCTA and CCBC is as of and for the year ending June 30, 2003.

Summary of Significant Accounting Policies for BCTA

General Policy - The Authority prepares its financial statements on the basis of accounting practices prescribed or permitted by the Commonwealth of Pennsylvania and departments under its jurisdiction.

Basis of Accounting - The Authority accounts for expenses using the accrual method of accounting. Grant revenue is recognized when the corresponding grant purpose expenditure is made. Grant revenues received or receivable before the revenue recognition criteria have been met are reported as deferred revenue. State free transit senior citizen general funds and passenger revenues 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 – Community College of Beaver County prepares its financial statements in accordance with generally accepted accounting principles for public colleges and universities as outlined by the GASB. In accordance with GASB Statement No. 20, “Accounting and Financial Reporting for Proprietary Funds”, CCBC applies all GASB and Financial Accounting Standards Board (FASB) pronouncements, Accounting Principle Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989 which do not conflict with or contradict GASB pronouncements. Inter-fund activity has been eliminated in the preparation of the financial statements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

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

Summary of Significant Accounting Policies for CCBC - Continued

Basis of Accounting

Assets are depreciated using the straight-line method over their estimated useful lives.

Related Organizations

The Board of Commissioners is also 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 Housing Authority
- Beaver County Hospital Authority
- Beaver County Conservation District
- Beaver County Redevelopment Authority
- Beaver County Industrial Development Authority
- Pennsylvania Finance Authority
- Workforce Investment Board
- Beaver County Economic Development Authority
- Beaver County Agricultural Land Preservation Board

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

Government-wide Statements: The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the 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. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. Fiduciary funds are also excluded from the government-wide financial statements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

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

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 goods or 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-financing 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 assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

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

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 displayed in a separate column.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

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

The County reports the following major governmental funds:

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 / Mental Retardation. This fund is responsible for serving the needs of the County's mentally or behaviorally challenged citizens.

Children and Youth Services. 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, such as runaways.

1996 Bond Issue. This fund was established by the County to administer the proceeds of the 1996 General Obligation Bond Issue (and its subsequent defeasance by the 1997 General Obligation Bonds issued) with the objective of financing major capital improvements of the County.

The County reports the following major enterprise funds:

Friendship Ridge. This is the enterprise fund for the County-owned facility that accommodates individuals in need of personal care.

Health Choices. Health Choices 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.

All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

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 its assets, liabilities, fund equity, revenues, and expenditures or expenses. A description of the purpose and function of each type of fund presented in the accompanying financial statements follows.

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 from specific revenue sources or to finance special activities in accordance with statutory or administrative requirements. This includes designated revenues not included within other fund categories.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major 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 be financed or recovered primarily through user charges. Friendship Ridge (formerly known as "Beaver Valley Geriatric Center"), Emergency Services 911, and Beaver County HealthChoices Behavioral Health Program (HealthChoices) are recorded as enterprise funds.

An Internal Service Fund accounts for operations that provide services to other departments or agencies of the County on a cost reimbursement basis. The Risk Management Fund accounts for the employees' self-insured medical health benefits of the County.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

3. **Fund Types** - Continued

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 agency funds.

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

Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for cash collected by elected row officers, for Domestic Relations support payments and delinquent real estate tax payments (Tax Claims).

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

Basis of accounting refers to when revenues, expenditures, expenses and transfers, and the related assets 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.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

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

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. Available means expected to be collected within sixty days of year-end. 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 is 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 expenses are recorded when the liability is incurred. As permitted by GASB Statement No. 20, the County applies all GASB pronouncements as well as FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements, in accounting for its enterprise funds. An enterprise fund may apply all FASB Statements and Interpretations issued after November 30, 1989 (except those that conflict with or contradict GASB pronouncements) or it may apply none of them. The County chose to only apply GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing revenues. The principal operating revenues of the County's proprietary funds and internal service fund 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, 2003 and June 30, 2003**

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

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

The Pension Trust Fund and agency funds' financial statements are also prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan. Administrative costs provided by outside vendors are recorded when incurred, whereas costs for services provided by the County are not recorded on the financial statements of the Pension Trust Fund.

The Pension Trust Fund and 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. Investment income is recognized as earned. Gains and losses on sales and exchanges are recognized on the transaction date.

5. **Revenues**

- a. Property taxes collected by the Treasurer within sixty days subsequent to December 31 are recorded as revenue on the statement of revenues, expenditures, and changes in fund balances in the previous year ended.
- b. 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 audit and adjustment by grantor agencies. Grant revenues received for expenses, which are disallowed, are repayable to the grantor.
- c. Revenue recognized by HealthChoices is based on the number of Medicaid members within the County at a contracted rate with the Department of Public Welfare.
- d. The receivable balances presented in the accompanying combined balance sheet are recorded at net realizable value.
- e. Patient fees of Friendship Ridge are recognized in the period in which the services are provided.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

5. **Revenues** – Continued

- f. A significant portion of Friendship Ridge's services are provided to patients under hospitalization or other health related benefit contracts with third parties. Such contracts generally provide Friendship Ridge with reimbursement at amounts other than Friendship Ridge's normal billing rates. Differences between amounts reimbursed and standard billing rates are adjusted through the provision for contractual allowances. Friendship Ridge may also receive incentive payments from state and federal programs. These payments are credited to the provision for contractual allowances when received.

6. **Deferred Revenues**

Under the modified accrual basis of accounting, revenue is not recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be 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 deferred revenue on both the statement of net assets and the governmental funds' balance sheet. Certain deferred revenues for the County are considered unearned and not subject to revenue recognition under either the full or modified accrual basis. Other deferred revenue in the governmental funds' balance sheet is due to revenues not recognized because it is not available to liquidate liabilities of the current period.

7. **Expenditures**

Capital asset purchases, relating to non-proprietary fund type assets, are included in current year expenditures in governmental funds and are capitalized in the government-wide statement of net assets. Interest on non-proprietary fund debt is expensed on the Statement of Revenues, Expenditures, and Changes in Fund Balances when paid.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

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 several accounts in the Pennsylvania Local Government Investment Trust (PLGIT) and Pennsylvania Treasurer's Invest Program for Local Governments (Invest Program), which earn interest. Funds are transferred to PLGIT and Invest Program to utilize the surplus of cash, which would otherwise remain idle in the County's checking accounts. The balances maintained in these pooled investment accounts represent the individual interest of each representative fund in the pooled accounts and are recorded at cost, which approximates fair value.

Friendship Ridge's investments consist of funds voluntarily set aside to fund future plant replacement, expansion, and capital debt principal repayments. These funds are invested in short-term debt instruments and are recorded at cost, which approximates fair value.

Investments of the Pension Trust Fund are stated at fair value as determined from prices available in public markets.

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. Friendship Ridge's restricted cash and investments are not considered cash or cash equivalents.

The County uses derivative transactions for hedging and speculative purposes. Derivatives are exposed to several risks, such as credit risk (the risk of default by the counterparty), market risk (such as the possible adverse effect of a change in interest rates), and legal risk (exposure to an adverse determination concerning the legality of the transactions).

9. Supplies

Supplies of Friendship Ridge consist of expendable materials and other supplies and are stated at cost determined by the first-in first-out method.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

10. **Prepaid Expenses**

In both the government-wide and fund financial statements, prepaid expenses 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 consumptions method and consist primarily of prepaid rent.

11. **Capital Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund are 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 assets. All capital assets are recorded at cost, if known, or estimated historical cost. Donated capital assets are recorded at their fair market value on the date of donation. With the exception of enterprise funds, the County uses a threshold of \$2,000 for recording substantially all capital assets. Enterprise funds treat all items with an estimated useful life exceeding one year as capital assets. Depreciation on capital assets recorded in the government-wide statement of net assets 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:

Vehicles	5 years
Buildings and Land Improvements	40 years
Furniture, Fixtures and Equipment	10 years
Infrastructure	50 years

Public domain (infrastructure) capital assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) and that were placed in service prior to 2002 are not required to be capitalized until fiscal years beginning after June 15, 2005. Infrastructure assets placed in service on or after January 1, 2002 are capitalized in the government-wide statement of net assets.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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 assets' lives are not capitalized in the government-wide statement of net assets or the proprietary funds. Major renewals or betterments are capitalized as additions.

Depreciation of Enterprise Fund property, plant and equipment is computed using the straight-line method over the estimated useful lives of the related assets.

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. The accrual in the government-wide Statement of Net Assets, therefore, represents what was earned through December 31, 2003 granted on January 1, 2004.

Employees, excluding sheriff's deputies and jail guards, may accumulate up to 100 days of sick leave. Sheriff's deputies may accumulate up to a maximum of 150 days of sick leave, while jail guards do not earn sick leave. If sick leave is not used, it is paid to retirement-eligible employees upon retiring. Accumulated sick leave as of December 31, 2003 that is estimated to be paid to employees upon retirement has been recorded in the government-wide Statement of Net Assets under Noncurrent Liabilities because the amount estimated to be paid during 2004 was determined to be insignificant.

13. **Accrued Healthcare Costs**

HealthChoices establishes a liability for Received But Unpaid Claims (RBUC) and Claims Incurred But Not Received (IBNR). The RBUC is calculated by using a weighted average unit cost for claims received and entered into the claims' payment system that have yet to be paid. A total health care liability is also estimated for claims that have been incurred during 2003 that will be paid in the future. The IBNR is calculated as the difference between this total estimated liability less the RBUC liability. These amounts are estimated by the County's third party specialists.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

13. **Accrued Healthcare Costs** - Continued

Accrued healthcare costs of the Risk Management Fund are calculated internally based on claims history.

14. **Budgets**

The County Board of Commissioners (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 Controller submits the proposed budget to the Commissioners no less than 30 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. Notice of the availability of the proposed budget for public inspection is made at least 20 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 now or hereafter authorized by law. 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, by department and by 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, department, and at each line-item.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

14. **Budgets** - Continued

Formal budgetary review is employed as a management control during the year for the General Fund, Special Revenue Funds and the Capital Projects Funds. Budget amounts presented in the financial statements are as amended through December 31, 2003.

15. **Encumbrances**

The governmental fund types use encumbrance accounting, under which purchase orders and other commitments are recorded. Open encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be honored, re-appropriated and added to each department's subsequent year's budget.

16. **Net Assets**

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, 2003 the County has met the equity requirement by maintaining \$1,500,000 in a separate account at Sky Bank. Assets can be transferred from this account only with the permission of the Commonwealth. The County has met the requirement for a plan of insolvency by securing a letter of credit in the amount of \$1,900,000 with Sky Bank as of December 31, 2003.

The contract also allows the County to maintain a reserve for risk and contingency in an amount not to exceed 90 days of unpaid claims. The County has met this reserve by restricting \$2,500,000 of cash and investments. Draw down of these funds need approval of the Commonwealth.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

16. **Net Assets** - Continued

The County may also, under its contract, reserve earnings for reinvestment in services that are for the primary benefit of medical assistance recipients. The amount of this Reserve for Reinvestment is approximately \$3.1 million as of December 31, 2003, of which, approximately \$2.3 million has been approved by the Commonwealth. The County is currently devising and submitting reinvestment plans for the balance of the funds. The Commonwealth must approve the actual expenditure of these funds.

All restrictions on net assets are imposed by laws or regulations of the Commonwealth.

The internal service fund accounts for the self-insured employees' medical health benefits of the County. The internal service fund reimbursement rate has been revised over the years in an attempt to eliminate the following deficits:

December 31, 2001	\$169,513
2002	20,487
2003	900,270

The rate was revised in 2004 to eliminate this deficit.

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

The GASB has issued Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries". This statement establishes requirements for accounting and reporting the impairment of capital assets as well as for insurance recoveries in the governmental funds (prior guidance exists on accounting and reporting insurance recoveries on government-wide and proprietary fund financial statements). The statement is required to be adopted for periods beginning after December 15, 2004. The County has not determined the impact, if any, that GASB Statement No. 42 will have on the financial statements.

18. **Use of Estimates**

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

19. **Adoption of Accounting Pronouncements**

Amending GASB Statement No. 14, the Governmental Accounting Standards Board has issued Statement No. 39, "Determining Whether Certain Organizations Are Component Units." This statement provides additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. This statement is required to be adopted for financial statements of periods beginning after June 15, 2003. The County adopted this statement for all component units during the year ending June 30, 2003. This resulted in the inclusion of the CCBC Foundation in CCBC's financial statements.

NOTE B - PROPERTY TAXES

Property tax millage rates are set by a resolution of the Commissioners prior to January 1 of the current year. Taxes are payable beginning in January 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 are recorded on the statement of activities net of discounts of \$500,852 and inclusive of penalties amounting to \$582,245. Property taxes receivable are stated net of allowance for uncollectible accounts. The balance in the allowance for uncollectible taxes is \$2,734,354.

NOTE C - CASH DEPOSITS AND INVESTMENTS

Statutes allow the County to invest in 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, and 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.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

The County’s investments (including those classified as cash equivalents), except those of the Pension Trust Fund, are categorized below to give indication of the level of credit risk assumed at year-end. Category 1 includes investments that are insured or registered for which the securities are held by the County or its agent in the County’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the County’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the County’s name.

Cash, cash equivalents and investments of the County, with the exception of the Pension Trust Fund, consist of the following as of December 31, 2003:

	Category			Carrying
	1	2	3	Amount
Categorized:				
U.S. Government Obligations	\$ -	\$ -	\$18,596,725	\$17,061,967
	\$ -	\$ -	\$18,596,725	17,061,967
Non-Categorized:				
Pooled Investment Funds				4,848,188
Cash and Deposits				6,616,186
				\$28,526,341

Pooled Investment Funds are managed by the PLGIT and the Invest Program. The fair value of the position in the PLGIT and the Invest Program is the same as the value of the pools’ shares. 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, such as obligations of the United States Government, repurchase agreements and certificates of deposit collateralized with U. S. Treasury or U. S. government agency obligations, U. S. Treasury securities, and obligations of U. S. government agencies. Since participation in these pools is not evidenced by securities, these investments are not classified according to level of credit risk.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

The bank balance of cash deposits is classified in the following categories according to credit risk:

- (1) Insured or collateralized with securities held by the County or by its agent in the County's name;
- (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name;
- (3) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the County's name.

At year-end, the carrying amount of the County's cash (except for the Pension Trust Fund) was \$6,616,186 and the bank balance was \$7,238,370. Of this amount \$400,000 was covered by federal depository insurance (classified as category (1)). The remaining bank balance of \$6,838,370 was collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure the state and municipal deposits. The pledged assets must at least be equal to the total amount of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. All such pledged assets are held by the pledging financial institution's trust department or agent and not in the County's name (classified as category (3)).

Pension Trust Fund

The Pension Trust Fund's investments are categorized below to give indication of the level of credit risk assumed by the fund at year-end. Category 1 includes investments that are insured or registered for which the securities are held by the Pension Trust Fund or its agent in the Pension Trust Fund's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Pension Trust Fund's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the Pension Trust Fund's name.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

As of December 31, 2003, the Pension Trust Fund's cash, cash equivalents and investments consist of:

	Category			Carrying Amount
	1	2	3	
Common and Preferred Stocks	\$ -	\$ -	\$ 84,927,583	\$ 84,927,583
Bonds and Notes:				
U.S. Government and Related Agencies	-	-	17,845,616	17,845,616
Corporate Bonds	-	-	36,191,227	36,191,227
Cash Equivalents:				
Money Market Funds	-	-	5,510,940	5,510,940
	\$ -	\$ -	\$144,475,366	144,475,366
Cash				-
				\$144,475,366

Component Unit - BCTA

At June 30, 2003, the BCTA had the following values relating to its cash and bank deposits:

	<u>Bank Balance</u>	<u>Book Balance</u>
Cash	\$ 80,114	\$ 80,114

BCTA's cash and cash equivalents (including those classified as investments according to GASB Statement No.3) consist of:

Cash - Category 1	\$ 80,114
Non-Categorized: Treasury Obligation Funds	799,702
	\$ 879,816

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Component Unit – BCTA - Continued

Category 1 includes deposits that are insured or collateralized with securities held by BCTA or its agent in BCTA's name. Category 2 deposits are collateralized with securities held by the pledging financial institution's trust department or agent in BCTA's name. Category 3 encompasses deposits that are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in BCTA's name.

Investments are categorized according to level of credit risk. Category 1 includes investments that are insured or registered for which the securities are held by BCTA or its agent in the BCTA's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in BCTA's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in BCTA's name. Treasury Obligation Funds consist of U. S. Treasury or U. S. government agency obligations. Since these investments have the characteristics of mutual funds, they are not classified according to level of credit risk.

Component Unit - CCBC

At June 30, 2003, the CCBC had the following values relating to its cash and bank deposits:

	<u>Bank Balance</u>	<u>Book Balance</u>
Cash	\$4,943,294	\$1,723,953

The difference between the bank balance and carrying value shown above represents year-end reconciling items such as deposits in transit and outstanding checks. In accordance with Act number 72-1971 Session of the Commonwealth of Pennsylvania, the above deposits of each of the College's depositories are collateralized by a pool of pledged assets that are maintained with the Federal Reserve System. In addition, the first \$100,000 held at each depository is insured through the Federal Deposit Insurance Corporation (FDIC).

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Component Unit – CCBC - Continued

In accordance with GASB Statement No. 3, the above cash deposits total is divided into the following deposit credit risk categories.

Category 1	<u>\$ 104,072</u>
Category 3	<u>4,839,222</u>
	<u>\$4,943,294</u>

Category 1 includes insured deposits or deposits collateralized with securities held by CCBC or by its agent in CCBC's name. Category 3 includes uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in CCBC's name.

The Community College of Beaver County Foundation's investments at June 30, 2003 are composed of the following:

	<u>Fair Value</u>
Corporate Bonds	\$132,489
Certificate of Deposit	7,005
Mutual Funds	38,214
Money Market Funds	<u>21,402</u>
	<u>\$199,110</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE D – RECEIVABLES AND PAYABLES

Receivables at December 31, 2003 were as follows:

	<u>Accounts Receivable</u>	<u>Taxes</u>	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental activities					
General	\$ -	\$4,971,552	\$ 671,093	\$ 548,339	\$ 6,190,984
MH/MR	-	-	378,564	150,809	529,373
Children & Youth	-	-	2,471,864	8,522	2,480,386
Other governmental	-	-	1,304,392	102,085	1,406,477
Internal service	-	-	-	<u>246,881</u>	<u>246,881</u>
	-	4,971,552	4,825,913	1,056,636	10,854,101
Allowance for doubtful accounts	-	<u>(2,734,354)</u>	-	-	<u>(2,734,354)</u>
Total – governmental activities	<u>-</u>	<u>2,237,198</u>	<u>4,825,913</u>	<u>1,056,636</u>	<u>8,119,747</u>
Business-type activities					
Friendship Ridge	\$6,382,848	\$ -	\$ -	\$ -	\$ 6,382,848
Health Choices	7,975	-	-	-	7,975
Other proprietary	<u>133,105</u>	-	-	-	<u>133,105</u>
Total – business-type activities	<u>6,523,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,523,928</u>
Primary Government Total	<u>6,523,927</u>	<u>2,237,198</u>	<u>4,825,913</u>	<u>1,056,636</u>	<u>14,643,675</u>
Component Units					
BCTA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,148,811</u>	<u>\$ 7,094</u>	<u>\$ 3,155,905</u>
CCBC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,003,044</u>	<u>\$ 425,585</u>	<u>\$ 2,428,629</u>

Payables at December 31, 2003, consisted of amounts due to vendors for goods and services provided to the County.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE E - INTERFUND BALANCES AND TRANSFER

Interfund Balances

The County reports interfund balances among all of its funds. The balances for nonmajor governmental and business-type activities are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the statements of net assets / balance sheet for governmental funds and for proprietary funds. All interfund balances are expected to be repaid within one year.

