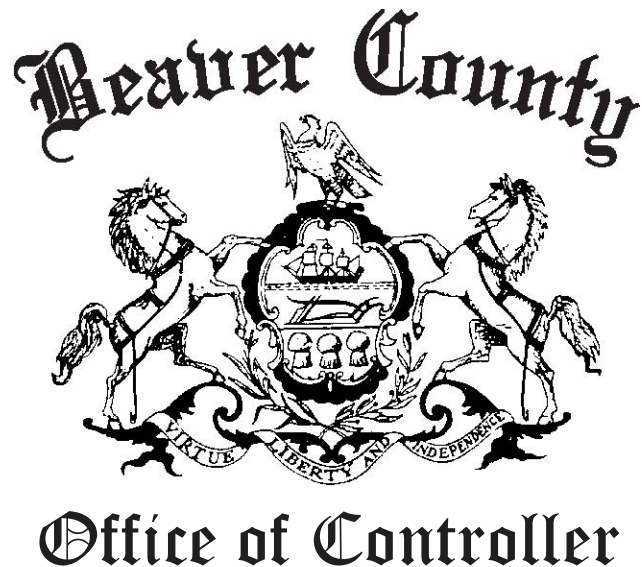


2011 COUNTY OF BEAVER, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011



PREPARED BY DAVID A. ROSSI, CONTROLLER

www.beavercountypa.gov

COUNTY OF BEAVER, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

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INTRODUCTORY SECTION

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DAVID A. ROSSI
CONTROLLER



WILLIAM CALHOON
CHIEF DEPUTY CONTROLLER
ALBERT A. TORRENCE
SOLICITOR

BEAVER COUNTY COURTHOUSE
THIRD STREET – BEAVER, PENNSYLVANIA 15009-2196
TELEPHONE: Area Code 724-728-5700
FAX: 724-728-1024

July 30, 2012

TO THE CITIZENS OF BEAVER COUNTY

I am pleased to present the 2011 Comprehensive Annual Financial Report (“CAFR”) for Beaver County (“the County”).

The information presented in this report is accurate in all material respects. 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 the information. 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”). Since the cost of internal controls should not outweigh its 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 County’s 2011 CAFR contains the government-wide financial statements and fund financial statements of the County as well as the financial data of the Beaver County Transit Authority and the Community College of Beaver County, the discretely presented component units that are included as part of the County’s reporting entity. The report is designed to provide information to various types of users, including the taxpayers of Beaver County, investors, creditors, governmental officials, and the general public. Its intent is to describe the County’s financial position and the financial results of its operations as of and for the year ended December 31, 2011.

The County's financial statements have been audited by the certified public accounting firm The Binkley Kanavy Group, LLC. The discretely presented component units have been audited by other auditors and the results of those audits are incorporated in summarized form in this report. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures presented in the financial statements, assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit performed, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2011, are fairly presented in conformity with GAAP.

The independent audit of the financial statements of the County is 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 will be available in the County's separately issued Single Audit Report.

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

As further explained in the notes to the financial statements and in the MD&A, two of the County's funds were re-categorized with the start of the 2011 year. Previously reported as enterprise funds, these funds are now presented as special revenue funds. As a result of the implementation of a new accounting standard and of the gradually changing nature of the County's funds' functions we found that these two funds' activities are better represented as governmental instead of business-type.

PROFILE OF BEAVER COUNTY

The County was formulated on March 12, 1800, from parts of Washington and Allegheny Counties. It is 435 square miles in size and chartered as a fourth class county under the County Code as passed by the General Assembly of the Commonwealth of Pennsylvania. The current population of the County is approximately 170,500. Beaver County is comprised of thirty boroughs, five first class townships, seventeen second class townships, and two third class cities. Rich in natural resources, its location along the Ohio and Beaver Rivers gave Beaver County the ability to develop economically as one of the major industrial sites worldwide with steel being its major product. Beaver County rapidly developed as one of the major headquarters for manufacturing in the United States. After the decline of the steel industry in the early 1980's, the County redirected its efforts to develop its riverfronts for recreational, as well as industrial and commercial uses. Its close proximity to the Pittsburgh International Airport enables the County to market itself as a center for manufacturing and service industries. Beaver County also has educational outlets for residents with the Community College of Beaver County, Geneva College, and Penn State University Beaver Campus. The County also has a medical facility available to its residents with The Medical Center, Beaver.

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

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

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

PROFILE OF BEAVER COUNTY – (Continued)

Under the provisions of the Fourth Class County Code, the Controller is responsible for prescribing the method of financial reporting, auditing, and for payment of the County's bills. The Controller is the supervisor of the budget and a member of the Prison Board, the Salary Board and the Retirement Board. As supervisor of the County 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 following fiscal year. Each department is required to submit the completed budget forms in order for the Controller to prepare a preliminary budget for presentation. The Board of Commissioners reviews this preliminary budget with each department manager in open 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.

We are proud to say that Beaver County has continued to improve its local employment figures. The County's seasonally adjusted unemployment rate for April 2012 is 6.6%, well beneath both the national and the Commonwealth's unemployment rates (8.2% and 7.4%, respectively). Elected officials and committed citizens alike continue steadfast to confronting the realities of diminished resources from federal and state bases. Another year has passed and, once again, County government was able to reduce its workforce where possible through the implementation of innovative efficiencies and without mandatory lay-offs. Savings in other areas as well as alternate revenue sources were also achieved.

Efforts must continue without pause, however, as both federal and Pennsylvania's authorities have announced planned budget cuts that will directly affect our County. The area of human services will be particularly affected by these measures. Changes in the payment structure of certain government health care programs (Medicare and Medicaid) have already negatively impacted the County-owned long-term care facility, Friendship Ridge. Local funding must be dedicated to make up for financial shortfalls at this arm of the County in the short term, and long-lasting solutions must be thought of to reverse the impact.

PRESENT ECONOMIC ACHIEVEMENTS

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

PRESENT ECONOMIC ACHIEVEMENTS – (Continued)

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

Giant Eagle Fresh Foods Manufacturing Plant

Giant Eagle's Fresh Foods initiative is providing the company's supermarket and convenience store locations with its own fresh food products. This initiative has become a reality in a New Sewickley Township 170,000 square foot specialty food products building.

The food preparation business currently operates out of about half of the available leased space, the heart of which is a commercial kitchen with ancillary preparation equipment. This area provides cold-room, pre-cut fresh fruits with another separate preparation and processing area devoted to hot products such as soups, gravies, sauces, and pot pie fillings. A larger space is devoted to packaging, distribution, for delivery, and office support areas.

Company officials looked at various sites and buildings in Ohio and Pennsylvania. In the end, a former food products building in the Tri-County Commerce Park, with its proximity to nearby Giant Eagle retail support centers in the region, was chosen as the best location.

To help secure the Giant Eagle project, the Pennsylvania Department of Community and Economic Development awarded the company a \$1.35 million opportunity grant, \$810,000 in job creation tax credits, \$200,000 in training assistance, and offered a \$2 million equipment loan. With a current workforce of approximately 100 team members, Giant Eagle envisions a project investment of \$30 million as the company continues to evaluate additional opportunities to make the facility a success.

Andrews Logistics Trucking Facility

A fast-growing Texas-based trucking firm began searching for a new location once the company learned its lease in Oakdale, Pennsylvania, would not be renewed. After a nine-month property investigation, Andrews Logistics decided to purchase the former Kennedy Trucking facility in the Aliquippa Industrial Park.

Andrews Logistics has a widely diversified client base including the petroleum and chemical industries, as well as the retail, building materials, and household goods' trades. The company has locations in six other states and in eastern Pennsylvania from which it serves its customers with modern fleets of freight transport vehicles.

PRESENT ECONOMIC ACHIEVEMENTS – (Continued)

Andrews Logistics Trucking Facility – Continued

The project involves the acquisition of a 10,600 square foot trucking terminal and repair facility built in 2004 on 4 acres. This location provides the company with approximately 50% more space than at its former facility. CED assisted in the financing of this \$1.1 million project by securing a \$550,000 Pennsylvania Industrial Development Loan for acquisition and renovation costs. The company is expected to transfer 42 employees from its former location while creating an additional 15 jobs within three years.

Wolfpac Technologies Expansion Project

This avant-garde manufacturer of alternative material trimboard, fascia, beadboard, and related housing products (under the name of Versatex ®) constructed a 55,000 square foot facility in the Aliquippa Industrial Park in 2008 at a cost of \$6.3 million. In 2011 it erected a 20,000 square foot additional bay to house its new production line at a cost of \$3.7 million. Employment currently stands at 55 and it is expected to reach 63 this year.

Aliquippa Industrial Park Expansion

In September 2011 the CED awarded a \$2,767,000 contract to Bet-Tech Construction Company to undertake infrastructure improvements at the Aliquippa Industrial Park. The project will complete a 4,000 linear foot “missing link” section of Woodlawn Road and it will provide sanitary sewer and storm water control. The improvement is expected to be complete later this year when it will open up 72 acres of the industrial site with a potential of 225 additional jobs to be created. Costs for this development were partially funded through a loan that CED secured from the Pennsylvania Industrial Development Authority.

This project brings the total investment in the Aliquippa Industrial Park to over \$7 million for environmental remediation and infrastructure, redeveloping 120 acres with 95% of the site occupied. In turn, this investment generated over \$140 million in private funding stemming from a dozen companies with roughly 350 employees that today operate out of this modern industrial multiplex.

PRESENT ECONOMIC ACHIEVEMENTS – (Continued)

Geographic Information Systems (“GIS”) Development

The County is proud to announce the development of its own geographic, demographic, social, and miscellaneous statistical research interactive database. In a cooperative effort that involved several county agencies and one local vendor, the system is now fully deployed and it can be accessed through the County’s website at <http://www.beavercountypa.gov/>. A vast array of information can be retrieved through the GIS, some of it at no cost to the user and some for a fee. In its first year of operation, the GIS generated \$38,400 in revenues for the County.

We take this opportunity to inform that the County’s entire website has been redesigned and enhanced in 2011 with many user-friendly features to access information and public documents. We invite you to browse through it.

OTHER ECONOMIC DEVELOPMENTS

Bridges and Other Infrastructure

Managed by Beaver County, the Veterans’ Memorial Bridge connecting Fallston with New Brighton is entering its final construction phase. This project, which is entirely financed with federal and state revenue funds, will cost an approximate \$34 million, including planning and relocation of surrounding infrastructure. The new bridge is expected to open in 2014 and it will accommodate a much larger vehicular load than the bridge it is replacing.

Other bridges are being renovated or reconstructed throughout the County at substantial budgets provided by federal and state sources. One bridge and other significant infrastructure have been renovated in the County-owned system of recreation facilities.

Marcellus Shale

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

OTHER ECONOMIC DEVELOPMENTS – (Continued)

Marcellus Shale - Continued

The production of natural gas from the Marcellus Shale formation is important, because it produces a clean-burning Pennsylvania-based energy source in an environmentally sound manner. It also provides economic benefits to communities across the Commonwealth. Natural gas producers already invested more than \$4 billion in Pennsylvania in lease and land acquisition, new well drilling, infrastructure development and community partnerships, with an even greater investment expected in the future.

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

Potential for Major Petrochemical Site

Shell Chemical Limited Partnership (“Shell”) signed a land option agreement with Horsehead Corporation to evaluate a site in the U. S. Appalachian region for a potential petrochemical complex. The complex includes an ethane cracker that would upgrade locally produced ethane from Marcellus Shale gas production. The site is located in Potter and Center Townships.

The next steps for this project include additional environmental analysis of this preferred site, further engineering design studies, assessment of the local ethane supply, and continued evaluation of the economic viability of the project. In addition to an ethane cracker, Shell is also considering polyethylene and mono-ethylene glycol units to help meet increasing demands in the North American market. Much of this production would be used in the northeastern United States.

Industry estimates put the number of potential new jobs created during construction of this chemical complex at up to 10,000.

SPECIAL FUNDING

For a third consecutive year, the County continued to receive funding enabled through the American Recovery and Reinvestment Act (“Recovery Act”) in 2011. The total investment made with Recovery Act funds flowing through state agencies in our County is estimated at over \$65 million. Additional support is being channeled directly from federal sources. Most of it does not require participation of local tax dollars. Recovery Act awards are helping to pave roads and fix bridges, fund clean water projects, strengthen the public education system, improve the environment and energy efficiency, and provide direct aid to individuals and families most in need. The flow of Recovery Act funds is projected to end sometime in 2012 or early 2013.

SPECIAL FUNDING – (Continued)

What follows is a listing of the projects along with the total budgeted funding in our County that is being financed through the Recovery Act. All figures provided are best estimates obtained and may differ from the total project expenditures when completed.

PUBLIC EDUCATION

FREEDOM AREA SCHOOL DISTRICT	\$2,529,843
ROCHESTER AREA SCHOOL DISTRICT	\$1,999,166
NEW BRIGHTON AREA SCHOOL DISTRICT	\$3,395,485
HOPEWELL AREA SCHOOL DISTRICT	\$3,171,096
SOUTH SIDE AREA SCHOOL DISTRICT	\$3,161,897
BEAVER VALLEY IU 27	\$7,177,108
LINCOLN PARK PERFORMING ARTS CHARTER	\$31,861
ALIQUIPPA SCHOOL DISTRICT	\$2,927,887
RIVERSIDE BEAVER COUNTY SCHOOL	\$2,491,915
COMMUNITY COLLEGE OF BEAVER COUNTY	\$883,232
BEAVER AREA SCHOOL DISTRICT	\$1,734,007
THE PENNSYLVANIA CYBER CHARTER	\$1,162,862
BIG BEAVER FALLS AREA SCHOOL	\$4,429,376
AMBRIDGE AREA SCHOOL DISTRICT	\$3,481,191
MIDLAND BOROUGH SCHOOL DISTRICT	\$959,625
CENTRAL VALLEY SCHOOL	\$2,714,412
BLACKHAWK SCHOOL DISTRICT	<u>\$2,862,640</u>
Total Education	<u>\$45,113,603</u>

ENERGY

Weatherization Recovery and Reinvestment Project	\$3,642,771
Beaver County Nursing Home Boilerhouse Retrofit	\$212,500
City of Aliquippa Energy Efficiency Upgrades	<u>\$42,678</u>
Total Energy	<u>\$3,897,949</u>

ENVIRONMENT

Mancini's Service LUST ARRA Project	\$111,938
Pine Run Market LUST ARRA Project	<u>\$78,562</u>
Total Environment	<u>\$190,501</u>

SPECIAL FUNDING – (Continued)

OTHER INFRASTRUCTURE / HOUSING

Homelessness & Re-housing Project	\$286,105
Ambridge Boro MA - Phase 2 Consent Order Projects	\$5,561,608
Rochester Boro Sewer & Maint Auth - 2009 Sewer Improvements Project	<u>\$1,572,767</u>
Total Other Infrastructure / Housing	<u>\$7,420,480</u>

TRANSPORTATION INFRASTRUCTURE

Rochester Bridge Preservation	<u>\$11,049,345</u>
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PUBLIC SAFETY

Aliquippa City Weed and Seed - ARRA	\$60,000
Criminal Justice Improvement Programs - RE	\$300,000
Criminal Justice Improvement Programs - MH	<u>\$300,000</u>
Total Public Safety	<u>\$660,000</u>

WORKFORCE

Community Services Recovery & Reinvestment Project	<u>\$629,954</u>
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DIRECT ASSISTANCE TO INDIVIDUALS

The Recovery Act also directly assists individuals and families in Beaver County in the form of unemployment compensation, tax credits, health insurance, increased coverage of the Medical Assistance program, and food assistance.

DIRECT RECOVERY ACT ASSISTANCE

As of March 2012 a total of \$28,335,595 has been provided to selected governmental, educational, and not-for-profit humanitarian entities within our County directly from the federal government through the Recovery Act. Our own County government has been the recipient of close to \$5 million combined funding through the Community Development Block Grant and the Homeless Prevention and Rapid Re-housing Program. The Beaver County Transit Authority, the Community College of Beaver County, and the Housing Authority of the County of Beaver, among others, are the main recipients of the remaining funds. Other recipients of direct federal Recovery Act funds include the Borough of Ambridge, the City of Aliquippa, the City of Beaver Falls, and others.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaver County for its comprehensive annual financial report for the fiscal year ended December 31, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. Additionally, the report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

CONTROLLER’S CLOSING REMARKS

The information that is presented in this report reflects the unified efforts of officials and administrators to provide the best possible services to the residents of Beaver County. By exercising prudent business practices and fiscally responsible decision-making, the County is able to offer many programs and extend financial assistance to those individuals 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 so as to avoid a local cost whenever possible.

ACKNOWLEDGEMENTS

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

Respectfully,



David A. Rossi
Beaver County Controller

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, 2010

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

COUNTY OF BEAVER, PENNSYLVANIA

Elected Officials

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Managers

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

* Term began on January 3, 2012

** Contract with Premier Consulting

COUNTY OF BEAVER, PENNSYLVANIA

Elected Officials

Board of Commissioners

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

Clerk of Courts

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

Controller

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

Coroner

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

District Attorney

The District Attorney is the chief prosecutor for the County.

Prothonotary

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

Recorder of Deeds

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

Register of Wills

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

Sheriff

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

Treasurer

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

Jury Commissioners

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

COUNTY OF BEAVER, PENNSYLVANIA

Elected Officials – (Continued)

Court of Common Pleas

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

District Justices

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions

Adult Probation

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

Assessment / Tax Claim

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

Chief Clerk

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

Childcare Resource Management

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

Children & Youth

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.

Court Administrator

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

Department of Public Works

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

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.

COUNTY OF BEAVER, PENNSYLVANIA

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.

Employee Relations

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

Financial Administrator

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

Friendship Ridge

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

Information Technology

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

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.

Juvenile Services

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

Law Department

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

Law Library

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions - (Continued)

Library Commission

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

Mental Health / Intellectual Disabilities

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

Micrographics

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

Office on Aging

This agency is responsible for 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 funding.

Planning Commission

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

Public Defender

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

Purchasing / Central Services

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

Recreation and Tourist Promotion

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions – (Continued)

Veterans Affairs

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

Victim Witness

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

Waste Management

This department manages the recycling program for Beaver County.

Weights and Measures

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

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FINANCIAL SECTION

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July 30, 2012

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

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 the County of Beaver, Pennsylvania (the County), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component units' financial statements of the Beaver County Transit Authority and the Community College of Beaver County as of and for the year ended June 30, 2011. 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 reports of other audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2011, the discretely presented component units as of June 30, 2011, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note N to the financial statements, the County adopted the provisions of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" in 2011. As a result of this, the Emergency Services 911 and HealthChoices funds, which were recorded as enterprise funds prior to 2011, are now recorded as special revenue funds.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, supplementary information in the financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Binkley Kanavy Group, LLC

Certified Public Accountants

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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights of the Year Ended December 31, 2011

- The Pension Trust Fund experienced a loss of approximately \$17.4 million due primarily to decreases in the fair value of investments.
- The General Fund provided approximately \$2.2 million of in-kind and cash assistance to Friendship Ridge to cover operating costs.
- The County issued a Tax Revenue Anticipation Note on January 3, 2011, to provide for short-term financing needs. This note was repaid before December 31, 2011.
- The County reduced its total long-term debt by about \$3.4 million during the year.
- Friendship Ridge invested approximately \$3.6 million in capital improvements, including electrical and elevator projects and major upgrades to its information systems.
- The HealthChoices program increased its fund balance to over \$8.6 million.
- The County received and expended nearly \$8 million on infrastructure related to new bridge construction and other bridge repair and maintenance projects.
- The County continued its investment in its parks and the overall beautification of blighted properties.

Overview of the Financial Statements

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

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

The *Statement of Net 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. This statement distinguishes those assets used exclusively with regards to government operation versus those assets committed to the business operation of a government.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The government-wide financial statements can be found on pages 40-41 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, is a statement that provides a reconciliation to facilitate a comparison between *governmental funds* and *governmental activities*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County maintains twenty-three 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 / Intellectual Disabilities, Children & Youth, Community Development, and the HealthChoices Fund, all of which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules. The County adopts an annual appropriated budget for each of its governmental funds.

The basic governmental funds' financial statements can be found on pages 42-45 of this report. The combining and individual fund schedules for the non-major governmental funds are presented following the required supplementary information. They can be found on pages 154-157 of this report.

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

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

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

The basic proprietary funds' financial statements can be found on pages 46-48 of this report. The combining financial statements for the internal service funds can be found on pages 176-179 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 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 51-120 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the General Fund and other major special revenue funds, which have been provided to demonstrate compliance with the budget. Required supplementary information can be found on pages 122-129 of this report.

Note on Financial Reporting. The County re-categorized two of its funds effective as of January 1, 2011. HealthChoices and the Emergency Services 911 fund are now reported as special revenue funds, whereas previous to January 1, 2011, they were reported as enterprise funds. This change was necessitated by the gradual change of the named funds' functions as well as the implementation of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." On the government-wide financial statements these funds are now represented by governmental type activities. The financial analysis that takes place below restates all 2010 year balances with the assumption that Emergency Services 911 and HealthChoices were governmental funds/activities. The total of the January 1, 2010 net assets for governmental activities and business-type activities remained the same. This was done only for purposes of consistent presentation and analysis; previously issued financial statements were not restated. See further explanation of the changes in Note N to the financial statements. For a comparison with the original 2010 year figures as actually reported, please refer to the Management's Discussion and Analysis of the 2010 Comprehensive Annual Financial Report.

Also during the current year, the County changed its application for classifying county match payments from the General Fund to Other Funds. Prior to January 1, 2011, the County recorded county match payments as expenditures of the General Fund and intergovernmental revenues of the receiving fund. Effective January 1, 2011, county match payments are recorded as Transfers to Other Funds for the General Fund and Transfers from Other Funds for the receiving fund in the Statement of Revenues, Expenditures, and Changes in Fund Balance. For the purposes of this analysis, 2010 county matches were restated as transfers for consistent presentation and analysis.

Government-wide Financial Analysis

This analysis focuses on the *primary government*, as defined on pages 27-28. Separate financial statements for the County's component units, including their managements' discussion and analysis, can be obtained from the component units at the addresses disclosed in Note A.