	Due from						Total
	General Fund	Children & Youth	MH/MR	Other Nonmajor Governmental	Health Choices	Other Nonmajor Business-Type	
General Fund	\$ -	\$1,323,243	\$84,152	\$ 370,020	\$ 10,443	\$ 602,967	\$ 2,390,825
Mental Health	400,000	-	-	-	-	-	400,000
Total	<u>\$400,000</u>	<u>\$1,323,243</u>	<u>\$ 84,152</u>	<u>\$ 370,020</u>	<u>\$ 10,443</u>	<u>\$ 602,967</u>	<u>\$2,790,825</u>

Children & Youth's balance due to the General Fund includes a quarterly administrative reimbursement of \$1,239,387, while the remaining \$83,856 is due to a time lag of payment dates between funds.

Included in the Other Nonmajor Governmental Funds are loans of \$236,500. One loan was to the Domestic Relations Fund for \$217,300, and the other was to the Victim Witness Fund for \$19,200.

Other Nonmajor Business-Type Funds included \$356,967 due from the Emergency Services Fund for their fourth quarter salary expense reimbursement and \$246,000 due from the Internal Service Fund.

The amount due from the General Fund to MH/MR Fund represents the remaining County match for 2003.

All remaining balances resulted from the time lag of payment dates between funds.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE E - INTERFUND BALANCES AND TRANSFERS – (Continued)

Interfund Transfers

Interfund transfers for the year ended December 31, 2003, consisted of the following:

		Transfer from		
		General Fund	Other Nonmajor Governmental	Total
<u>Transfer to</u>	General Fund	\$ -	\$ 107,439	\$107,439
	Friendship Ridge	108,140	-	108,140
	Other Nonmajor Governmental	<u>23,952</u>	<u>-</u>	<u>23,952</u>
	Total	<u>\$132,092</u>	<u>\$ 107,439</u>	<u>\$239,531</u>

The General Fund received a transfer from the Community Development Fund totaling \$83,790 as reimbursement for playground equipment installed on its behalf. Additionally, the FAA Projects Fund reimbursed the General Fund a total of \$23,647.

The \$108,140 transfer from the County’s General Fund to Friendship Ridge consists of indirect costs allocated to Friendship Ridge.

In the year ended December 31, 2003, the County made a transfer of \$23,950 from the General Fund to the FAA Projects Fund to assist a project that had a time lag between incurring expenditures and receiving the funding from the Federal Government for a “T” Hangar Improvement Project.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT

During 1996, the County contracted with an appraisal company to provide a detailed fixed 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 assets.

Depreciation and amortization was charged to functions as follows:

Governmental activities:	
General Government	\$ 1,278,730
Judicial	224,817
Public Safety	733,157
Public Works and Enterprise	689,838
Culture, Recreation, and Conservation	239,710
Human Services	<u>666,509</u>
Total	<u>\$3,832,761</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

The following is a summary of changes in capital assets for governmental activities during 2003:

	Balance at January 1, <u>2003</u>	<u>Additions</u>	<u>Disposals</u>	Balance at December 31, 2003
Not being depreciated:				
Land	\$ 1,874,354	\$ -	\$ -	\$ 1,874,354
Other capital assets:				
Buildings and Improvements	80,937,016	1,534,595	-	82,471,611
Vehicles	2,368,726	296,956	(248,053)	2,417,629
Furniture and Equipment	12,071,355	1,158,908	(584,257)	12,646,006
Infrastructure	<u>1,281,767</u>	<u>245,319</u>	<u>-</u>	<u>1,527,086</u>
	<u>96,658,864</u>	<u>3,235,778</u>	<u>(832,310)</u>	<u>99,062,332</u>
Accumulated Depreciation:				
Buildings and Improvements	(11,956,793)	(2,193,771)	-	(14,150,564)
Vehicles	(2,109,659)	(141,257)	248,053	(2,002,863)
Furniture and Equipment	(7,684,171)	(1,469,645)	488,531	(8,665,285)
Infrastructure	<u>(12,818)</u>	<u>(28,088)</u>	<u>-</u>	<u>(40,906)</u>
	<u>(21,763,441)</u>	<u>(3,832,761)</u>	<u>736,584</u>	<u>(24,859,618)</u>
Net other capital assets	<u>74,895,423</u>	<u>(596,983)</u>	<u>(95,726)</u>	<u>74,202,714</u>
Net capital assets	<u>\$76,769,777</u>	<u>\$ (596,983)</u>	<u>\$ (95,726)</u>	<u>\$76,077,068</u>

The above assets as of December 31, 2003, include capital assets amounting to \$8,699,804 relating to capitalized leases and \$415,341 relating to accumulated amortization.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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

Depreciation and amortization was charged to functions as follows:

Business-type activities:	
Friendship Ridge	\$ 1,443,838
Health Choices	16,873
Emergency Services 911	<u>196,409</u>
Totals	<u>\$ 1,657,120</u>

The following is a summary of changes in capital assets for business-type activities during 2003:

	Balance at January 1, <u>2003</u>	<u>Additions</u>	<u>Disposals</u>	Balance at December 31, <u>2003</u>
Not being depreciated:				
Land	\$ <u>42,075</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>42,075</u>
Other capital assets:				
Buildings and Improvements	9,120,764	1,506,130	-	10,626,894
Furniture and Equipment	<u>26,968,318</u>	<u>202,361</u>	-	<u>27,170,679</u>
	<u>36,089,082</u>	<u>1,708,491</u>	-	<u>37,797,573</u>
Accumulated Depreciation:				
Buildings and Improvements	(5,604,899)	(297,915)		(5,902,814)
Furniture and Equipment	<u>(17,090,174)</u>	<u>(1,359,205)</u>	<u>10,050</u>	<u>(18,439,329)</u>
	<u>(22,695,073)</u>	<u>(1,657,120)</u>	<u>10,050</u>	<u>(24,342,143)</u>
Net other capital assets	<u>13,394,009</u>	<u>51,371</u>	<u>10,050</u>	<u>13,455,430</u>
Net capital assets	<u>\$13,436,084</u>	<u>\$ 51,371</u>	<u>\$ 10,050</u>	<u>\$13,497,505</u>

Included in the figures presented above is a capital lease recorded at \$497,340 and related accumulated amortization of \$140,913. Amortization for the year amounted to \$49,734 and it is classified as depreciation on the Statement of Activities.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

**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, 2003:

		<u>Estimated Useful Lives</u>
Land	\$ 3,286,121	N/A
Buildings and Improvements	14,057,066	30
Tangible Transit Operating Property	9,090,160	5 - 12
Furniture and Equipment	<u>1,275,254</u>	4 - 5
	27,708,601	
Less Accumulated Depreciation	<u>(6,370,966)</u>	
	<u>\$21,337,635</u>	

Depreciation expense for the year ended June 30, 2003, amounted to \$1,403,280. BCTA increased its net capital assets balance by \$2,048,747 for previously expensed items and adjusted its net assets as of July 1, 2002 accordingly.

Component Unit - CCBC

The following is a summary of CCBC's property accounts as of June 30, 2003:

		<u>Estimated Useful Lives</u>
Land	\$ 1,018,799	N/A
Buildings and Improvements	17,359,177	25-50
Furniture and Equipment	<u>4,291,313</u>	5-20
	22,669,289	
Less Accumulated Depreciation	<u>(13,776,157)</u>	
	<u>\$ 8,893,132</u>	

Depreciation expense for the year ended June 30, 2003, amounted to \$595,035.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

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.

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, 2004, 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	398
Terminated employees not yet receiving benefits	<u>22</u>
	<u>420</u>
Active plan participants:	
Vested	1,043
Nonvested	<u>516</u>
	<u>1,559</u>

The Plan provides pension benefits for normal retirement at age 60 or at age 55 with 20 or more years of completed service 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 5 years of service.

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

The Plan requires participants to contribute a minimum of 9%, but not more than 19%, of their salary depending on the participant's employment class and wage, and on current actuarial determinations. All full-time employees 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 system.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

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

The Beaver County Employees' Retirement System 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 2003 was determined as part of an actuarial valuation as of January 1, 2003 using the aggregate actuarial cost method. This actuarial method does not identify or separately amortize unfunded actuarial liabilities.

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

Annual required contribution	\$3,325,708
Interest on net pension obligation	-
Adjustment to the annual required contribution	-
Annual pension cost	<u>3,325,708</u>
Contributions made	<u>3,325,708</u>
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u><u>\$ -</u></u>

Three-year Trend Information:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
December 31, 2003	\$3,325,708	100	\$ -
December 31, 2002	\$1,468,601	100	\$ -
December 31, 2001	\$ -	N/A	\$ -

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	Aggregate actuarial
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increase	3.0% for 2002 and 2001; 3.25% in 2003
Inflation adjustment	3.0%
Cost-of-living adjustment	100.0% of CPI effective as of January 1, 2000

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

3. Reserves

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

Members' Annuity Reserve Account:

This reserve represents the total of contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2004 the balance in this account was \$48,476,874 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, 2004 the balance in this account was \$40,982,698 and it was fully funded.

Retired Members' Reserve Account:

This is the account out of which monthly retirement allowances, including cost-of-living increases and death benefits, are paid. As of January 1, 2004 the balance in this account amounted to \$24,102,598, unfunded to the extent of the 2004 annual required contribution.

Component Unit - CCBC

CCBC participates in a cost sharing defined benefit multiple-employer Public School Employees' Retirement System (PSERS) established under and administered by 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. Full vesting is reached after 10 years of credited service. 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. Early retirement is an additional feature of this plan.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit – CCBC – (Continued)

Retirement Age- Participants may retire with normal benefits at age 62, age 60 with 30 or more years of service, or with 35 years of service regardless of age.

Death Benefits- When a participant dies in active service after attaining age 62 or 10 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 5 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, employers, and the Commonwealth.

Contributions required of employers are based upon an actuarial valuation. For fiscal year ended June 30, 2003, the rate of employer contribution was 1.15% of covered payroll. This rate is comprised of a .97% rate for health insurance premium assistance and a pension rate of .18%. Pension expense for CCBC for the year ended June 30, 2003 totaled \$12,413 based on a total covered payroll of \$2,158,057.

Active members who joined the system prior to July 22, 1983, contribute at 5.25% (Membership Class TC) or at 6.5% (Membership 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 Membership Class TD). CCBC employees contributed \$152,122 to the plan for the year ended June 30, 2003.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit – CCBC – (Continued)

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 Barbara D. Flurie, Office of Financial Management and Budget, Public School Employees Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125.

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 permits them to defer a portion of their compensation until future years. The Plan's administrator is Nationwide Retirement Solutions, Inc. Total employee contributions for the year ended December 31, 2003 amounted to \$653,091 and there were no employer contributions for the same period. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. During 1997, the County placed all assets in 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

The BCTA maintains the Beaver County Transit Authority's Simplified Employees Pension Plan, a single employer defined contribution plan. Plan provisions and contribution requirements are established and may be amended under provisions of Section 408 of the Internal Revenue Code. The BCTA is the plan's administrator and it agrees to contribute 9% of participants' salaries, but not exceeding the federally mandated maximum for such a plan. All full time employees with two full calendar years of service and certain other employees are eligible to participate in the plan. Participants are not entitled to contribute to the plan. BCTA's contributions amounted to approximately \$42,827 for the year ended June 30, 2003.

Plan assets are invested in a diversified portfolio that consists of debt and equity securities.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE H - DEFERRED COMPENSATION PLAN - (Continued)

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 College 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, 2003, CCBC contributed approximately \$479,000 to this retirement plan.

NOTE I - SHORT-TERM DEBT

Component Unit - BCTA

Related to construction of a transportation facility, BCTA entered into a \$2,500,000 demand line of credit agreement with a financial institution. The terms of the agreement include interest payable monthly on the outstanding balance at a rate of 65% of the U.S. Prime Rate. BCTA has pledged certain federal and state grant proceeds as collateral for this obligation. There are no outstanding balances as of June 30, 2003.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE J - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2003.

	<u>Interest Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Payable at January 1, 2003</u>	<u>Issuance</u>	<u>Retirements</u>	<u>Interest Accrued/ Amortization of Related Items</u>	<u>Payable at December 31, 2003</u>
<u>Governmental Activities</u>								
<u>General Obligation</u>								
<u>Bonds:</u>								
Construction Fund	Varies	05/16/1986	09/01/2010	\$ 5,021,859	\$ -	\$ 860,000	\$ 388,456	\$ 4,550,315
Refunding Series A of 1993	Varies	04/15/1993	10/01/2007	5,020,000	-	5,020,000	-	-
Series of 1997	4.0 - 5.3	10/15/1997	10/01/2026	60,835,000	-	185,000	-	60,650,000
Refunding Series A of 2003	1.15-2.15	07/01/2003	07/01/2008	-	5,251,849	-	11,729	5,263,578
				<u>\$70,876,859</u>	<u>\$ 5,251,849</u>	<u>\$ 6,065,000</u>	<u>\$ 400,185</u>	<u>\$70,463,893</u>
<u>Other general long-term liabilities:</u>								
Pennsylvania Finance Authority ("PFA") Series 2002 Bonds	2.5 - 5.1	02/01/2002	09/01/2022	4,325,000	-	145,000	-	4,180,000
Total Governmental Activities				<u>\$75,201,859</u>	<u>\$5,251,849</u>	<u>\$ 6,210,000</u>	<u>\$ 400,185</u>	<u>\$74,643,893</u>

Note: The General Obligation Bonds issued May 1986 are stated at their present value of required future payments.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE J - LONG-TERM LIABILITIES – (Continued)

	<u>Interest Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Payable at January 1, 2003</u>	<u>Issuance</u>	<u>Retirements</u>	<u>Interest Accrued</u>	<u>Payable at December 31, 2003</u>
<u>Business-Type Activities</u>								
<u>General Obligation Bonds:</u>								
Series of 1998	3.45 – 4.25	11/15/1998	01/15/2013	\$ 4,988,540	\$ -	\$ 390,000	\$ 16,496	\$ 4,615,036
Series B of 2003	1.15 – 3.20	07/01/2003	07/01/2013	-	<u>1,403,756</u>	-	-	<u>\$ 1,403,756</u>
Total Business-Type Activities				<u>\$ 4,988,540</u>	<u>\$ 1,403,756</u>	<u>\$ 390,000</u>	<u>\$ 16,496</u>	<u>\$ 6,018,792</u>

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

In May of 1986, the County issued \$16,270,000 of General Obligation Bonds, Series of 1986 for the purpose of funding capital projects. On this total amount, \$7,670,000 borne interest at rates ranging from 4.75% to 7.5% and was paid over the period from 1986 until it was advance-refunded in 1993 (see below). The remaining part of this series, in the amount of \$8,600,000 was issued as zero coupon bonds, yielding a principal amount of \$1,980,674. This series is being retired in semi-annual payments of \$430,000 that started in 2001 to continue through 2010. The discount rate on the zero coupon bonds was determined at the time of issue, ranging from 7.678% to 7.955%. The interest discount rate on the zero coupon bonds outstanding at December 31, 2003 ranges from 7.839% to 7.955%.

In April of 1993, the County issued \$12,180,000 of General Obligation Bonds, Refunding Series A of 1993, for the purpose of refunding several general obligation bonds outstanding at that time. These bonds matured in fixed amounts starting in 1997 through maturity. The interest was payable semi-annually at rates ranging from 3.75% to 5.10%. This issue was advance-refunded in June of 2003 and considered defeased. In October of 2003, the bond escrow agent called this issue and it was retired (see below).

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE J - LONG-TERM LIABILITIES - (Continued)

In November of 1997, the County issued \$61,060,000 of General Obligation Bonds, Series of 1997 for the purpose of refunding the General Obligation Bonds, Series of 1996. These bonds mature in various lots from 1999 through 2026, payable annually. Interest is paid semi-annually at rates starting at 4.0% and increasing to 5.3%.

The General Obligation Bonds, Series of 1996, are considered to be legally defeased. Trust account assets and liabilities for these defeased bonds are not included in the accompanying financial statements. At December 31, 2003 \$56,990,000 of the Series 1996 bonds are outstanding.

In November of 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 mature annually in various lots through 2013. Interest is paid semi-annually at rates starting at 3.45%.and increasing to 4.25%. The advance refunding resulted in a reacquisition price that exceeded the net carrying amount of the defeased debt by \$247,446. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to expense through maturity using the straight-line method.

During February of 2002, the County entered into a loan agreement with the Pennsylvania Finance Authority (PFA) to borrow \$4,325,000 for the purpose of building a parking garage adjacent to the Courthouse. The County's payments under this loan agreement match the debt service requirements on the PFA's Guaranteed Revenue Bonds, Series B of 2002, of which the County is a guarantor. These bonds mature in annual lots starting in 2003 through 2022 and bear interest at ranges starting at 2.50% through 5.10%. The County is subject to several restrictive covenants as described in the aforementioned loan agreement of which the County believes itself to be in compliance.

During 2003, the County issued \$5,375,000, with a discount of \$10,737, in General Obligation Bonds, Refunding Notes, Series A of 2003 with interest rates ranging from 1.15 % to 2.15% to, in part, advance refund \$5,020,000 of the outstanding General Obligation Bonds, Refunding Series A of 1993 (see above). Proceeds of \$5,132,414 were deposited in an escrow account to provide for the future debt service of the Refunding Series A of 1993, which was called as of October 2003. As a result of this advance refunding, the County increased its debt service by \$89,789. However the County did obtain an economic gain, which is the difference between the present values of the old and new debt

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE J - LONG-TERM LIABILITIES - (Continued)

service payments of \$172,677. The remaining proceeds of the Series A of 2003 in the amount of \$126,533 will be used to fund capital projects.

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 mature in annual lots from 2004 through 2013. Bonds maturing after October 1, 2008 can be redeemed at par plus accrued interest at the option of the County. These bonds were also issued at a minor discount which is being amortized on a straight-line basis.

Except for refunding and advance refunding debt issues, all bonds were issued with the purpose of funding construction and capital improvements.

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

The following schedule presents the principal amount of each long term debt issue due within one year of the date of these financial statements.

Governmental activities	
Construction Fund	\$ 860,000
1997 Bonds	185,000
PFA Series B of 2002 Bonds	150,000
Series A of 2003	<u>1,080,000</u>
Total	2,275,000
Business-type activities	
Series of 1998	400,000
Series B of 2003	<u>130,000</u>
Total	530,000
Total Primary Government	<u>\$ 2,805,000</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE J - LONG-TERM LIABILITIES - (Continued)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 2,275,000	\$ 3,417,548	\$ 530,000	\$ 228,432	\$ 2,805,000	\$ 3,645,980
2005	2,305,000	3,392,488	540,000	212,137	2,845,000	3,604,625
2006	2,325,000	3,365,690	560,000	195,203	2,885,000	3,560,893
2007	2,355,000	3,334,973	580,000	176,763	2,935,000	3,511,736
2008	3,395,000	3,296,973	605,000	154,913	4,000,000	3,451,886
2009-2013	13,385,000	15,058,980	3,370,000	412,555	16,755,000	15,471,535
2014-2018	16,975,000	11,470,690	-	-	16,975,000	11,470,690
2019-2023	21,530,000	6,573,863	-	-	21,530,000	6,573,863
2024-2026	<u>11,680,000</u>	<u>1,091,800</u>	-	-	<u>11,680,000</u>	<u>1,091,800</u>
	76,225,000	51,003,005	6,185,000	1,380,003	82,410,000	52,383,008
Unamortized Interest	(1,469,685)	1,469,685	-	-	(1,469,685)	1,469,685
Deferred loss/ discounts	<u>(111,422)</u>	<u>111,422</u>	<u>(166,208)</u>	<u>166,208</u>	<u>(277,630)</u>	<u>277,630</u>
	<u>\$74,643,893</u>	<u>\$52,584,112</u>	<u>\$6,018,792</u>	<u>\$1,546,211</u>	<u>\$ 80,662,685</u>	<u>\$54,130,323</u>

The following summarizes other long-term obligation activity for the year ended December 31, 2003.

	<u>Payable at January 1, 2003</u>	<u>Increase</u>	<u>Retirement</u>	<u>Payable at December 31, 2003</u>	<u>Due Within One Year</u>
Governmental Activities					
Capital lease obligations	\$8,699,804	-	160,614	\$8,539,190	\$ 148,425
Compensated absences	1,400,000	57,000	1,095,978	361,022	-
Swaption	<u>1,511,500</u>	<u>-</u>	<u>-</u>	<u>1,511,500</u>	<u>-</u>
	<u>11,611,304</u>	<u>57,000</u>	<u>1,256,592</u>	<u>10,411,712</u>	<u>148,425</u>
Business-type Activities					
Capital lease obligations	<u>173,755</u>	<u>-</u>	<u>173,755</u>	<u>-</u>	<u>-</u>
Totals:	<u>\$ 11,785,059</u>	<u>\$57,000</u>	<u>\$ 1,430,347</u>	<u>\$ 10,411,712</u>	<u>\$ 148,425</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.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations

The County has recorded the following assets in the government-wide statement of net assets under capital lease obligations:

	Governmental Activities	Business-Type Activities
Land	\$ 392,984	\$ -
Buildings	8,306,820	-
Equipment	-	497,340

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. These agencies occupied this building beginning in 2003. Construction of this building was financed by the PFA's issue of \$7,865,000 of Guaranteed Lease Revenue Bonds, Series A of 2002. The County is the guarantor of this bond issue and the minimum lease payments over the 342-month term amount to \$14,983,759 which is the amount required for the debt service on the PFA bond. The monthly payment under this lease amounts to \$43,812. 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. Minimum lease payments outstanding as of year-end amount to \$14,545,639.

A land lease for the aforementioned buildings is in effect with the PFA. The lease calls for monthly payments through September 2026 amounting to a remaining total of \$652,800. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

A second lease agreement was entered into 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. Minimum lease payments amount to approximately \$760,000 for a term ranging through September 2026. Payments under this lease are due quarterly at \$8,000 each. The building's title passes to the County upon expiration of the lease at no additional cost.

The County leases certain equipment for the operation of its Emergency Services 9-1-1 Center. A bargain purchase option is available to the County in 2005, when the term of the lease expires. Though the lease was paid off in 2003, the lease provides that the County may use the equipment for an additional two years for a nominal service fee. The amortization expense for the year was \$49,734.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE J - LONG-TERM LIABILITIES - (Continued)

The following schedule summarizes future minimum lease payments due.

	<u>Human Services Building</u>	<u>Land</u>	<u>Community Develop- ment Building</u>	<u>Total Minimum Lease Payments</u>
2004	525,746	28,800	32,000	586,546
2005	525,746	28,800	32,000	586,546
2006	525,746	28,800	32,000	586,546
2007	525,746	28,800	32,000	586,546
2008	525,746	28,800	32,000	586,546
2009-2013	2,628,730	144,000	160,000	2,932,730
2014-2018	2,628,730	144,000	160,000	2,932,730
2019-2023	2,628,730	144,000	160,000	2,932,730
2024-2028	2,628,730	76,800	88,000	2,793,530
2029-2032	<u>1,401,989</u>	<u>-</u>	<u>-</u>	<u>1,401,989</u>
Totals	14,545,639	652,800	728,000	15,926,439
Less: Amount representing Interest Costs	<u>(6,817,019)</u>	<u>(268,781)</u>	<u>(301,449)</u>	<u>(7,387,249)</u>
Present value	<u>\$7,728,620</u>	<u>\$ 384,019</u>	<u>\$ 426,551</u>	<u>\$ 8,539,190</u>

The interest rates used to calculate the amount representing interest costs were obtained from the individual leases and are 5.17% for governmental activities.

Minimum lease payments due within one year are reported as follows in the government-wide Statement of Net Assets.

	<u>Human Services Building</u>	<u>Land</u>	<u>Community Development Building</u>	<u>Total Governmental Activities</u>
2004	\$525,746	\$ 28,800	\$32,000	\$ 586,546
Less: Amount representing Interest costs	<u>(396,615)</u>	<u>(19,643)</u>	<u>(21,863)</u>	<u>(438,121)</u>
Present value	<u>\$129,131</u>	<u>\$ 9,157</u>	<u>\$ 10,137</u>	<u>\$ 148,425</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Swaption

The County has entered into a contract that provides a counterparty the right to refund the 1997 Bonds between October 1, 2007 and October 1, 2009. In exchange for the County's right to relinquish the 1997 Bonds, the County received \$1,511,500 ("Swaption") in December, 2002, which it recorded as non-current in the Statement of Net Assets. This agreement's fair value (as calculated by a forecast of discounted expected cash flows) approximates its carrying amount. The transaction was initiated because the County estimates the financial outcome is more favorable than under the original terms of the 1997 Bonds. Should the counterparty forfeit its right to exercise the option to refund the 1997 Bonds, the County could be subject to a termination payment to the counterparty.

The following schedule summarizes the components of the disclosures of the Non-current Liabilities on the government-wide Statement of Net Assets:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Due within one year		
Long term debt	\$ 2,275,000	\$ 530,000
Obligations under capital lease	<u>148,425</u>	<u>-</u>
Total	<u>\$ 2,423,425</u>	<u>\$ 530,000</u>
Due in more than one year		
Long term debt	\$72,368,893	\$5,488,792
Obligations under capital lease	8,390,764	-
Accrued sick leave	361,022	-
Swaption	<u>1,511,500</u>	<u>-</u>
Total	<u>\$82,632,179</u>	<u>\$5,488,792</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC

In February of 1998, the Pennsylvania Finance Authority (PFA) issued \$9,195,000 in PFA Revenue Bonds, Series of 1998. In connection with the issuance of these bonds, the PFA entered into a loan agreement with CCBC for the purpose of refinancing the prior loan agreement with the PFA, based on the PFA Revenue Bonds, Series A of 1994, and to fund certain expenditures. The loan agreement called for PFA to loan the proceeds of the bonds to CCBC and for CCBC to make payments equal to the debt service requirements of the bonds. The bonds mature in annual lots through 2020 with the lots bearing interest at rates ranging from 3.60% to 4.875%. Interest is payable semi-annually. The bonds can be redeemed early at the option of the PFA.

As is the case with the current agreement, CCBC was responsible for the debt service on the PFA Revenue Bonds, Series A of 1994, under the prior loan agreement. Once the PFA advance refunded these bonds by depositing the proceeds of the PFA Revenue Bonds, Series of 1998, into an irrevocable trust to provide for the debt service on the Series A of 1994, this series, and hence the 1994 loan agreement were considered to be defeased. As of June 30, 2003, the amount of defeased debt outstanding on the Series of 1994 bond issue is \$6,785,000. In accordance with GASB Statement 23, "Accounting and Reporting for Refunding of Debt for Proprietary Activities", 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 statement of net assets and amortized over the shorter of the term of the refunding issue or 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, 2003, CCBC amortized \$26,092 of this loss.

NOTE K - CONTINGENCIES

The County participates in a number of federal and state assisted grant programs. These grants are generally 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 claims and other legal proceedings incidental to the ordinary course of its operations. 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.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE K – CONTINGENCIES – (Continued)

Component Unit - BCTA

The BCTA's state and federally funded programs are subject to audit by various governmental agencies. The BCTA is potentially liable for any expenditures disallowed by the results of these audits. Management is not aware of any items of noncompliance which would result in the disallowance of program expenditures.

Component Unit - CCBC

CCBC's state and federally funded programs are subject to audit by various governmental agencies. The college is potentially liable for any expenditures disallowed by the results of these audits. The Commonwealth of Pennsylvania Office of Labor, Education and Community Services conducts annual audits of CCBC Claim for Subsidy Reimbursement submitted annually to the Commonwealth. CCBC has received the results of the audits for the years ended June 30, 1999 and 2000. The results of these audits reflect a balance due and owing the Commonwealth of Pennsylvania totaling \$112,462 which is under appeal by CCBC. This balance has been subtracted from Management's preliminary estimate of remaining subsidy monies due CCBC for the fiscal year ended June 30, 2003. Management is not aware of any additional items of noncompliance which would result in the disallowance of program expenditures.

CCBC's Police Technology Program is currently under review by the Commonwealth of Pennsylvania for compliance with program regulations. CCBC is potentially liable for any costs of program noncompliance not covered by commercial insurance. Estimates regarding potential non-covered costs, if any, could not be reasonably calculated by management as of June 30, 2003. On September 25, 2003, the Commonwealth of Pennsylvania reinstated CCBC's Police Technology Program. The Commonwealth of Pennsylvania has given CCBC permission to resume the Police Technology Program in January 2004.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2003 and June 30, 2003

NOTE L - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters, as well as from workers' compensation and health care programs.

The County is a member of the Pennsylvania Counties Risk Pool (PCoRP) and as such is provided with insurance coverage relating to property, general liability, automobile, errors and omissions, and crime coverage. There have been no significant changes in coverage in the past three years; and settled claims have not exceeded the coverage in those years.

During 2002 and 2003, the County was a member of the Pennsylvania Counties Worker's Compensation Trust (PComp) and as such was provided with insurance coverage related to worker's compensation. Prior to 2002, the County purchased commercial insurance for worker's compensation claims. Settled claims did not exceed commercial coverage in the past three years.

As of January 1, 2004, the County has elected to self-fund Worker's Compensation claims. Under the program, the County pays all claims directly. In addition, the County purchased individual and aggregate stop-loss insurance from a commercial carrier to protect it from catastrophic claims. The County, however, retains the risk for Worker's Compensation claims above this coverage. This program will use the existing internal service fund to pay claims and administrative expenses using allocations from other operating funds, with the exception of Friendship Ridge. Revenues into this fund are transferred from other operating funds based upon the employee complement. As of December 31, 2003, the County obtained a letter of credit amounting to \$1,000,000 and a line of credit amounting to \$360,814 relating to its worker's compensation plans.

PCoRP and PComp are public entity pools exclusively for member counties of the County Commissioners Association of Pennsylvania. PCoRP was organized as a property and casualty self-insurer through the pooling of resources of members electing to participate in PCoRP. PComp was organized as a worker's compensation self-insurer through the pooling of resources of members electing to participate in PComp. In accordance with Pennsylvania statute, PCoRP and PComp provide coverage for events which are reported within 24 months of the date incurred. Both PCoRP and PComp use reinsurance agreements to reduce exposure to large losses on insured events. The County is charged periodic payments for its coverage.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE L - RISK MANAGEMENT – (Continued)

The County has elected to self-fund the health and drug benefit program for its employees. Under the program, the County employs a third party administrator and pays all medical claims directly. In addition, the County purchases individual and aggregate stop-loss insurance from a commercial carrier to protect it from catastrophic claims. Settled claims have not exceeded the stop-loss insurance coverage for the past three years, but the County retains the risk for medical claims above this coverage. An internal service fund has been created to fund the claims and administrative expenses using allocations from other operating funds, with the exception of Friendship Ridge. Revenues into this fund are transferred from other operating funds based upon the employee complement.

Changes in the estimate of the claims liability are as follows:

	<u>Beaver County</u>	<u>Friendship Ridge</u>
Liability balance – January 1, 2002	\$ 774,000	\$ 553,585
Incurred claims and estimates	4,907,699	4,908,231
Less:		
Claims paid during period	<u>5,032,815</u>	<u>4,396,819</u>
Liability balance – December 31, 2002	648,884	1,064,997
Incurred claims and estimates	5,899,646	2,790,682
Less:		
Claims paid during period	<u>5,766,280</u>	<u>3,225,152</u>
Liability balance – December 31, 2003	<u>\$ 782,250</u>	<u>\$ 630,527</u>

Component Unit - BCTA

The Beaver County Transit Authority 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.

Effective July 1, 2001, the BCTA established a self-insurance program for its automobile liability claims, subject to a maximum of \$100,000 per accident, not to exceed \$310,000 in the aggregate. The BCTA established this self-insurance program with an initial \$10,000 escrow deposit with a claims management company.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2003 and June 30, 2003**

NOTE L - RISK MANAGEMENT – (Continued)

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.

NOTE M - COMMITMENTS

Beaver County has open commitments for normal operations of approximately \$191,216 and \$191,532 for construction projects as of December 31, 2003.

Friendship Ridge has open commitments for various renovation projects and other significant contracts amounting to approximately \$1,500,000 as of December 31, 2003.

NOTE N – SUBSEQUENT EVENTS

The County issued a Tax and Revenue Anticipation Note (TRAN) on January 2, 2004 in advance of property tax collections, depositing the \$5,000,000 proceeds into the General Fund. The TRAN had an interest rate of 2.84%, costing a total interest of \$27,233 when redeemed on March 10, 2004.

The County has implemented an early retirement program. The program was offered in early 2004 and it was applicable to substantially all employees age 55 or older with a minimum of 20 years of employment with the County.

During the County's 2004 budget preparation the County noticed a need to increase funding sources and/or decrease its expenditures and/or obligations. The County made expenditure reductions during 2004. In addition, the County is exploring other funding sources which may be required during the remainder of 2004 to satisfy its remaining obligations, including debt service payments and pension obligations. Such funding sources may include borrowing from banks and/or the disposal of certain property of the County. County management believes that the County will be able to implement its plans and satisfy its obligations on a timely basis. Further future cost reductions may occur to reduce the County's future cash requirements.

County of Beaver, Pennsylvania

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2003**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage of Annual Required Contribution Recognized in Plan Assets for that Year</u>
December 31, 2003	\$ 3,325,708	100%
December 31, 2002	\$ 1,468,601	100%
December 31, 2001	-	N/A
December 31, 2000	-	N/A
December 31, 1999	-	N/A
December 31, 1998	\$ 147,216	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
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Inflation adjustment:	3%
Investment rate of return:	7.5% for 1998 - 2003
Projected salary increase:	4.5% for 1998 – 2001, 3% for 2002, 3.25 for 2003
Cost-of-living adjustment:	25% of CPI, except 100% of CPI effective as of January 1, 2000

County of Beaver, Pennsylvania

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

For the Year Ended December 31, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
REVENUES				
Real Estate Taxes	\$ 31,988,271	\$ 31,988,271	\$ 32,798,112	\$ 809,841
Licenses and Permits	72,500	72,500	120,258	47,758
Interest and Rents	784,050	784,225	743,509	(40,716)
Intergovernmental Revenues	3,044,902	3,838,816	3,822,542	(16,274)
Charges for Services and Facilities	5,416,250	5,454,414	6,190,617	736,203
Project Income	272,500	272,500	147,512	(124,988)
Miscellaneous	733,810	865,677	1,557,190	691,513
TOTAL REVENUES	<u>42,312,283</u>	<u>43,276,403</u>	<u>45,379,740</u>	<u>2,103,337</u>
EXPENDITURES				
Current				
General Government	9,868,944	10,167,259	9,004,269	(1,162,990)
Judicial	9,519,550	10,120,908	9,600,952	(519,956)
Public Safety	12,178,974	13,311,508	12,046,676	(1,264,832)
Public Works and Enterprises	3,328,322	3,721,920	3,601,430	(120,490)
Culture, Recreation and Conservation	3,354,805	3,583,591	3,250,341	(333,250)
Intergovernmental				
Human Services	5,517,313	6,720,628	6,603,949	(116,679)
Miscellaneous	1,107,100	1,275,495	795,143	(480,352)
Debt Service				
Principal	2,095,000	801,544	801,544	-
Interest	445,493	575,340	534,675	(40,665)
Bond issuance costs	-	-	92,282	92,282
Capital Outlay				
Infrastructure	54,883	83,583	57,697	(25,886)
Fixed Asset Acquisition and Improvements	106,000	367,668	187,645	(180,023)
TOTAL EXPENDITURES	<u>47,576,384</u>	<u>50,729,444</u>	<u>46,576,603</u>	<u>(4,152,841)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,264,101)	(7,453,041)	(1,196,863)	6,256,178
OTHER FINANCING SOURCES (USES)				
Refunding bonds	-	-	5,375,000	5,375,000
Payment to refunded bond escrow agent	-	-	(5,132,414)	(5,132,414)
Original issue discount - refunding	-	-	(10,737)	(10,737)
Transfers from Other Funds	3,510,137	3,650,420	107,439	(3,542,981)
Transfers to Other Funds	-	(23,952)	(132,092)	(108,140)
TOTAL OTHER FINANCING SOURCES	<u>3,510,137</u>	<u>3,626,468</u>	<u>207,196</u>	<u>(3,419,272)</u>
NET CHANGE IN FUND BALANCE	(1,753,964)	(3,826,573)	(989,667)	2,836,906
Fund Balance - Beginning	<u>1,753,964</u>	<u>3,826,573</u>	<u>3,011,642</u>	<u>(814,931)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,021,975</u>	<u>\$ 2,021,975</u>

The accompanying note is an integral part of this financial schedule

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
MENTAL HEALTH / MENTAL RETARDATION
For the Year Ended December 31, 2003**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Revenues				
Intergovernmental	\$ 30,490,000	\$ 30,490,000	\$ 28,637,659	\$ (1,852,341)
Program / Project Income	825,000	825,000	986,910	161,910
Interest	183,000	183,000	65,217	(117,783)
Miscellaneous	588,000	588,000	113,946	(474,054)
Total Revenues	<u>32,086,000</u>	<u>32,086,000</u>	<u>29,803,732</u>	<u>(2,282,268)</u>
Expenditures				
Reimbursement Income	(100,000)	(100,000)	10,155	110,155
Salaries & Benefits	3,502,849	3,787,802	3,456,158	(331,644)
Personnel Expense	23,000	23,000	9,979	(13,021)
Consultant/Contracted Srvc.	148,000	190,937	129,322	(61,615)
Sub Contracted Services	26,647,000	26,220,426	25,479,137	(741,289)
Occupancy	197,041	228,412	86,410	(142,002)
Communication	43,000	175,326	133,568	(41,758)
Supplies & Minor Equip.	56,500	199,844	118,458	(81,386)
Transportation	25,000	25,000	17,563	(7,437)
Other Expenditures	970,095	1,014,006	504,842	(509,164)
Capital Outlay	160,500	305,402	207,240	(98,162)
Total Expenditures	<u>31,672,985</u>	<u>32,070,155</u>	<u>30,152,832</u>	<u>(1,917,323)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	413,015	15,845	(349,100)	(364,945)
Fund Balance - Beginning	<u>7,173,740</u>	<u>7,173,740</u>	<u>628,662</u>	<u>(6,545,078)</u>
Fund Balance - Ending	<u>\$ 7,586,755</u>	<u>\$ 7,189,585</u>	<u>\$ 279,562</u>	<u>\$ (6,910,023)</u>

The accompanying note is an integral part of this financial schedule

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, 2003

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Revenues				
Intergovernmental	\$ 14,073,041	\$ 14,073,041	\$ 14,441,876	\$ 368,835
Program / Project Income	200,000	200,000	272,141	72,141
Interest	49,000	49,000	16,997	(32,003)
Miscellaneous	-	-	102	102
Total Revenues	<u>14,322,041</u>	<u>14,322,041</u>	<u>14,731,116</u>	<u>409,075</u>
Expenditures				
Reimbursement to General Fund	4,464,431	4,464,431	4,615,694	151,263
Salaries & Benefits	3,428,282	3,648,292	3,521,942	(126,350)
Personnel Expense	43,310	48,810	18,633	(30,177)
Consultant/Contracted Srvc.	1,038,000	1,005,998	746,064	(259,934)
Sub Contracted Services	4,815,000	4,619,941	3,989,162	(630,779)
Occupancy	599,400	334,428	310,285	(24,143)
Communication	131,000	146,510	98,599	(47,911)
Supplies & Minor Equip.	197,500	330,948	277,313	(53,635)
Transportation	100,000	96,472	77,455	(19,017)
Other Expenditures	353,346	440,982	376,805	(64,177)
Capital Outlay	192,000	250,408	202,066	(48,342)
Total Expenditures	<u>15,362,269</u>	<u>15,387,220</u>	<u>14,234,018</u>	<u>(1,153,202)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)	(1,040,228)	(1,065,179)	497,098	1,562,277
Fund Balance - Beginning	<u>1,070,154</u>	<u>1,070,154</u>	<u>310,649</u>	<u>(759,505)</u>
Fund Balance - Ending	<u>\$ 29,926</u>	<u>\$ 4,975</u>	<u>\$ 807,747</u>	<u>\$ 802,772</u>

The accompanying note is an integral part of this financial schedule

County of Beaver, Pennsylvania

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2003**

NOTE A – BASIS OF BUDGETING

Appropriated budgets are adopted on a modified accrual basis consistent with generally accepted accounting principles by fund, by department and by 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 fund, department and at each line-item.