Analysis of Net Assets

Net assets are a useful indicator of a government's financial position. For the County's governmental activities, assets exceeded liabilities by \$15,302,155 at December 31, 2011 and assets exceed liabilities by approximately \$10,364,000 at December 31, 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2011 and 2010:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets:						
Current and Other Assets	\$ 61,840	\$ 64,268	\$ 15,938	\$ 16,198	\$ 77,778	\$ 80,466
Capital Assets	<u>103,728</u>	<u>97,091</u>	<u>16,108</u>	<u>15,893</u>	<u>119,836</u>	<u>112,984</u>
Total Assets	165,568	161,359	32,046	32,091	197,614	193,450
Liabilities:						
Long-Term Liabilities	122,711	126,267	17,669	17,555	140,380	143,822
Other Liabilities	<u>27,555</u>	<u>24,728</u>	<u>5,138</u>	<u>6,117</u>	<u>32,693</u>	<u>30,845</u>
Total Liabilities	150,266	150,995	22,807	23,672	173,073	174,667
Net Assets:						
Invested in Capital Assets, Net of Related Debt	12,674	4,810	8,084	8,295	20,758	13,105
Restricted	12,893	7,280	-	-	12,893	7,280
Unrestricted	<u>(10,265)</u>	<u>(1,726)</u>	<u>1,155</u>	<u>124</u>	<u>(9,110)</u>	<u>(1,602)</u>
Total Net Assets	<u>\$ 15,302</u>	<u>\$ 10,364</u>	<u>\$ 9,239</u>	<u>\$ 8,419</u>	<u>\$ 24,541</u>	<u>\$ 18,783</u>

* 2010 balances restated as described in "Note on Financial Reporting" above

A significant portion of net assets are largely restricted for programs of public works and human services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The following summarizes the County's Statement of Activities for the years ended December 31, 2011 and 2010:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Program Revenues:						
Fees and Charges	\$ 12,175	\$ 12,862	\$ 54,820	\$ 56,136	\$ 66,995	\$ 68,998
Operating Grants and Contributions	101,993	100,892	-	-	101,993	100,892
General Revenues:						
Real Estate Taxes	47,133	46,603	-	-	47,133	46,603
Investment Income/(Loss)	74	114	6	9	80	123
Other Income/(Loss)	-	33	12	11	12	44
Total Revenue	<u>161,375</u>	<u>160,504</u>	<u>54,838</u>	<u>56,156</u>	<u>216,213</u>	<u>216,660</u>
Program Expenses:						
General Government	11,997	8,540	-	-	11,997	8,540
Judicial	14,637	15,103	-	-	14,637	15,103
Public Safety	15,463	17,075	-	-	15,463	17,075
Public Works and Enterprises	4,241	4,528	-	-	4,241	4,528
Culture and Recreation	3,397	3,087	-	-	3,397	3,087
Human Services	89,981	91,500	-	-	89,981	91,500
Economic Development	8,271	9,931	-	-	8,271	9,931
Interest Expense	6,195	7,545	-	-	6,195	7,545
Friendship Ridge	-	-	56,273	58,276	56,273	58,276
Total Expense	<u>154,182</u>	<u>157,309</u>	<u>56,273</u>	<u>58,276</u>	<u>210,455</u>	<u>215,585</u>
Excess (Deficiency) Before Other Items and Transfers	7,193	3,195	(1,435)	(2,120)	5,758	1,075
Special Item:						
Transfer to Airport Authority	-	(7,430)	-	-	-	(7,430)
Transfers	(2,255)	(453)	2,255	453	-	-
Change in Net Assets	<u>4,938</u>	<u>(4,688)</u>	<u>820</u>	<u>(1,667)</u>	<u>5,758</u>	<u>(6,355)</u>
Net Assets - Beginning	<u>10,364</u>	<u>15,052</u>	<u>8,419</u>	<u>10,085</u>	<u>18,783</u>	<u>25,137</u>
Net Assets - Ending	<u>\$ 15,302</u>	<u>\$ 10,364</u>	<u>\$ 9,239</u>	<u>\$ 8,419</u>	<u>\$ 24,541</u>	<u>\$ 18,783</u>

* 2010 balances restated as described in "Note on Financial Reporting" above

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Assets

The County's governmental activities net assets increased approximately \$4.9 million and decreased approximately \$4.7 million for the years ended December 31, 2011 and 2010, respectively.

The County's business-type activities net assets increased approximately \$820,000 and decreased approximately \$1.7 million for the years ended December 31, 2011 and 2010, respectively.

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

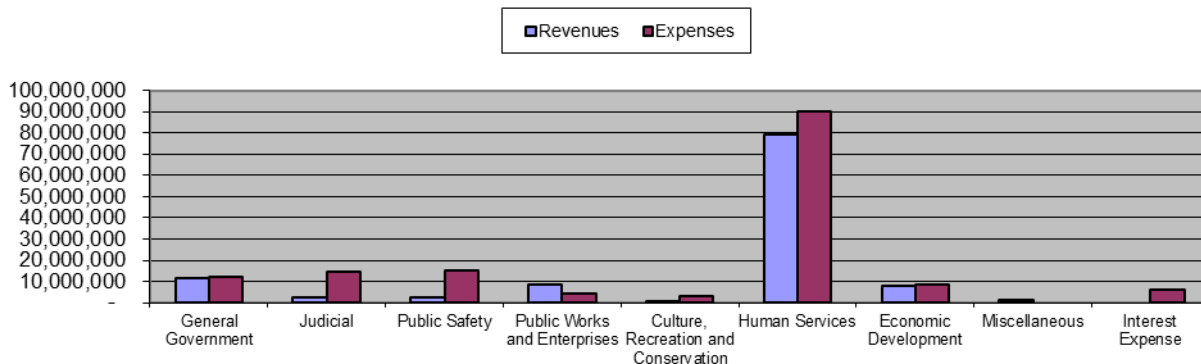
Analysis of Changes in Net Assets

The County's total net assets increased approximately \$5.8 million and decreased approximately \$6.4 million for the years ended December 31, 2011 and 2010, respectively. The current year's increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

The County's governmental activities increased net assets by about \$4.9 million. Several reasons accounted for this increase, but primarily they are the lack of a special assets transfer out (Airport assets were transferred to the Beaver County Airport Authority in 2010), increased real estate tax revenue of \$530,000, and decreased interest expense of \$1.3 million as a result of lower average outstanding debt in 2011.

Expenses and Program Revenue - Governmental Activities

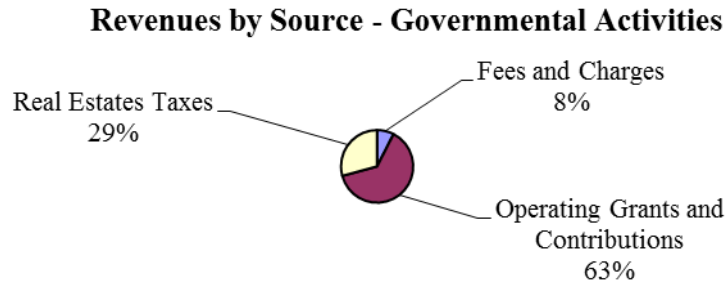


In all functions except general government and culture and recreation decreases in expenses ranging from slight to moderate are noticeable. These reductions stem principally from two sources, achieved operating efficiencies and programmatic cutbacks accompanied by related declines in intergovernmental revenues.

In the Human Services and Economic Development functions, Children & Youth and Community Development, experienced decreases in expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

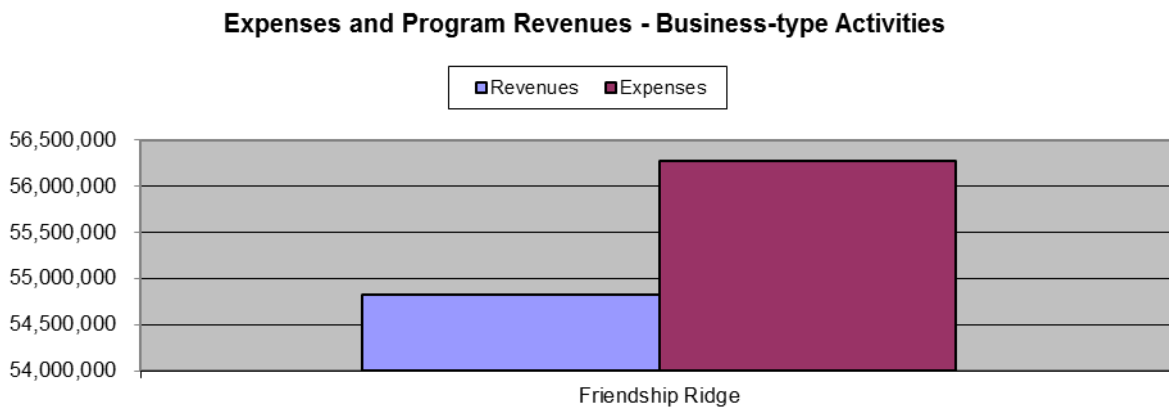
The revenue mix of the County's governmental activities remained fairly constant when compared with 2010. Approximately 63% of the County's revenue came from grants and contributions, 8% for fees and charges, and 29% from taxes on real estate. The corresponding figures for 2010 were roughly 64%, 8%, and 28%, respectively.



Business-type Activities

Net assets for business-type activities increased approximately \$820,000. This is a result of the General Fund's cash transfer to Friendship Ridge in order to make up for the health care facility's continued revenue reduction.

Friendship Ridge's net revenue decreased by about \$1.3 million as a result of lower occupancy in 2011, along with reductions in one-time grants. Cuts in the facility's expenses (primarily in employees' health and welfare costs) were not sufficient to meet the cash demands without a transfer from the General Fund.



The revenue mix of the County's business-type activities is 100% derived from fees and charges for both the years 2011 and 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the County's Individual Funds

Governmental Funds

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

At December 31, 2011, the County's governmental funds reported a combined ending fund balance of \$16,281,624 which represents a decrease of \$2,432,650 in comparison to the previous year. The ending fund balance is segregated into the following categories with its corresponding balances: nonspendable: prepaids, \$1,939,444 restricted, \$11,166,052; committed, \$1,285,501; assigned, \$12,832; and unassigned, \$1,877,795. The terms used to classify fund balance and their significance are further described and defined in Note A to the financial statements.

The overall decrease in governmental funds' fund balance is attributed primarily to the increased transfer to Friendship Ridge both for operating purposes as well as to account for an increased share of long-term debt of the enterprise fund.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Please refer to the *Analysis of Changes in Net Assets* for business-type activities for a discussion of Friendship Ridge.

Fiduciary Funds

The County maintains fiduciary funds for the Pension Trust Fund and several Agency Funds. The Pension Trust Fund's net assets decreased approximately \$17.4 million in 2011 and increased nearly \$24.8 in 2010. The substantial decrease of the Pension Trust Fund's net assets is due primarily to significant depreciation in the fair value of investments.

General Fund Budgetary Highlights

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

The General Fund's budgeted revenues were increased \$2.5 million from the original budget primarily due to receiving more intergovernmental revenue than initially anticipated. Budgeted expenses were increased \$3.2 million due to larger than anticipated grant funds and less reimbursements for public safety. Transfers to Other Funds increased \$1 million from the original budget primarily due to the additional transfer to Friendship Ridge.

The differences between actual amounts and those budgeted are due to various business and economic factors within the County, including changes in grant allocations from the federal and state level.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County continues to operate in a fiscally prudent manner, with each department's manager monitoring employee and departmental expenditures.

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

What follows is a summary of the County's capital assets as of December 31, 2011 and 2010:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets not Being Depreciated	\$ 1,758	\$ 1,658	\$ 278	\$ 2,288	\$ 2,036	\$ 3,946
Buildings and Improvements	57,785	59,729	7,103	7,152	64,888	66,881
Vehicles	933	415	-	-	933	415
Furniture and Equipment	8,780	8,321	8,727	6,453	17,507	14,774
Infrastructure	<u>34,472</u>	<u>26,969</u>	<u>-</u>	<u>-</u>	<u>34,472</u>	<u>26,969</u>
Total	<u>\$ 103,728</u>	<u>\$ 97,091</u>	<u>\$ 16,108</u>	<u>\$ 15,893</u>	<u>\$ 119,836</u>	<u>\$ 112,984</u>

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

Outstanding Debt at Year End

The following is a summary of the County's outstanding bonds as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Governmental Activities:		
General obligation debt	\$ 73,583,133	\$ 76,130,147
Other long-term debt	<u>49,128,197</u>	<u>50,136,037</u>
	122,711,330	126,266,184
Business-type Activities:		
General obligation debt	7,791,210	7,664,136
Other long-term debt	<u>9,572,254</u>	<u>9,561,756</u>
	<u>17,363,464</u>	<u>17,225,892</u>
Total	<u>\$ 140,074,794</u>	<u>\$ 143,492,076</u>

The County's general obligation bond rating from Standard and Poor's ranges between 'AA-' to 'BBB.' More detailed information about the County's long-term liabilities can be found in Note J on pages 92-110 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors

In light of the ongoing national economic recession, the County was able to reduce its debt by \$3.4 million without increasing taxes. Budget cuts affecting the federal and the Commonwealth's governments have affected several of the programs administered by the County and they are likely to continue affecting them with further cuts into 2012.

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF NET ASSETS

DECEMBER 31, 2011 or JUNE 30, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Beaver County Transit Authority as of June 30, 2011	Community College of Beaver County as of June 30, 2011
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 24,840,287	\$ 1,044,662	\$ 25,884,949	\$ 4,048,857	\$ 2,419,132
Restricted Cash	6,896,582	130,211	7,026,793	-	-
Investments	-	-	-	-	491,389
Receivables	10,336,304	8,130,352	18,466,656	6,065,310	824,883
Internal Balances	231,073	(231,073)	-	-	-
Supplies	-	234,225	234,225	276,961	23,837
Prepaid Expenses	1,969,501	75,471	2,044,972	130,091	396,072
Other Assets	-	1,012,468	1,012,468	-	-
Total Current Assets	44,273,747	10,396,316	54,670,063	10,521,219	4,155,313
Non-Current Assets:					
Land	1,757,554	42,075	1,799,629	3,564,989	952,288
Buildings and Improvements	86,481,110	16,128,460	102,609,570	14,266,387	46,526,368
Construction in Progress	-	235,741	235,741	612,692	-
Vehicles	3,147,675	-	3,147,675	11,550,443	251,942
Furniture and Equipment	20,710,701	33,553,144	54,263,845	1,580,040	10,821,070
Infrastructure	44,323,674	-	44,323,674	-	-
Accumulated Depreciation	(52,692,326)	(33,851,247)	(86,543,573)	(14,070,110)	(21,206,317)
Net Pension Asset	15,308,610	5,542,339	20,850,949	-	-
Deferred Financing Costs	2,258,063	-	2,258,063	-	1,021,875
Total Non-Current Assets	121,295,061	21,650,512	142,945,573	17,504,441	38,367,226
Total Assets	\$ 165,568,808	\$ 32,046,828	\$ 197,615,636	\$ 28,025,660	\$ 42,522,539
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 9,311,077	\$ 1,547,030	\$ 10,858,107	\$ 247,162	\$ 571,318
Accrued Vacation	2,557,529	859,538	3,417,067	-	20,000
Accrued Interest	2,453,433	148,765	2,602,198	-	104,099
Accrued Other Liabilities	5,849,453	1,852,886	7,702,339	225,485	1,329,517
Unearned Revenues	4,648,767	37,422	4,686,189	8,882,589	451,658
Accrued Other Employee Benefits	535,067	692,830	1,227,897	77,343	271,295
Accrued HealthChoices Program Costs	2,199,997	-	2,199,997	-	-
Long-Term Debt Payments - Due within One Year	4,016,610	803,734	4,820,344	-	1,662,639
Total Current Liabilities	31,571,933	5,942,205	37,514,138	9,432,579	4,410,526
Non-Current Liabilities:					
Resident Funds	-	305,145	305,145	-	-
Due in More than One Year	118,694,720	16,559,730	135,254,450	-	30,114,688
Total Non-Current Liabilities	118,694,720	16,864,875	135,559,595	-	30,114,688
Total Liabilities	150,266,653	22,807,080	173,073,733	9,432,579	34,525,214
Net Assets					
Invested in Capital Assets, Net of Related Debt	12,674,892	8,084,721	20,759,613	17,504,441	6,673,206
Restricted for:					
Restricted Fund	-	-	-	-	172,634
General Government	430,148	-	430,148	-	-
Judicial	850,946	-	850,946	-	-
Public Safety	180,327	-	180,327	-	-
Public Works and Enterprises	1,655,523	-	1,655,523	-	-
Culture, Recreation & Conservation	108,386	-	108,386	-	-
Economic Development	269,711	-	269,711	-	-
Human Services	9,397,396	-	9,397,396	-	-
Unrestricted	(10,265,174)	1,155,027	(9,110,147)	1,088,640	1,151,485
Total Net Assets	\$ 15,302,155	\$ 9,239,748	\$ 24,541,903	\$ 18,593,081	\$ 7,997,325

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2011 or JUNE 30, 2011

Functions/Programs Primary Government:	Net (Expenses) Revenues and Change in Net Assets								
	Program Revenues			Primary Government		Component Units			
	Expenses	Fees and Charges	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Beaver County Transit Authority for the year ended as of June 30, 2011	Community College of Beaver County for the year ended as of June 30, 2011
Governmental Activities:									
General Government	\$ 11,996,754	\$ 8,106,487	\$ 3,641,668	\$ -	\$ (248,599)	\$ -	\$ (248,599)	\$ -	\$ -
Judicial	14,636,699	340,294	2,401,380	-	(11,895,025)	-	(11,895,025)	-	-
Public Safety	15,462,810	690,643	2,098,433	-	(12,673,734)	-	(12,673,734)	-	-
Public Works and Enterprises	4,241,207	24,034	8,573,509	-	4,356,336	-	4,356,336	-	-
Culture, Recreation and Conservation	3,397,281	286,063	-	-	(3,111,218)	-	(3,111,218)	-	-
Human Services	89,981,045	1,271,830	77,887,236	-	(10,821,979)	-	(10,821,979)	-	-
Economic Development	8,270,783	384,870	7,390,776	-	(495,137)	-	(495,137)	-	-
Miscellaneous	-	1,070,899	-	-	1,070,899	-	1,070,899	-	-
Interest Expense	6,195,361	-	-	-	(6,195,361)	-	(6,195,361)	-	-
Total Governmental Activities	154,181,940	12,175,120	101,993,002	-	(40,013,818)	-	(40,013,818)	-	-
Business-type Activities:									
Friendship Ridge	56,272,993	54,820,672	-	-	-	(1,452,321)	(1,452,321)	-	-
Total Business-type Activities	56,272,993	54,820,672	-	-	-	(1,452,321)	(1,452,321)	-	-
Total Primary Government	\$ 210,454,933	\$ 66,995,792	\$ 101,993,002	\$ -	\$ (40,013,818)	\$ (1,452,321)	\$ (41,466,139)	\$ -	\$ -
Component Units:									
Beaver County Transit Authority	\$ 10,888,439	\$ 1,488,724	\$ 7,843,668	\$ 631,037	\$ -	\$ -	\$ -	\$ (925,010)	\$ 105,103
Community College of Beaver County	28,539,566	11,621,836	17,022,833	-	-	-	-	-	-
Total Component Units	\$ 39,428,005	\$ 13,110,560	\$ 24,866,501	\$ 631,037	\$ -	\$ -	\$ -	\$ (925,010)	\$ 105,103
General Revenues:									
Real Estate Taxes				\$ 47,133,255	\$ -	\$ -	\$ 47,133,255	\$ -	\$ -
Investment Income/(Loss)				74,490	5,566	-	80,056	435	92,393
Other Income				-	11,933	-	11,933	-	-
Transfers				(2,255,409)	2,255,409	-	-	-	-
Total General Revenues and Transfers				44,952,336	2,272,908	-	47,225,244	435	92,393
Change in Net Assets				4,938,518	820,587	-	5,759,105	(924,575)	197,496
Net Assets - Beginning				10,363,637	8,419,161	-	18,782,798	19,517,656	7,799,829
Net Assets - Ending				<u>\$ 15,302,155</u>	<u>\$ 9,239,748</u>	<u>\$ -</u>	<u>\$ 24,541,903</u>	<u>\$ 18,593,081</u>	<u>\$ 7,997,325</u>

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

COUNTY OF BEAVER, PENNSYLVANIA

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2011

	General	Mental Health/ Intellectual Disabilities	Children & Youth	Community Development	HealthChoices	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 4,003,122	\$ 4,042,330	\$ 1,897,921	\$ 1,190,070	\$ 6,138,811	\$ 6,459,937	\$ 23,732,191
Cash - Restricted	-	-	-	-	6,896,582	-	6,896,582
Prepaid Other	272,453	21,000	-	-	1,645,991	-	1,939,444
Receivables	1,139,096	580,235	1,434,966	1,278,231	245,395	2,515,836	7,193,759
Interfund Receivable	1,023,240	201,142	63,370	-	6,120	161,115	1,454,987
Total Assets	\$ 6,437,911	\$ 4,844,707	\$ 3,396,257	\$ 2,468,301	\$ 14,932,899	\$ 9,136,888	\$ 41,216,963
Liabilities and Fund Balance							
Liabilities:							
Accounts Payable	\$ 1,075,705	\$ 1,490,870	\$ 841,650	\$ 1,355,725	\$ 3,170,705	\$ 1,195,305	\$ 9,129,960
Interfund Payable	419,328	12,419	-	29,027	16,090	867,014	1,343,878
Accrued Wages and Payroll Costs	2,086,449	62,044	647,575	7,838	22,838	72,752	2,899,496
Accrued Other Liabilities	170,657	760,127	-	-	868,673	1,150,500	2,949,957
Accrued HealthChoices Program Costs	-	-	-	-	2,199,997	-	2,199,997
Deferred Revenues	288,170	2,576,562	1,239,905	806,000	-	1,501,414	6,412,051
Total Liabilities	4,040,309	4,902,022	2,729,130	2,198,590	6,278,303	4,786,985	24,935,339
Fund Balance (Deficit):							
Non-spendable: Prepaids	272,453	21,000	-	-	1,645,991	-	1,939,444
Restricted:							
General Government	-	-	-	-	-	434,672	434,672
Judicial	-	-	-	-	-	717,776	717,776
Public Safety	-	-	-	-	-	180,327	180,327
Public Works and Enterprises	-	-	-	-	-	1,378,870	1,378,870
Culture, Recreation & Conservation	-	-	-	-	-	108,386	108,386
Economic Development	-	-	-	269,711	-	-	269,711
Human Services	-	78,467	667,127	-	7,008,605	322,111	8,076,310
Committed:							
General Government	-	-	-	-	-	1,285,501	1,285,501
Assigned:							
General Government	6,135	-	-	-	-	-	6,135
Judicial	3,947	-	-	-	-	-	3,947
Public Safety	2,101	-	-	-	-	-	2,101
Culture, Recreation & Conservation	649	-	-	-	-	-	649
Unassigned:	2,112,317	(156,782)	-	-	-	(77,740)	1,877,795
Total Fund Balance (Deficit)	2,397,602	(57,315)	667,127	269,711	8,654,596	4,349,903	16,281,624
Total Liabilities and Fund Balance (Deficit)	\$ 6,437,911	\$ 4,844,707	\$ 3,396,257	\$ 2,468,301	\$ 14,932,899	\$ 9,136,888	\$ 41,216,963