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
GENERAL GOVERNMENT				
Commissioners				
Salary Reimbursement	\$ -	\$ -	\$ (2,024)	\$ (2,024)
Salaries & Benefits	437,243	463,519	461,330	(2,189)
Personnel Expense	500	500	384	(116)
Occupancy	465	545	545	-
Communication	10,250	17,324	14,044	(3,280)
Supplies & Minor Equipment	5,800	6,216	4,803	(1,413)
Transportation	3,500	6,840	6,840	-
Consultant/Contracted	-	55,075	55,075	-
Other Expenses	6,100	9,527	9,427	(100)
Total Expenditures	463,858	559,546	550,424	(9,122)
Controller				
Salaries & Benefits	706,151	740,442	726,085	(14,357)
Personnel Expense	3,000	3,000	2,639	(361)
Occupancy	2,737	2,737	2,729	(8)
Communication	3,600	3,696	2,901	(795)
Supplies & Minor Equipment	8,000	9,470	8,490	(980)
Transportation	1,500	1,500	638	(862)
Other Expenses	1,550	8,540	8,165	(375)
Total Expenditures	726,538	769,385	751,647	(17,738)
Treasurer				
Salaries & Benefits	520,948	548,620	525,421	(23,199)
Personnel Expense	1,000	1,000	660	(340)
Occupancy	2,737	2,737	2,729	(8)
Communication	66,800	65,131	55,125	(10,006)
Supplies & Minor Equipment	29,250	34,081	28,270	(5,811)
Transportation	3,200	4,200	3,601	(599)
Other Expenses	1,000	1,000	-	(1,000)
Tax Refunds	150,000	176,399	176,399	-
Total Expenditures	774,935	833,168	792,205	(40,963)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Recorder Of Deeds				
Salaries & Benefits	\$ 464,365	\$ 507,434	\$ 495,748	\$ (11,686)
Personnel Expense	1,150	1,475	1,413	(62)
Occupancy	852	852	849	(3)
Communication	3,700	3,721	3,607	(114)
Supplies & Minor Equipment	34,000	30,829	26,156	(4,673)
Transportation	3,000	3,000	1,469	(1,531)
Contracted Services	35,000	35,000	32,818	(2,182)
Other Expenses	100	440	390	(50)
Total Expenditures	542,167	582,751	562,450	(20,301)
Solicitor				
Salaries & Benefits	187,585	204,052	203,358	(694)
Personnel Expense	2,200	2,200	2,115	(85)
Occupancy	153	153	152	(1)
Communication	650	750	603	(147)
Supplies & Minor Equipment	4,000	4,000	3,079	(921)
Transportation	900	1,300	469	(831)
Other Expenses	400	400	-	(400)
Total Expenditures	195,888	212,855	209,776	(3,079)
Employee Relations				
Salaries & Benefits	282,329	294,593	282,634	(11,959)
Personnel Expense	51,250	60,980	43,744	(17,236)
Occupancy	609	609	606	(3)
Communication	7,550	7,775	1,488	(6,287)
Supplies & Minor Equipment	4,150	4,115	2,472	(1,643)
Transportation	500	500	-	(500)
Consultant/Contracted	127,400	123,300	106,383	(16,917)
Total Expenditures	473,788	491,872	437,327	(54,545)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Mailroom				
Salaries & Benefits	\$ 37,748	\$ 39,232	\$ 28,557	\$ (10,675)
Communication	-	300	(1,063)	(1,363)
Supplies & Minor Equipment	1,400	2,660	2,265	(395)
Other Expenses	-	1,080	1,080	-
Total Expenditures	39,148	43,272	30,839	(12,433)
Microfilm				
Salaries & Benefits	185,898	197,170	196,975	(195)
Occupancy	2,100	2,100	2,000	(100)
Communication	20	20	4	(16)
Supplies & Minor Equipment	35,600	34,100	27,575	(6,525)
Transportation	180	180	-	(180)
Consultant/Contracted	5,500	5,500	4,691	(809)
Other Expenses	8,500	10,000	9,808	(192)
Total Expenditures	237,798	249,070	241,053	(8,017)
Central Telephone				
Salaries & Benefits	60,299	45,633	44,297	(1,336)
Personnel Expense	2,000	3,050	2,755	(295)
Occupancy	-	-	57,640	57,640
Communication	40,000	57,640	-	(57,640)
Supplies & Minor Equipment	19,500	19,695	19,637	(58)
Total Expenditures	121,799	126,018	124,329	(1,689)
Information Technology				
Salaries & Benefits	795,041	841,245	833,371	(7,874)
Personnel Expense	9,975	7,073	7,073	-
Communication	29,515	30,114	29,221	(893)
Supplies & Minor Equipment	107,533	131,286	127,214	(4,072)
Transportation	3,500	8,500	8,035	(465)
Consultant/Contracted	80,000	62,531	54,984	(7,547)
Other Expenses	175,650	157,250	528	(156,722)
Total Expenditures	1,201,214	1,237,999	1,060,426	(177,573)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Purchasing Department				
Salaries & Benefits	\$ 141,121	\$ 153,333	\$ 146,867	\$ (6,466)
Personnel Expense	400	555	507	(48)
Communication	6,025	6,700	6,669	(31)
Supplies & Minor Equipment	15,390	15,688	7,184	(8,504)
Transportation	500	100	74	(26)
Other Expenses	700	200	200	-
Total Expenditures	164,136	176,576	161,501	(15,075)
Engineering				
Reimbursement from Liquid Fuels			-	-
Salaries & Benefits	12,334	19,533	16,063	(3,470)
Communication	200	200	-	(200)
Total Expenditures	12,534	19,733	16,063	(3,670)
Planning Commission				
Salary Reimbursement	(5,000)	(5,000)	(5,550)	(550)
Salaries & Benefits	477,037	499,112	457,751	(41,361)
Personnel Expense	3,600	3,478	2,843	(635)
Subsidies	68,000	88,000	64,161	(23,839)
Occupancy	153	153	152	(1)
Communication	6,100	6,900	3,819	(3,081)
Supplies & Minor Equipment	11,500	10,597	9,026	(1,571)
Transportation	4,700	4,000	2,709	(1,291)
Contracted Services	403,791	454,175	48,592	(405,583)
Other Expenses	4,800	3,400	1,970	(1,430)
Total Expenditures	974,681	1,064,815	585,473	(479,342)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Weights And Measures				
Salaries & Benefits	\$ 31,875	\$ 34,170	\$ 33,502	\$ (668)
Communication	50	50	4	(46)
Supplies & Minor Equipment	400	400	328	(72)
Transportation	6,500	6,500	6,420	(80)
Total Expenditures	38,825	41,120	40,254	(866)
Veterans Affairs				
Salaries & Benefits	150,928	161,336	161,199	(137)
Personnel Expense	750	741	656	(85)
Communication	4,100	2,881	2,880	(1)
Supplies & Minor Equipment	2,600	2,319	2,304	(15)
Transportation	2,000	1,372	1,371	(1)
Other Expenses	135,100	137,363	137,363	-
Total Expenditures	295,478	306,012	305,773	(239)
Election Bureau				
Salaries & Benefits	317,069	334,714	303,317	(31,397)
Personnel Expense	1,450	1,799	821	(978)
Occupancy	122	122	120	(2)
Communication	42,500	47,300	33,676	(13,624)
Supplies & Minor Equipment	24,500	22,700	16,643	(6,057)
Transportation	2,000	2,000	1,212	(788)
Contracted Services	5,000	5,500	5,418	(82)
Other Expenses	154,200	189,958	172,084	(17,874)
Total Expenditures	546,841	604,093	533,291	(70,802)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Assessment/Tax Claim				
Salaries & Benefits	\$ 1,034,780	\$ 1,102,947	\$ 1,063,227	\$ (39,720)
Personnel Expense	5,700	10,148	10,019	(129)
Occupancy	4,075	4,075	4,058	(17)
Communication	135,500	157,980	157,784	(196)
Supplies & Minor Equipment	31,100	31,600	27,614	(3,986)
Transportation	20,000	20,071	20,070	(1)
Consultant/Contracted	60,000	30,176	-	(30,176)
Other Expenses	66,800	69,530	65,031	(4,499)
Total Expenditures	1,357,955	1,426,527	1,347,803	(78,724)
Public Defender				
Salaries & Benefits	783,424	828,870	808,583	(20,287)
Personnel Expense	3,400	4,639	4,639	-
Occupancy	457	457	454	(3)
Communication	1,000	1,000	796	(204)
Supplies & Minor Equipment	7,000	8,500	6,419	(2,081)
Transportation	15,000	15,000	12,754	(2,246)
Other Expenses	55,250	52,511	29,650	(22,861)
Total Expenditures	865,531	910,977	863,295	(47,682)
General Government/ Administration				
Personnel Expense	71,000	73,524	72,917	(607)
Occupancy	14,500	64,500	48,881	(15,619)
Communication	-	500	1	(499)
Supplies & Minor Equipment	10,000	10,000	-	(10,000)
Consultant/Contracted	270,000	294,973	249,324	(45,649)
Other Expenses	470,330	67,973	19,217	(48,756)
Total Expenditures	835,830	511,470	390,340	(121,130)
Total General Government	\$ 9,868,944	\$ 10,167,259	\$ 9,004,269	\$ (1,162,990)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
JUDICIAL				
Clerk Of Courts				
Salaries & Benefits	\$ 521,813	\$ 550,414	\$ 538,338	\$ (12,076)
Personnel Expense	27,900	27,900	27,577	(323)
Occupancy	2,844	2,844	2,833	(11)
Communication	39,260	41,410	40,512	(898)
Supplies & Minor Equipment	21,800	22,282	17,223	(5,059)
Transportation	4,700	3,200	2,738	(462)
Consultant/Contracted	6,000	6,000	6,000	-
Other Expenses	1,000	1,000	977	(23)
Total Expenditures	<u>625,317</u>	<u>655,050</u>	<u>636,198</u>	<u>(18,852)</u>
Coroner				
Salaries & Benefits	178,783	188,969	186,947	(2,022)
Personnel Expense	700	915	770	(145)
Occupancy	61	61	61	-
Communication	2,550	2,550	1,517	(1,033)
Supplies & Minor Equipment	600	645	645	-
Transportation	1,800	1,670	1,006	(664)
Other Expenses	134,500	134,370	119,835	(14,535)
Total Expenditures	<u>318,994</u>	<u>329,180</u>	<u>310,781</u>	<u>(18,399)</u>
Jury Commission				
Salaries & Benefits	77,592	81,257	79,753	(1,504)
Communication	10,400	10,400	9,266	(1,134)
Supplies & Minor Equipment	7,500	9,500	7,337	(2,163)
Transportation	3,400	1,400	978	(422)
Total Expenditures	<u>98,892</u>	<u>102,557</u>	<u>97,334</u>	<u>(5,223)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
District Attorney				
Salaries & Benefits	\$ 1,452,463	\$ 1,551,291	\$ 1,498,844	\$ (52,447)
Personnel Expense	13,700	16,224	16,158	(66)
Occupancy	1,369	1,369	1,364	(5)
Communication	8,500	10,902	9,925	(977)
Supplies & Minor Equipment	24,200	23,103	21,177	(1,926)
County Match	52,131	52,131	52,131	-
Transportation	14,000	13,582	9,807	(3,775)
Consultant/Contracted	6,000	6,000	5,534	(466)
Other Expenses	26,900	24,158	16,637	(7,521)
Contra Revenue Accounts	39,160	44,160	22,076	(22,084)
Total Expenditures	1,638,423	1,742,920	1,653,653	(89,267)
Prothonotary				
Salaries & Benefits	587,529	623,169	610,264	(12,905)
Personnel Expense	2,000	2,000	878	(1,122)
Occupancy	2,312	2,312	2,304	(8)
Communication	6,500	11,500	10,346	(1,154)
Supplies & Minor Equipment	24,000	27,000	21,938	(5,062)
Transportation	3,500	2,500	1,981	(519)
Other Expenses	35,700	28,700	544	(28,156)
Total Expenditures	661,541	697,181	648,255	(48,926)
Register Of Wills				
Salaries & Benefits	292,192	309,116	306,142	(2,974)
Personnel Expense	760	760	726	(34)
Occupancy	2,661	2,661	2,651	(10)
Communication	11,500	11,900	11,257	(643)
Supplies & Minor Equipment	12,700	13,200	12,905	(295)
Transportation	2,000	2,000	1,734	(266)
Other Expenses	800	900	757	(143)
Total Expenditures	322,613	340,537	336,172	(4,365)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Sheriff				
Salaries & Benefits	\$ 2,168,987	\$ 2,339,642	\$ 2,304,833	\$ (34,809)
Personnel Expense	38,800	21,960	20,029	(1,931)
Occupancy	657	795	792	(3)
Communication	16,000	13,351	12,594	(757)
Supplies & Minor Equipment	54,000	77,542	67,045	(10,497)
Transportation	15,500	4,500	3,172	(1,328)
Consultant/Contracted	3,500	24,838	19,021	(5,817)
Other Expenses	42,000	43,140	42,423	(717)
Total Expenditures	2,339,444	2,525,768	2,469,909	(55,859)
Court Administration				
Salaries & Benefits	1,544,448	1,680,360	1,599,366	(80,994)
Personnel Expense	63,000	70,790	68,935	(1,855)
Occupancy	2,129	2,129	2,123	(6)
Communication	13,200	10,270	8,850	(1,420)
Supplies & Minor Equipment	59,500	61,640	54,919	(6,721)
Transportation	11,000	11,000	6,614	(4,386)
Consultant/Contracted	165,000	158,000	85,644	(72,356)
Other Expenses	80,000	81,085	52,672	(28,413)
Total Expenditures	1,938,277	2,075,274	1,879,123	(196,151)
Law Library				
Salaries & Benefits	49,811	55,975	54,764	(1,211)
Personnel Expense	82,425	81,925	75,808	(6,117)
Communication	675	675	580	(95)
Supplies & Minor Equipment	1,150	1,650	1,554	(96)
Total Expenditures	134,061	140,225	132,706	(7,519)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
District Court 36-1-03				
Salaries & Benefits	\$ 108,101	\$ 115,436	\$ 114,319	\$ (1,117)
Personnel Expense	-	400	295	(105)
Occupancy	25,205	25,070	24,194	(876)
Communication	12,000	12,000	10,954	(1,046)
Supplies & Minor Equipment	7,900	8,716	8,596	(120)
Transportation	1,800	1,083	858	(225)
Total	155,006	162,705	159,216	(3,489)
District Court 36-1-01				
Salaries & Benefits	113,318	120,603	119,276	(1,327)
Personnel Expense	400	400	230	(170)
Occupancy	11,100	11,722	10,181	(1,541)
Communication	12,500	12,478	9,832	(2,646)
Supplies & Minor Equipment	8,500	8,083	5,948	(2,135)
Transportation	500	650	592	(58)
Total Expenditures	146,318	153,936	146,059	(7,877)
District Court 36-3-02				
Salaries & Benefits	117,089	122,313	116,250	(6,063)
Personnel Expense	450	450	99	(351)
Occupancy	11,200	8,304	5,485	(2,819)
Communication	12,800	14,000	12,666	(1,334)
Supplies & Minor Equipment	7,000	7,333	4,887	(2,446)
Transportation	1,100	1,100	714	(386)
Total Expenditures	149,639	153,500	140,101	(13,399)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
District Court 36-2-01				
Salaries & Benefits	\$ 139,524	\$ 147,252	\$ 146,250	\$ (1,002)
Personnel Expense	450	450	376	(74)
Occupancy	10,800	10,545	5,997	(4,548)
Communication	14,000	14,000	13,214	(786)
Supplies & Minor Equipment	5,400	5,655	5,653	(2)
Transportation	1,000	1,000	975	(25)
Total Expenditures	171,174	178,902	172,465	(6,437)
District Court 36-3-03				
Salaries & Benefits	145,139	153,703	152,547	(1,156)
Personnel Expense	400	400	177	(223)
Occupancy	11,000	11,641	11,449	(192)
Communication	15,100	14,604	11,550	(3,054)
Supplies & Minor Equipment	9,800	10,323	5,970	(4,353)
County Match	-	-	136	136
Transportation	1,000	665	-	(665)
Total Expenditures	182,439	191,336	181,829	(9,507)
District Court 36-3-04				
Salaries & Benefits	108,101	114,760	113,316	(1,444)
Personnel Expense	250	200	178	(22)
Occupancy	10,900	11,550	7,452	(4,098)
Communication	11,000	11,550	10,294	(1,256)
Supplies & Minor Equipment	7,700	7,050	4,993	(2,057)
Transportation	2,000	1,500	1,255	(245)
Total Expenditures	139,951	146,610	137,488	(9,122)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
District Court 36-1-02				
Salaries & Benefits	\$ 137,531	\$ 146,678	\$ 145,222	\$ (1,456)
Personnel Expense	200	200	184	(16)
Occupancy	10,800	9,000	7,102	(1,898)
Communication	11,500	13,400	12,991	(409)
Supplies & Minor Equipment	7,500	10,818	9,995	(823)
Transportation	500	500	373	(127)
Total Expenditures	168,031	180,596	175,867	(4,729)
District Court 36-3-01				
Salaries & Benefits	113,027	120,126	119,454	(672)
Personnel Expense	400	400	-	(400)
Occupancy	10,800	10,800	6,449	(4,351)
Communication	13,000	13,300	12,523	(777)
Supplies & Minor Equipment	9,000	9,575	7,314	(2,261)
Transportation	1,000	700	150	(550)
Total Expenditures	147,227	154,901	145,890	(9,011)
District Court 36-2-02				
Salaries & Benefits	148,753	156,280	151,618	(4,662)
Personnel Expense	250	250	87	(163)
Occupancy	10,800	10,300	5,984	(4,316)
Communication	13,500	14,000	13,708	(292)
Supplies & Minor Equipment	8,000	8,000	5,910	(2,090)
Transportation	900	900	599	(301)
Total Expenditures	182,203	189,730	177,906	(11,824)
Total Judicial	\$ 9,519,550	\$ 10,120,908	\$ 9,600,952	\$ (519,956)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
PUBLIC SAFETY				
Emergency Services				
Reimbursement From 911 Fund	\$ (1,112,350)	\$ (1,112,350)	\$ (1,155,427)	\$ (43,077)
Salaries & Benefits	1,908,070	2,062,296	2,012,652	(49,644)
Personnel Expense	7,650	7,800	3,669	(4,131)
Occupancy	35,944	37,444	32,757	(4,687)
Communication	3,000	2,350	1,920	(430)
Supplies & Minor Equipment	30,600	29,600	22,634	(6,966)
Transportation	2,500	2,500	2,049	(451)
Consultant/Contracted Svcs	1,000	94,682	84,576	(10,106)
Other Expenses	13,200	13,200	11,758	(1,442)
Total Expenditures	<u>889,614</u>	<u>1,137,522</u>	<u>1,016,588</u>	<u>(120,934)</u>
Jail Of Beaver County				
Salaries & Benefits	4,781,172	5,127,444	4,941,202	(186,242)
Personnel Expense	38,900	38,900	34,529	(4,371)
Occupancy	228,957	248,242	243,063	(5,179)
Communication	17,250	24,727	23,687	(1,040)
Supplies & Minor Equipment	84,000	111,315	99,902	(11,413)
Transportation	6,200	6,200	4,396	(1,804)
Consultant/Contracted Svcs	1,000	1,000	600	(400)
Other Expenses	1,101,103	1,182,449	1,178,422	(4,027)
Total Expenditures	<u>6,258,582</u>	<u>6,740,277</u>	<u>6,525,801</u>	<u>(214,476)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Allencrest Detention Center				
Reimbursement from				
Children/Youth	\$ (1,700,000)	\$ (1,700,000)	\$ (1,766,476)	\$ (66,476)
Salaries & Benefits	1,844,383	1,991,650	1,918,063	(73,587)
Personnel Expense	12,700	12,700	11,014	(1,686)
Occupancy	53,700	52,700	48,818	(3,882)
Communication	14,193	14,193	9,981	(4,212)
Supplies & Minor Equipment	58,400	62,400	44,764	(17,636)
Transportation	4,000	4,000	1,576	(2,424)
Consultant/Contracted Svcs	120,000	120,000	109,971	(10,029)
Other Expenses	52,600	49,600	48,595	(1,005)
Total Expenditures	<u>459,976</u>	<u>607,243</u>	<u>426,306</u>	<u>(180,937)</u>
Adult Probation				
Reimbursement from				
Offender's Supervisory				
Fund	(994,400)	(994,400)	(654,682)	339,718
Salaries & Benefits	1,391,307	1,489,534	1,353,652	(135,882)
Personnel Expense	600	600	341	(259)
Communication	5,884	7,684	6,681	(1,003)
Supplies & Minor Equipment	19,500	17,140	10,426	(6,714)
Transportation	5,000	5,560	5,555	(5)
Other Expenses	10,000	40,000	1,625	(38,375)
Total Expenditures	<u>437,891</u>	<u>566,118</u>	<u>723,598</u>	<u>157,480</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Intermediate Punishment Program				
Salaries & Benefits	\$ 370,574	\$ 403,600	\$ 400,145	\$ (3,455)
Occupancy	42,720	47,397	47,237	(160)
Communication	24,186	24,009	19,899	(4,110)
Supplies & Minor Equipment	77,700	73,200	51,788	(21,412)
Transportation	4,000	4,000	2,544	(1,456)
Other Expenses	1,000	1,000	80	(920)
Total Expenditures	520,180	553,206	521,693	(31,513)
Juvenile Services Division				
Reimbursement from the Children Youth Program	(2,764,431)	(2,764,431)	(2,826,669)	(62,238)
Salaries & Benefits	852,530	915,524	888,090	(27,434)
Personnel Expense	9,000	10,500	10,403	(97)
Communication	14,000	14,609	14,072	(537)
Supplies & Minor Equipment	11,000	10,800	8,022	(2,778)
Transportation	13,500	13,500	13,087	(413)
Consultant/Contracted Svcs	116,500	133,625	132,815	(810)
Other Expenses	4,911,550	4,893,716	4,124,862	(768,854)
Total Expenditures	3,163,649	3,227,843	2,364,682	(863,161)
Intensive Probation-JCJC				
Salaries & Benefits	218,668	234,152	229,755	(4,397)
Transportation	7,000	7,000	4,582	(2,418)
Total Expenditures	225,668	241,152	234,337	(6,815)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Community Liaison-JCJC				
Salaries & Benefits	\$ 53,368	\$ 56,796	\$ 54,418	\$ (2,378)
Supplies & Minor Equipment	250	250	131	(119)
Transportation	2,000	2,000	1,893	(107)
Other Expenses	2,000	-	-	-
Total Expenditures	57,618	59,046	56,442	(2,604)
School Based Probation				
Salaries & Benefits	52,805	56,949	56,655	(294)
Transportation	850	850	241	(609)
Total Expenditures	53,655	57,799	56,896	(903)
School Based Probation-JCJC				
Salaries & Benefits	103,541	111,902	111,824	(78)
Communication	3,600	3,600	3,022	(578)
Transportation	5,000	5,800	5,487	(313)
Total Expenditures	112,141	121,302	120,333	(969)
Total Public Safety	\$ 12,178,974	\$ 13,311,508	\$ 12,046,676	\$ (1,264,832)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
PUBLIC WORKS				
Department Of Public Works				
Salaries & Benefits	\$ 2,245,156	\$ 2,414,626	\$ 2,370,541	\$ (44,085)
Personnel Expense	4,300	3,325	3,144	(181)
Occupancy	34,200	39,770	39,436	(334)
Communication	17,543	13,133	11,905	(1,228)
Supplies & Minor Equipment	50,221	64,867	61,214	(3,653)
Transportation	2,000	500	376	(124)
Other Expenses	33,355	50,440	50,435	(5)
Total Expenditures	<u>2,386,775</u>	<u>2,586,661</u>	<u>2,537,051</u>	<u>(49,610)</u>
Airport Of Beaver County				
Salaries & Benefits	203,456	205,419	200,876	(4,543)
Personnel Expense	85	40	40	-
Occupancy	75,300	92,680	92,679	(1)
Communication	4,000	4,722	4,722	-
Supplies & Minor Equipment	15,500	24,429	24,427	(2)
County Match	7,500	7,500	7,500	-
Transportation	750	737	731	(6)
Consultant/Contracted	15,000	12,462	12,457	(5)
Other Expenses	9,384	25,707	18,551	(7,156)
Contra Revenue Accounts	13,000	11,757	11,757	-
Total Expenditures	<u>343,975</u>	<u>385,453</u>	<u>373,740</u>	<u>(11,713)</u>
Buildings And Grounds				
Occupancy	515,788	590,016	566,618	(23,398)
Communication	1,069	1,069	875	(194)
Supplies & Minor Equipment	74,800	124,714	97,913	(26,801)
Other Expenses	5,915	34,007	25,233	(8,774)
Total Expenditures	<u>597,572</u>	<u>749,806</u>	<u>690,639</u>	<u>(59,167)</u>
Total Public Works	<u>\$ 3,328,322</u>	<u>\$ 3,721,920</u>	<u>\$ 3,601,430</u>	<u>\$ (120,490)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
CULTURE, RECREATION, AND CONSERVATION				
Conservation District				
Salaries & Benefits	\$ 276,615	\$ 293,461	\$ 285,384	\$ (8,077)
Reimbursement Income	(8,000)	(8,000)	(6,000)	2,000
Personnel Expense	1,300	3,789	2,725	(1,064)
Communication	6,350	8,301	7,698	(603)
Supplies & Minor Equip	4,250	5,640	4,876	(764)
Transportation	3,600	5,600	3,407	(2,193)
Other Expenses	4,500	4,650	4,417	(233)
Total Expenditures	<u>288,615</u>	<u>313,441</u>	<u>302,507</u>	<u>(10,934)</u>
Waste Management				
Salaries & Benefits	228,452	255,709	253,972	(1,737)
Personnel Expense	510	510	405	(105)
Occupancy	29,700	36,600	32,007	(4,593)
Communication	6,600	7,250	6,382	(868)
Supplies & Minor Equipment	27,500	28,000	24,690	(3,310)
Transportation	3,200	3,200	2,628	(572)
Consultant/Contracted Svcs	35,000	23,950	22,525	(1,425)
Other Expenses	55,100	87,100	74,005	(13,095)
Total Expenditures	<u>386,062</u>	<u>442,319</u>	<u>416,614</u>	<u>(25,705)</u>
Agriculture/Ed/Environmental				
Occupancy	36,700	36,700	24,796	(11,904)
Supplies & Minor Equipment	7,350	7,350	2,019	(5,331)
Other Expenses	2,300	2,300	77	(2,223)
Total Expenditures	<u>46,350</u>	<u>46,350</u>	<u>26,892</u>	<u>(19,458)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Library Commission				
Salaries & Benefits	\$ 514,478	\$ 540,305	\$ 514,996	\$ (25,309)
Personnel Expense	97,000	75,402	75,310	(92)
Occupancy	5,200	11,802	11,546	(256)
Communication	16,500	16,500	14,724	(1,776)
Supplies & Minor Equipment	74,250	80,850	72,583	(8,267)
Transportation	7,500	7,200	5,400	(1,800)
Consultant/Contracted	10,000	12,924	12,863	(61)
Other Expenses	697,677	704,019	701,361	(2,658)
Total Expenditures	<u>1,422,605</u>	<u>1,449,002</u>	<u>1,408,783</u>	<u>(40,219)</u>
Parks/Shelter/Recreation				
Salaries & Benefits	120,823	83,612	83,552	(60)
Personnel Expense	-	-	2,511	2,511
Occupancy	3,200	3,235	-	(3,235)
Communication	13,100	13,554	1,520	(12,034)
Supplies & Minor Equipment	6,600	14,563	10,948	(3,615)
Transportation	2,500	2,500	856	(1,644)
Other Expenses	1,950	1,950	1,479	(471)
Total Expenditures	<u>148,173</u>	<u>119,414</u>	<u>100,866</u>	<u>(18,548)</u>
DPW/Parks				
Occupancy	31,000	34,719	30,536	(4,183)
Communication	5,000	5,200	5,075	(125)
Supplies & Minor Equipment	75,865	65,105	57,593	(7,512)
Other Expenses	9,600	19,500	19,468	(32)
Total Expenditures	<u>121,465</u>	<u>124,524</u>	<u>112,672</u>	<u>(11,852)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Tourist Promotion				
Salaries & Benefits	\$ 12,851	\$ 62,195	\$ 62,135	\$ (60)
Personnel Expense	3,900	4,068	3,862	(206)
Communication	100,700	115,341	111,812	(3,529)
Supplies & Minor Equipment	8,500	6,310	4,058	(2,252)
Transportation	2,700	2,700	1,943	(757)
Consultant/Contracted	-	3,200	3,200	-
Other Expenses	41,070	25,251	7,941	(17,310)
Total Expenditures	169,721	219,065	194,951	(24,114)
Ice Arena				
Salaries & Benefits	384,247	471,303	374,468	(96,835)
Personnel Expense	8,400	8,400	2,975	(5,425)
Occupancy	191,200	189,543	137,008	(52,535)
Communication	8,100	8,100	5,299	(2,801)
Supplies & Minor Equipment	21,000	27,376	26,343	(1,033)
Transportation	1,000	1,000	818	(182)
Consultant/Contracted	-	1,625	1,625	-
Other Expenses	13,500	13,863	11,668	(2,195)
Total Expenditures	627,447	721,210	560,204	(161,006)
Pool				
Salaries & Benefits	82,629	76,368	64,635	(11,733)
Occupancy	15,500	17,235	17,079	(156)
Communication	2,300	3,401	3,062	(339)
Supplies & Minor Equipment	9,812	5,274	5,121	(153)
Other Expenses	11,075	18,324	17,875	(449)
Total Expenditures	121,316	120,602	107,772	(12,830)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
DPW-Ballfields				
Salaries & Benefits	\$ 12,918	\$ 13,231	\$ 6,581	\$ (6,650)
Occupancy	-	1,800	569	(1,231)
Supplies & Minor Equipment	4,133	4,133	3,749	(384)
Other Expenses	6,000	8,500	8,181	(319)
Total Expenditures	<u>23,051</u>	<u>27,664</u>	<u>19,080</u>	<u>(8,584)</u>
Total Culture, Recreation and Conservation	<u>\$ 3,354,805</u>	<u>\$ 3,583,591</u>	<u>\$ 3,250,341</u>	<u>\$ (333,250)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
HUMAN SERVICES				
County Matches/Subsidies				
Salaries & Benefits	\$ 1	\$ 1	\$ -	\$ (1)
Subsidies	2,411,800	2,769,294	2,765,582	(3,712)
Consultant/Contracted	-	87,894	87,503	(391)
County Match	1,785,512	1,968,356	1,962,305	(6,051)
Other Expenses	10,000	6,360	-	(6,360)
Contra Revenue Accounts	-	8,723	8,723	-
Total Expenditures	<u>4,207,313</u>	<u>4,840,628</u>	<u>4,824,113</u>	<u>(16,515)</u>
Beaver County Transit Authority				
Subsidies	810,000	880,000	880,000	-
Contra Revenue Accounts	<u>500,000</u>	<u>1,000,000</u>	<u>899,836</u>	<u>(100,164)</u>
Total Expenditures	<u>1,310,000</u>	<u>1,880,000</u>	<u>1,779,836</u>	<u>(100,164)</u>
Total Human Services	<u>\$ 5,517,313</u>	<u>\$ 6,720,628</u>	<u>\$ 6,603,949</u>	<u>\$ (116,679)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Miscellaneous				
Insurance	\$ 809,600	\$ 974,811	\$ 603,669	\$ (371,142)
Bank charges	15,000	27,584	26,807	(777)
Indirect cost study	13,000	13,000	12,000	(1,000)
Other expenses	269,500	260,100	152,667	(107,433)
Total expenditures	<u>1,107,100</u>	<u>1,275,495</u>	<u>795,143</u>	<u>(480,352)</u>
Debt Service				
Principal	2,095,000	801,544	801,544	-
Interest	445,493	575,340	534,675	(40,665)
Bond issuance costs	-	-	92,282	92,282
Total expenditures	<u>2,540,493</u>	<u>1,376,884</u>	<u>1,428,501</u>	<u>51,617</u>
Fixed Asset Acquisition				
Improvements	<u>106,000</u>	<u>367,668</u>	<u>187,645</u>	<u>(180,023)</u>
Infrastructure	<u>54,883</u>	<u>83,583</u>	<u>57,697</u>	<u>(25,886)</u>
TOTAL EXPENDITURES	<u>\$ 47,576,384</u>	<u>\$ 50,729,444</u>	<u>\$ 46,576,603</u>	<u>\$ (4,152,841)</u>

County of Beaver, Pennsylvania

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2003**

	Special Revenue					
	County Records Improvement	Domestic Relations	Offender's Supervisory	Victim Witness / Stop Grants	Hazardous Materials/ Act 147 Grants	Liquid Fuels
ASSETS						
Cash and Cash Equivalents	\$ 38,269	\$ 65,167	\$ 164,606	\$ 17,948	\$ 105,619	\$ 1,333,422
Due From Other Funds	-	-	-	-	-	-
Prepaid Other	-	-	-	-	-	-
Accounts Receivable	6,344	562,335	12,872	51,313	4,682	180,994
Investments	-	-	-	-	-	-
TOTAL ASSETS	\$ 44,613	\$ 627,502	\$ 177,478	\$ 69,261	\$ 110,301	\$ 1,514,416
LIABILITIES						
Accounts Payable	\$ 11,614	\$ 1,221	\$ -	\$ 58,533	\$ 1,788	\$ 69,909
Due to Other Funds	-	262,179	-	24,705	9,680	1,025
Deferred Revenue	-	-	-	-	62,754	-
Accrued Vacation	-	-	-	-	-	-
TOTAL LIABILITIES	11,614	263,400	-	83,238	74,222	70,934
FUND BALANCE						
Reserved for Encumbrances	4,221	4,879	-	-	-	36,745
Unreserved, undesignated	28,778	359,223	177,478	(13,977)	36,079	1,406,737
TOTAL FUND BALANCE	32,999	364,102	177,478	(13,977)	36,079	1,443,482
TOTAL LIABILITIES AND FUND BALANCE	\$ 44,613	\$ 627,502	\$ 177,478	\$ 69,261	\$ 110,301	\$ 1,514,416

Capital Projects

<u>Community Development</u>	<u>County Office on Aging</u>	<u>Child Care Resource Management</u>	<u>Totals</u>	<u>Courtroom Improvement</u>	<u>FAA Projects</u>	<u>Parking Garage</u>	<u>Totals</u>
\$ 1,294,766	\$ 1,108,614	\$ 643,722	\$ 4,772,133	\$ 14,718	\$ 2,021	\$ 1,504	\$ 18,243
-	-	-	-	-	-	-	-
-	10,721	4,295	15,016	-	-	-	-
398,875	145,932	-	1,363,347	-	43,130	-	43,130
-	-	-	-	39,537	4,326	339,151	383,014
<u>\$ 1,693,641</u>	<u>\$ 1,265,267</u>	<u>\$ 648,017</u>	<u>\$ 6,150,496</u>	<u>\$ 54,255</u>	<u>\$ 49,477</u>	<u>\$ 340,655</u>	<u>\$ 444,387</u>
\$ 457,517	\$ 204,256	\$ 401,721	\$ 1,206,559	\$ 2,547	\$ 43,679	\$ -	\$ 46,226
13,020	44,829	14,582	370,020	-	-	-	-
314,970	-	-	377,724	-	-	-	-
-	-	-	-	-	-	-	-
<u>785,507</u>	<u>249,085</u>	<u>416,303</u>	<u>1,954,303</u>	<u>2,547</u>	<u>43,679</u>	<u>-</u>	<u>46,226</u>
-	8,752	1,234	55,831	20,988	-	-	20,988
908,134	1,007,430	230,480	4,140,362	30,720	5,798	340,655	377,173
<u>908,134</u>	<u>1,016,182</u>	<u>231,714</u>	<u>4,196,193</u>	<u>51,708</u>	<u>5,798</u>	<u>340,655</u>	<u>398,161</u>
<u>\$ 1,693,641</u>	<u>\$ 1,265,267</u>	<u>\$ 648,017</u>	<u>\$ 6,150,496</u>	<u>\$ 54,255</u>	<u>\$ 49,477</u>	<u>\$ 340,655</u>	<u>\$ 444,387</u>

**Total
Nonmajor
Governmental
Funds**

\$ 4,790,376
-
15,016
1,406,477
383,014

-
\$ 6,594,883

\$ 1,252,785
370,020
377,724

-

2,000,529

76,819

4,517,535

4,594,354

\$ 6,594,883

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2003**

	Special Revenue					
	County Records Improvement	Domestic Relations	Offender's Supervisory	Victim Witness / Stop Grants	Hazardous Materials/ Act 147 Grants	Liquid Fuels
REVENUES						
Investment Income	\$ 764	\$ 690	\$ 8,362	\$ 506	\$ 918	\$ 16,958
Intergovernmental	-	2,042,100	238,341	245,247	108,350	1,923,632
Departmental Earnings	89,100	-	226,484	-	1,790	83,755
Program / Project Income	-	49,290	-	-	-	-
Miscellaneous	-	5,032	-	645	-	-
TOTAL REVENUES	89,864	2,097,112	473,187	246,398	111,058	2,024,345
EXPENDITURES						
Current						
General Government	21,903	-	-	-	-	-
Judicial	-	1,981,308	654,680	320,596	-	-
Public Safety	-	-	-	-	130,185	-
Public Works and Enterprises	-	-	-	-	-	1,716,747
Intergovernmental						
Operating / Human Services	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay						
Infrastructure	-	-	-	-	-	61,639
Fixed Asset Acquisition	126,968	5,231	-	6,367	42,242	34,571
TOTAL EXPENDITURES	148,871	1,986,539	654,680	326,963	172,427	1,812,957
Excess (Deficiency) of Revenue over (under) Expenditures	(59,007)	110,573	(181,493)	(80,565)	(61,369)	211,388
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Proceeds of Long-Term Capital Related Debt	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net Changes in Fund Balances	(59,007)	110,573	(181,493)	(80,565)	(61,369)	211,388
Fund Balance - Beginning	92,006	253,529	358,971	66,588	97,448	1,232,094
Fund Balance - Ending	\$ 32,999	\$ 364,102	\$ 177,478	\$ (13,977)	\$ 36,079	\$ 1,443,482