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, 2011

Total Fund Balance - Governmental Funds		\$ 16,281,624
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds.		3,082,121
Costs associated with the issuance of bonds are deferred in the Statement of Net Assets and reported as Deferred Financing Costs, net of accumulated amortization.		2,258,063
Grant revenues not available to pay for current period expenditures, and therefore, are deferred in the funds.		1,763,280
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Land	\$ 1,757,554	
Buildings and improvements	86,481,110	
Vehicles	3,147,675	
Furniture and equipment	20,710,701	
Infrastructure	44,323,674	
Accumulated depreciation	<u>(52,692,326)</u>	103,728,388
Accrued interest and accrued vacation payable are not recognized in the governmental funds.		
Accrued interest payable	(2,453,433)	
Accrued vacation payable	<u>(2,557,529)</u>	(5,010,962)
Non-current liabilities are not due nor payable in the current period, and therefore, are not reported in the funds. These liabilities consist of:		
General obligation bonds payable	(73,583,133)	
Other general long-term liabilities -		
PFA Series 2007 Bonds		
PFA Series 2005 Bonds	(2,740,000)	
Pension Obligation Bond 2005	(12,295,000)	
PFA 2006 Bonds	(2,932,154)	
PFA Series A of 2006	(3,022,159)	
PFA Series B of 2006	(739,404)	
Pension Bond 2009	(9,283,038)	
DCED General Obligation Note	(56,089)	
Capital Lease Obligation	(16,329,003)	
Accrued sick and early termination benefits payable	<u>(1,731,350)</u>	(122,711,330)
Pension Contributions in excess of annual required contribution are treated as net pension asset.		15,308,610
An internal service fund is used by management to account for medical benefits and workers compensation of the County employees. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.		<u>602,361</u>
Total Net Assets of Governmental Activities		<u><u>\$ 15,302,155</u></u>

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

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	General	Mental Health/ Intellectual Disabilities	Children & Youth	Community Development	Health/Choices	Other Governmental Funds	Total Governmental Funds
Revenues							
Real Estate Taxes	\$ 47,359,047	-	-	-	-	-	\$ 47,359,047
Licenses and Permits	95,994	-	-	-	-	-	95,994
Interest and Rents	48,236	3,596	1,765	1,233	16,420	2,551	73,801
Intergovernmental Revenues	4,461,514	18,296,541	10,901,396	7,390,776	37,001,303	25,692,568	103,744,098
Departmental Earnings	7,180,873	976,426	84,418	384,870	-	2,121,810	10,748,397
Local Hotel Room Tax	-	-	-	-	-	267,925	267,925
Miscellaneous	566,830	486,234	-	-	-	9,740	1,062,804
Total Revenues	59,712,494	19,762,797	10,987,579	7,776,879	37,017,723	28,094,594	163,352,066
Expenditures							
Current:							
General Government	9,601,590	-	-	-	-	380,809	9,982,399
Judicial	11,473,433	-	-	-	-	2,555,421	14,028,854
Public Safety	12,981,186	-	-	-	-	2,405,449	15,386,635
Public Works and Enterprises	3,007,793	-	-	-	-	362,826	3,370,619
Culture, Recreation and Conservation	2,682,385	-	-	-	-	278,539	2,960,924
Economic Development	-	-	-	8,300,580	-	-	8,300,580
Intergovernmental:							
Human Services	7,918,218	20,847,393	12,079,974	-	35,601,308	13,720,307	90,167,200
Debt Service:							
Principal	3,285,850	-	-	-	-	-	3,285,850
Interest	5,537,461	-	-	-	-	-	5,537,461
Infrastructure Acquisition and Improvements	6,000	-	-	-	-	8,288,941	8,294,941
Capital Asset Acquisition and Improvements	197,040	132,724	-	-	41,489	1,039,643	1,410,896
Total Expenditures	56,690,956	20,980,117	12,079,974	8,300,580	35,642,797	29,031,935	162,726,359
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,021,538	(1,217,320)	(1,092,395)	(523,701)	1,374,926	(937,341)	625,707
Other Financing Sources (Uses)							
Issuance of Debt	-	-	-	-	-	58,403	58,403
Transfers from Other Funds	663,535	700,637	1,268,918	-	-	938,209	3,571,299
Transfers to Other Funds	(5,025,597)	-	(25,020)	-	-	(1,637,442)	(6,688,059)
Total Other Financing Sources (Uses)	(4,362,062)	700,637	1,243,898	-	-	(640,830)	(3,058,357)
Net Change in Fund Balance	(1,340,524)	(516,683)	151,503	(523,701)	1,374,926	(1,578,171)	(2,432,650)
Fund Balances - Beginning	3,738,126	459,368	515,624	793,412	7,279,670	5,928,074	18,714,274
Fund Balance (Deficit) - Ending	\$ 2,397,602	\$ (67,315)	\$ 667,127	\$ 269,711	\$ 8,654,596	\$ 4,349,903	\$ 16,281,624

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

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

Net Change in Fund Balance - Total Governmental Funds		\$ (2,432,650)
Revenue timing differences resulted in less revenue for real estate taxes in the Statement of Activities.		(225,792)
Revenue timing differences resulted in less grant revenue in the Statement of Activities due to the period of availability of the funds.		(1,751,098)
The differences due to capital assets are as follows:		
1. Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay and donated assets	\$ 11,187,796	
Depreciation expense	<u>(4,257,900)</u>	6,929,896
2. The effect of the disposals and transfers of capital assets is to change net assets by the net book value of the disposed or transferred assets.		
Net book value of disposed assets		(293,313)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		
Changes in accrued interest payable	(91,692)	
Changes in accrued vacation payable	<u>(58,294)</u>	(149,986)
The difference due to non-current liabilities are as follows:		
1. The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Bond principal payments and transfers	4,004,719	
Capital lease obligation payments	360,582	
Debt issuance	<u>(58,403)</u>	4,306,898
2. Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Amortization of bond issuance costs and bond discounts		(186,746)
3. The expense for sick leave and early termination benefits does not require the use of current financial resources. These items are reported as a non-current liability in the Statement of Net Assets.		(665,618)
The difference due to pension activity is as follows:		
1. Amortization of excess general fund pension contribution		(772,827)
An internal service fund is used by management to account for medical and workers' compensation benefits of the County employees. The net change in activity of the internal service fund is reported with governmental activities.		<u>179,754</u>
Change in Net Assets of Governmental Activities		<u>\$ 4,938,518</u>

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

December 31, 2011

	Business-type Activities Enterprise Fund	Governmental Activities
	Friendship Ridge	Internal Service Funds
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,044,662	\$ 1,108,096
Restricted Cash	130,211	-
Receivables	8,130,352	60,424
Supplies	234,225	-
Prepaid Expenses	75,471	30,057
Total Current Assets	<u>9,614,921</u>	<u>1,198,577</u>
Non-Current Assets:		
Land	42,075	-
Construction in Progress	235,741	-
Buildings and Improvements	16,128,460	-
Furniture and Equipment	33,553,144	-
Less Accumulated Depreciation	(33,851,247)	-
Interfund Receivable	60,251	119,964
Other Assets	707,323	-
Resident Funds	305,145	-
Pension Asset	5,542,339	-
Total Non-Current Assets	<u>22,723,231</u>	<u>119,964</u>
Total Assets	<u>\$ 32,338,152</u>	<u>\$ 1,318,541</u>
<u>Liabilities</u>		
Current Liabilities:		
Accounts Payable	\$ 1,547,030	\$ 181,113
Accrued Payroll	1,125,777	-
Accrued Vacation	859,538	-
Interfund Payable	291,324	-
Accrued Interest	148,765	-
Accrued Other Liabilities	727,109	-
Deferred Revenues	37,422	-
Accrued Employee Benefits	692,830	-
Accrued Healthcare Costs	-	535,067
Bonds Payable - Current Portion	803,734	-
Total Current Liabilities	<u>6,233,529</u>	<u>716,180</u>
Non-Current Liabilities:		
Resident Funds	305,145	-
Bonds Payable	16,559,730	-
Total Non-Current Liabilities	<u>16,864,875</u>	<u>-</u>
Total Liabilities	<u>23,098,404</u>	<u>716,180</u>
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	8,084,721	-
Unrestricted	1,155,027	602,361
Total Net Assets	<u>\$ 9,239,748</u>	<u>\$ 602,361</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, 2011

	Business-type Activities Enterprise Fund	Governmental Activities
	Friendship Ridge	Internal Service Funds
<u>Operating Revenues</u>		
Charges for Services	\$ 54,820,672	\$ 9,703,384
Miscellaneous Income	-	8,095
Total Operating Revenues	<u>54,820,672</u>	<u>9,711,479</u>
<u>Operating Expenses</u>		
Costs of Services	49,957,081	8,841,986
Administrative	3,853,698	690,427
Depreciation and Amortization	<u>1,417,587</u>	-
Total Operating Expenses	<u>55,228,366</u>	<u>9,532,413</u>
Operating Income (Loss)	(407,694)	179,066
<u>Non-Operating Revenues (Expenses)</u>		
Debt Service Interest	(1,044,627)	-
Unrestricted Gifts	11,933	-
Investment Income	<u>5,566</u>	<u>688</u>
Total Non-Operating Revenues (Expenses)	<u>(1,027,128)</u>	<u>688</u>
Income (Loss) Before Transfers	(1,434,822)	179,754
Transfers In	<u>2,255,409</u>	-
Change in Net Assets	820,587	179,754
Total Net Assets - Beginning	<u>8,419,161</u>	<u>422,607</u>
Total Net Assets - Ending	<u>\$ 9,239,748</u>	<u>\$ 602,361</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, 2011

	Business-type Activities Enterprise Fund	Governmental Activities
	Friendship Ridge	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash receipts for services provided	\$ 53,952,125	\$ 9,703,796
Other operating cash receipts	582,567	-
Cash payments to suppliers	(27,784,313)	(9,683,498)
Cash payments to employees	(24,741,225)	-
	<u>2,009,154</u>	<u>20,298</u>
<u>Net Cash Provided by Operating Activities</u>		
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Principal and interest payments of long-term debt	(1,194,708)	-
Principal and interest payments of capital leases	(2,386)	-
Property, facilities and equipment	(406,556)	-
	<u>(1,603,650)</u>	<u>-</u>
<u>Net Cash Used In Capital and Financing Activities</u>		
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Principal and interest payments of long-term debt	(621,613)	-
Proceeds from the loan/subsidy provided by the County	1,000,000	-
	<u>378,387</u>	<u>-</u>
<u>Net Cash Provided by Noncapital Financing Activities</u>		
<u>Cash Flows from Investing Activities:</u>		
Investment income	17,499	688
	<u>17,499</u>	<u>688</u>
<u>Net Cash Provided by Investing Activities</u>		
	<u>801,390</u>	<u>20,986</u>
<u>Net Increase in Cash and Cash Equivalents</u>		
<u>Cash and Cash Equivalents:</u>		
Beginning of year	373,483	1,087,110
End of year	<u>\$ 1,174,873</u>	<u>\$ 1,108,096</u>
Non-Cash Capital Financing Activities:		
Change in fair value of investments	<u>\$ -</u>	<u>\$ -</u>
In-kind transfers in		
	<u>\$ 505,409</u>	<u>\$ -</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>		
Operating income (loss)	\$ (407,694)	\$ 179,066
Non-cash adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,387,409	-
Amortization of deferred loss on refunding and discount	30,178	-
Transfer in from General Fund	505,409	-
Pension expense financed with pension bond	457,406	-
Change in operating assets and liabilities:		
Accounts receivable	(10,924)	(7,681)
Inventories	(40,891)	-
Prepaid expenses	53,642	58,105
Deposits	(40,329)	-
Accounts payable and interfund payable	517	(279,516)
Deferred credits	(275,056)	-
Accrued liabilities	349,487	70,324
	<u>\$ 2,009,154</u>	<u>\$ 20,298</u>
<u>Net Cash Provided by Operating Activities</u>		

Disclosure of Accounting Policy:

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

EXHIBIT A

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS

December 31, 2011

	Pension Trust Fund	Agency Funds
<u>Assets</u>		
Cash and Cash Equivalents	\$ 7,014,932	\$ 2,574,123
Cash and Cash Equivalents Held as Collateral	11,277,365	-
Investments:		
Common and Preferred Stocks	145,102,583	-
U.S. Government Obligations	24,436,337	-
Corporate Bonds	21,113,883	-
Other Debt Securities	5,754,139	-
Registered Investment Companies	8,900,101	-
Interest in Collective Trust	11,651,002	-
Receivables	-	2,253
Interest and Dividends Receivable	529,665	-
	<u>\$ 235,780,007</u>	<u>\$ 2,576,376</u>
<u>Liabilities</u>		
Accounts Payable	\$ -	\$ 2,567,394
Collateral Obligation	11,277,365	-
Other Liabilities	-	8,982
	<u>11,277,365</u>	<u>2,576,376</u>
<u>Net Assets</u>		
Held in Trust for Pension Benefits and Other Purposes	<u>224,502,642</u>	<u>-</u>
	<u>\$ 224,502,642</u>	<u>\$ -</u>

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, 2011

	Pension Trust Fund
<u>Additions</u>	
Contributions:	
Member Contributions	\$ 5,325,515
County Contributions	2,286,304
Total Contributions	7,611,819
Investment Activities:	
Net Depreciation in Fair Value of Investments	(19,580,956)
Interest and Dividends	5,042,998
Less: Investment Management and Actuarial Fees	(875,663)
Net Income/(Loss) from Investment Activities	(15,413,621)
Security Lending Activities:	
Interest from Collateral	10,197
Security Lending Premiums	39,032
Less: Rebates and Fees	(11,079)
Net Income from Security Lending Activities	38,150
Total Additions	(7,763,652)
<u>Deductions</u>	
Benefits Paid to Plan Members and Beneficiaries	9,480,932
Administrative Expense	184,172
Total Deductions	9,665,104
Change in Net Assets	(17,428,756)
<u>Net Assets</u>	
Net Assets - Beginning	241,931,398
Net Assets - Ending	\$ 224,502,642

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. **Organization and Reporting Entity**

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

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

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

Discretely Presented Component Units

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

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

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

The reporting period for BCTA and CCBC is as of and for the year ended June 30, 2011.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

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

Discretely Presented Component Units - Continued

Summary of Significant Accounting Policies for BCTA

General Policy – The financial statements of BCTA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. BCTA applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements.

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

Summary of Significant Accounting Policies for CCBC

General Policy – CCBC prepares its financial statements in accordance with generally accepted accounting principles for public colleges and universities as outlined by GASB. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds," CCBC applies all GASB and 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 within CCBC has been eliminated in the preparation of the financial statements.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

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

Related Organizations

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

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

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. Activities of the internal service funds are eliminated to avoid “doubling up” revenues and expenses. The entire surplus of the internal service funds were recorded as a reduction of expenses of the primary government. All other internal activities, such as interfund reimbursements, are treated as a reduction of the appropriate expense. Fiduciary funds are also excluded from the government-wide financial statements.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

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

Government-Wide 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 services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financed or draws from the general revenues of the County. Certain indirect costs are included in the program expense reported for individual functions and activities.

Net assets are reported as restricted when constraints placed on the net assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws, regulations of other governments or imposed by law through constitutional provisions or enabling legislation. 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 County 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 of them displayed in a separate column.

Certain funds are required by GAAP to be presented as major funds of the County. The requirement to present a fund as "major" is based on the total assets, liabilities, revenues, and expenditures within the fund. Additionally, the County has the option of voluntarily presenting any fund as major.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

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

Fund Financial Statements – Continued

The County reports the following governmental funds as major:

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

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

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

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

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

The County reports the following major enterprise fund:

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

3. Fund Types

Governmental Fund Types

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

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

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

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

Proprietary Fund Types

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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 the 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 measuring results of operations. The funds are used to account for cash collected by elected row officers such as the Clerk of Courts, Recorder of Deeds, Register of Wills, Sheriff, Prothonotary, and Treasurer; support payments collected by Domestic Relations; and delinquent real estate tax payments collected by Tax Claim.

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.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Revenues are considered available when they are expected to be collected within sixty days of year-end. As of December 31, 2011, the County deferred approximately \$1,763,280 because these monies were not yet considered available. 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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

4. Basis of Accounting and Measurement Focus - Continued

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

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

The Pension Trust Fund and the agency funds' financial statements are also prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan. Administrative costs 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 the agency funds' investments are reported at fair value. Investments traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Other investments are valued based on their liquidation amounts as estimated by the investment fund's management. Investment income is recognized as earned. Gains and losses on sales and exchanges are recognized on the transaction date.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

5. **Revenues**

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

Federal and state grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the County is entitled to the grants. However, these grants are subject to audits and adjustments by grantor agencies. Revenues received after sixty days subsequent to December 31 are recorded as deferred revenue on the Statement of Revenues, Expenditures and Changes in Fund Balance. Grant revenues recognized for expenditures which are disallowed are repayable to the grantor. Management has presented these statements based upon its understanding of restrictions on the revenues recognized. Revenue recognized by HealthChoices is based on the number of eligible members within the County, paid monthly at a contracted rate with Pennsylvania's Department of Public Welfare.

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

6. **Deferred, Unavailable and Unearned Revenues**

Under the modified accrual basis of accounting, revenue is not recognized until it is available to liquidate liabilities of the current period; under full accrual accounting, revenue 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 unearned revenue on the Statement of Net Assets and are included under the caption Deferred Revenue on the Balance Sheet for Governmental Funds. Certain payments received by the County are considered unearned and not subject to revenue recognition under either the full or modified accrual basis. Other items reported as deferred revenue on the Balance Sheet for Governmental Funds are not recognized as revenue because they are not available to liquidate liabilities of the current period.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

7. **Expenditures**

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

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

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

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

Friendship Ridge's restricted cash represents grant money received from the County Commissioners Association of Pennsylvania. The grant is to assist in the implementation of electronic health records and other information technology initiatives.

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

9. **Supplies**

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

10. **Prepaid Expenses**

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

11. **Capital Assets**

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

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized in the government-wide Statement of Net Assets or in the proprietary funds. Major renewals or betterments are capitalized as additions.

Depreciation of Friendship Ridge's property, plant and equipment is computed using the straight-line method over the estimated useful lives of the related assets.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

12. **Compensated Absences**

The vacation policy for substantially all of the County's employees provides that vacation earned from the prior year's service, granted to employees on January 1, must be taken by December 31 of that same year. Therefore, the accrual in the government-wide Statement of Net Assets represents what was earned through December 31, 2011, granted on January 1, 2012.

Employees, other than those mentioned below, may accumulate up to 100 days of sick leave. Sheriff's deputies may accumulate up to a maximum of 150 days of sick leave. Jail guards receive nine days of sick leave per year with no limit on the maximum number of days that can be carried into the next year. Children & Youth, Office on Aging, and Mental Health / Intellectual Disabilities employees receive paid time off. These employees may accumulate up to a maximum of 45 days. Probation officers also receive paid time off and may accumulate up to a maximum of 50 days. If sick leave is not used, it is paid to retirement-eligible employees upon retiring. Accumulated sick leave as of December 31, 2011 that is estimated to be paid to employees upon retirement has been recorded in the government-wide Statement of Net Assets under Non-current Liabilities.

13. **Accrued HealthChoices Program Costs**

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

14. **Accrued Healthcare Costs**

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

15. **Early Termination Benefits**

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

16. **Budgets**

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

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

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

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

Formal budgetary review is employed as a management control during the year for the General Fund, the Special Revenue Funds and the Capital Project Funds. Budget amounts presented in the schedules and supplementary information accompanying the financial statements are as amended through December 31, 2011.

17. **Fund Balance**

GASB Statement No. 54 establishes accounting and financial reporting standards for all governments that report governmental funds. This statement was implemented by the County effective January 1, 2011. It establishes criteria for classifying fund balances into specifically defined classifications and it clarifies definitions as follows:

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

17. **Fund Balance** – Continued

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

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

Committed – This classification consists of amounts used for specific purposes imposed by formal action of the County's Board of Commissioners. The removal or modification of the use of committed funds can only be accomplished by formal action prior to fiscal year-end by the County's Board of Commissioners.

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

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

17. **Fund Balance** – Continued

HealthChoices Program

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania's Department of Public Welfare (Commonwealth). Per the contract, the County must maintain a restricted reserve for equity and a plan of insolvency. As of December 31, 2011, the County has met the equity requirement by maintaining approximately \$1,800,000 in a separate bank account. Assets can be transferred from this account only with the permission of the Commonwealth. As of December 31, 2011, the County has also met the insolvency requirement determined by the Commonwealth by maintaining, at a minimum, the equivalent of sixty days worth of unpaid claims. The minimum, which was determined by the Commonwealth to be \$4,392,542, is maintained in a separate bank account.

The contract also allows the County to maintain a reserve for risk and contingency in an amount not to exceed seventy-five days of unpaid claims. The County has met this reserve by restricting \$5,717,264 of cash and investments at December 31, 2011. Draw-down of these funds requires approval of the Commonwealth.

18. **Net Assets**

GASB Statement No. 34 requires a classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined below:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, net of accumulated depreciation, and reduced further by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted – This component of net assets entails the balance subject to constraints placed on net asset use through external restrictions, such as, constitutional provisions or enabling legislation.

Unrestricted – This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

18. **Net Assets** – Continued

Internal Service Funds

The internal service funds account for the County employees' self-insured medical health expenses as well as the workers' compensation expenses. During 2011, the County increased the workers' compensation bi-weekly charge to reduce the deficit balance in net assets.

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

GASB has issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," effective for years beginning after December 15, 2011. This statement provides guidance for accounting and financial reporting for service concession arrangements.

GASB has issued Statement No. 61, "The Financial Reporting Entity: Omnibus," effective for years beginning after June 15, 2012. The objective of this statement is to improve financial reporting for a governmental financial reporting entity by modifying existing requirements for the assessment of potential component units.

GASB has issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," effective for years beginning after December 15, 2011. This statement establishes accounting and financial reporting standards for the financial reporting statements of state and local governments by bringing together reporting literature in one place with the guidance modified as necessary.