Capital Projects								Total Nonmajor Governmental Totals
Community Development	County Office on Aging	Child Care Resource Management	Totals	Courtroom Improvement	FAA Project	Parking Garage	Totals	
\$ 14,537	\$ 17,390	\$ 4,695	\$ 64,820	\$ 1,639	\$ 59	\$ 6,678	\$ 8,376	\$ 73,196
7,579,473	4,941,693	5,592,844	22,671,680	-	80,476	-	80,476	22,752,156
-	-	-	401,129	-	-	-	-	401,129
565,167	135,874	-	750,331	-	-	-	-	750,331
-	4,592	10	10,279	-	-	-	-	10,279
<u>8,159,177</u>	<u>5,099,549</u>	<u>5,597,549</u>	<u>23,898,239</u>	<u>1,639</u>	<u>80,535</u>	<u>6,678</u>	<u>88,852</u>	<u>23,987,091</u>
-	-	-	21,903	-	-	-	-	21,903
-	-	-	2,956,584	-	-	-	-	2,956,584
-	-	-	130,185	-	-	-	-	130,185
8,062,831	-	-	9,779,578	129,651	11,861	6,920	148,432	9,928,010
-	4,948,926	5,538,375	10,487,301	-	-	-	-	10,487,301
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	194,600	194,600	194,600
-	-	-	61,639	-	75,050	-	75,050	136,689
<u>9,646</u>	<u>193,077</u>	<u>9,643</u>	<u>427,745</u>	<u>24,753</u>	<u>-</u>	<u>61,814</u>	<u>86,567</u>	<u>514,312</u>
8,072,477	5,142,003	5,548,018	23,864,935	154,404	86,911	263,334	504,649	24,369,584
86,700	(42,454)	49,531	33,304	(152,765)	(6,376)	(256,656)	(415,797)	(382,493)
-	-	-	-	-	23,952	-	23,952	23,952
(83,790)	-	-	(83,790)	-	(23,649)	-	(23,649)	(107,439)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(83,790)	-	-	(83,790)	-	303	-	303	(83,487)
2,910	(42,454)	49,531	(50,486)	(152,765)	(6,073)	(256,656)	(415,494)	(465,980)
<u>905,224</u>	<u>1,058,636</u>	<u>182,183</u>	<u>4,246,679</u>	<u>204,473</u>	<u>11,871</u>	<u>597,311</u>	<u>813,655</u>	<u>5,060,334</u>
<u>\$ 908,134</u>	<u>\$ 1,016,182</u>	<u>\$ 231,714</u>	<u>\$ 4,196,193</u>	<u>\$ 51,708</u>	<u>\$ 5,798</u>	<u>\$ 340,655</u>	<u>\$ 398,161</u>	<u>\$ 4,594,354</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>GENERAL GOVERNMENT</u>				
County Records Improvement				
Revenues				
Departmental Earnings	\$ 65,000	\$ 65,000	\$ 89,100	\$ 24,100
Interest	900	900	764	(136)
Total Revenues	<u>65,900</u>	<u>65,900</u>	<u>89,864</u>	<u>23,964</u>
Expenditures				
Other Expenditures	-	11,643	21,903	10,260
Capital Outlay	-	127,663	126,968	(695)
Total Expenditures	<u>-</u>	<u>139,306</u>	<u>148,871</u>	<u>9,565</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	65,900	(73,406)	(59,007)	14,399
Other Financing Sources (Uses)				
Other Financing Uses	-	(9,500)	-	9,500
Total Financing Uses	<u>-</u>	<u>(9,500)</u>	<u>-</u>	<u>9,500</u>
Fund Balance - January 1, 2003	<u>77,027</u>	<u>82,906</u>	<u>92,006</u>	<u>9,100</u>
Fund Balance - December 31, 2003	<u>\$ 142,927</u>	<u>\$ -</u>	<u>\$ 32,999</u>	<u>\$ 32,999</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
<u>JUDICIAL</u>				
Domestic Relations				
Revenues				
Intergovernmental	\$ 1,764,912	\$ 1,805,630	\$ 2,042,100	\$ 236,470
Program / Project Income	58,000	58,000	49,290	(8,710)
Interest	-	-	690	690
Miscellaneous	20,000	22,000	5,032	(16,968)
Total Revenues	<u>1,842,912</u>	<u>1,885,630</u>	<u>2,097,112</u>	<u>211,482</u>
Expenditures				
Salaries & Benefits	1,597,071	1,613,771	1,634,363	20,592
Personnel Expense	5,200	5,200	2,958	(2,242)
Occupancy	761	761	758	(3)
Communication	46,644	47,144	43,335	(3,809)
Supplies & Minor Equip.	37,500	79,052	68,117	(10,935)
Transportation	13,700	13,700	9,682	(4,018)
Consultant/Contracted Svcs.	9,000	11,000	6,658	(4,342)
Other Expenditures	185,500	220,911	215,437	(5,474)
Contra Revenue Accounts	-	-	-	-
Capital Outlay	67,695	14,250	5,231	(9,019)
Total Expenditures	<u>1,963,071</u>	<u>2,005,789</u>	<u>1,986,539</u>	<u>(19,250)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(120,159)	(120,159)	110,573	230,732
Fund Balance - January 1, 2003	<u>120,159</u>	<u>120,159</u>	<u>253,529</u>	<u>133,370</u>
Fund Balance - December 31, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,102</u>	<u>\$ 364,102</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Offender's Supervisory				
Revenues				
Departmental Earnings	\$ 422,000	\$ 422,000	\$ 226,484	\$ (195,516)
Intergovernmental	197,000	197,000	238,341	41,341
Interest	19,000	19,000	8,362	(10,638)
Total Revenues	<u>638,000</u>	<u>638,000</u>	<u>473,187</u>	<u>(164,813)</u>
Expenditures				
Other Expenditures	245,000	245,000	-	(245,000)
Reimburse Other Funds	-	-	654,680	654,680
Capital Outlay	-	-	-	-
Total Expenditures	<u>245,000</u>	<u>245,000</u>	<u>654,680</u>	<u>409,680</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	393,000	393,000	(181,493)	(574,493)
Other Financing Sources (Uses)				
Other Financing Uses	<u>(994,400)</u>	<u>(994,400)</u>	-	994,400
Total Financing Uses	<u>(994,400)</u>	<u>(994,400)</u>	-	994,400
Fund Balance - January 1, 2003	<u>751,994</u>	<u>751,994</u>	<u>358,971</u>	<u>(393,023)</u>
Fund Balance - December 31, 2003	<u>\$ 150,594</u>	<u>\$ 150,594</u>	<u>\$ 177,478</u>	<u>\$ 26,884</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Victim Witness / Stop Grant				
Revenues				
Intergovernmental	\$ 374,546	\$ 376,546	\$ 245,247	\$ (131,299)
Interest	-	-	506	506
Miscellaneous	-	-	645	645
Total Revenues	<u>374,546</u>	<u>376,546</u>	<u>246,398</u>	<u>(130,148)</u>
Expenditures				
Salaries & Benefits	243,646	262,461	249,876	(12,585)
Personnel Expense	-	-	-	-
Lease Agreements	-	-	-	-
Communication	6,000	9,760	7,542	(2,218)
Supplies & Minor Equip.	12,562	12,302	5,752	(6,550)
Transportation	6,172	6,172	2,718	(3,454)
Consultant/Contracted Svcs.	2,048	548	82	(466)
Other Expenditures	15,857	9,790	495	(9,295)
Contra Revenue Account	58,500	58,500	54,131	(4,369)
Capital Outlay	-	6,367	6,367	-
Total Expenditures	<u>344,785</u>	<u>365,900</u>	<u>326,963</u>	<u>(38,937)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	29,761	10,646	(80,565)	(91,211)
Other Financing Sources (Uses)				
Other Financing Sources	-	300	-	(300)
Total Financing Sources	<u>-</u>	<u>300</u>	<u>-</u>	<u>(300)</u>
Fund Balance - January 1, 2003	<u>100,843</u>	<u>100,843</u>	<u>66,588</u>	<u>(34,255)</u>
Fund Balance - December 31, 2003	<u>\$ 130,604</u>	<u>\$ 111,789</u>	<u>\$ (13,977)</u>	<u>\$ (125,766)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
<u>PUBLIC SAFETY</u>				
Hazardous Materials / Act 147 Grants				
Revenues				
Intergovernmental	\$ 130,387	\$ 137,387	\$ 108,350	\$ (29,037)
Interest	1,500	1,500	918	(582)
Departmental Earnings	5,000	5,000	1,790	(3,210)
Miscellaneous	-	-	-	-
Total Revenues	<u>136,887</u>	<u>143,887</u>	<u>111,058</u>	<u>(32,829)</u>
Expenditures				
Salaries & Benefits	1,820	2,087	2,087	-
Personnel Expense	12,000	19,000	14,361	(4,639)
Occupancy	12,750	10,750	7,846	(2,904)
Communication	11,000	11,294	10,182	(1,112)
Supplies & Minor Equipment	25,000	25,000	17,687	(7,313)
Transportation	9,500	9,500	7,560	(1,940)
Other Expenditures	80,110	46,812	70,462	23,650
Capital Outlay	64,637	102,143	42,242	(59,901)
Total Expenditures	<u>216,817</u>	<u>226,586</u>	<u>172,427</u>	<u>(54,159)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(79,930)	(82,699)	(61,369)	21,330
Fund Balance - January 1, 2003	<u>138,920</u>	<u>138,920</u>	<u>97,448</u>	<u>(41,472)</u>
Fund Balance - December 31, 2003	<u>\$ 58,990</u>	<u>\$ 56,221</u>	<u>\$ 36,079</u>	<u>\$ (20,142)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
<u>PUBLIC WORKS</u>				
Liquid Fuels				
Revenues				
Intergovernmental	\$ 3,558,205	\$ 3,558,205	\$ 1,923,632	\$ (1,634,573)
Departmental Earnings	86,450	86,450	83,755	(2,695)
Interest	-	-	16,958	16,958
Miscellaneous	-	-	-	-
Total Revenues	<u>3,644,655</u>	<u>3,644,655</u>	<u>2,024,345</u>	<u>(1,620,310)</u>
Expenditures				
Salaries & Benefits	38,792	39,997	37,455	(2,542)
Personnel Expense	1,000	1,000	45	(955)
Consultant/Contracted Svcs.	561,000	551,290	341,587	(209,703)
Sub-Contracted Svcs	3,172,211	3,295,181	1,024,677	(2,270,504)
Communication	8,000	6,795	2,957	(3,838)
Supplies & Minor Equip.	85,000	272,297	202,449	(69,848)
Transportation	3,000	3,000	1,522	(1,478)
Other Expenditures	1,036,881	617,303	106,055	(511,248)
Infrastructure	50,000	128,548	61,639	(66,909)
Capital Outlay	65,000	105,473	34,571	(70,902)
Total Expenditures	<u>5,020,884</u>	<u>5,020,884</u>	<u>1,812,957</u>	<u>(3,207,927)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,376,229)	(1,376,229)	211,388	1,587,617
Fund Balance - January 1, 2003	<u>1,376,229</u>	<u>1,376,229</u>	<u>1,232,094</u>	<u>(144,135)</u>
Fund Balance - December 31, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,443,482</u>	<u>\$ 1,443,482</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Community Development				
Revenues				
Intergovernmental	\$ 9,603,958	\$ 10,028,641	\$ 7,579,473	\$ (2,449,168)
Program / Project Income	684,311	684,311	565,167	(119,144)
Interest	17,700	17,700	14,537	(3,163)
Miscellaneous	-	-	-	-
Total Revenues	<u>10,305,969</u>	<u>10,730,652</u>	<u>8,159,177</u>	<u>(2,571,475)</u>
Expenditures				
Reimbursement Income	-	-	(73)	(73)
Salaries & Benefits	365,753	370,100	353,323	(16,777)
Debt Payments	199,042	199,042	199,042	-
Personnel Expense	8,437	6,489	6,104	(385)
Consultant/Contracted Svcs.	8,536,418	8,908,791	6,437,549	(2,471,242)
Sub Contracted Services	1,059,298	1,059,752	865,216	(194,536)
Communication	26,500	26,500	21,209	(5,291)
Supplies & Minor Equip.	13,250	27,391	24,294	(3,097)
Transportation	6,000	10,241	9,401	(840)
Other Expenditures	92,989	109,363	93,855	(15,508)
Occupancy	44,900	54,121	52,911	(1,210)
Capital Outlay	8,500	16,379	9,646	(6,733)
Total Expenditures	<u>10,361,087</u>	<u>10,788,169</u>	<u>8,072,477</u>	<u>(2,715,692)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(55,118)	(57,517)	86,700	144,217
Other Financing Sources (Uses)				
Other Financing Uses	-	-	(83,790)	(83,790)
Total Financing Uses	<u>-</u>	<u>-</u>	<u>(83,790)</u>	<u>(83,790)</u>
Fund Balance - January 1, 2003	<u>1,387,989</u>	<u>1,387,989</u>	<u>905,224</u>	<u>(482,765)</u>
Fund Balance - December 31, 2003	<u>\$ 1,332,871</u>	<u>\$ 1,330,472</u>	<u>\$ 908,134</u>	<u>\$ (422,338)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
<u>HUMAN SERVICES</u>				
Office on Aging				
Revenues				
Intergovernmental	\$ 6,086,960	\$ 6,086,960	\$ 4,941,693	\$ (1,145,267)
Program / Project Income	60,000	60,000	135,874	75,874
Interest and Rents	25,800	25,800	17,390	(8,410)
Miscellaneous	32,700	32,700	4,592	(28,108)
Total Revenues	<u>6,205,460</u>	<u>6,205,460</u>	<u>5,099,549</u>	<u>(1,105,911)</u>
Expenditures				
Reimbursement to State	55,000	55,000	1,572	(53,428)
Salaries & Benefits	1,862,540	1,981,893	1,912,633	(69,260)
Personnel Expense	24,700	24,279	10,557	(13,722)
Consultant/Contracted Svcs.	120,000	157,569	119,332	(38,237)
Sub Contracted Services	4,090,000	3,851,757	2,303,963	(1,547,794)
Occupancy	478,000	379,773	332,518	(47,255)
Communication	96,500	119,146	73,842	(45,304)
Supplies & Minor Equip.	181,000	209,893	115,254	(94,639)
Transportation	45,000	45,000	38,264	(6,736)
Other Expenditures	232,832	87,361	40,991	(46,370)
Capital Outlay	145,632	419,533	193,077	(226,456)
Total Expenditures	<u>7,331,204</u>	<u>7,331,204</u>	<u>5,142,003</u>	<u>(2,189,201)</u>
Excess (Deficiency) of Revenue Over (Under)Expenditures	(1,125,744)	(1,125,744)	(42,454)	1,083,290
Fund Balance - January 1, 2003	<u>1,159,544</u>	<u>1,159,544</u>	<u>1,058,636</u>	<u>(100,908)</u>
Fund Balance - December 31, 2003	<u>\$ 33,800</u>	<u>\$ 33,800</u>	<u>\$ 1,016,182</u>	<u>\$ 982,382</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Child Care Resource Management				
Revenues				
Intergovernmental	\$ 5,758,611	\$ 5,758,611	\$ 5,592,844	\$ (165,767)
Interest	12,000	12,000	4,695	(7,305)
Miscellaneous	-	-	10	10
Total Revenues	<u>5,770,611</u>	<u>5,770,611</u>	<u>5,597,549</u>	<u>(173,062)</u>
Expenditures				
Reimbursement to State	-	142,820	142,819	(1)
Salaries & Benefits	487,044	520,374	422,481	(97,893)
Personnel Expense	2,950	2,950	826	(2,124)
Consultant/Contracted Srvc.	22,500	22,134	17,150	(4,984)
Sub Contracted Services	4,817,607	4,817,607	4,684,220	(133,387)
Occupancy	68,937	71,737	60,922	(10,815)
Communication	117,500	100,182	35,450	(64,732)
Supplies & Minor Equip.	115,000	170,000	87,092	(82,908)
Transportation	12,000	12,000	3,322	(8,678)
Other Expenditures	85,909	90,193	84,093	(6,100)
Capital Outlay	10,000	15,000	9,643	(5,357)
Total Expenditures	<u>5,739,447</u>	<u>5,964,997</u>	<u>5,548,018</u>	<u>(416,979)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	31,164	(194,386)	49,531	243,917
Fund Balance - January 1, 2003	<u>399,910</u>	<u>399,910</u>	<u>182,183</u>	<u>(217,727)</u>
Fund Balance - December 31, 2003	<u>\$ 431,074</u>	<u>\$ 205,524</u>	<u>\$ 231,714</u>	<u>\$ 26,190</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Courtroom Improvement Project				
Revenues				
Interest	\$ 400	\$ 400	\$ 1,639	\$ 1,239
Total Revenues	<u>400</u>	<u>400</u>	<u>1,639</u>	<u>1,239</u>
Expenditures				
Fixed Assets	192,789	45,071	24,753	(20,318)
Infrastructure	-	-	-	-
Other Expenditures	<u>3,002</u>	<u>150,720</u>	<u>129,651</u>	<u>(21,069)</u>
Total Expenditures	<u>195,791</u>	<u>195,791</u>	<u>154,404</u>	<u>(41,387)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(195,391)	(195,391)	(152,765)	42,626
Fund Balance - January 1, 2003	203,002	203,002	204,473	1,471
Fund Balance - December 31, 2003	<u>\$ 7,611</u>	<u>\$ 7,611</u>	<u>\$ 51,708</u>	<u>\$ 44,097</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2003**

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
FAA Projects				
Revenues				
Intergovernmental	\$ 172,000	\$ 172,000	\$ 80,476	\$ (91,524)
Interest	275	275	59	(216)
Total Revenues	<u>172,275</u>	<u>172,275</u>	<u>80,535</u>	<u>(91,740)</u>
Expenditures				
Infrastructure	183,075	183,075	75,050	(108,025)
Fixed Assets	-	-	-	-
Other Expenditures	-	-	11,861	11,861
Total Expenditures	<u>183,075</u>	<u>183,075</u>	<u>86,911</u>	<u>(96,164)</u>
Excess (Deficiency) Revenue Over (Under) Expenditures	(10,800)	(10,800)	(6,376)	4,424
Other Financing Sources (Uses)				
Other Financing Sources	-	22,631	23,952	1,321
Other Financing Uses	-	(23,649)	(23,649)	-
Total Financing Sources (Uses)	<u>-</u>	<u>(1,018)</u>	<u>303</u>	<u>1,321</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(10,800)	(11,818)	(6,073)	5,745
Fund Balance - January 1, 2003	<u>10,800</u>	<u>11,818</u>	<u>11,871</u>	<u>53</u>
Fund Balance - December 31, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,798</u>	<u>\$ 5,798</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2003**

	<u>Budget</u>		<u>2003</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Parking Garage				
Revenues				
Interest	\$ -	\$ -	\$ 6,678	\$ 6,678
Total Revenues	<u>-</u>	<u>-</u>	<u>6,678</u>	<u>6,678</u>
Expenditures				
Fixed Assets	-	75,037	61,814	(13,223)
Infrastructure	-	6,920	-	(6,920)
Interest	-	194,600	194,600	-
Other Expenditures	<u>424,397</u>	<u>245,140</u>	<u>6,920</u>	<u>(238,220)</u>
Total Expenditures	<u>424,397</u>	<u>521,697</u>	<u>263,334</u>	<u>(258,363)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(424,397)	(521,697)	(256,656)	265,041
Other Financing Sources (Uses)				
Proceeds of Long-Term Capital Related Debt	-	-	-	-
Transfers to 1996 Bond Fund	<u>(440,965)</u>	<u>(343,665)</u>	<u>-</u>	<u>343,665</u>
Total Financing Sources	<u>(440,965)</u>	<u>(343,665)</u>	<u>-</u>	<u>343,665</u>
Fund Balance - January 1, 2003	865,362	865,362	597,311	(268,051)
Fund Balance - December 31, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340,655</u>	<u>\$ 340,655</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
1996 BOND ISSUE**

For the Year Ended December 31, 2003

	Budget		2003	Variance
	Original	Final	Actual	Over (Under)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 371,607	\$ 371,607
Interest	91,000	91,000	85,496	(5,504)
Miscellaneous	-	-	-	-
Total Revenues	<u>91,000</u>	<u>91,000</u>	<u>457,103</u>	<u>366,103</u>
Expenditures				
Fixed Assets	-	2,031,101	1,879,197	(151,904)
Infrastructure	-	1,026,375	50,932	(975,443)
Interest	3,149,548	3,149,548	3,148,994	(554)
Other Expenditures	1,994,405	1,760,643	136,839	(1,623,804)
Total Expenditures	<u>5,143,953</u>	<u>7,967,667</u>	<u>5,215,962</u>	<u>(2,751,705)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(5,052,953)	(7,876,667)	(4,758,859)	3,117,808
Other Financing Sources (Uses)				
Other Financing Sources	(3,510,137)	(3,510,137)	-	3,510,137
Other Financing Uses	440,965	440,965	-	(440,965)
Total Financing Sources (Uses)	<u>(3,069,172)</u>	<u>(3,069,172)</u>	<u>-</u>	<u>3,069,172</u>
Fund Balance - Beginning	<u>9,445,272</u>	<u>9,445,272</u>	<u>8,867,269</u>	<u>(578,003)</u>
Fund Balance - Ending	<u>\$ 1,323,147</u>	<u>\$ (1,500,567)</u>	<u>\$ 4,108,410</u>	<u>\$ 5,608,977</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2003