GASB has issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," effective for years beginning after December 15, 2011. This statement establishes guidance on financial reporting of deferred inflows and outflows of resources. Under this statement entities report deferred outflows and inflows of resources separately from assets and liabilities in a new statement of position format. It also amends GASB Statement No. 34 and other existing standards to reflect the residual measure in the statement of financial position as net position, rather than net assets.

GASB has issued Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – Amendment of GASB Statement No. 53," effective for periods beginning after June 15, 2011. This statement clarifies that hedge accounting should continue to apply after the replacement of a swap counterparty or a swap counterparty's credit support provider when certain criteria are met.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

19. **Pending Governmental Accounting Standards Board Pronouncements** – Continued

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

20. **Use of Estimates**

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

NOTE B - PROPERTY TAXES

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

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

Property tax revenues for the year ended December 31, 2011, are recorded on the Statement of Activities net of discounts of approximately \$725,000 and inclusive of penalties amounting to approximately \$160,000. Property tax receivables are stated net of allowance for uncollectible accounts. At December 31, 2011, the balance in the allowance for uncollectible taxes is \$4,105,801.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE C - CASH DEPOSITS AND INVESTMENTS

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

- United States Treasury bills,
- Short-term obligations of the United States Government or the Commonwealth of Pennsylvania,
- Deposits in savings accounts or time deposits of institutions having a place of business in the Commonwealth of Pennsylvania and insured or collateralized in accordance with Act 72, 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.

Investments

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Cash Deposits

Cash deposits are exposed to custodial credit risk, which is the risk that a government may not recover the funds it placed in the custody of a counterparty (such as if the counterparty would enter bankruptcy proceeding). The County does not have a formal deposit policy for custodial credit risk. At December 31, 2011, Beaver County's deposits were either insured or collateralized with assets held by the pledging bank's trust department and not in the County's name. At December 31, 2011, the bank balance of the County's cash deposits was approximately \$35.7 million, of which approximately \$1.3 million was insured. The remaining uninsured bank balance was collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure state and municipal deposits. The pledged assets must be equal to at least the total amount of the public deposits at the depository and may be on a pooled basis.

Pension Trust Fund Investments

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Pension Trust Fund Investments – Continued

Securities Lending Transactions

The County's pension investment policy allows the County's Pension Trust Fund to enter into security lending agreements with eligible borrowers. During 2011, the Pension Trust Fund, through the use of a security lending agent, engaged in several security lending transactions. All securities held by the pension trust fund, except those specifically identified by the County, are available for these loans. The fair value and carrying value of the securities on loan at December 31, 2011 is approximately \$11 million, which is almost entirely comprised of common stock.

Collateral on outstanding loans is calculated daily and equals 102% or 105% of the fair value of the securities on loan. Collateral can be accessed in the event the borrower is unable to repay the loan at maturity. The County has and exercises its ability to invest cash collected as collateral in certain investment accounts to enhance earnings. At December 31, 2011, the County had approximately \$11 million of common stock on loan to various borrowers. The County collected collateral of approximately \$11.3 million consisting entirely of cash which was subsequently deposited into a short term investment account in order to ensure that maturity of these investments match the maturities of the loans outstanding.

At December 31, 2011, the amount of collateral on hand exceeded the value of the securities on loan. The County has not recorded any losses resulting from default during the year ended December 31, 2011.

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

Credit risk is the risk that investments may not be recovered from the counterparty due to bankruptcy, theft, or other occurrences. To mitigate this risk, the Pension Trust Fund securities lending policy requires between 102% - 105% of market value to be held as collateral for each security lent. As of December 31, 2011, the Fund is not exposed to credit risk since the value of collateral exceeds the value of the securities on loan for every loan outstanding.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Pension Trust Fund Investments – Continued

As of December 31, 2011, the Pension Trust Fund's investments and cash deposits consisted of:

<u>Investments</u>	
Common and Preferred Stocks	\$ 145,102,583
Interest in Collective Trust	11,651,002
Bonds and Notes:	
U.S. Government Notes	12,969,688
U.S. Government Agency Bonds	7,909,114
U.S. Government Mortgage Backed Securities	3,557,535
Corporate Bonds	21,113,883
Registered Investment Company Securities	8,900,101
Other Debt Securities	<u>5,754,139</u>
 Total Investments	 216,958,045
 Cash Deposits	 7,014,932
Cash Deposits held as Collateral	<u>11,277,365</u>
 Total Cash Deposits and Investments	 <u>\$ 235,250,342</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Pension Trust Fund Investments – Continued

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

	Amount at December 31, 2011	Weighted Average to Maturity (Years)
Obligations Explicitly Guaranteed by the United States Government:		
U.S. Government Notes	\$ 12,969,688	5.15
Other Obligations:		
U.S. Government Agency Bonds	7,909,114	11.13
U.S. Government Mortgage Backed Securities	3,557,535	23.80
Corporate Bonds	21,113,883	9.17
Subtotal	32,580,532	
 Total	 \$ 45,550,220	
 Portfolio Weighted Average		 10.72

The bond ratings given to corporate bonds, except those explicitly guaranteed by the United States government and mortgage backed securities, whose credit ratings are not available, as determined by the Standard and Poor's bond rating system along with the amount invested by the Pension Trust Fund at December 31, 2011, are as follows:

Bond Rating	Amount of Investment
AAA	\$ 209,806
AA+	4,095,988
AA	446,070
AA-	1,060,882
A+	3,291,777
A	6,310,712
A-	5,114,713
BBB+	2,293,320
BBB	1,176,826
Unrated Securities	8,580,438
 Total	 \$ 32,580,532

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Component Unit - BCTA

At June 30, 2011, BCTA's cash and cash equivalents had a bank balance of \$4,118,755 and a book balance of \$4,048,857. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. All funds in a 'noninterest-bearing transaction account' are insured in full by the Federal Deposit Insurance Corporation (FDIC) from December 31, 2010 through December 31, 2012. This temporary unlimited coverage is in addition to and separate from, the coverage of at least \$250,000 available to depositors under FDIC's general deposit insurance rules.

Custodial credit risk is the risk that, in the event of a bank failure, BCTA's deposits may not be returned. BCTA does not have a formal policy for custodial credit risk. As of June 30, 2011, \$2,789,600 of BCTA's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in BCTA's name. At June 30, 2011, the cash deposits of BCTA consisted of:

Cash – FDIC Insured	
Huntington Bank	\$ 250,000
ESB Bank	250,000
First National Bank	250,000
Cash - Non-interest bearing transaction account FDIC Insured	579,155
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System	2,789,600
	<u>\$ 4,118,755</u>

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

Component Unit – CCBC

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Component Unit – CCBC – Continued

IV. Shares of an investment company, registered under the Investment Company Act of 1940.

The investments of CCBC represent the proceeds of the College Revenue Bonds – Series of 2007, as described in Note J, restricted for new construction, additions, and renovations at the CCBC campus. These investments were fully expended during the 2010-2011 fiscal year. Investments of the CCBC Foundation include equity, fixed, and international mutual funds and money market funds held by the First National Trust Company. Investments are stated at fair value.

At June 30, 2011, CCBC's cash and cash equivalents had a bank balance of \$2,440,476 and a book balance of \$2,419,132. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. All funds in a non-interest bearing transaction account are insured in full by the FDIC from December 31, 2010 through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 available to depositors under the FDIC's general deposit insurance rules.

CCBC does not have a formal policy for custodial credit risk. As of June 30, 2011, \$1,682,529 of CCBC's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in CCBC's name.

At June 30, 2011, the cash deposits of CCBC consisted of:

Cash – FDIC Insured	\$ 250,000
Cash - Non-interest bearing transaction account FDIC Insured	507,947
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System	1,682,529
	<u>\$ 2,440,476</u>

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

CCBC's investments at June 30, 2011 were composed of \$491,389 in investments held by The Foundation.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE D – RECEIVABLES AND PAYABLES

Receivables at December 31, 2011 were as follows:

	Accounts Receivable	Taxes	Due From Other Governments	Other	Total Receivables
Governmental Activities					
General Fund	\$ -	\$ 7,705,286	\$ 216,930	\$ 465,226	\$ 8,387,442
MH/ID	-	-	514,065	66,170	580,235
Children & Youth	-	-	1,431,530	3,436	1,434,966
Community Development	-	-	1,217,487	60,744	1,278,231
HealthChoices	-	-	140,486	104,909	245,395
Non-major Governmental Funds	-	-	2,354,513	161,323	2,515,836
		7,705,286	5,875,011	861,807	14,442,105
Allowance for Doubtful Accounts	-	(4,105,801)	-	-	(4,105,801)
Total - Governmental Activities	-	3,599,485	5,875,011	861,807	10,336,304
Business-type Activities					
Friendship Ridge	10,929,913	-	-	-	10,929,913
Allowance for Doubtful Accounts	(2,799,561)	-	-	-	(2,799,561)
Total - Business-type Activities	8,130,352	-	-	-	8,130,352
Primary Government Total	\$ 8,130,352	\$ 3,599,485	\$ 5,875,011	\$ 861,807	\$ 18,466,656
Component Units					
BCTA	-	-	6,020,882	44,428	6,065,310
CCBC	256,142	-	399,122	169,619	824,883
	\$ -	\$ -	\$ 6,420,004	\$ 214,047	\$ 6,634,055

Payables at December 31, 2011, 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, 2011 AND JUNE 30, 2011

NOTE E - INTERFUND BALANCES AND TRANSFERS

Interfund Balances

The County reports interfund balances among all of its funds. The balances for non-major governmental funds and proprietary funds are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the Statements of Net Assets - Proprietary Funds and the Balance Sheet for Governmental Funds.

		Interfund Payable						
		General Fund	MH/ID	Community Development	Health- Choices	Non-Major Governmental	Friendship Ridge	Total Assets
Interfund Receivable	General Fund	\$ -	\$ -	\$ 29,027	\$ 16,090	\$ 806,763	\$ 171,360	\$ 1,023,240
	Children & Youth	63,370	-	-	-	-	-	63,370
	MH/ID	201,142	-	-	-	-	-	201,142
	HealthChoices	-	6,120	-	-	-	-	6,120
	Non-Major Gov.	154,816	6,299	-	-	-	-	161,115
	Friendship Ridge	-	-	-	-	60,251	-	60,251
	Internal Service Funds	-	-	-	-	-	119,964	119,964
	Total Liabilities	\$ 419,328	\$ 12,419	\$ 29,027	\$ 16,090	\$ 867,014	\$ 291,324	\$ 1,635,202

The following is a summary of the interfund payables and receivables outstanding at December 31, 2011:

- The General Fund's balance due to Children & Youth consists primarily of the net of quarterly County Match payments and Admin Expense Reimbursements as well as a loan made to Children & Youth for \$250,000 and amounts due for employee wages.
- The General Fund's balance due to MH/ID consists primarily of the net of quarterly County Match payments and reimbursements to the General Fund for employee wages.
- The General Fund's balance due to the Non-Major Governmental Funds consists of the Driving Under the Influence and Under Age Drinking Programs' revenue in excess of expenditures due to the Courtroom Improvement Fund.
- MH/ID's balance due to Non-Major Governmental Funds is the result of an expenditure paid by Office on Aging that was an MH/ID expense as well as an intercompany reimbursement to HealthChoices.
- Community Development's balance due to the General Fund is made up of amounts due for employee wages as well as \$10,668 for expenses paid on behalf of Community Development.
- HealthChoices balance due to the General Fund is made up of amounts due for employee wages.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE E - INTERFUND BALANCES AND TRANSFERS – (Continued)

Interfund Balances - Continued

- Non-Major Governmental Funds balances due to the General Fund consist of reimbursements for accounts payable, payroll, postage, loans, indirect cost reimbursements, and various other reimbursements.
- Non-Major Governmental Funds balance due to Friendship Ridge consists of added long-term debt transferred to Friendship Ridge related to the 2007 & 2009 Capital Projects Fund.
- The Friendship Ridge interfund balance due to the General Fund consists of unemployment compensation for the 4th quarter of 2011 for \$86,554 and for the purchase of time clocks for \$84,806.
- The Friendship Ridge interfund balance due to the Internal Service Funds consists of a reimbursement for pharmacy claims.

Interfund Transfers

Interfund transfers for the year ended December 31, 2011, consisted of the following:

		Transfer From			
		General Fund	Children & Youth	Non-Major Governmental	Total
Transfer To	General Fund	\$ -	\$ -	\$ 663,535	\$ 663,535
	MH/ID	700,637	-	-	700,637
	Children & Youth	1,268,918	-	-	1,268,918
	Non-Major Governmental	800,633	25,020	112,556	938,209
	Friendship Ridge	2,255,409	-	861,351	3,116,760
	Total	\$ 5,025,597	\$ 25,020	\$ 1,637,442	\$ 6,688,059

The following is a summary of transfers that occurred during the year ended December 31, 2011:

- The transfers from the General Fund to Children & Youth and MH/ID are for county match payments.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE E - INTERFUND BALANCES AND TRANSFERS – (Continued)

Interfund Transfers - Continued

- The transfer from the County's General Fund to Non-Major Governmental Funds consists of monies remaining in the Driving Under the Influence and Under Age Drinking Programs at December 31, 2011, that are transferred to the Courtroom Improvement Fund, transfers from the Election Bureau to the 2007 & 2009 Capital Projects Fund, and transfers to Domestic Relations and the Office on Aging for county match payments.
- The transfer from the County's General Fund to Friendship Ridge consists of in kind services that the General Fund provided, as well as a cash subsidy amounting to \$1 million in 2011 and a \$750,000 reduction of interfund payable to the General Fund.
- The transfer from Non-Major Governmental Funds to the County's General Fund consists of the Offender's Supervisory Fund transferring funds to Adult Probation for various expenditures.
- The transfer from Children & Youth to Non-Major Governmental Funds is for the transfer of a van purchased in a prior year.
- The transfer among Non-Major Governmental Funds was for Emergency Services 911 reimbursing the 2007 & 2009 Capital Projects Fund for the purchase of uninterruptible power supply and dark fiber line in a prior year.
- The transfer from Non-Major Governmental Funds to Friendship Ridge was for the reallocation of funds expended from the 2007 & 2009 Capital Projects Fund on behalf of Friendship Ridge. This transfer was not recognized as a transfer in by Friendship Ridge, but as an increase to long-term debt.

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

Depreciation and amortization was charged to functions as follows:

Governmental Activities:	
General Government	\$ 1,572,588
Judicial	227,214
Public Safety	1,077,343
Public Works & Enterprise	699,515
Culture, Recreation, and Conservation	333,324
Human Services	341,426
Economic Development	6,490
Total	\$ 4,257,900

The following is a summary of changes in capital assets for governmental activities during 2011:

	Balance at January 1, 2011	Additions	Disposals & Transfers	Balance at December 31, 2011
Not being Depreciated:				
Land	\$ 1,657,554	\$ 100,000	\$ -	\$ 1,757,554
	1,657,554	100,000	-	1,757,554
Other Capital Assets:				
Buildings and Improvements	87,930,002	195,070	(1,643,962)	86,481,110
Vehicles	2,457,785	788,802	(98,912)	3,147,675
Furniture and Equipment	21,091,290	1,808,981	(2,189,570)	20,710,701
Infrastructure	36,028,732	8,294,942	-	44,323,674
	147,507,809	11,087,794	(3,932,444)	154,663,161
Accumulated Depreciation:				
Buildings and Improvements	(28,200,857)	(2,081,712)	1,587,374	(28,695,195)
Vehicles	(2,043,161)	(270,146)	98,912	(2,214,395)
Furniture and Equipment	(12,769,870)	(1,113,765)	1,952,845	(11,930,790)
Infrastructure	(9,059,669)	(792,277)	-	(9,851,946)
	(52,073,557)	(4,257,900)	3,639,131	(52,692,326)
Net Other Capital Assets	95,434,253	6,829,894	(293,313)	101,970,835
Net Capital Assets	\$ 97,091,807	\$ 6,929,894	\$ (293,313)	\$ 103,728,389

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

The above assets as of December 31, 2011, include \$18,528,694 relating to capitalized leases and \$5,763,241 of associated accumulated amortization.

With the implementation of GASB 54, it was decided that HealthChoices and Emergency Services 911 would be restated as special revenue funds and no longer be considered enterprise funds. As a result, the capital assets related to these funds will now be included with capital assets for governmental activities and not capital assets for business-type activities. The beginning balance includes the transfer of HealthChoices' capital assets of \$82,645 and \$59,341 in accumulated depreciation and the transfer for Emergency Services 911's capital assets of \$4,700,430 and \$1,584,519 in accumulated depreciation.

The beginning balance also includes assets that were previously removed from the government-wide statements through error. Through inventory observations during 2011, it was discovered the assets were still in use and they were added back to the capital assets schedule. The total of the beginning balance added to equipment was \$81,197.

Depreciation and amortization was charged to functions as follows:

Business-type Activities:	
Friendship Ridge	<u>\$1,349,856</u>
Total	<u>\$1,349,856</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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

The following is a summary of changes in capital assets for Business-type Activities during 2011:

	<u>Balance at January 1, 2011</u>	<u>Additions</u>	<u>Disposals & Transfers</u>	<u>Balance at December 31, 2011</u>
Not being Depreciated:				
Land	\$ 42,075	\$ -	\$ -	\$ 42,075
Construction in Progress	<u>2,245,553</u>	<u>458,254</u>	<u>(2,468,066)</u>	<u>235,741</u>
	<u>2,287,628</u>	<u>458,254</u>	<u>(2,468,066)</u>	<u>277,816</u>
Other Capital Assets:				
Buildings and Improvements	15,335,808	792,652	-	16,128,460
Furniture and Equipment	<u>30,771,025</u>	<u>2,782,119</u>	<u>-</u>	<u>33,553,144</u>
	<u>46,106,833</u>	<u>3,574,771</u>	<u>-</u>	<u>49,681,604</u>
Accumulated Depreciation:				
Buildings and Improvements	(8,183,588)	(842,048)	-	(9,025,636)
Furniture and Equipment	<u>(24,317,803)</u>	<u>(507,808)</u>	<u>-</u>	<u>(24,825,611)</u>
	<u>(32,501,391)</u>	<u>(1,349,856)</u>	<u>-</u>	<u>(33,851,247)</u>
Net Other Capital Assets	<u>13,605,442</u>	<u>2,224,915</u>	<u>-</u>	<u>15,830,357</u>
Net Capital Assets	<u>\$ 15,893,070</u>	<u>\$ 2,683,169</u>	<u>\$ (2,468,066)</u>	<u>\$ 16,108,173</u>

The above assets as of December 31, 2011, include \$177,342 relating to capitalized leases and \$177,342 of associated accumulated amortization.

Included under the caption Depreciation and Amortization on the Statement of Revenues, Expenses, and Changes in Net Assets Proprietary Funds is amortization of capitalized bond financing costs and a discount on a bonds payable by Friendship Ridge amounting to \$67,731.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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, 2011:

		<u>Estimated Useful Lives</u>
Land	\$ 3,564,989	N/A
Construction in Progress	612,692	N/A
Buildings and Improvements	14,266,387	30
Tangible Transit Operating Property	11,550,443	5 - 12
Furniture and Equipment	1,580,040	4 - 5
	<u>31,574,551</u>	
Less Accumulated Depreciation	<u>(14,070,110)</u>	
	<u>\$ 17,504,441</u>	

Depreciation expense for the year ended June 30, 2011, amounted to \$1,791,258.

Component Unit - CCBC

The following is a summary of CCBC's property accounts as of June 30, 2011:

		<u>Estimated Useful Lives</u>
Land	\$ 204,425	N/A
Land Improvements	747,863	20
Buildings and Improvements	46,526,368	25 - 50
Vehicles	251,942	8 - 10
Furniture and Equipment	10,821,070	5 - 20
	<u>58,551,668</u>	
Less Accumulated Depreciation	<u>(21,206,317)</u>	
	<u>\$ 37,345,351</u>	

Depreciation expense for the year ended June 30, 2011, amounted to \$1,881,256.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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. All administrative costs are paid by the Plan.

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

As of January 1, 2012, 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	861
Terminated Employees not yet Receiving Benefits	154
	<u>1,015</u>
Active Plan Participants:	
Vested	1,058
Non-vested	383
	<u>1,441</u>

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

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

The Plan requires participants to contribute a minimum of 9%, but not more than 19%, of their salary depending on the participant's employment class, wage and on current actuarial determinations. All full-time and part-time employees expected to complete 1,000 hours of service in a twelve-month period when employed are required to participate in the Plan.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

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

The Plan funding policy provides for periodic employer contributions at actuarially determined rates that are necessary to accumulate sufficient assets to pay benefits when due. The annual pension cost for 2011 was determined as part of an actuarial valuation as of January 1, 2011, using the entry age normal method.

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

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

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

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Annual Required Contribution	\$ 1,422,197	\$ 864,107	\$ 2,286,304
Interest on Net Pension Asset	(1,030,253)	(625,918)	(1,656,171)
Adjustment to the Annual Required Contribution	1,803,080	1,083,324	2,886,404
Annual Pension Cost	<u>2,195,024</u>	<u>1,321,513</u>	<u>3,516,537</u>
Less: Contributions Made	<u>1,422,197</u>	<u>864,107</u>	<u>2,286,304</u>
Decrease in Net Pension Obligation (Asset)	772,827	457,406	1,230,233
Net Pension Obligation (Asset), Beginning of Year	<u>(16,081,437)</u>	<u>(5,999,745)</u>	<u>(22,081,182)</u>
Net Pension Obligation (Asset), End of Year	<u><u>\$ (15,308,610)</u></u>	<u><u>\$ (5,542,339)</u></u>	<u><u>\$ (20,850,949)</u></u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

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

Three-year Trend Information:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
December 31, 2011	\$ 3,516,537	65%	\$ (20,850,949)
December 31, 2010	\$ 4,165,068	74%	\$ (22,081,182)
December 31, 2009	\$ 6,216,319	309%	\$ (23,149,628)

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

Actuarial Cost Method:	Entry age method
Asset Valuation Method:	Greater of market value and actuarial value
Actuarial Assumptions:	
Inflation Adjustment :	3%
Investment Rate of Return:	7.5%
Amortization Method :	Level percentage of projected payroll
Amortization Period :	30-year closed period for unfunded liability
Projected Salary Increase:	3.50%
Cost-of-Living Adjustment:	100% of CPI effective as of January 1, 2000

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

3. Funded Status and Funding Progress

The funded status as of January 1, 2012, which is the most recent actuarial valuation date, is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1/1/2012	\$ 236,825,873	\$ 244,641,505	\$ (7,815,632)	96.8%	\$ 58,557,985	-13.3%

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

4. Reserves

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

Member Annuity Reserve Account: This reserve represents the total contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2012, the balance in this account was \$80,541,292 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, 2012, the balance in this account was \$59,855,701 and it was funded to the extent of the 2011 APC.