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
Clerk of Courts				
ASSETS				
Cash and cash equivalents	\$ 229,724	2,141,462	2,154,987	\$ 216,199
	<u>229,724</u>	<u>2,141,462</u>	<u>2,154,987</u>	<u>216,199</u>
LIABILITIES				
Accounts Payable	228,864	2,140,680	2,154,127	215,417
Due to Other Funds	860	782	860	782
	<u>\$ 229,724</u>	<u>2,141,462</u>	<u>2,154,987</u>	<u>\$ 216,199</u>
Clerk of Courts Automation - Act 136				
ASSETS				
Cash and cash equivalents	\$ 6,916	11,309	2,230	\$ 15,995
Due from Other Funds	860	782	860	782
	<u>7,776</u>	<u>12,091</u>	<u>3,090</u>	<u>16,777</u>
LIABILITIES				
Accounts Payable	7,776	12,091	3,090	16,777
	<u>\$ 7,776</u>	<u>12,091</u>	<u>3,090</u>	<u>\$ 16,777</u>
Domestic Relations - Support Payments				
ASSETS				
Cash and cash equivalents	\$ 44,854	631,942	593,709	\$ 83,087
	<u>44,854</u>	<u>631,942</u>	<u>593,709</u>	<u>83,087</u>
LIABILITIES				
Accounts Payable	44,854	631,942	593,709	83,087
	<u>\$ 44,854</u>	<u>631,942</u>	<u>593,709</u>	<u>\$ 83,087</u>
Other Escrow				
ASSETS				
Cash and cash equivalents	\$ 378,644	160,740	176,109	\$ 363,275
Investments	229,481	32,082	-	261,563
Accounts Receivable	106	45,868	106	45,868
	<u>608,231</u>	<u>238,690</u>	<u>176,215</u>	<u>670,706</u>
LIABILITIES				
Accounts Payable	608,231	238,690	176,215	670,706
	<u>\$ 608,231</u>	<u>238,690</u>	<u>176,215</u>	<u>\$ 670,706</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended December 31, 2003**

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
Prothonotary				
ASSETS				
Cash and cash equivalents	\$ 282,018	665,143	722,363	\$ 224,798
	<u>282,018</u>	<u>665,143</u>	<u>722,363</u>	<u>224,798</u>
LIABILITIES				
Accounts Payable	280,948	651,138	708,528	223,558
Due to Other Funds	1,070	14,005	13,835	1,240
	<u>\$ 282,018</u>	<u>665,143</u>	<u>722,363</u>	<u>\$ 224,798</u>
Prothonotary Automation Fund				
ASSETS				
Cash and cash equivalents	\$ 54,032	389	33,792	\$ 20,629
Due from Other Funds	1,070	14,005	13,835	1,240
	<u>55,102</u>	<u>14,394</u>	<u>47,627</u>	<u>21,869</u>
LIABILITIES				
Accounts Payable	55,102	14,394	47,627	21,869
	<u>\$ 55,102</u>	<u>14,394</u>	<u>47,627</u>	<u>\$ 21,869</u>
Recorder of Deeds				
ASSETS				
Cash and cash equivalents	\$ 322,921	7,699,024	7,663,142	\$ 358,803
Accounts Receivable - State	3,946	-	3,946	-
	<u>326,867</u>	<u>7,699,024</u>	<u>7,667,088</u>	<u>358,803</u>
LIABILITIES				
Accounts Payable	326,867	7,689,508	7,667,088	349,287
Due to Other Funds	-	9,516	-	9,516
	<u>\$ 326,867</u>	<u>7,699,024</u>	<u>7,667,088</u>	<u>\$ 358,803</u>
Recorder Records Improvement				
ASSETS				
Cash and cash equivalents	\$ 13,563	174,911	82,306	\$ 106,168
Due from Other Funds	6,924	9,516	6,924	9,516
	<u>20,487</u>	<u>184,427</u>	<u>89,230</u>	<u>115,684</u>
LIABILITIES				
Accounts Payable	20,487	184,427	89,230	115,684
	<u>\$ 20,487</u>	<u>184,427</u>	<u>89,230</u>	<u>\$ 115,684</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended December 31, 2003**

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
Register of Wills				
ASSETS				
Cash and cash equivalents	\$ 152,224	6,808,450	6,903,552	\$ 57,122
Accounts Receivable - State	5,675	5,923	5,675	5,923
	<u>157,899</u>	<u>6,814,373</u>	<u>6,909,227</u>	<u>63,045</u>
LIABILITIES				
Accounts Payable	150,975	6,814,373	6,902,303	63,045
Due to Other Funds	6,924	-	6,924	-
	<u>\$ 157,899</u>	<u>6,814,373</u>	<u>6,909,227</u>	<u>\$ 63,045</u>
Sheriff				
ASSETS				
Cash and cash equivalents	\$ 538,854	2,184,698	2,352,095	\$ 371,457
	<u>538,854</u>	<u>2,184,698</u>	<u>2,352,095</u>	<u>371,457</u>
LIABILITIES				
Accounts Payable	538,854	2,184,698	2,352,095	371,457
	<u>\$ 538,854</u>	<u>2,184,698</u>	<u>2,352,095</u>	<u>\$ 371,457</u>
Tax Claims				
ASSETS				
Cash and cash equivalents	\$ 1,247,472	10,179,172	10,052,740	\$ 1,373,904
	<u>1,247,472</u>	<u>10,179,172</u>	<u>10,052,740</u>	<u>1,373,904</u>
LIABILITIES				
Accounts Payable	1,247,472	10,179,172	10,052,740	1,373,904
	<u>\$ 1,247,472</u>	<u>10,179,172</u>	<u>10,052,740</u>	<u>\$ 1,373,904</u>
Treasurer				
ASSETS				
Cash and cash equivalents	\$ 41,635	238,600	234,191	\$ 46,044
	<u>41,635</u>	<u>238,600</u>	<u>234,191</u>	<u>46,044</u>
LIABILITIES				
Accounts Payable	41,635	238,600	234,191	46,044
	<u>\$ 41,635</u>	<u>238,600</u>	<u>234,191</u>	<u>\$ 46,044</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended December 31, 2003**

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
Total - Agency Funds				
ASSETS				
Cash and cash equivalents	\$ 3,312,857	30,895,840	30,971,216	\$ 3,237,481
Investments	229,481	32,082	-	261,563
Due from Other Funds	8,854	24,303	21,619	11,538
Accounts Receivable - State	9,727	51,791	9,727	51,791
	<u>3,560,919</u>	<u>31,004,016</u>	<u>31,002,562</u>	<u>3,562,373</u>
LIABILITIES				
Accounts Payable	3,552,065	30,979,713	30,980,943	3,550,835
Due to Other Funds	8,854	24,303	21,619	11,538
	<u>\$ 3,560,919</u>	<u>31,004,016</u>	<u>31,002,562</u>	<u>\$ 3,562,373</u>

County of Beaver, Pennsylvania

General Revenues by Source for all Governmental Fund Types - Last Ten Years
1994-2003

	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Investment Income</u>	<u>Inter Governmental Revenues</u>	<u>Project Revenues</u>
1994	\$ 22,807,964	\$ 33,756	\$ 1,334,371	\$ 32,942,872	\$ 1,284,583
1995	\$ 23,234,718	\$ 25,167	\$ 1,542,548	\$ 35,835,824	\$ 970,067
1996	\$ 23,381,882	\$ 40,834	\$ 1,362,239	\$ 37,294,399	\$ 903,586
1997	\$ 30,039,445	\$ 45,129	\$ 4,583,408	\$ 41,951,072	\$ 985,650
1998	\$ 30,852,922	\$ 86,993	\$ 5,217,055	\$ 44,953,946	\$ 1,214,911
1999	\$ 28,632,793	\$ 89,527	\$ 5,305,292	\$ 49,758,901	\$ 1,302,569
2000	\$ 28,843,943	\$ 74,734	\$ 4,855,017	\$ 58,044,698	\$ 2,058,171
2001	\$ 28,163,762	\$ 80,080	\$ 2,886,844	\$ 58,203,733	\$ 1,873,172
2002	\$ 31,715,029	\$ 112,552	\$ 1,337,353	\$ 63,124,529	\$ 2,245,428
2003	\$ 32,798,112	\$ 120,258	\$ 984,415	\$ 70,025,840	\$ 2,558,023

<u>Charges for Services and Facilities</u>	<u>Misc. Revenues</u>	<u>Total</u>
\$ 3,575,973	\$ 1,376,294	\$ 63,355,813
\$ 4,222,838	\$ 1,177,683	\$ 67,008,845
\$ 3,482,247	\$ 1,782,272	\$ 68,247,459
\$ 3,565,983	\$ 1,378,268	\$ 82,548,955
\$ 3,730,534	\$ 1,367,860	\$ 87,424,221
\$ 4,746,117	\$ 1,033,070	\$ 90,868,269
\$ 4,825,494	\$ 1,117,811	\$ 99,819,868
\$ 4,933,711	\$ 1,319,288	\$ 97,460,590
\$ 5,754,603	\$ 1,827,143	\$ 106,116,637
\$ 6,190,617	\$ 1,681,517	\$ 114,358,782

County of Beaver, Pennsylvania
 General Government Expenditures by Function
 for all Governmental Fund Types-Last Ten Years
 1994-2003

<u>Year</u>	<u>General Government</u>	<u>Judicial</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Culture, Recreation and Conservation</u>
1994	\$ 6,990,055	\$ 6,552,739	\$ 7,202,756	\$ 2,253,706	\$ 1,920,667
1995	\$ 7,153,923	\$ 6,810,780	\$ 8,618,404	\$ 2,266,959	\$ 9,194,337
1996	\$ 7,576,303	\$ 8,692,502	\$ 7,210,269	\$ 2,387,472	\$ 7,988,113
1997	\$ 7,769,568	\$ 9,147,423	\$ 7,711,409	\$ 10,854,203	\$ 2,023,762
1998	\$ 7,615,930	\$ 9,459,935	\$ 8,096,825	\$ 9,217,563	\$ 1,958,900
1999	\$ 7,683,790	\$ 9,589,475	\$ 7,721,749	\$ 10,542,735	\$ 2,380,613
2000	\$ 7,799,771	\$ 10,450,728	\$ 9,582,188	\$ 13,805,776	\$ 2,470,877
2001	\$ 8,085,258	\$ 10,995,762	\$ 10,337,838	\$ 12,297,826	\$ 2,839,711
2002	\$ 8,765,584	\$ 11,983,149	\$ 11,040,261	\$ 13,566,984	\$ 3,098,146
2003	\$ 9,026,172	\$ 12,557,536	\$ 12,176,861	\$ 13,666,279	\$ 3,250,341

Notes:

(1) - Prior to 1997, infrastructure was included in various other functions.

<u>Human Services</u>	<u>Miscellaneous</u>	<u>Debt Service</u>	<u>Infrastructure (1)</u>	<u>Fixed Assets</u>	<u>Total</u>
\$ 32,565,942	\$ 638,901	\$ 2,014,807	\$ -	\$ 2,125,903	\$ 62,265,476
\$ 27,769,353	\$ 484,728	\$ 2,014,608	\$ -	\$ 2,849,537	\$ 67,162,629
\$ 30,763,006	\$ 446,444	\$ 2,023,883	\$ -	\$ 3,140,699	\$ 70,228,691
\$ 33,251,040	\$ 621,498	\$ 5,968,244	\$ 396,958	\$ 2,299,869	\$ 80,043,974
\$ 36,040,330	\$ 404,920	\$ 4,812,778	\$ 1,222,630	\$ 5,774,639	\$ 84,604,450
\$ 39,315,567	\$ 781,221	\$ 5,183,895	\$ 1,711,933	\$ 16,486,701	\$ 101,397,679
\$ 44,453,791	\$ 603,553	\$ 5,176,110	\$ 4,626,633	\$ 20,052,497	\$ 119,021,924
\$ 49,185,726	\$ 456,648	\$ 5,222,240	\$ 784,048	\$ 12,433,834	\$ 112,638,891
\$ 56,536,369	\$ 592,953	\$ 5,352,171	\$ 1,281,767	\$ 17,754,912	\$ 129,972,296
\$ 61,068,794	\$ 795,143	\$ 4,772,095	\$ 245,318	\$ 2,990,460	\$ 120,548,999

County of Beaver, Pennsylvania
 Real Property Tax Levies and Collections
 Assessed Value of Taxable Property - Last Ten Years
 1994-2003

<u>Year</u>	<u>Tax Rate (Mills)</u>	<u>Certified Estimated Assessed Valuation</u>	<u>End of Year Actual Assessed Valuation</u>	<u>Total Taxes Levied</u>
1994	12.40	\$ 1,792,642,837	\$ 1,796,884,241	\$ 22,228,771
1995	12.40	\$ 1,814,701,059	\$ 1,822,671,309	\$ 22,502,293
1996	12.40	\$ 1,830,548,706	\$ 1,836,309,435	\$ 22,698,804
1997	16.20	\$ 1,841,873,815	\$ 1,844,607,919	\$ 29,838,358
1998	16.20	\$ 1,864,177,198	\$ 1,866,911,302	\$ 30,199,670
1999	15.00	\$ 1,883,258,077	\$ 1,884,621,372	\$ 28,248,871
2000	13.70	\$ 2,025,875,575	\$ 2,029,109,475	\$ 27,798,799
2001	13.70	\$ 2,018,564,905	\$ 2,028,251,318	\$ 27,787,043
2002	15.70	\$ 2,038,174,715	\$ 2,046,020,103	\$ 32,122,516
2003	15.70	\$ 2,060,223,221	\$ 2,082,764,421	\$ 32,699,401

Source: Beaver County Board of Property Assessment

<u>Current Tax Collections</u>	<u>Percentages of Levy Collected During Year</u>	<u>Delinquent & Lien Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percentage of Taxes Levied</u>
\$ 19,681,420	88.54%	\$ 3,126,544	\$ 22,807,964	102.61%
\$ 20,182,453	89.69%	\$ 3,052,265	\$ 23,234,718	103.25%
\$ 20,350,860	89.66%	\$ 3,031,022	\$ 23,381,882	103.01%
\$ 26,681,914	89.42%	\$ 3,357,531	\$ 30,039,445	100.67%
\$ 27,101,142	89.74%	\$ 3,751,780	\$ 30,852,922	102.16%
\$ 25,365,530	89.79%	\$ 3,267,263	\$ 28,632,793	101.36%
\$ 25,477,666	91.65%	\$ 3,366,277	\$ 28,843,943	103.76%
\$ 25,077,723	90.25%	\$ 3,086,040	\$ 28,163,763	101.36%
\$ 28,870,520	89.88%	\$ 2,844,509	\$ 31,715,029	98.73%
\$ 29,549,369	90.37%	\$ 3,248,743	\$ 32,798,112	100.30%

County of Beaver, Pennsylvania
 Assessed and Estimated Actual Value of Property
 Last Ten Years

<u>Fiscal Year</u>	<u>End of Year Actual Assessed Valuation</u>	<u>End of Year Estimated Actual Valuation</u>	<u>Common Level Ratio</u>
1994	\$ 1,796,884,241	\$ 4,078,927,227	2.27
1995	\$ 1,822,671,309	\$ 4,228,597,437	2.32
1996	\$ 1,836,309,435	\$ 4,407,142,644	2.40
1997	\$ 1,844,607,919	\$ 4,519,289,402	2.45
1998	\$ 1,866,911,302	\$ 4,816,631,159	2.58
1999	\$ 1,884,621,372	\$ 4,858,805,839	2.58
2000	\$ 2,029,109,475	\$ 4,051,751,150	2.00
2001	\$ 2,028,251,318	\$ 4,056,502,636	2.00
2002	\$ 2,046,020,103	\$ 5,832,242,004	2.85
2003	\$ 2,082,764,421	\$ 6,019,189,177	2.89

Source: Beaver County Board of Property Assessment

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
City of Beaver Falls					
Municipal	28.00	28.00	24.00	24.00	24.00
School District	56.00	54.00	52.00	49.00	48.00
City of Aliquippa					
Municipal	89.00	86.00	77.00	79.00	79.00
School District	185.00	185.00	165.00	165.00	165.00
Ambridge Borough					
Municipal	28.50	28.50	28.50	28.50	29.00
School District	53.00	53.00	51.00	49.00	47.00
Baden Borough					
Municipal	17.00	17.00	17.00	17.00	17.00
School District	53.00	53.00	51.00	49.50	47.00
Beaver Borough					
Municipal	16.50	16.50	14.50	14.50	14.50
School District	50.50	48.00	45.00	43.50	42.50
Bridgewater Borough					
Municipal	23.00	21.00	20.00	20.00	20.00
School District	50.50	48.00	45.00	43.50	42.50
Conway Borough					
Municipal	17.50	14.50	12.50	12.50	9.50
School District	37.00	36.00	36.00	36.00	36.00
Darlington Borough					
Municipal	7.40	7.40	7.40	7.40	7.40
School District	44.90	44.90	41.90	41.90	40.90
East Rochester Borough					
Municipal	18.00	17.00	17.00	17.00	14.00
School District	42.00	44.00	41.50	41.50	41.50

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
24.00	24.00	24.00	24.00	21.50
48.00	46.00	46.00	46.00	46.00
79.00	79.00	79.00	81.00	81.00
165.00	162.00	162.00	163.00	161.00
30.00	29.00	25.00	25.00	25.00
43.00	43.00	41.00	41.00	41.00
17.00	15.50	15.50	15.50	15.50
43.00	43.00	41.00	41.00	41.00
14.50	14.50	14.50	14.50	14.50
42.50	40.50	38.00	36.50	35.00
18.50	18.50	18.50	18.50	18.50
42.50	40.50	38.00	36.50	35.00
9.50	9.50	9.50	9.50	9.50
36.00	34.00	34.00	34.00	34.00
7.40	7.40	7.40	7.40	5.40
40.90	40.90	40.90	40.90	40.90
14.00	14.00	14.00	14.00	14.00
41.50	41.50	41.50	41.50	41.50

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
(Continued)					
Eastvale Borough					
Municipal	22.00	20.00	20.00	18.00	18.00
School District	56.00	54.00	52.00	49.00	48.00
Ellwood City Borough					
Municipal	0.00	0.00	0.00	0.00	0.00
School District	0.00	0.00	0.00	0.00	0.00
Fallston Borough					
Municipal	14.00	12.00	12.00	12.00	12.00
School District	40.00	40.00	38.00	36.00	36.00
Frankfort Springs Borough					
Municipal	2.00	2.00	2.00	2.00	2.00
School District	34.00	34.00	28.00	28.00	40.00
Freedom Borough					
Municipal	22.00	19.75	19.75	17.75	17.75
School District	37.00	36.00	36.00	36.00	36.00
Georgetown Borough					
Municipal	4.00	4.00	4.00	4.00	4.00
School District	34.00	34.00	28.00	28.00	40.00
Glasgow Borough					
Municipal	10.00	10.00	10.00	10.00	10.00
School District	37.50	37.50	37.50	37.50	37.50
Homewood Borough					
Municipal	12.00	12.00	12.00	12.00	12.00
School District	56.00	54.00	52.00	49.00	48.00
Hookstown Borough					
Municipal	3.00	3.00	3.00	3.00	3.00
School District	34.00	34.00	28.00	28.00	40.00