Retired Members' Reserve Account: This is the account from which monthly retirement allowances, including cost-of-living increases and death benefits, are paid. As of January 1, 2012, the balance in this account amounted to a fully funded \$62,481,558.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit – CCBC – Continued

Contributions required of employers are based upon an actuarial valuation. For the fiscal year ended June 30, 2011, the rate of employer contribution was 5.64% of covered payroll. This rate is comprised of a 0.64% rate for health insurance premium assistance and a pension contribution rate of 5.00%.

Pension expense for CCBC for the year ended June 30, 2011, totaled \$44,219 based on a total covered payroll of \$1,582,717. Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Member Class TC) or at 6.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Member Class TC) or at 7.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System after June 30, 2001, contribute at 7.5% (automatic Member Class TD). For all new hires and for members who elected Class TD membership, the higher contribution rates began with service rendered on or after January 1, 2002. CCBC employees contributed \$114,807 to the PSERS for the year ended June 30, 2011.

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

This publication is also available on the PSERS website at www.psers.state.pa.us/publications/cafr/index.htm.

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 Rivers Edge and for the year ended December 31, 2011, total employee contributions amounted to \$243,105. There were no employer contributions for this same period. Participation in the Plan is optional. The deferred compensation is not available for withdrawal until termination, retirement, death or an unforeseeable emergency. During 1997, the County placed all assets of the Plan in a custodial account. As a result, and in accordance with GASB Statement No. 32, the Plan's assets have been removed from the County's Agency Fund.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE H - DEFERRED COMPENSATION PLAN – (Continued)

Component Unit – BCTA

BCTA maintains two Simplified Employees' Pension Plans, a type of single-employer defined contribution plan, for salaried and hourly employees. BCTA is the plans' administrator and it agrees to contribute annually a percentage of the participants' salaries, but not exceeding the federally mandated maximum for such plans. All full-time employees who earn at least \$450 in any three of the last five calendar years are eligible to participate in the plans. Participants are not required to contribute to the plans. BCTA's contributions amounted to approximately \$124,272 for the year ended June 30, 2011.

Component Unit - CCBC

CCBC established a Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), under Section 403 (b) of the Internal Revenue Code, for eligible employees. This TIAA-CREF is a single-employer defined contribution plan administered by CCBC. Under the plan, individual contracts are entered into for covered employees. Employees are fully vested, and the contract fully funded, in accordance with the terms of the contract. Employee contributions are 5% of covered compensation. Employer contributions vary according to compensation levels and the employees' position at CCBC. During the year ended June 30, 2011, CCBC contributed \$645,055 to this retirement plan.

NOTE I – SHORT-TERM DEBT

On January 3, 2011, the County entered into a tax revenue anticipation note agreement with a financial institution for the purpose of meeting current expenditures. The note provided for borrowings of \$6,500,000 bearing interest at 2.15% per annum. From these proceeds, \$4,500,000 was transferred to Friendship Ridge. Of the \$4,500,000, Friendship Ridge repaid \$3,500,000 and the County repaid \$1,000,000 of the proceeds advanced to Friendship Ridge during 2011. All outstanding principal and accrued interest was satisfied by December 29, 2011, prior to the note's maturity date of December 31, 2011.

Beginning Balance at			Ending Balance at
<u>January 1, 2011</u>	<u>Borrowings</u>	<u>Repayments</u>	<u>December 31, 2011</u>
\$-	6,500,000	(6,500,000)	\$-

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COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE I – SHORT-TERM DEBT – (Continued)

Component Unit - BCTA

BCTA entered into a \$500,000 demand line of credit agreement with a financial institution on February 20, 2004. The terms of the agreement call for interest to be charged based on a percentage of prime rate on any outstanding balance. There are no outstanding balances as of June 30, 2011.

Component Unit - CCBC

On August 21, 2009, CCBC entered into a working capital line of credit note for \$1,500,000. The terms of the note call for a per annum rate of interest equal to the London Interbank Offering Rate plus 150 basis points. The general revenues of CCBC serve as collateral on this note. There is no outstanding balance on this line of credit as of June 30, 2011.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2011:

	<u>Interest Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Payable January 1, 2011</u>	<u>Issuance</u>	<u>Retirements/Transfer</u>	<u>Accrued Interest/Amortization</u>	<u>Payable December 31, 2011</u>
<u>Governmental Activities</u>								
<u>General Obligation Bonds</u>								
Series A of 2005	2.50-4.25	7/28/2005	9/1/2025	\$ 1,840,000	\$ -	\$ (125,000)	\$ -	\$ 1,715,000
Series A of 2007	3.65-4.30	11/17/2007	11/1/2024	6,627,106	-	(720,550)	2,117	5,908,673
Series of 2009 Notes	2.50-5.55	2/12/2009	11/15/2031	67,663,041	-	(1,754,355)	50,774	65,959,460
				<u>76,130,147</u>	<u>-</u>	<u>(2,599,905)</u>	<u>52,891</u>	<u>73,583,133</u>
<u>Other General Long-Term Liabilities</u>								
Pension Bond of 2005	4.75-5.65	12/22/2005	12/15/2030	12,665,000	-	(370,000)	-	12,295,000
PFA Series A of 2005	3.75-5.60	5/27/2005	10/1/2029	2,830,000	-	(90,000)	-	2,740,000
PFA Series A of 2006	3.70-4.00	9/28/2006	10/1/2015	3,020,480	-	-	1,679	3,022,159
PFA Series B of 2006	5.25-5.40	9/28/2006	10/1/2015	1,337,566	-	(600,000)	1,838	739,404
PFA 2006 Bonds	3.45-4.00	10/15/2006	9/1/2022	3,130,658	-	(215,000)	16,496	2,932,154
PFA Series 2007	6.00-6.10	5/15/2007	12/1/2011	125,000	-	(125,000)	-	-
Pension Bond of 2009	3.86-6.50	7/8/2009	5/15/2032	9,272,015	-	(2,500)	13,523	9,283,038
DCED General Obligation Note	1.00	8/1/2011	7/1/2021	-	58,403	(2,314)	-	56,089
				<u>32,380,719</u>	<u>58,403</u>	<u>(1,404,814)</u>	<u>33,536</u>	<u>31,067,844</u>
<u>Total Governmental Activities</u>				<u>\$ 108,510,866</u>	<u>\$ 58,403</u>	<u>\$ (4,004,719)</u>	<u>\$ 86,427</u>	<u>\$ 104,650,977</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES – (Continued)

	<u>Interest Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Payable January 1, 2011</u>	<u>Issuance/ Transfer</u>	<u>Retirements</u>	<u>Accrued Interest/ Amortization</u>	<u>Payable December 31, 2011</u>
<u>Business-type Activities</u>								
General Obligation Bonds								
Series of 1998	3.45-4.25	11/15/1998	1/15/2013	\$ 1,597,710	\$ -	\$ (525,000)	\$ 15,377	\$ 1,088,087
Series B of 2003	1.15-3.20	7/1/2003	7/1/2013	454,138	-	(150,000)	-	304,138
Series A of 2007	3.65-4.30	11/17/2007	11/1/2024	2,209,622	713,116	(2,566)	6,792	2,926,964
Series of 2009 Notes	2.50-5.55	2/12/2009	11/15/2031	3,402,666	148,236	(78,881)	-	3,472,021
				<u>7,664,136</u>	<u>861,352</u>	<u>(756,447)</u>	<u>22,169</u>	<u>7,791,210</u>
Other General Long-Term Liabilities								
PFA Series A of 2006	3.70-4.00	9/28/2006	10/1/2015	291,247	-	-	1,247	292,494
Pension Bond of 2009	3.86-6.50	7/8/2009	5/15/2032	9,268,123	-	(2,500)	14,137	9,279,760
				<u>9,559,370</u>	<u>-</u>	<u>(2,500)</u>	<u>15,384</u>	<u>9,572,254</u>
				<u>\$ 17,223,506</u>	<u>\$ 861,352</u>	<u>\$ (758,947)</u>	<u>\$ 37,553</u>	<u>\$ 17,363,464</u>

Total Business-type Activities

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES – (Continued)

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

Governmental

Series A of 2005

On July 28, 2005, the County issued \$3,125,000 in General Obligation Bonds, Series A of 2005, to finance various capital projects planned by the County. Interest is payable semi-annually at coupon rates varying between 2.50% and 4.25%. The bonds mature in installments starting in 2006 and ending in 2025. Principal payments range from \$65,000 to \$340,000. Mandatory bond sinking fund redemptions are required for certain maturities due on or after September 1, 2016.

Series A of 2007

During November 2007, the County issued \$9,000,000 in General Obligation Bonds, Series A of 2007, to fund various capital projects throughout the County. At the time of the bond issue, the Governmental Activities were obligated to repay \$3,289,430 and Friendship Ridge committed to repay the remaining \$5,710,570. During 2010 and 2011, the allocation of bond proceeds and repayments amounts between Governmental Activities and Friendship Ridge was adjusted. All activity, including adjustments for the Governmental Activities and Friendship Ridge in 2011 is summarized below:

	<u>Beginning</u>		<u>Payments/ Accrued Interest/ Amortization</u>	<u>Ending</u>
	<u>Balance</u>	<u>Transfer</u>		<u>Balance</u>
Governmental Activities	\$ 6,627,106	(713,116)	(5,317)	\$ 5,908,673
Friendship Ridge	\$ 2,209,622	713,116	4,226	\$ 2,926,964

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

Series of 2009 Notes

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES – (Continued)

Series of 2009 Notes – (Continued)

On November 1, 2007, the County issued \$59,200,000 in General Obligation Bonds, Series B of 2007, which were used to defease the remaining balance of the 1997 Bonds. The amount of debt refinanced and considered defeased as a result of this issuance was \$58,125,000. The interest on these bonds was variable and paid monthly as determined by a third party with the purpose of aligning the bonds' interest rate to market conditions. As of December 31, 2011, no defeased debt remains outstanding.

On February 12, 2009, the County issued \$72,685,000, of General Obligation Notes, Series of 2009 at a discount of \$1,117,031, for the purpose of refunding the General Obligation Bonds, Series B of 2007, terminating the 2006 Swap Agreement, and to finance various capital projects. From the proceeds of the issuance, approximately \$58.7 million was for the refunding of the Series B of 2007 bond, \$6.9 million was for the termination of the SWAP Agreement, and \$4.8 million was for capital projects. Interest is payable in semi-annual payments in a range of rates from 2.50% to 5.55%. Mandatory bond sinking fund payments, ranging from \$600,000 to \$8,150,000, take effect in 2010 and continue through bond maturity on November 15, 2031.

During 2011, an additional \$148,236 in proceeds of the Series of 2009 Notes was allocated to Friendship Ridge for capital expenditures. All activity, including reallocations between Friendship Ridge and the Governmental Activities are presented below:

	Beginning <u>Balance</u>	<u>Transfer</u>	Payments/ Accrued Interest/ <u>Amortization</u>	Ending <u>Balance</u>
Governmental Activities	\$ 67,663,041	(148,236)	(1,555,345)	\$ 65,959,460
Friendship Ridge	\$ 3,402,666	148,236	(78,881)	\$ 3,472,021

Pension Bond of 2005

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES – (Continued)

PFA Series A of 2005

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

PFA Series A & B of 2006

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

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

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

PFA 2006 Bonds

During February 2002, the County entered into a loan agreement with the 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. Effective October 15, 2006, this loan agreement with the PFA has been amended for a total of \$3,980,000.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES – (Continued)

PFA 2006 Bonds – (Continued)

Under this loan agreement the County will pay the PFA's obligation under its Guaranteed Revenue Bonds, Series B of 2006 (the PFA 2006 Bonds), which is guaranteed by the County. This transaction resulted in the in-substance defeasance of the long-term debt issue undertaken with the PFA in 2002. Interest on the new loan with the PFA is payable semiannually at a rate that varies according to the terms of the agreement between 3.45% and 4.00% per year. Principal is payable annually starting in 2007 and ending on September 1, 2022. Defeased principal still outstanding at December 31, 2011, under the PFA's Guaranteed Revenue Bonds, Series B of 2002, amounts to \$2,830,000.

PFA Series 2007

The County entered into a loan agreement with the Pennsylvania Finance Authority (PFA) on May 15, 2007, in the amount of \$455,000. All of the proceeds of this loan were used to refinance debt originally issued by the Community College of Beaver County. The County's payments under this loan agreement equal the debt service requirements on the PFA's County of Beaver Revenue Bonds, Federally Taxable Series of 2007. The interest rates range from 6.00% through 6.10%. Mandatory bond sinking fund payments, ranging from \$105,000 through \$125,000, take effect in 2008 and continue through bond maturity on December 1, 2011.

Pension Bond of 2009

On July 8, 2009, the County issued \$19,135,000 of Federally Taxable General Obligation Pension Bonds, Series of 2009, at a discount of \$622,028, with the intent of reducing volatility in annual required contributions to the County's retirement system. The proceeds of these bonds, net of issuance costs and discounts, were contributed to the County retirement system's trust fund. The County allocated 50% of this obligation to its governmental activities and the other 50% to Friendship Ridge. Interest is payable semi-annually in a range of rates between 3.86% and 6.50% per year. Mandatory bond sinking fund payments, ranging from \$5,000 to \$10,825,000, take effect in 2010 and continue through bond maturity on November 15, 2032.

DCED General Obligation Note

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES – (Continued)

Business-type

Series of 1998

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

Series B of 2003

During 2003, the County issued \$1,405,000 of General Obligation Bonds, Series B of 2003, with interest rates ranging from 1.15 % to 3.20%, to fund capital projects at Friendship Ridge. These bonds mature in annual lots from 2003 through 2013. Bonds maturing after October 1, 2008, can be redeemed at par plus accrued interest at the option of the County.

Series A of 2007 / PFA Series A of 2006 / Pension Bond of 2009 / Series of 2009 Notes

These bond issuances were split between Friendship Ridge and Governmental Activities. See the preceding governmental bond descriptions for details of these bond issues.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES – (Continued)

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

<u>Governmental Activities</u>	
Series A of 2005	\$ 130,000
Series A of 2007	13,282
Series of 2009 Notes	1,645,484
Pension Bond of 2005	390,000
PFA Series A of 2005	95,000
PFA Series B of 2006	635,000
PFA 2006 Bonds	225,000
Pension Bond of 2009	17,500
DCED Loan	5,595
Total	<u>3,156,861</u>
<u>Business-type Activities</u>	
Series of 1998	545,000
Series B of 2003	150,000
Series A of 2007	6,718
Series of 2009 Notes	84,516
Pension Bond of 2009	17,500
Total	<u>803,734</u>
Total Primary Government	<u>\$ 3,960,595</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

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>
2012 \$	3,156,861	\$ 5,374,837	\$ 803,734	\$ 983,472	\$ 3,960,595	\$ 6,358,309
2013	3,273,041	5,257,906	832,613	952,411	4,105,654	6,210,317
2014	3,972,912	5,140,405	272,800	919,835	4,245,712	6,060,240
2015	4,095,643	4,993,920	305,127	909,971	4,400,770	5,903,891
2016	3,336,498	4,838,646	344,330	898,501	3,680,828	5,737,147
2017-2021	18,836,043	22,011,132	1,956,489	4,279,414	20,792,532	26,290,546
2022-2027	25,845,730	17,089,464	2,289,270	3,782,935	28,135,000	20,872,399
2027-2031	38,116,679	8,161,398	5,538,321	3,272,465	43,655,000	11,433,863
2032	5,412,500	351,812	5,412,500	351,812	10,825,000	703,624
	<u>106,045,907</u>	<u>73,219,520</u>	<u>17,755,184</u>	<u>16,350,816</u>	<u>123,801,091</u>	<u>89,570,336</u>
Deferred Loss/Discounts	<u>(1,394,930)</u>	<u>1,394,930</u>	<u>(391,720)</u>	<u>-</u>	<u>(1,786,650)</u>	<u>1,394,930</u>
	<u>\$ 104,650,977</u>	<u>\$ 74,614,450</u>	<u>\$ 17,363,464</u>	<u>\$ 16,350,816</u>	<u>\$ 122,014,441</u>	<u>\$ 90,965,266</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES - (Continued)

The following summarizes other long-term obligation activity for the year ended December 31, 2011:

	<u>Payable at</u> <u>January 1, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Payable at</u> <u>December 31, 2011</u>	<u>Due within</u> <u>one year</u>
<i>Governmental Activities</i>					
Capital Lease Obligations	\$ 16,689,585	\$ -	\$ 360,582	\$ 16,329,003	\$ 294,643
Compensated Absences	851,437	281,414	105,000	1,027,851	178,610
Early Termination Benefits	214,295	580,777	91,573	703,499	386,496
	17,755,317	862,191	557,155	18,060,353	859,749
<i>Business-type Activities</i>					
Capital Lease Obligations	2,386	-	2,386	-	-
	2,386	-	2,386	-	-
Total County-wide	\$ 17,757,703	\$ 862,191	\$ 559,541	\$ 18,060,353	\$ 859,749

In December 2011, the County offered an early termination package to eligible County employees. Employees who accepted the package were paid \$8,000 in the year of retirement with an additional \$4,000 to be paid each year, for 4 years. There were 24 employees who elected to take this package in December 2011. The above early termination benefit liability at December 31, 2011, represents the amount the County is obligated to pay early retirees related to the 2008, 2009, and 2011 packages offered. See Note A for additional information on the assumptions used to calculate the liability.

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

Capital Lease Obligations

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Land	\$ 392,984	\$ -
Buildings	17,468,006	-
Equipment	667,704	177,342

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

Human Services Building Lease

The County entered into a lease agreement with the PFA during 2002. The lease is for a building to consolidate office locations of the County's Human Services agencies. Construction of this building was financed by the PFA's issue of \$7,865,000 of Guaranteed Lease Revenue Bonds, Series A of 2002. The County is the guarantor of this bond issue and of the minimum lease payments over the lease term. The monthly payment under this lease amounts to \$43,812, through a term of September 2030. The County shall have the right to acquire title to the property for no additional consideration at the earlier of the expiration of the lease or when the bond issue related to the financing of this building is no longer outstanding. This lease agreement was amended effective October 15, 2006, as a consequence of the refunding of the PFA's Guaranteed Lease Revenue Bonds, Series A of 2002. The amended lease payments cover the debt service of the PFA's \$7,995,000 issue of the Guaranteed Lease Revenue Bonds, Series A of 2006, which the County guarantees.

The outstanding balance of this capital lease obligation at December 31, 2011, is approximately \$7,065,000. This amount is recorded as a liability in the Statement of Net Assets, Governmental Activities. The difference between the recorded amount and the face value of the issued debt consists of retired maturities on the lease and an amount treated as future interest costs when accounting for capital leases. The agreement also requires the County to pay for bond maintenance fees, real estate taxes, and other miscellaneous lease-related charges. Defeased principal still outstanding at December 31, 2011, under the PFA's Guaranteed Lease Revenue Bonds, Series A of 2002, amounts to \$6,470,000.

Community Development Building Lease

A second lease agreement was entered into in 2002 between the County and Beaver Falls. The lease is for a building to house the Community Development Program of Beaver County and a parking lot. Payments under this lease are due quarterly at \$8,000 each, for a term ranging through September 2026. The building's title transfers to the County upon expiration of the lease at no additional cost.

Land

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 total of approximately \$296,000 remaining as of December 31, 2011. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

Conservation Building Lease

On May 15, 2005, the County entered into an agreement of lease and sublease with the PFA for a building known as the Conservation Building. The County received \$700,000 from the PFA as a prepayment of its lease obligation. The agreement further provides for the County to sublease the Conservation Building from the PFA. The outstanding balance of this sublease at December 31, 2011, amounts to approximately \$720,000 with semiannual installments ranging from \$2,006 to \$77,006. Any or all payments due on or after October 2015 may be prepaid at the option of the County. In addition, the County has leased this facility to another party. This transaction was recorded by the County as a disposal. Payments under this lease approximate the PFA's debt service requirements on its Federally Taxable Guaranteed Revenue Bonds, Series B of 2005. The County guarantees the payment of this bond issue.

911 Center Lease

The County entered into a capital lease agreement with the Beaver County Economic Development Authority in November 2008 for the acquisition of land and construction for a building to house the Beaver County 911 Center. This lease began in November 2008 and will continue through February 2025. A bargain purchase option is available to the County at the end of the lease term. The construction of the building was completed in 2009. The outstanding balance of this capital lease obligation at December 31, 2011, is approximately \$9,200,000. Semi-annual installments begin in February 2011 and continue through February 2025 ranging from \$589,220 to \$1,531,875.

Equipment Leases

Friendship Ridge has entered into multiple lease agreements to finance the use of twenty-eight digital copy machines. All leases are for five-year terms, which call for monthly payments. These transactions are recorded as capital leases. The Facility completed payments under the capital lease in 2011 and elected the option to purchase the leased equipment for a nominal fee at the expiration of each lease.

The County entered into a capital lease agreement in 2007 for computer equipment used throughout the County's facilities. This lease began in March 2007 and will continue through June 2011. The County completed payments under the capital lease in 2011 and elected the option to purchase the leased equipment for a nominal fee. Quarterly installments of \$22,880 were made during the life of the agreement.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations – Continued

Equipment Leases – Continued

The County also entered into a capital lease agreement in 2009 for additional computer equipment to be used throughout the County's facilities. This lease began May 2009 and will continue through June 2012. A bargain purchase option is available to the County at the end of the lease term. The outstanding balance of this lease at December 31, 2011, amounts to approximately \$16,000 with quarterly installments of \$7,879.

Beginning in 2009, the County entered into a capital lease agreement for computer software upgrades to be used in various County departments. This lease began in February 2009 and will continue through June 2014. A bargain purchase option is available to the County at the end of the lease term. The outstanding balance of this lease at December 31, 2011, amounts to approximately \$13,000 with monthly installments of \$457.

Also in 2009, the County entered into a capital lease agreement for computer software to be used throughout the County's facilities. This lease began in June 2009 and will continue through July 2013. A bargain purchase option is available to the County at the end of the lease term. The outstanding balance of this lease at December 31, 2011, amounts to approximately \$14,000 with yearly installments ranging from \$7,245 to \$13,643.

In 2010, the County entered into a capital lease agreement for computer microtowers and software licenses to be used throughout the County's facilities. This lease began August 2010 and will continue through August 2014. The outstanding balance of this lease at December 31, 2011, amounts to approximately \$120,000 with monthly installments of \$4,033.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations – Continued

The following schedule summarizes future minimum lease payments due:

<u>Governmental Activities</u>				Total Minimum
	<u>Buildings</u>	<u>Land</u>	<u>Other</u>	<u>Lease Payments</u>
2012	\$ 1,195,240	\$ 28,800	\$ 76,842	\$ 1,300,882
2013	1,199,290	28,800	61,125	1,289,215
2014	1,197,468	28,800	35,006	1,261,274
2015	1,199,970	28,800	-	1,228,770
2016	2,086,560	28,800	-	2,115,360
2017-2021	10,433,773	144,000	-	10,577,773
2022-2026	8,639,475	136,800	-	8,776,275
2027-2031	<u>2,630,040</u>	<u>-</u>	<u>-</u>	<u>2,630,040</u>
	28,581,816	424,800	172,973	29,179,589
Less: Interest	<u>(12,710,120)</u>	<u>(129,503)</u>	<u>(10,963)</u>	<u>(12,850,586)</u>
Present Value	<u>\$ 15,871,696</u>	<u>\$ 295,297</u>	<u>\$ 162,010</u>	<u>\$ 16,329,003</u>

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

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

	<u>Buildings</u>	<u>Land</u>	<u>Equipment</u>	<u>Total Minimum</u>
	<u>Lease Payments</u>			
2012 Payment	\$ 1,195,240	\$ 28,800	\$ 76,842	\$ 1,300,882
Less: Interest	<u>(984,739)</u>	<u>(14,791)</u>	<u>(6,709)</u>	<u>(1,006,239)</u>
Present Value	<u>\$ 210,501</u>	<u>\$ 14,009</u>	<u>\$ 70,133</u>	<u>\$ 294,643</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations – Continued

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due within one year:		
Obligations under bond issuances	\$ 3,156,861	\$ 803,734
Obligations under capital leases	294,643	-
Compensated absences	178,610	-
Early termination benefits	386,496	-
Total	<u>\$ 4,016,610</u>	<u>\$ 803,734</u>
Due in more than one year:		
Obligations under bond issuances	\$ 101,494,116	\$ 16,559,730
Obligations under capital leases	16,034,360	-
Compensated absences	849,241	-
Early termination benefits	317,003	-
Total	<u>\$ 118,694,720</u>	<u>\$ 16,559,730</u>

Certain bond issuances of the County are subject to federal arbitrage regulations. The County does not believe that it is in violation of these arbitrage regulations. Additionally, Beaver County is subject to certain provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania which limits the amount of debt that the County can issue. As of December 31, 2011, the County's legal debt margin is approximately \$76 million for non-electoral debt and approximately \$227 million for non-electoral and lease rental debt.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES - (Continued)

Liquidation of Long-term Liabilities

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

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

<u>Fund</u>	<u>Liquidation %</u>
General Fund	67%
Mental Health / Intellectual Disabilities	11%
Children & Youth	9%
Other Governmental Funds	13%

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC

Outstanding Debt Issuances

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

On April 28, 2008, CCBC borrowed \$709,332 from PNC Bank in the form of a Term Loan Note in order to finance the purchase of an ATC Simulator. The terms of the note call for the monthly payment of principal and interest of \$13,198 for a period of five years at an interest rate of 4.42%. The note is scheduled to mature on April 28, 2013. The equipment purchased serves as collateral on the note.

In February 1998, the Pennsylvania Finance Authority (PFA) issued \$9,195,000 in Community College Revenue Bonds – Series of 1998. In connection with the issuance of the Bonds, the PFA entered into a Loan Agreement with CCBC, whereby the PFA will loan the proceeds of the bonds to the College. The loan agreement requires CCBC to make loan repayments to the PFA in an amount sufficient to pay the debt service requirements of the Bonds. The obligation of CCBC under the loan agreement is evidenced by a signed general obligation promissory note dated as of February 1, 1998. The purpose of the bond issue was to refinance the Community College Revenue Bonds, Series A of 1994, to fund certain College expenditures, and pay for the costs of issuing the bonds. The PFA bonds were issued in denominations of \$5,000 with interest payable on June 1 and December 1 each year through maturity. Interest rates range between 3.60% and 4.875% with the bonds scheduled to mature December 1, 2019. The bonds provide early redemption options as detailed in the official statement of issue.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC – Continued

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

In connection with the refunding, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a reduction to long-term debt on the balance sheet and amortized over the shorter of the term of the refunding issue or the refunded bonds. CCBC incurred a deferred refunding loss of \$569,680 which is being amortized over the life of the refunding issue using the straight-line method. During the year ended June 30, 2011, CCBC amortized \$26,092 of this loss which is shown as part of interest expense. The unamortized balance of \$219,609 at June 30, 2011, is deducted from the long-term portion of notes payable.

A summary of CCBC's general obligation promissory notes outstanding, due to the PFA at June 30, 2011, is as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,045,000	\$ 1,249,191	\$ 2,294,191
2013	1,100,000	1,203,574	2,303,574
2014	1,145,000	1,155,749	2,300,749
2015	805,000	1,115,512	1,920,512
2016	840,000	1,081,981	1,921,981
2017-2021	4,835,000	4,813,968	9,648,968
2022-2026	7,915,000	3,548,387	11,463,387
2027-2031	9,830,000	1,599,096	11,429,096
2032	2,235,000	48,891	2,283,891
	<u>\$ 29,750,000</u>	<u>\$ 15,816,349</u>	<u>\$ 45,566,349</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC – Continued

Capital Lease Obligations

On June 23, 2009, CCBC entered into a lease agreement to finance technology equipment in the amount of \$679,785. Four annual payments of \$180,645 starting on July 23, 2009, are due under this agreement. Interest on the outstanding balance accrues at the rate of 5.15%. The equipment acquired serves as collateral on the lease. Additionally, CCBC currently leases copier equipment from Xerox for use in its publications department. The terms of the lease agreement dated July 1, 2010, calls for monthly payments of \$12,600. Lease expense for the year ended June 30, 2011 was \$151,200. This lease is scheduled to terminate on July 31, 2015.

Compensated Absences and Other Post-Employment Benefits

The terms of the collective bargaining agreements between the CCBC and the Community College of Beaver County Society of the Faculty and Educational Support Personnel Association provide for the accumulation of sick and vacation days for eligible personnel based on employment status and length of service. As of June 30, 2011, accumulated compensated absences totaled \$642,107.

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

Additionally, CCBC provides special one-time early retirement incentives to eligible members of the Beaver County Society of the Faculty, the amounts of which are dependent upon the collective bargaining agreement under which the eligible member retired. The terms of the current collective bargaining agreement provide for the payment of graduated amounts per year toward health insurance, depending on retirement age, up to a maximum of \$7,000 per year for a period of three years (commencing August 31, 2010). As of June 30, 2011, the total calculated liability for retiree health insurance benefits and early retirement incentives totaled \$45,692 and \$352,387, respectively.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE K - CONTINGENCIES

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

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

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

2006 Swap Agreement Termination

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE K – CONTINGENCIES - (Continued)

Component Unit - BCTA

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

Component Unit - CCBC

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

CCBC is potentially liable for any costs of program non-compliance, not covered by commercial insurance, incurred by its Police Technology Program as a result of a program audit conducted by the Commonwealth of Pennsylvania. CCBC recorded an initial estimated liability of \$150,000 during the 2003-2004 fiscal year to cover these potential costs. As of June 30, 2011, the remaining unused portion of this estimated liability was \$143,822.

NOTE L - RISK MANAGEMENT

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE L - RISK MANAGEMENT – (Continued)

Property/Casualty Exposures

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

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

Friendship Ridge Exposures

For general liability claims, Friendship Ridge purchases a premium based policy with an individual and aggregate threshold. For the year ended December 31, 2011, claims paid related to general liability claims were \$0.

The facility has purchased insurance to cover medical malpractice incidents occurring after April 1, 2011. The insurance policy is limited by an individual and aggregate threshold. The facility was self-insured for medical malpractice occurrences up through April 1, 2011. For the year ended December 31, 2011, claims paid related to professional liability claims were \$0. Management is aware of certain outstanding claims and therefore, has accrued \$37,500 as of December 31, 2011.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE L - RISK MANAGEMENT – (Continued)

HealthChoices Exposures

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

The term of the current contract between the County and the Commonwealth is January 1, 2009 through December 31, 2011. Under this contract either party has the option to terminate the agreement without cause upon one-hundred twenty days' notice to the other party. The County has exercised its option to renew the contract for one two-year period, effective January 1, 2012.

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

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

	<u>HealthChoices</u>
Liability balance - January 1, 2010	\$ 2,000,000
Incurred claims and estimates	27,406,695
Less: Claims paid during period	<u>27,410,579</u>
Liability balance - December 31, 2010	1,996,116
Incurred claims and estimates	29,447,883
Less: Claims paid during period	<u>29,244,002</u>
Liability balance - December 31, 2011	<u>\$ 2,199,997</u>

The County maintains a cash reserve that can be drawn upon in the event program expenditures exceed revenue. The balance of these reserve accounts is approximately \$6.8 million. This entire balance is available to cover losses in future periods.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE L - RISK MANAGEMENT – (Continued)

Employee Health Care and Workers' Compensation

The County has elected to self-fund the health and prescription drug employee benefits. Under the self-funded arrangement, the County's third party administrators pay all claims for medical and prescription costs. The County reimburses the administrators for these charges and pays an administrative fee based on membership and/or utilization. The County is responsible for the first \$150,000 of medical claims for any member each year. A stop loss insurance policy has been purchased to provide for payment above the yearly individual limit. The policy includes \$1,000,000 of coverage if aggregate claims exceed the attachment point of \$16,381,653. During 2010, the County's attachment point for individual claims was \$150,000 and the attachment point for aggregate claims was \$15,893,218.

The County has elected to largely self-insure its workers' compensation claims. To mitigate excess exposure, the County purchased a commercial large-deductible insurance policy which began on January 1, 2004. The County is responsible for the first \$350,000 of any individual claim and the first \$3,090,000 in aggregate annual claims expenses. The limits of policy coverage are defined by a Pennsylvania Statute and it includes limits of \$100,000 for employer's liability for any individual claim and \$500,000 aggregate for the annual policy. Prior to 2004, workers' compensation coverage was purchased from the Pennsylvania Counties Workers' Compensation Trust (PCoMP).

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

	<u>Beaver County</u>	<u>Friendship Ridge</u>
Liability balance - January 1, 2010	\$ 568,814	\$ 200,988
Incurred claims and estimates	8,676,683	7,125,656
Less: Claims paid during period	<u>8,780,734</u>	<u>6,647,693</u>
Liability balance - December 31, 2010	464,763	678,951
Incurred claims and estimates	8,841,986	6,288,113
Less: Claims paid during period	<u>8,771,682</u>	<u>6,274,234</u>
Liability balance - December 31, 2011	<u>\$ 535,067</u>	<u>\$ 692,830</u>

Beaver County and Friendship Ridge estimate liabilities for unpaid claims based on a claims' payment history.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE L - RISK MANAGEMENT – (Continued)

Risk Accounting

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

During 2011, the medical benefit internal service fund had revenues in excess of expenses amounting to \$293,802. During this same period, the workers' compensation internal service fund had expenses in excess of revenues amounting to \$114,048.

Component Unit – BCTA

The Beaver County Transit Authority is a member of the SAFTI Property and Liability Insurance Pool, which is an insurance pool that provides BCTA and other Pennsylvania Transit Properties insurance coverage for the following types of liabilities: automobile, employee benefit, public official, general, crime, property, boiler and machinery, and workers compensation. BCTA pays an annual premium each year that includes fixed costs and a loss funding. During the 2010-2011 fiscal year, BCTA paid premiums, excluding workers compensation, of \$80,340 for Fixed Costs and \$85,209 for Loss Funding. Premiums paid for workers compensation were \$33,471 for Fixed Costs and \$151,695 for Loss Funding. This fund is self-insured but holds policies which provide excess coverage once a claim reaches a certain dollar level, which varies depending on the coverage. Insurance rates are based on individual performance, but all members of the pool share in or participate in the losses.

Component Unit – CCBC

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE M - COMMITMENTS

The following are amounts encumbered in the governmental funds:

	<u>General Fund</u>	<u>Mental Health/Intellectual Disabilities</u>	<u>Children & Youth</u>	<u>Community Development</u>	<u>Other Governmental Funds</u>
Restricted	\$ -	\$ 78,467	\$ 11,338	\$ 37,501	\$ 739,404
Assigned	12,832	-	-	-	-
Total	<u>\$ 12,832</u>	<u>\$ 78,467</u>	<u>\$ 11,338</u>	<u>\$ 37,501</u>	<u>\$ 739,404</u>

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

At December 31, 2011, the County had one open letter of credit with a value totaling \$1,000,000, to cover excess costs of workers' compensation claims if needed. At December 31, 2011, the letter had not been drawn.

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

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

Component Unit – BCTA

The Beaver County Transit Authority's state and federally funded programs are subject to audit by various governmental agencies. The Authority 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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE M – COMMITMENTS – (Continued)

Component Unit – BCTA - Continued

During the 2009-2010 fiscal year, the Beaver County Transit Authority entered into design and engineering agreements in connection with the Authority's RTC Park & Ride project, RTC Maintenance Improvement project, and Roundabout project. The remaining outstanding contract commitments on these design and engineering agreements total \$66,125 at June 30, 2011. During the 2010-2011 fiscal year, the Authority entered into construction, design, and engineering agreements in connection with the Authority's ETC parking lot improvements, AVL project, lobby mural, and phase 2 of its terminal improvement project. The remaining outstanding contract commitments on these construction, design, and engineering agreements total \$1,630,155 at June 30, 2011.

Component Unit – CCBC

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

On June 30, 2009, as amended November 16, 2009, the Community College of Beaver County entered into a deferred compensation agreement with the College President. The terms of the deferred compensation agreement stipulated that the President would receive on June 30, 2011, \$12,000 and \$17,000 respectively for services rendered during the years ended June 30, 2009, and June 30, 2010. This combined total of \$29,000 is reflected as a liability in the Statement of Net Assets. The agreement was subsequently amended to provide the President's deferred compensation on June 30, 2013, for services rendered to the College for fiscal years ended June 30, 2011 through June 30, 2013 totaling \$90,000, with \$25,000 of the total payable on June 20, 2011, and the balance of \$65,000 payable on June 30, 2013. The remaining balance due the College President has not been recorded as a liability in the accompanying financial statements as of June 30, 2011.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE N - CHANGE IN ACCOUNTING PRINCIPLE, JANUARY 1, 2011 NET ASSETS AND FUND BALANCE

With the implementation of GASB Statement No. 54, the definition of a special revenue fund has been modified. As a result, the County evaluated all of its funds and determined that the Emergency Services 911 and HealthChoices funds meet the definition of a special revenue fund. As such, the County restated both the Emergency Services 911 and HealthChoices funds from enterprise funds to special revenue funds. This resulted in a reduction of beginning fund balance on the Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds of \$3,139,215, due to the de-recognition of the net investment in capital assets previously recorded in enterprise funds. On the government-wide financial statements, there is a change reflected for these two funds from business-type activities to governmental-type activities.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Governmental Funds</u>
Balance January 1, 2011, as previously reported			
Net assets	\$ (28,653)	\$ 18,730,254	\$ -
Fund balance	-	-	11,542,394
HealthChoices reclassification	7,302,973	(7,302,973)	7,302,973
Emergency Services 911 reclassification	3,008,120	(3,008,120)	3,008,120
Previously reported net capital assets	-	-	(3,139,213)
Adjustment to capital assets (Note F)	81,197	-	-
<hr/>			
Balance January 1, 2011, as reported			
Net assets	\$ 10,363,637	\$ 8,419,161	\$ -
Fund balance	-	-	18,714,274
<hr/>			

With changes in major fund categories and GASB Statement 54 implementation, the beginning balance of the Other Government Funds in the Statement of Revenues, Expenditures and Changes in Fund Balance has changed. The 2009 Capital Projects Fund was no longer considered a major fund and was combined with the 2007 Capital Projects Fund. The Emergency Services 911 fund was also added to the Other Government Funds.

During the current year, the County changed its application for classifying county match payments from the General Fund to Other Funds. Prior to January 1, 2011, the County recorded county match payments as expenditures of the General Fund and intergovernmental revenues of the receiving fund. Effective January 1, 2011, county match payments are recorded as Transfers to Other Funds for the General Fund and Transfer In from Other Funds for the receiving fund in the Statement of Revenues, Expenditures and Changes in Fund Balance for the Governmental and Non-major Governmental Funds.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND JUNE 30, 2011

NOTE N - CHANGE IN ACCOUNTING PRINCIPLE, JANUARY 1, 2011 NET ASSETS AND FUND BALANCE – (Continued)

Component Unit – CCBC

The prior period adjustment of \$290,000 to the July 1, 2010 net assets of CCBC represents a December 1, 2007 principal payment on CCBC's Series of 1998 Community College Revenue Bonds, made on behalf of CCBC, in connection with a 2007 bond issue closing transaction between the County of Beaver and the Pennsylvania Finance Authority.

NOTE O – SUBSEQUENT EVENTS

The County issued a Tax Revenue Anticipation Note (TRAN) on January 3, 2012, in advance of property tax collections, depositing the \$9,000,000 proceeds into the General Fund, of which \$5,500,000 was transferred to Friendship Ridge. The County repaid \$2,500,000 by April 5, 2012, with \$2,000,000 outstanding related to their share. As of the date of this report, \$5,500,000 of Friendship Ridge's share was still outstanding.

In May 2012, the County issued approximately \$16 million in lease rental debt primarily used to refinance prior issued general long term debt.

Component Unit – BCTA

As of June 30, 2011, the BCTA and ATU Local 1743 had not reached an agreement on the labor agreement that expired December 31, 2010. On November 11, 2011, an agreement was reached and ratified between the ATU union members and the Board of Directors of the BCTA. This agreement includes wages and associated payroll taxes retroactive to January 1, 2011. The retroactive wages and related payroll tax benefits for the period January 1 through June 30, 2011 were not material in amount and accordingly are not reflected in the accompanying financial statements.

**REQUIRED SUPPLEMENTAL
INFORMATION**

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF FUNDING PROGRESS PENSION TRUST FUND

DECEMBER 31, 2011

For the valuation dates starting January 1, 2010, the entry age actuarial method was used. For all valuation dates prior to January 1, 2010, the aggregate actuarial cost method was used. Because the aggregate cost method does not identify or separately amortize accrued liabilities, information in this schedule about funded status and funding progress is presented using the entry age actuarial cost method for that purpose. This information is intended to serve as a surrogate for the funding progress of the plan. The County has presented information for the five most recent years. In subsequent years, the County will add to the schedule until six years of information have been met.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAAL as a Percentage of Covered Payroll</u>
1/1/2012	\$ 236,825,873	\$ 244,641,505	\$ (7,815,632)	96.8%	\$ 58,557,985	-13.3%
1/1/2011	\$ 231,188,314	\$ 229,857,979	\$ 1,330,335	100.6%	\$ 57,849,020	2.3%
1/1/2010	\$ 208,234,825	\$ 215,326,297	\$ (7,091,472)	96.7%	\$ 55,619,978	-12.7%
1/1/2009	\$ 180,412,553	\$ 208,134,895	\$ (27,722,342)	86.7%	\$ 56,786,835	-48.8%
1/1/2008	\$ 195,369,098	\$ 191,872,922	\$ 3,496,176	101.8%	\$ 53,935,875	6.5%

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EMPLOYER CONTRIBUTIONS PENSION TRUST FUND

DECEMBER 31, 2011

<u>Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
December 31, 2011	\$ 2,286,304	\$ 2,286,304	100%
December 31, 2010	3,096,622	3,096,622	100%
December 31, 2009	19,227,192	5,763,864	334%
December 31, 2008	1,887,756	1,887,756	100%
December 31, 2007	2,113,111	2,113,111	100%
December 31, 2006	2,020,537	2,020,537	100%

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

Actuarial Cost Method:	Aggregate actuarial for 2006 - 2008; entry method in 2009 - 2011
Asset Valuation Method:	Five-year smoothed market for 2006 - 2008; greater of market value and actuarial value in 2009 - 2011
Actuarial Assumptions:	
Inflation Adjustment:	3%
Investment Rate of Return:	7.5%
Amortization Method:	Level percentage of projected payroll for 2009 - 2011
Amortization Period:	30-year closed period for unfunded liability for 2009 - 2011
Projected Salary Increase:	4.00% for 2006; 4.25-4.50% for 2007; 4.50% for 2008; 3.50% for 2009 - 2011
Cost-of-Living Adjustment:	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, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Real Estate Taxes	\$ 46,125,873	\$ 46,125,873	\$ 47,359,047	\$ 1,233,174
Licenses and Permits	76,000	76,000	95,994	19,994
Interest and Rents	76,020	76,020	48,236	(27,784)
Intergovernmental Revenues	3,552,733	5,513,003	4,461,514	(1,051,489)
Departmental Earnings	6,492,150	6,718,953	7,180,873	461,920
Miscellaneous	1,635,713	1,902,993	566,830	(1,336,163)
Total Revenues	<u>57,958,489</u>	<u>60,412,842</u>	<u>59,712,494</u>	<u>(700,348)</u>
<u>Expenditures</u>				
Current:				
General Government	11,562,286	11,585,441	9,601,590	(1,983,851)
Judicial	12,865,912	13,192,700	11,473,433	(1,719,267)
Public Safety	13,271,108	13,941,195	12,981,186	(960,009)
Public Works and Enterprises	2,867,456	3,164,396	3,007,793	(156,603)
Culture, Recreation and Conservation	2,739,489	2,966,631	2,682,385	(284,246)
Intergovernmental:				
Human Services	6,746,656	8,188,244	7,918,218	(270,026)
Debt Service:				
Principal	3,380,434	3,399,512	3,285,850	(113,662)
Interest	5,761,934	5,902,359	5,537,461	(364,898)
Capital Outlay:				
Fixed Asset Acquisition and Improvements	809,296	921,247	197,040	(724,207)
Infrastructure	16,000	22,000	6,000	(16,000)
Total Expenditures	<u>60,020,571</u>	<u>63,283,725</u>	<u>56,690,956</u>	<u>(6,592,769)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,062,082)	(2,870,883)	3,021,538	5,892,421
Other Financing Sources (Uses):				
Transfers From Other Funds	-	-	663,535	663,535
Transfers To Other Funds	(4,102,251)	(5,056,444)	(5,025,597)	(30,847)
Total Other Financing Sources (Uses)	<u>(4,102,251)</u>	<u>(5,056,444)</u>	<u>(4,362,062)</u>	<u>694,382</u>
Net Change in Fund Balance	(6,164,333)	(7,927,327)	(1,340,524)	6,586,803
Fund Balance - Beginning	<u>(3,992,648)</u>	<u>(1,762,285)</u>	<u>3,738,126</u>	<u>5,500,411</u>
Fund Balance - Ending	<u>\$ (10,156,981)</u>	<u>\$ (9,689,612)</u>	<u>\$ 2,397,602</u>	<u>\$ 12,087,214</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 20,311,500	\$ 20,450,268	\$ 18,296,541	\$ (2,153,727)
Departmental Earnings	1,355,000	1,355,000	976,426	(378,574)
Interest	14,000	14,000	3,596	(10,404)
Miscellaneous	279,500	279,500	486,234	206,734
Total Revenues	<u>21,960,000</u>	<u>22,098,768</u>	<u>19,762,797</u>	<u>(2,335,971)</u>
<u>Expenditures</u>				
Salaries & Benefits	3,252,796	4,739,007	4,577,988	(161,019)
Personnel Expense	49,100	52,778	18,328	(34,450)
Consultant/Contracted Services	1,063,500	1,551,429	1,371,663	(179,766)
Sub Contracted Services	14,909,000	13,896,581	13,847,729	(48,852)
Occupancy	308,300	300,903	236,260	(64,643)
Communication	102,000	156,310	118,986	(37,324)
Supplies & Minor Equipment	164,500	268,448	127,935	(140,513)
Transportation	130,500	133,700	109,576	(24,124)
Other Expenditures	572,000	657,000	438,928	(218,072)
Capital Outlay	83,000	219,000	132,724	(86,276)
Total Expenditures	<u>20,634,696</u>	<u>21,975,156</u>	<u>20,980,117</u>	<u>(995,039)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,325,304	123,612	(1,217,320)	1,340,932
Other Financing Sources (Uses):				
Transfers from Other Funds	704,000	704,000	700,637	(3,363)
Total Financing Sources (Uses)	<u>704,000</u>	<u>704,000</u>	<u>700,637</u>	<u>(3,363)</u>
Net Change in Fund Balance	2,029,304	827,612	(516,683)	1,344,295
Fund Balance - Beginning	<u>9,553,593</u>	<u>5,725,397</u>	<u>459,368</u>	<u>(5,266,029)</u>
Fund Balance - Ending	<u>\$ 11,582,897</u>	<u>\$ 6,553,009</u>	<u>\$ (57,315)</u>	<u>\$ 6,610,324</u>