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
18.00	18.00	18.00	18.00	18.00
48.00	46.00	46.00	46.00	46.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
12.00	12.00	10.00	10.00	10.00
36.00	36.00	36.00	36.00	38.00
2.00	2.00	2.00	2.00	2.00
40.00	36.00	36.00	36.00	32.00
17.75	15.75	15.75	15.75	15.75
36.00	34.00	34.00	34.00	34.00
4.00	4.00	4.00	4.00	4.00
40.00	36.00	36.00	36.00	32.00
10.00	10.00	10.00	10.00	10.00
37.50	37.50	37.50	37.50	37.50
12.00	12.00	12.00	10.00	10.00
48.00	46.00	46.00	46.00	46.00
3.00	3.00	3.00	3.00	3.00
40.00	36.00	36.00	36.00	32.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
(Continued)					
Koppel Borough					
Municipal	12.00	12.00	12.00	12.00	12.00
School District	56.00	54.00	52.00	49.00	48.00
Midland Borough					
Municipal	26.50	26.50	26.50	26.50	26.50
School District	28.00	31.00	33.00	35.00	35.00
Monaca Borough					
Municipal	21.40	18.90	18.90	16.00	16.00
School District	42.00	42.00	42.00	40.00	40.00
New Brighton Borough					
Municipal	22.86	22.86	22.86	20.86	20.86
School District	40.00	40.00	38.00	36.00	36.00
New Galilee Borough					
Municipal	10.50	11.50	11.50	11.50	10.50
School District	56.00	54.00	52.00	49.00	48.00
Patterson Heights Borough					
Municipal	14.00	14.00	14.00	14.00	13.00
School District	44.90	44.90	41.90	41.90	40.90
Rochester Borough					
Municipal	27.00	27.00	25.50	25.50	23.50
School District	42.00	44.00	41.50	41.50	41.50
Shippingport Borough					
Municipal	1.00	1.00	1.00	1.00	39.00
School District	34.00	34.00	28.00	28.00	40.00
South Heights Borough					
Municipal	14.50	14.50	14.50	14.50	14.50
School District	53.00	53.00	51.00	49.50	47.00

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
12.00	12.00	10.00	10.00	7.00
48.00	46.00	46.00	46.00	46.00
26.50	26.50	26.50	26.50	23.75
35.00	33.00	33.00	33.00	33.00
16.00	14.70	14.70	14.70	14.70
40.00	38.50	38.50	38.50	38.50
20.86	20.25	20.25	20.25	20.25
36.00	36.00	36.00	36.00	38.00
10.50	13.00	8.00	7.00	7.00
48.00	46.00	46.00	46.00	46.00
13.00	13.00	13.00	13.00	11.00
40.90	40.90	40.90	40.90	40.90
23.50	20.50	20.50	19.00	19.00
41.50	41.50	41.50	41.50	41.50
0.39	0.39	0.39	0.39	0.39
40.00	36.00	36.00	36.00	32.00
14.50	11.50	11.50	11.50	11.50
43.00	43.00	41.00	41.00	41.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
(Continued)					
West Mayfield Borough					
Municipal	12.25	12.25	12.25	12.25	12.25
School District	44.90	44.90	41.90	41.90	40.90
Big Beaver Borough					
Municipal	11.50	11.50	11.50	11.50	11.50
School District	56.00	54.00	52.00	49.00	48.00
Vanport Township					
Municipal	16.50	16.50	16.50	16.50	16.50
School District	50.50	48.00	45.00	43.50	42.50
Brighton Township					
Municipal	7.00	6.00	6.00	6.00	6.00
School District	50.50	48.00	45.00	43.50	42.50
Center Township					
Municipal	7.00	7.00	7.00	7.00	6.00
School District	44.10	43.10	43.10	43.10	40.60
Chippewa Township					
Municipal	12.00	10.00	10.00	10.00	9.00
School District	44.90	44.90	41.90	41.90	40.90
Darlington Township					
Municipal	6.00	5.00	5.00	6.00	8.00
School District	44.90	44.90	41.90	41.90	40.90
Daugherty Township					
Municipal	6.50	6.50	6.50	6.50	6.50
School District	40.00	40.00	38.00	36.00	36.00
Economy Borough					
Municipal	14.00	14.00	11.50	11.50	11.50
School District	53.00	53.00	51.00	49.50	47.00

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
12.25 40.90	12.25 40.90	12.25 40.90	12.25 40.90	11.00 40.90
11.50 48.00	10.00 46.00	10.00 46.00	9.00 46.00	9.00 46.00
16.50 42.50	16.50 40.50	16.50 38.00	16.50 36.50	16.50 35.00
5.00 42.50	5.00 40.50	5.00 38.00	5.00 36.50	4.00 35.00
6.00 40.60	6.00 40.60	6.00 40.60	6.00 40.60	6.00 40.60
9.00 40.90	7.00 40.90	7.00 40.90	7.00 40.90	7.00 40.90
8.00 40.90	5.00 40.90	3.00 40.90	3.00 40.90	3.00 40.90
6.50 36.00	6.50 36.00	6.50 36.00	6.50 36.00	6.50 38.00
11.50 43.00	8.50 43.00	8.50 41.00	8.50 41.00	8.50 41.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
(Continued)					
Franklin Township					
Municipal	5.00	5.00	5.00	5.00	5.00
School District	55.50	53.50	48.00	47.00	46.00
Greene Township					
Municipal	6.00	6.00	6.00	6.00	5.00
School District	34.00	34.00	28.00	28.00	40.00
Hanover Township					
Municipal	4.00	4.00	4.00	4.00	4.00
School District	34.00	34.00	28.00	28.00	40.00
Harmony Township					
Municipal	18.28	18.28	18.28	18.28	18.28
School District	53.00	53.00	51.00	49.50	47.00
Hopewell Township					
Municipal	10.00	10.00	10.00	10.00	9.00
School District	61.00	57.00	56.00	53.00	50.00
Independence Township					
Municipal	10.50	9.50	9.50	9.50	7.50
School District	61.00	57.00	56.00	53.00	50.00
Industry Borough					
Municipal	12.00	12.00	12.00	12.00	12.00
School District	37.50	37.50	37.50	37.50	37.50
Marion Township					
Municipal	3.50	3.50	3.50	2.50	2.50
School District	55.50	53.50	48.00	47.00	46.00
New Sewickley Township					
Municipal	8.50	8.50	7.50	7.50	8.25
School District	37.00	36.00	36.00	36.00	36.00

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
5.00 46.00	5.00 46.00	3.00 46.00	4.00 43.00	3.00 43.00
5.00 40.00	5.00 36.00	4.00 36.00	4.00 36.00	4.00 32.00
4.00 40.00	4.00 36.00	4.00 36.00	4.00 36.00	4.00 32.00
18.28 43.00	18.28 43.00	16.00 41.00	12.50 41.00	12.50 41.00
9.00 50.00	9.00 48.00	9.00 47.00	10.00 45.00	10.00 45.00
5.50 50.00	5.50 48.00	5.50 47.00	5.50 45.00	5.50 45.00
12.00 37.50	12.00 37.50	10.00 37.50	10.00 37.50	10.00 37.50
2.50 46.00	2.50 46.00	2.50 46.00	2.50 43.00	2.50 43.00
9.25 36.00	9.25 34.00	9.25 34.00	9.25 34.00	9.25 34.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
(Continued)					
North Sewickley Township					
Municipal	3.00	3.00	3.00	3.00	3.00
School District	55.50	53.50	48.00	47.00	46.00
Ohioville Borough					
Municipal	9.00	9.00	9.00	9.00	9.00
School District	37.50	37.50	37.50	37.50	37.50
Patterson Township					
Municipal	10.00	9.00	7.00	7.00	7.00
School District	44.90	44.90	41.90	41.90	40.90
Potter Township					
Municipal	7.00	7.00	7.00	7.00	7.00
School District	44.10	43.10	43.10	43.10	40.60
Pulaski Township					
Municipal	11.00	11.00	11.00	11.00	11.00
School District	40.00	40.00	38.00	36.00	36.00
Raccoon Township					
Municipal	7.50	7.50	5.50	5.50	4.00
School District	61.00	57.00	56.00	53.00	50.00
Rochester Township					
Municipal	20.38	20.382	15.38	15.38	13.88
School District	42.00	44.00	41.50	41.50	41.50
South Beaver Township					
Municipal	8.00	8.00	8.00	6.00	6.00
School District	44.90	44.90	41.90	41.90	40.90
White Township					
Municipal	14.00	14.00	14.00	14.00	14.00
School District	56.00	54.00	52.00	49.00	48.00

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
3.00 46.00	3.00 46.00	3.00 46.00	9.25 34.00	3.00 43.00
8.50 37.50	8.50 37.50	7.00 37.50	3.00 43.00	3.50 37.50
7.00 40.90	7.00 40.90	7.00 40.90	7.00 37.50	7.00 40.90
7.00 40.60	7.00 40.60	7.50 40.60	7.00 40.90	7.00 40.60
11.00 36.00	11.00 36.00	11.00 36.00	7.50 40.60	11.00 38.00
4.00 50.00	4.00 48.00	4.00 47.00	3.25 45.00	3.00 45.00
13.88 41.50	8.88 41.50	8.88 41.50	7.88 41.50	6.88 41.50
6.00 40.90	6.00 40.90	6.00 40.90	6.00 40.90	6.00 40.90
11.00 48.00	11.00 46.00	9.00 46.00	9.00 46.00	9.00 46.00

County of Beaver, Pennsylvania
Ratio of Net General Bonded Debt to Assessed Valuation
and Net Bonded Debt Per Capita
1994 - 2003

Year	Gross Bonded Debt	Debt Payable From Enterprise Fund	Net Bonded Debt	End of Year Assessed Valuation
1994	\$ 26,105,739	\$ 6,620,000	\$ 19,485,739	\$ 1,796,884,241
1995	\$ 24,631,596	\$ 6,425,000	\$ 18,206,596	\$ 1,882,671,309
1996	\$ 80,986,143	\$ 6,760,000	\$ 74,226,143	\$ 1,836,309,435
1997	\$ 83,606,277	\$ 6,480,000	\$ 77,126,277	\$ 1,844,607,914
1998	\$ 82,519,046	\$ 6,525,000	\$ 75,994,046	\$ 1,866,911,302
1999	\$ 81,081,664	\$ 6,250,000	\$ 74,831,664	\$ 1,883,258,077
2000	\$ 79,546,522	\$ 5,905,000	\$ 73,641,522	\$ 2,029,109,475
2001	\$ 77,899,699	\$ 5,540,000	\$ 72,359,699	\$ 2,028,251,318
2002	\$ 80,371,859	\$ 5,170,000	\$ 75,201,859	\$ 2,046,020,103
2003	\$ 80,662,685	\$ 6,018,792	\$ 74,643,893	\$ 2,082,764,421

<u>Percentage of Net Debt to Assessed Valuation</u>	<u>Population</u>	<u>Net Debt Per Capita</u>
1.08%	188,466	\$ 103.39
0.97%	187,979	\$ 96.85
4.04%	187,009	\$ 396.91
4.18%	186,000	\$ 414.66
4.07%	184,406	\$ 412.10
3.97%	182,687	\$ 409.62
3.63%	181,412	\$ 405.94
3.57%	182,687	\$ 396.09
3.68%	182,687	\$ 411.64
3.58%	182,687	\$ 408.59

County of Beaver, Pennsylvania
 Computation of Legal Debt Margin
 December 31, 2003

Borrowing Base Revenues:

2001	\$	40,738,750
2002		47,206,744
2003		48,607,567
		<u>48,607,567</u>

Total revenues	\$	<u>136,553,061</u>
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Debt Limit For General Obligation Bonds:

Average borrowing base revenues	\$	45,517,687
Debt Limit - 300% of average		136,553,061
Total amount of debt applicable to debt limit		<u>80,775,351</u>

Legal debt margin	\$	<u>55,777,710</u>
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Debt Limit For General Obligation Bonds and Lease Rental Debt:

Average borrowing base revenues	\$	45,517,687
Debt Limit - 400% of average		182,070,748
Total amount of debt applicable to debt limit		<u>101,284,541</u>

Legal debt margin	\$	<u>80,786,207</u>
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County of Beaver, Pennsylvania
Ratio of Annual Debt Service for General Bonded Debt to Total
General Government Expenditures - Last Ten Years
1994-2003

Fiscal Year	Principal	Interest	Debt Service	Total Expenditures	Ratio of Debt Service to General Expenditures
1994	\$ 1,255,000	\$ 759,807	\$ 2,014,807	\$ 62,265,476	3.2%
1995	\$ 1,305,000	\$ 709,608	\$ 2,014,608	\$ 67,162,629	3.0%
1996	\$ 1,370,000	\$ 650,883	\$ 2,020,883	\$ 70,228,691	2.9%
1997	\$ 1,435,000	\$3,765,252	\$ 5,200,252	\$ 80,043,974	6.5%
1998	\$ 1,505,000	\$3,307,778	\$ 4,812,778	\$ 84,604,450	5.6%
1999	\$ 1,565,000	\$3,618,895	\$ 5,183,895	\$ 101,397,679	5.1%
2000	\$ 1,625,000	\$3,556,295	\$ 5,181,295	\$ 119,021,924	4.4%
2001	\$ 1,735,000	\$3,487,240	\$ 5,222,240	\$ 112,638,891	4.6%
2002	\$ 1,905,000	\$3,447,171	\$ 5,352,171	\$ 129,972,296	4.1%
2003	\$ 801,544	\$3,878,269	\$ 4,679,813	\$ 120,548,999	3.9%

Notes:

Excludes General Obligation Bonds of the Enterprise Fund,
bond issue costs and accreted interest.

County of Beaver, Pennsylvania
 Summary of Direct and Overlapping Debt
 Year Ended December 31, 2003

County of Beaver(1).....	\$	80,940,315
Various school districts and school district authorities(2).....	\$	180,381,483
Various municipalities(3).....		<u>61,394,878</u>
Subtotal.....	\$	<u>241,776,361</u>
 Total direct and overlapping debt.....	 \$	 <u>322,716,676</u>

RATIO TOTAL DIRECT AND OVERLAPPING DEBT

To assessed value.....		15.49%
To market value.....		5.36%
Per capita.....	\$	1,766.50

Notes:

- (1) NOTE J
- (2) Under the Constitution of the Commonwealth of Pennsylvania, the Commonwealth is charged with the duty of supporting and maintaining an efficient public school system. In addition, the partial reimbursement that the Commonwealth provides for current year expenditures, it also fulfills its mandate by providing fiscal assistance for debt service and lease rental reimbursement. This figure is net of the Commonwealth's 39.98% subsidy.
 Source: Individual school districts as of June 30, 2003.
- (3) Source: Individual municipalities as of December 31, 2002

County of Beaver, Pennsylvania
Salaries of Principal Officials
For the Year Ended December 31, 2003

	<u>Salary</u>
<u>COMMISSIONERS</u>	
Donatella, Dan - Chairman	\$ 54,208
Camp, Charles	51,946
Albert, James	51,946
 <u>CONTROLLER</u>	
Towcimak, Richard W.	51,060
 <u>TREASURER</u>	
Javens, Connie T.	48,560
 <u>CLERK OF COURTS</u>	
Enslin, Judy R.	48,560
 <u>CORONER</u>	
Tatalovich, Wayne	48,560
 <u>DISTRICT ATTORNEY</u>	
Fouse, Dale	72,735
 <u>JURY COMMISSIONERS</u>	
Colella, Dorothy A.	11,293
Loxley, Nancy	11,293
 <u>PROTHONOTARY</u>	
Werme, Nancy	48,560
 <u>RECORDER OF DEEDS</u>	
Beall, Janice J.	48,560
 <u>REGISTER OF WILLS/CLERK OF ORPHANS' COURT</u>	
Fiorucci, Carol R.	50,560
 <u>SHERIFF</u>	
DeLuca Jr., Felix A.	48,560

Source: Beaver County Payroll Department

County of Beaver, Pennsylvania

Demographic Statistics

Population of Beaver County

<u>Year</u>	<u>Population</u>	<u>Percentage Increase (Decrease)</u>
1960	206,948	N/A
1970	208,418	0.71%
1980	204,441	-1.91%
1990	186,093	-8.97%
2000	181,412	-2.52%
2001	182,687	0.70%

Source: U. S. Census: 1960,1970,1980,1990 and PA State Data Center, 2001

Beaver County Labor Force Data

1994 - 2003 Annual Average

(Data in Thousands)

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Rate of Unemployment</u>
1994	84.6	78.9	5.7	6.7%
1995	84.2	79.1	5.1	6.0%
1996	84.5	80.0	4.2	5.0%
1997	85.5	81.2	4.4	5.1%
1998	85.7	81.2	4.5	5.3%
1999	85.6	81.5	4.1	4.8%
2000	85.0	81.4	3.6	4.3%
2001	86.6	82.2	4.4	5.1%
2002	88.1	82.5	5.6	6.4%
2003	85.0	80.1	4.9	5.8%

Source: Pennsylvania Department of Labor and Industry,
Bureau of Research and Statistics

County of Beaver, Pennsylvania
 Top Ten Real Estate Taxpayers
 Year Ended December 31, 2003

<u>Taxpayers</u>	<u>2003 Assessed Valuation</u>	<u>Percentage of Total Assessment (1)</u>
Bruce Mansfield Plant	\$ 157,028,950	7.54%
Beaver Valley #2	134,441,431	6.45%
Pittsburgh National Bank, Trustee for Beaver Valley Mall - excludes Kaufmann's Department Store	27,882,500	1.34%
United States Gypsum	15,218,050	0.73%
Horsehead Industries	13,074,300	0.63%
PA Northern Lights Shoppers City	10,378,700	0.50%
Lowes	10,292,100	0.49%
NOVA	9,600,000	0.46%
Koppel Steel (Ambridge & Koppel)	9,496,500	0.46%
Gypsum Plant (Shippingport)	8,598,900	0.42%
	<hr/> \$ 396,011,431	<hr/> 19.02%

(1) Total County of Beaver Actual Assessed Valuation: \$ 2,082,764,421

Source: Beaver County Board of Property Assessment

County of Beaver, Pennsylvania
Property Value, Nonresidential and Residential Construction, and Bank Deposits
Last Ten Years
1994 - 2003

Fiscal Year	End of Year Actual Assessed Valuation	Nonresidential Construction Contract Awards		Residential Building Permits		Bank Deposits (In Millions)
		Number of Projects	Value in 000's	Number of Units	Value in 000's	
1994	\$ 1,796,884,241	455	\$ 98,424	473	\$ 44,693	\$ 606,682
1995	\$ 1,822,671,309	393	\$ 100,964	373	\$ 32,951	\$ 647,208
1996	\$ 1,836,309,435	360	\$ 182,904	333	\$ 32,314	\$ 686,904
1997	\$ 1,844,607,919	382	\$ 71,789	325	\$ 41,102	\$ 752,216
1998	\$ 1,866,911,302	441	\$ 150,019	364	\$ 45,219	\$ 367,211
1999	\$ 1,884,621,372	438	\$ 162,767	358	\$ 45,705	\$ 391,932
2000	\$ 2,029,109,475	451	\$ 118,362	430	\$ 54,476	\$ 416,335
2001	\$ 2,028,251,318	372	\$ 112,777	345	\$ 45,596	\$ 288,300
2002	\$ 2,046,020,103	365	\$ 87,184	344	\$ 49,239	\$ 301,996
2003	\$ 2,082,764,421	214	\$ 49,241	355	\$ 63,008	\$ 302,745

Sources: F.W. Dodge Division of McGraw Hill - Residential and Nonresidential Statistics
Federal Reserve Bank of Cleveland - Bank Deposits

County of Beaver, Pennsylvania

Miscellaneous Statistical Data

December 31, 2003

<u>Date of County Organization:</u>	March 12, 1800
<u>Form of Government:</u>	Board of Commissioners
<u>Area in Square Miles:</u>	441
<u>Elections:</u>	
Number of registered voters	115,788
Number of votes cast in last general election	32,394
Percentage of registered voters voting in last general election	27.98%
<u>Recreation (County Owned and Operated)</u>	
Parks - number of acres	2517
- number of facilities	3
Number of tennis courts	16
Number of ball fields	9
Number of swimming pools	1
Number of ice skating rinks	1
Number of soccer fields	1
Number of shooting ranges	4
Number of bike trails	2
Number of Horse riding trails	2
Number of walking and jogging trails	2
Number of lakes (stocked for fishing)	1
<u>Full and Part-Time Employees (as of December 31, 2003)</u>	
Full-time	1,387
Part-time	464
Total	<u>1,851</u>
<u>Miles of Roads</u>	
Miles paved	20
Lane miles	40
<u>Number of Bridges</u>	
Between 8 feet and 20 feet	18
20 feet and over	<u>39</u>
Total	<u>57</u>

Source: Various County Departments