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, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 13,007,862	\$ 13,007,862	\$ 10,901,396	\$ (2,106,466)
Departmental Earnings	260,000	260,000	84,418	(175,582)
Interest	3,000	3,000	1,765	(1,235)
Total Revenues	13,270,862	13,270,862	10,987,579	(2,283,283)
<u>Expenditures</u>				
Salaries & Benefits	3,247,011	4,364,685	4,295,483	(69,202)
Personnel Expense	32,200	36,500	23,442	(13,058)
Consultant/Contracted Services	794,990	1,134,135	1,055,572	(78,563)
Sub Contracted Services	6,456,530	4,991,405	4,179,498	(811,907)
Occupancy	317,975	441,975	373,167	(68,808)
Communication	159,500	204,726	163,036	(41,690)
Supplies & Minor Equipment	207,400	298,459	256,722	(41,737)
Transportation	148,000	196,000	171,911	(24,089)
Other Expenditures	1,910,327	1,710,207	1,561,143	(149,064)
Capital Outlay	95,450	34,450	-	(34,450)
Total Expenditures	13,369,383	13,412,542	12,079,974	(1,332,568)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,521)	(141,680)	(1,092,395)	(950,715)
Other Financing Sources (Uses):				
Transfers From Other Funds	1,400,000	1,400,000	1,268,918	(131,082)
Transfers to Other Funds	-	(25,020)	(25,020)	-
Total Financing Sources (Uses)	1,400,000	1,374,980	1,243,898	(131,082)
Net Change in Fund Balance	1,301,479	1,233,300	151,503	(1,081,797)
Fund Balance - Beginning	(2,000,999)	(2,010,246)	515,624	2,525,870
Fund Balance - Ending	<u>\$ (699,520)</u>	<u>\$ (776,946)</u>	<u>\$ 667,127</u>	<u>\$ 1,444,073</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 15,862,705	\$ 8,892,705	\$ 7,390,776	\$ (1,501,929)
Departmental Earnings	580,000	580,000	384,870	(195,130)
Interest	9,800	9,800	1,233	(8,567)
Miscellaneous	1,000	1,000	-	(1,000)
Total Revenues	<u>16,453,505</u>	<u>9,483,505</u>	<u>7,776,879</u>	<u>(1,706,626)</u>
<u>Expenditures</u>				
Salaries & Benefits	556,929	621,612	572,759	(48,853)
Personnel Expense	29,175	28,250	8,793	(19,457)
Consultant/Contracted Services	15,099,283	7,960,142	6,893,461	(1,066,681)
Occupancy	172,387	180,487	70,118	(110,369)
Communication	76,592	77,592	21,796	(55,796)
Supplies & Minor Equipment	243,421	238,320	16,858	(221,462)
Transportation	13,300	16,300	10,348	(5,952)
Debt Payments	620,504	620,504	620,503	(1)
Other Expenditures	46,186	107,069	85,782	(21,287)
Contra Revenue Account	4,700	4,700	162	(4,538)
Capital Outlay	37,000	37,000	-	(37,000)
Total Expenditures	<u>16,899,477</u>	<u>9,891,976</u>	<u>8,300,580</u>	<u>(1,591,396)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(445,972)	(408,471)	(523,701)	115,230
Fund Balance - Beginning	<u>(4,575,506)</u>	<u>(4,589,666)</u>	<u>793,412</u>	<u>5,383,078</u>
Fund Balance - Ending	<u>\$ (5,021,478)</u>	<u>\$ (4,998,137)</u>	<u>\$ 269,711</u>	<u>\$ 5,267,848</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 35,580,000	\$ 36,285,248	\$ 37,001,303	\$ 716,055
Interest	14,000	14,000	16,420	2,420
Total Revenues	<u>35,594,000</u>	<u>36,299,248</u>	<u>37,017,723</u>	<u>718,475</u>
<u>Expenditures</u>				
Salaries & Benefits	339,627	544,928	501,513	(43,415)
Personnel Expense	2,200	200	-	(200)
Consultant/Contracted Svcs.	33,412,500	35,014,353	35,014,352	(1)
Occupancy	32,850	35,742	35,741	(1)
Communication	12,100	14,300	11,091	(3,209)
Supplies & Minor Equipment	49,500	49,500	8,754	(40,746)
Transportation	4,700	4,700	3,218	(1,482)
Other Expenditures	33,600	33,600	26,639	(6,961)
Capital Outlay	30,000	62,000	41,489	(20,511)
Total Expenditures	<u>33,917,077</u>	<u>35,759,323</u>	<u>35,642,797</u>	<u>(116,526)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,676,923	539,925	1,374,926	(835,001)
Fund Balance - Beginning	<u>9,614,000</u>	<u>9,614,000</u>	<u>7,279,670</u>	<u>(2,334,330)</u>
Fund Balance - Ending	<u><u>\$ 11,290,923</u></u>	<u><u>\$ 10,153,925</u></u>	<u><u>\$ 8,654,596</u></u>	<u><u>\$ (3,169,331)</u></u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

DECEMBER 31, 2011

NOTE A – BASIS OF BUDGETING

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

NOTE B – BUDGET VARIANCE

The County does not adjust for line items designated for receipts of reimbursements after initial adoption. Therefore, some expenditures may appear to exceed budgeted amounts when actual reimbursements received are below the initial budgeted figures.

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OTHER SUPPLEMENTAL INFORMATION

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>General Government</u>				
Commissioners:				
Salaries & Benefits	\$ 666,829	\$ 661,378	\$ 633,381	\$ (27,997)
Personnel Expense	800	800	761	(39)
Occupancy	550	550	461	(89)
Communication	6,300	11,067	10,481	(586)
Supplies & Minor Equipment	40,500	40,446	36,448	(3,998)
Transportation	13,500	15,838	15,837	(1)
Other Expenses	2,000	2,000	(967)	(2,967)
Total Expenditures	<u>730,479</u>	<u>732,079</u>	<u>696,402</u>	<u>(35,677)</u>
Controller:				
Salaries & Benefits	593,965	553,492	518,609	(34,883)
Personnel Expense	7,000	38,000	25,872	(12,128)
Occupancy	2,740	2,740	2,304	(436)
Communication	2,900	4,600	3,327	(1,273)
Supplies & Minor Equipment	9,900	11,400	9,889	(1,511)
Transportation	6,500	-	-	-
Consultant/Contracted Services	85,000	100,000	89,414	(10,586)
Other Expenses	2,000	1,000	1,000	-
Total Expenditures	<u>710,005</u>	<u>711,232</u>	<u>650,415</u>	<u>(60,817)</u>
Treasurer:				
Salaries & Benefits	655,500	661,155	603,661	(57,494)
Personnel Expense	830	830	600	(230)
Occupancy	5,200	5,200	4,378	(822)
Communication	61,500	51,284	50,515	(769)
Supplies & Minor Equipment	29,910	40,126	28,399	(11,727)
Transportation	5,500	1,348	1,348	-
Other Expenses	10,000	10,000	2,073	(7,927)
Tax Refunds	185,000	185,000	154,939	(30,061)
Total Expenditures	<u>953,440</u>	<u>954,943</u>	<u>845,913</u>	<u>(109,030)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Recorder Of Deeds:				
Salaries & Benefits	\$ 469,179	\$ 478,290	\$ 417,845	\$ (60,445)
Personnel Expense	1,300	1,300	692	(608)
Occupancy	4,380	4,380	3,686	(694)
Communication	1,200	1,200	1,086	(114)
Supplies & Minor Equipment	17,500	19,359	18,411	(948)
Transportation	2,500	1,200	1,112	(88)
Consultant/Contracted Services	50,040	50,040	54,210	4,170
Other Expenses	100	100	-	(100)
Total Expenditures	<u>546,199</u>	<u>555,869</u>	<u>497,042</u>	<u>(58,827)</u>
Solicitor:				
Salaries & Benefits	298,494	296,455	233,096	(63,359)
Personnel Expense	7,500	9,300	9,258	(42)
Occupancy	275	275	230	(45)
Communication	400	426	425	(1)
Supplies & Minor Equipment	3,200	3,594	3,468	(126)
Transportation	2,950	2,800	2,517	(283)
Total Expenditures	<u>312,819</u>	<u>312,850</u>	<u>248,994</u>	<u>(63,856)</u>
Employee Relations:				
Salaries & Benefits	499,730	504,309	433,841	(70,468)
Personnel Expense	61,700	62,021	49,871	(12,150)
Occupancy	550	550	461	(89)
Communication	4,200	5,004	3,737	(1,267)
Supplies & Minor Equipment	7,300	7,573	6,829	(744)
Transportation	2,800	1,401	-	(1,401)
Consultant/Contracted Services	<u>112,500</u>	<u>112,500</u>	<u>37,161</u>	<u>(75,339)</u>
Total Expenditures	<u>688,780</u>	<u>693,358</u>	<u>531,900</u>	<u>(161,458)</u>
Microfilm:				
Salaries & Benefits	284,884	293,146	286,357	(6,789)
Occupancy	2,100	2,100	2,026	(74)
Communication	40	40	5	(35)
Supplies & Minor Equipment	44,900	44,900	39,701	(5,199)
Transportation	150	150	-	(150)
Consultant/Contracted Services	<u>8,000</u>	<u>8,000</u>	<u>7,648</u>	<u>(352)</u>
Total Expenditures	<u>340,074</u>	<u>348,336</u>	<u>335,737</u>	<u>(12,599)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Information Technology:				
Salaries & Benefits	\$ 581,959	\$ 582,009	\$ 133,511	\$ (448,498)
Personnel Expense	10,800	9,100	8,995	(105)
Communication	43,950	42,650	40,411	(2,239)
Supplies & Minor Equipment	58,250	76,027	71,897	(4,130)
Transportation	2,700	2,225	1,807	(418)
Consultant/Contracted Services	45,000	74,000	68,494	(5,506)
Other Expenses	4,950	4,950	4,802	(148)
Total Expenditures	<u>747,609</u>	<u>790,961</u>	<u>329,917</u>	<u>(461,044)</u>
Central Services Department:				
Salaries & Benefits	153,913	152,309	148,671	(3,638)
Personnel Expense	65	65	-	(65)
Occupancy	138	138	115	(23)
Communication	50,500	53,926	20,917	(33,009)
Supplies & Minor Equipment	19,700	22,400	22,136	(264)
Total Expenditures	<u>224,316</u>	<u>228,838</u>	<u>191,839</u>	<u>(36,999)</u>
Planning Commission:				
Salaries & Benefits	277,800	282,367	270,459	(11,908)
Personnel Expense	5,150	830	485	(345)
Occupancy	1,370	1,370	1,152	(218)
Communication	2,650	2,650	1,562	(1,088)
Supplies & Minor Equipment	13,000	23,900	18,210	(5,690)
Transportation	7,000	7,000	4,690	(2,310)
Consultant/Contracted Services	34,000	27,300	19,394	(7,906)
Other Expenses	1,800	1,800	1,511	(289)
Total Expenditures	<u>342,770</u>	<u>347,217</u>	<u>317,463</u>	<u>(29,754)</u>
Weights And Measures:				
Salaries & Benefits	49,951	49,961	48,637	(1,324)
Supplies & Minor Equipment	450	450	321	(129)
Transportation	8,500	8,500	8,498	(2)
Total Expenditures	<u>58,901</u>	<u>58,911</u>	<u>57,456</u>	<u>(1,455)</u>

Exhibit B (Page 3 of 18)

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Veterans Affairs:				
Salaries & Benefits	\$ 133,093	\$ 151,632	\$ 136,503	\$ (15,129)
Personnel Expense	905	905	900	(5)
Communication	3,450	3,450	3,174	(276)
Supplies & Minor Equipment	3,800	3,800	3,667	(133)
Transportation	1,600	1,600	664	(936)
Other Expenses	136,500	136,500	118,489	(18,011)
Total Expenditures	<u>279,348</u>	<u>297,887</u>	<u>263,397</u>	<u>(34,490)</u>
Election Bureau:				
Salaries & Benefits	347,802	367,870	345,395	(22,475)
Personnel Expense	300	300	116	(184)
Occupancy	23,138	23,138	20,855	(2,283)
Communication	51,000	49,000	32,557	(16,443)
Supplies & Minor Equipment	77,020	77,020	60,687	(16,333)
Transportation	2,200	4,200	2,363	(1,837)
Consultant/Contracted Services	15,500	15,500	12,500	(3,000)
Other Expenses	227,000	230,052	196,930	(33,122)
Unexpended Grant Revenue	-	-	3,052	3,052
Total Expenditures	<u>743,960</u>	<u>767,080</u>	<u>674,455</u>	<u>(92,625)</u>
Assessment/Tax Claim:				
Salaries & Benefits	1,053,760	1,059,274	999,873	(59,401)
Personnel Expense	16,500	16,600	14,450	(2,150)
Occupancy	3,560	3,560	2,995	(565)
Communication	260,000	285,000	273,824	(11,176)
Supplies & Minor Equipment	50,000	29,030	26,789	(2,241)
Transportation	24,000	12,500	11,902	(598)
Consultant/Contracted Services	50,000	102,000	77,099	(24,901)
Other Expenses	107,500	112,430	112,265	(165)
Total Expenditures	<u>1,565,320</u>	<u>1,620,394</u>	<u>1,519,197</u>	<u>(101,197)</u>
Public Defender:				
Salaries & Benefits	1,084,242	1,176,567	1,078,822	(97,745)
Personnel Expense	7,400	7,833	7,832	(1)
Occupancy	1,095	1,095	922	(173)
Communication	300	330	313	(17)
Supplies & Minor Equipment	7,800	9,527	9,172	(355)
Transportation	12,500	12,500	11,424	(1,076)
Other Expenses	17,000	14,981	7,074	(7,907)
Total Expenditures	<u>1,130,337</u>	<u>1,222,833</u>	<u>1,115,559</u>	<u>(107,274)</u>

Exhibit B (Page 4 of 18)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
General Government:				
Personnel Expense	\$ 91,000	\$ 91,000	\$ 89,362	\$ (1,638)
Occupancy	6,000	4,492	3,683	(809)
Communication	84,000	103,558	103,558	-
Consultant/Contracted Services	638,000	633,839	424,396	(209,443)
Other Expenses	257,100	225,435	151,029	(74,406)
Total Expenditures	<u>1,076,100</u>	<u>1,058,324</u>	<u>772,028</u>	<u>(286,296)</u>
Miscellaneous:				
Insurance	992,729	819,049	512,369	(306,680)
Bank Charges	108,100	54,280	11,707	(42,573)
Indirect Cost Study	11,000	11,000	10,300	(700)
Consultant/Contracted Services	-	-	19,500	19,500
Total Expenditures	<u>1,111,829</u>	<u>884,329</u>	<u>553,876</u>	<u>(330,453)</u>
Total General Government	<u>\$ 11,562,286</u>	<u>\$ 11,585,441</u>	<u>\$ 9,601,590</u>	<u>\$ (1,983,851)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Clerk Of Courts:				
Salaries & Benefits	\$ 620,203	\$ 621,844	\$ 596,899	\$ (24,945)
Personnel Expense	16,000	16,000	15,690	(310)
Occupancy	4,655	4,655	3,917	(738)
Communication	17,550	17,550	14,119	(3,431)
Supplies & Minor Equipment	17,100	17,100	13,146	(3,954)
Transportation	4,600	4,600	2,523	(2,077)
Consultant/Contracted Services	5,040	5,040	5,040	-
Other Expenses	600	600	190	(410)
Total Expenditures	<u>685,748</u>	<u>687,389</u>	<u>651,524</u>	<u>(35,865)</u>
Coroner:				
Salaries & Benefits	137,273	138,695	129,379	(9,316)
Personnel Expense	5,900	5,900	1,923	(3,977)
Occupancy	275	275	230	(45)
Communication	2,600	2,600	1,721	(879)
Supplies & Minor Equipment	1,100	1,100	143	(957)
Transportation	5,000	5,000	721	(4,279)
Other Expenses	178,500	198,500	157,690	(40,810)
Total Expenditures	<u>330,648</u>	<u>352,070</u>	<u>291,807</u>	<u>(60,263)</u>
Jury Commission:				
Salaries & Benefits	108,343	109,020	105,633	(3,387)
Personnel Expense	600	600	600	-
Communication	12,000	12,000	7,548	(4,452)
Supplies & Minor Equipment	7,500	8,800	5,307	(3,493)
Transportation	3,500	1,775	-	(1,775)
Consultant/Contracted Services	5,000	5,425	5,406	(19)
Total Expenditures	<u>136,943</u>	<u>137,620</u>	<u>124,494</u>	<u>(13,126)</u>
District Attorney:				
Salaries & Benefits	2,153,699	2,160,094	1,938,785	(221,309)
Personnel Expense	20,000	23,207	21,638	(1,569)
Occupancy	5,510	5,510	4,673	(837)
Communication	10,000	12,050	11,797	(253)
Supplies & Minor Equipment	31,400	29,953	27,388	(2,565)
Transportation	20,000	19,523	15,644	(3,879)
Consultant/Contracted Services	14,000	14,000	11,732	(2,268)
Other Expenses	9,500	7,500	5,021	(2,479)
Contra Revenue Accounts	-	3,141	3,141	-
Total Expenditures	<u>2,264,109</u>	<u>2,274,978</u>	<u>2,039,819</u>	<u>(235,159)</u>

Exhibit B (Page 6 of 18)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Prothonotary:				
Salaries & Benefits	\$ 608,177	\$ 609,717	\$ 582,040	\$ (27,677)
Personnel Expense	750	750	522	(228)
Occupancy	10,672	9,672	8,986	(686)
Communication	8,500	9,262	9,261	(1)
Supplies & Minor Equipment	19,500	20,552	20,458	(94)
Transportation	2,000	1,116	700	(416)
Other Expenses	-	70	-	(70)
Total Expenditures	<u>649,599</u>	<u>651,139</u>	<u>621,967</u>	<u>(29,172)</u>
Register Of Wills:				
Salaries & Benefits	341,756	343,339	330,596	(12,743)
Personnel Expense	750	650	650	-
Occupancy	6,050	6,050	5,069	(981)
Communication	14,000	13,900	11,073	(2,827)
Supplies & Minor Equipment	16,000	16,000	14,193	(1,807)
Transportation	<u>2,000</u>	<u>2,200</u>	<u>2,082</u>	<u>(118)</u>
Total Expenditures	<u>380,556</u>	<u>382,139</u>	<u>363,663</u>	<u>(18,476)</u>
Sheriff:				
Salaries & Benefits	3,276,974	3,372,427	2,801,128	(571,299)
Personnel Expense	63,875	66,175	60,907	(5,268)
Occupancy	1,258	1,320	1,093	(227)
Communication	7,000	7,000	5,587	(1,413)
Supplies & Minor Equipment	85,690	80,690	49,427	(31,263)
Transportation	75,200	111,902	111,901	(1)
Consultant/Contracted Services	9,000	11,400	6,820	(4,580)
Other Expenses	<u>62,100</u>	<u>188,435</u>	<u>67,033</u>	<u>(121,402)</u>
Total Expenditures	<u>3,581,097</u>	<u>3,839,349</u>	<u>3,103,896</u>	<u>(735,453)</u>
Court Administration:				
Salaries & Benefits	2,537,696	2,537,695	2,100,965	(436,730)
Personnel Expense	78,500	70,524	51,924	(18,600)
Occupancy	3,010	3,010	2,534	(476)
Communication	14,100	18,600	16,584	(2,016)
Supplies & Minor Equipment	74,500	76,977	68,826	(8,151)
Transportation	11,500	12,500	11,617	(883)
Consultant/Contracted Services	138,500	148,500	112,194	(36,306)
Other Expenses	<u>83,000</u>	<u>83,000</u>	<u>65,784</u>	<u>(17,216)</u>
Total Expenditures	<u>2,940,806</u>	<u>2,950,806</u>	<u>2,430,428</u>	<u>(520,378)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Law Library:				
Salaries & Benefits	\$ 72,100	\$ 73,070	\$ 70,721	\$ (2,349)
Personnel Expense	94,520	93,560	93,536	(24)
Communication	50	50	46	(4)
Supplies & Minor Equipment	800	800	799	(1)
Transportation	575	575	65	(510)
Total Expenditures	<u>168,045</u>	<u>168,055</u>	<u>165,167</u>	<u>(2,888)</u>
District Court 36-1-03:				
Salaries & Benefits	137,106	139,993	135,689	(4,304)
Personnel Expense	300	300	174	(126)
Occupancy	25,109	24,985	24,898	(87)
Communication	10,300	11,205	11,105	(100)
Supplies & Minor Equipment	8,900	8,313	7,314	(999)
Transportation	<u>700</u>	<u>734</u>	<u>733</u>	<u>(1)</u>
Total Expenditures	<u>182,415</u>	<u>185,530</u>	<u>179,913</u>	<u>(5,617)</u>
District Court 36-1-01:				
Salaries & Benefits	135,560	136,116	131,622	(4,494)
Personnel Expense	350	478	478	-
Occupancy	8,213	8,644	8,513	(131)
Communication	13,600	12,670	12,465	(205)
Supplies & Minor Equipment	6,850	7,429	7,215	(214)
Transportation	<u>750</u>	<u>392</u>	<u>124</u>	<u>(268)</u>
Total Expenditures	<u>165,323</u>	<u>165,729</u>	<u>160,417</u>	<u>(5,312)</u>
District Court 36-3-02:				
Salaries & Benefits	137,619	138,754	132,990	(5,764)
Personnel Expense	500	500	348	(152)
Occupancy	7,162	7,842	7,658	(184)
Communication	15,250	14,000	12,834	(1,166)
Supplies & Minor Equipment	7,200	7,200	6,240	(960)
Transportation	<u>1,000</u>	<u>800</u>	<u>646</u>	<u>(154)</u>
Total Expenditures	<u>168,731</u>	<u>169,096</u>	<u>160,716</u>	<u>(8,380)</u>
District Court 36-2-01:				
Salaries & Benefits	186,180	187,660	184,717	(2,943)
Personnel Expense	500	500	388	(112)
Occupancy	8,988	9,122	8,398	(724)
Communication	21,300	21,687	19,791	(1,896)
Supplies & Minor Equipment	9,400	9,558	9,407	(151)
Transportation	<u>2,000</u>	<u>1,486</u>	<u>721</u>	<u>(765)</u>
Total Expenditures	<u>228,368</u>	<u>230,013</u>	<u>223,422</u>	<u>(6,591)</u>

Exhibit B (Page 8 of 18)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
District Court 36-3-03:				
Salaries & Benefits	\$ 183,419	\$ 191,885	\$ 183,932	\$ (7,953)
Personnel Expense	400	400	342	(58)
Occupancy	13,688	14,238	12,454	(1,784)
Communication	20,300	19,675	19,054	(621)
Supplies & Minor Equipment	11,000	10,950	9,143	(1,807)
Transportation	1,200	1,200	850	(350)
Total Expenditures	<u>230,007</u>	<u>238,348</u>	<u>225,775</u>	<u>(12,573)</u>
District Court 36-3-04:				
Salaries & Benefits	127,854	129,364	125,084	(4,280)
Personnel Expense	300	300	242	(58)
Occupancy	9,475	9,366	7,922	(1,444)
Communication	12,000	11,735	10,503	(1,232)
Supplies & Minor Equipment	6,400	6,174	5,476	(698)
Transportation	2,100	2,100	1,915	(185)
Total Expenditures	<u>158,129</u>	<u>159,039</u>	<u>151,142</u>	<u>(7,897)</u>
District Court 36-1-02:				
Salaries & Benefits	179,871	181,533	178,955	(2,578)
Personnel Expense	300	300	151	(149)
Occupancy	7,980	8,073	7,664	(409)
Communication	18,100	17,076	14,513	(2,563)
Supplies & Minor Equipment	7,600	8,379	8,176	(203)
Transportation	500	431	132	(299)
Total Expenditures	<u>214,351</u>	<u>215,792</u>	<u>209,591</u>	<u>(6,201)</u>
District Court 36-3-01:				
Salaries & Benefits	147,621	150,037	144,380	(5,657)
Personnel Expense	450	450	233	(217)
Occupancy	8,738	8,766	8,203	(563)
Communication	14,200	14,639	14,538	(101)
Supplies & Minor Equipment	10,500	10,100	7,781	(2,319)
Transportation	500	500	-	(500)
Total Expenditures	<u>182,009</u>	<u>184,492</u>	<u>175,135</u>	<u>(9,357)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
District Court 36-2-02:				
Salaries & Benefits	\$ 165,330	\$ 167,418	\$ 164,889	\$ (2,529)
Personnel Expense	300	300	240	(60)
Occupancy	8,098	8,228	7,817	(411)
Communication	13,000	13,000	12,297	(703)
Supplies & Minor Equipment	10,300	10,170	8,614	(1,556)
Transportation	2,000	2,000	700	(1,300)
Total Expenditures	<u>199,028</u>	<u>201,116</u>	<u>194,557</u>	<u>(6,559)</u>
Total Judicial	<u>\$ 12,865,912</u>	<u>\$ 13,192,700</u>	<u>\$ 11,473,433</u>	<u>\$ (1,719,267)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Works				
Department of Public Works:				
Salaries & Benefits	\$ 1,737,846	\$ 1,937,783	\$ 1,832,272	\$ (105,511)
Personnel Expense	3,500	3,500	2,927	(573)
Occupancy	38,500	51,500	50,474	(1,026)
Communication	11,110	11,110	10,228	(882)
Supplies & Minor Equipment	17,000	53,600	50,877	(2,723)
Transportation	41,200	48,200	45,436	(2,764)
Other Expenses	1,000	1,000	453	(547)
Total Expenditures	<u>1,850,156</u>	<u>2,106,693</u>	<u>1,992,667</u>	<u>(114,026)</u>
Buildings and Grounds:				
Occupancy	765,000	699,500	667,953	(31,547)
Communication	1,000	-	-	-
Supplies & Minor Equipment	81,000	105,066	101,577	(3,489)
Consultant/Contracted Services	157,000	217,503	213,384	(4,119)
Other Expenses	13,300	35,634	32,212	(3,422)
Total Expenditures	<u>1,017,300</u>	<u>1,057,703</u>	<u>1,015,126</u>	<u>(42,577)</u>
Total Public Works	<u>\$ 2,867,456</u>	<u>\$ 3,164,396</u>	<u>\$ 3,007,793</u>	<u>\$ (156,603)</u>

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COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Safety				
Emergency Services:				
Reimbursement from 911 Fund	\$ (2,167,014)	\$ (2,167,014)	\$ (1,764,145)	\$ 402,869
Salaries & Benefits	2,784,936	2,858,380	2,481,170	(377,210)
Personnel Expense	10,650	8,206	6,232	(1,974)
Occupancy	663,020	669,020	658,296	(10,724)
Communication	14,500	15,000	12,000	(3,000)
Supplies & Minor Equipment	77,000	79,444	66,345	(13,099)
Transportation	10,000	8,500	8,020	(480)
Consultant/Contracted Services	73,000	8,694	8,390	(304)
Other Expenses	3,000	3,000	1,843	(1,157)
Total Expenditures	<u>1,469,092</u>	<u>1,483,230</u>	<u>1,478,151</u>	<u>(5,079)</u>
Jail of Beaver County:				
Salaries & Benefits	5,059,146	5,560,433	5,391,265	(169,168)
Personnel Expense	53,000	53,060	48,399	(4,661)
Occupancy	346,870	354,590	323,480	(31,110)
Communication	16,650	16,750	15,755	(995)
Supplies & Minor Equipment	181,000	201,857	188,508	(13,349)
Transportation	11,100	11,240	8,332	(2,908)
Consultant/Contracted Services	51,000	51,001	50,000	(1,001)
Other Expenses	1,456,000	1,425,020	1,359,172	(65,848)
Total Expenditures	<u>7,174,766</u>	<u>7,673,951</u>	<u>7,384,911</u>	<u>(289,040)</u>

Exhibit B (Page 12 of 18)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
DUI Program:				
Salaries & Benefits	\$ 92,451	\$ 96,326	\$ 80,088	\$ (16,238)
Personnel Expense	2,000	2,300	2,110	(190)
Occupancy	1,800	1,800	1,800	-
Communication	500	500	220	(280)
Supplies & Minor Equipment	1,000	1,000	-	(1,000)
Transportation	1,500	1,200	228	(972)
Consultant/Contracted Services	5,300	5,300	4,750	(550)
Total Expenditures	<u>104,551</u>	<u>108,426</u>	<u>89,196</u>	<u>(19,230)</u>
Adult Probation:				
Reimbursement from Offender's				
Supervisory Fund	(850,000)	(850,000)	(663,535)	186,465
Salaries & Benefits	1,698,994	1,721,034	1,620,730	(100,304)
Personnel Expense	600	600	440	(160)
Communication	7,000	7,000	3,442	(3,558)
Supplies & Minor Equipment	10,700	10,700	8,682	(2,018)
Transportation	7,500	7,500	6,809	(691)
Other Expenses	55,000	54,500	50,000	(4,500)
Total Expenditures	<u>929,794</u>	<u>951,334</u>	<u>1,026,568</u>	<u>75,234</u>
Intermediate Punishment Program:				
Salaries & Benefits	368,555	383,492	380,713	(2,779)
Occupancy	54,200	55,000	53,055	(1,945)
Communication	21,800	20,232	19,718	(514)
Supplies & Minor Equipment	140,800	140,800	132,409	(8,391)
Transportation	3,000	3,000	1,840	(1,160)
Other Expenses	250	250	35	(215)
Total Expenditures	<u>588,605</u>	<u>602,774</u>	<u>587,770</u>	<u>(15,004)</u>
Juvenile Probation-Court Services:				
Reimbursement from Children and				
Youth Fund	(1,127,373)	(1,127,373)	(997,242)	130,131
Salaries & Benefits	1,295,542	1,493,458	1,336,355	(157,103)
Personnel Expense	1,900	1,900	1,320	(580)
Occupancy	2,000	3,007	3,006	(1)
Communication	14,200	14,829	10,723	(4,106)
Supplies & Minor Equipment	15,500	12,488	9,065	(3,423)
Transportation	15,500	18,825	16,737	(2,088)
Consultant/Contracted Services	90,000	81,129	73,577	(7,552)
Other Expenses	2,194,500	2,115,802	1,494,415	(621,387)
Total Expenditures	<u>2,501,769</u>	<u>2,614,065</u>	<u>1,947,956</u>	<u>(666,109)</u>

Exhibit B (Page 13 of 18)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Juvenile Probation-Grants (SPS):				
Salaries & Benefits	\$ 484,381	\$ 484,894	\$ 449,852	\$ (35,042)
Transportation	8,000	12,000	10,295	(1,705)
Total Expenditures	<u>492,381</u>	<u>496,894</u>	<u>460,147</u>	<u>(36,747)</u>
UAD Program:				
Salaries & Benefits	7,200	7,571	4,634	(2,937)
Personnel Expense	250	250	-	(250)
Occupancy	1,800	1,800	1,800	-
Communication	100	100	-	(100)
Supplies & Minor Equipment	500	500	-	(500)
Transportation	300	300	53	(247)
Total Expenditures	<u>10,150</u>	<u>10,521</u>	<u>6,487</u>	<u>(4,034)</u>
Total Public Safety	<u>\$ 13,271,108</u>	<u>\$ 13,941,195</u>	<u>\$ 12,981,186</u>	<u>\$ (960,009)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Culture, Recreation, and Conservation</u>				
Waste Management:				
Salaries & Benefits	\$ 262,764	\$ 288,678	\$ 278,373	\$ (10,305)
Personnel Expense	670	642	642	-
Occupancy	49,100	46,550	42,866	(3,684)
Communication	4,600	3,600	2,034	(1,566)
Supplies & Minor Equipment	42,750	42,728	40,056	(2,672)
Transportation	9,800	13,600	12,636	(964)
Consultant/Contracted Services	17,000	15,525	3,068	(12,457)
Other Expenses	115,920	115,470	44,190	(71,280)
Total Expenditures	<u>502,604</u>	<u>526,793</u>	<u>423,865</u>	<u>(102,928)</u>
Library Commission:				
Salaries & Benefits	531,410	533,127	458,289	(74,838)
Personnel Expense	81,842	88,074	77,959	(10,115)
Occupancy	32,300	31,140	31,139	(1)
Communication	32,550	27,177	22,677	(4,500)
Supplies & Minor Equipment	47,000	55,018	54,972	(46)
Transportation	11,000	11,930	11,903	(27)
Consultant/Contracted Services	7,000	8,910	8,910	-
Other Expenses	481,981	497,507	497,501	(6)
Total Expenditures	<u>1,225,083</u>	<u>1,252,883</u>	<u>1,163,350</u>	<u>(89,533)</u>
Parks/Shelter/Recreation:				
Salaries & Benefits	36,405	36,414	34,677	(1,737)
Occupancy	3,850	2,250	1,121	(1,129)
Communication	1,750	8,160	7,266	(894)
Supplies & Minor Equipment	4,500	14,500	13,891	(609)
Transportation	1,000	1,425	1,094	(331)
Consultant/Contracted Services	6,000	3,500	500	(3,000)
Other Expenses	2,000	1,575	1,103	(472)
Total Expenditures	<u>55,505</u>	<u>67,824</u>	<u>59,652</u>	<u>(8,172)</u>
DPW/Parks:				
Occupancy	38,000	40,000	39,485	(515)
Communication	3,000	3,000	2,256	(744)
Supplies & Minor Equipment	80,100	84,850	84,346	(504)
Consultant/Contracted Services	15,000	13,960	13,566	(394)
Other Expenses	10,000	19,994	19,909	(85)
Total Expenditures	<u>146,100</u>	<u>161,804</u>	<u>159,562</u>	<u>(2,242)</u>

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COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Ice Arena:				
Salaries & Benefits	\$ 363,682	\$ 493,044	\$ 425,108	\$ (67,936)
Personnel Expense	3,300	3,300	3,249	(51)
Occupancy	226,775	230,450	225,167	(5,283)
Communication	2,500	2,500	1,970	(530)
Supplies & Minor Equipment	36,675	35,675	31,789	(3,886)
Consultant/Contracted Services	28,750	29,500	28,719	(781)
Other Expenses	3,000	3,250	2,267	(983)
Contra Revenue Accounts	150	150	131	(19)
Total Expenditures	<u>664,832</u>	<u>797,869</u>	<u>718,400</u>	<u>(79,469)</u>
Pool:				
Salaries & Benefits	101,315	107,612	106,966	(646)
Occupancy	13,700	19,400	18,910	(490)
Communication	1,050	1,050	913	(137)
Supplies & Minor Equipment	6,700	8,420	8,368	(52)
Other Expenses	21,700	22,076	21,820	(256)
Total Expenditures	<u>144,465</u>	<u>158,558</u>	<u>156,977</u>	<u>(1,581)</u>
DPW-Ballfields:				
Occupancy	800	800	544	(256)
Supplies & Minor Equipment	100	100	35	(65)
Total Expenditures	<u>900</u>	<u>900</u>	<u>579</u>	<u>(321)</u>
Total Culture, Recreation and Conservation	<u>\$ 2,739,489</u>	<u>\$ 2,966,631</u>	<u>\$ 2,682,385</u>	<u>\$ (284,246)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Human Services</u>				
County Matches/Subsidies:				
Subsidies	\$ 4,778,656	\$ 4,716,701	\$ 4,696,802	\$ (19,899)
Consultant/Contracted Services	80,000	80,000	27,364	(52,636)
Other Expenses	31,000	19,746	-	(19,746)
Contra Revenue Accounts	<u>7,000</u>	<u>657,000</u>	<u>479,256</u>	<u>(177,744)</u>
Total Expenditures	<u>4,896,656</u>	<u>5,473,447</u>	<u>5,203,422</u>	<u>(270,025)</u>
Beaver County Transit Authority:				
Subsidies	850,000	850,000	850,000	-
Contra Revenue Accounts	<u>1,000,000</u>	<u>1,864,797</u>	<u>1,864,796</u>	<u>(1)</u>
Total Expenditures	<u>1,850,000</u>	<u>2,714,797</u>	<u>2,714,796</u>	<u>(1)</u>
Total Human Services	<u>\$ 6,746,656</u>	<u>\$ 8,188,244</u>	<u>\$ 7,918,218</u>	<u>\$ (270,026)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Debt Service:				
Principal	\$ 3,380,434	\$ 3,399,512	\$ 3,285,850	\$ (113,662)
Interest	<u>5,761,934</u>	<u>5,902,359</u>	<u>5,537,461</u>	<u>(364,898)</u>
Total Expenditures	<u>9,142,368</u>	<u>9,301,871</u>	<u>8,823,311</u>	<u>(478,560)</u>
Fixed Asset Acquisition and Improvements:				
	<u>809,296</u>	<u>921,247</u>	<u>197,040</u>	<u>(724,207)</u>
Infrastructure	<u>16,000</u>	<u>22,000</u>	<u>6,000</u>	<u>(16,000)</u>
Total Expenditures	<u>\$ 60,020,571</u>	<u>\$ 63,283,725</u>	<u>\$ 56,690,956</u>	<u>\$ (6,592,769)</u>

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COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

County Records Improvement

This fund collects an additional fee for the recordation of deeds, the proceeds of which are to be devoted to the improvement of record keeping and record management County-wide. Also, a Record Management Committee has been established, consisting of most County row officers and the Board of Commissioners. The annual budget and expenditures from this fund are to be governed by decision of the Committee.

Recorder of Deeds Records Improvement

The purpose of the Recorder of Deeds Records Improvement Fund is to support development and improvement of office records management activities and systems in the office of the Recorder of Deeds. Amounts in the separate fund shall not be used to substitute any allocations of general revenues for the operation of the Recorder's Office without the express consent of the Recorder.

Prothonotary Automation

These funds shall be used solely for the purpose of automating the Prothonotary's Office and any continued automation updates.

Clerk of Courts Automation

These funds shall be used solely for the purpose of automating the Clerk of Courts Office and any continued automation updates.

Register of Wills Automation

The purpose of this fund is to purchase equipment to upgrade or replace equipment that is needed to operate the office of the Register of Wills.

Domestic Relations

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

Offender's Supervisory

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

COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

Victim Witness

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

Hazardous Materials / Act 147 Grants

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

Liquid Fuels

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

Office on Aging

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

Childcare Resource Management

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

COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

Tourist Promotion

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

Anti-Drug Task Force / Education

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

Emergency Services 911

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

Courtroom Improvement

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

2007 & 2009 Capital Projects

This fund was established to account for all purchases made using the proceeds of the General Obligation Bonds Series A of 2007 and the General Obligation Notes Series of 2009. Expenditures in this fund are statutorily restricted to capital outlay.

Capital Reserve

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

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2011

	Special Revenue										
	County Records Improvement	Recorder of Deeds Records Improvement	Prothonotary Automation	Clerk of Courts Automation	Register of Wills Automation	Domestic Relations	Offender's Supervisory	Victim Witness	Hazardous Materials/ Act 147 Grants	Liquid Fuels	Office on Aging
Assets											
Cash and Cash Equivalents	\$ 95,874	\$ 188,697	\$ 31,163	\$ 38,725	\$ 40,247	\$ 133,819	\$ 318,998	\$ 3,594	\$ 264,806	\$ 1,086,858	\$ 811,109
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	6,299
Accounts Receivable	4,806	-	-	-	1,176	349,536	17,566	42,269	-	1,677,840	286,446
Total Assets	\$ 100,680	\$ 188,697	\$ 31,163	\$ 38,725	\$ 41,423	\$ 483,355	\$ 336,564	\$ 45,863	\$ 264,806	\$ 2,764,698	\$ 1,103,854
Liabilities											
Accounts Payable	\$ 1,555	-	-	-	-	\$ 1,733	\$ -	\$ 6	\$ 4,135	\$ 115,581	\$ 344,962
Due to Other Funds	-	-	957	-	-	324,507	-	56,943	8,020	2,029	161,316
Accrued Payroll	-	-	403	-	-	25,866	-	2,084	-	666	34,683
Accrued Other Liabilities	-	-	-	-	-	-	-	-	-	990,899	159,601
Deferred Revenue	-	-	-	-	-	90,901	-	42,269	162,529	276,653	81,181
Total Liabilities	1,555	-	1,360	-	-	443,007	-	101,302	174,684	1,385,828	781,743
Fund Balance (Deficit)											
Restricted:											
General Government	99,125	188,697	29,803	38,725	41,423	-	-	-	-	-	-
Judicial	-	-	-	-	-	40,348	336,564	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	90,122	-	-
Public Works and Enterprises	-	-	-	-	-	-	-	-	-	1,378,870	-
Culture, Recreation & Conservation	-	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-	322,111
Committed:											
General Government	-	-	-	-	-	-	-	(55,439)	-	-	-
Unassigned:											
General Government	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance (Deficit)	99,125	188,697	29,803	38,725	41,423	40,348	336,564	(55,439)	90,122	1,378,870	322,111
Total Liabilities and Fund Balance (Deficit)	\$ 100,680	\$ 188,697	\$ 31,163	\$ 38,725	\$ 41,423	\$ 483,355	\$ 336,564	\$ 45,863	\$ 264,806	\$ 2,764,698	\$ 1,103,854

Exhibit C (Page 1 of 2)

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2011

	Special Revenue				Capital Projects				Nonmajor Governmental Funds Total	
	Childcare Resource Management	Tourist Promotion	Anti-Drug Task Force/ Educational	Emergency Services 911	Total	Courtroom Improvement	2007 & 2009 Capital Projects	Capital Reserve		Total
Assets										
Cash and Cash Equivalents	\$ 660,686	\$ 101,841	\$ 343,170	\$ 1,007,003	\$ 5,126,590	\$ 303,386	\$ 175,619	\$ 854,342	\$ 1,333,347	\$ 6,459,937
Due From Other Funds	-	-	-	-	6,299	154,816	-	-	154,816	161,115
Accounts Receivable	-	18,890	432	93,423	2,492,384	-	-	23,452	23,452	2,515,836
Total Assets	\$ 660,686	\$ 120,731	\$ 343,602	\$ 1,100,426	\$ 7,625,273	\$ 458,202	\$ 175,619	\$ 877,794	\$ 1,511,615	\$ 9,136,888
Liabilities										
Accounts Payable	\$ 560,037	\$ 8,577	\$ 1,150	\$ 28,605	\$ 1,066,341	\$ 11,963	\$ 78,469	\$ 38,532	\$ 128,964	\$ 1,195,305
Due to Other Funds	17,076	2,735	1,429	231,751	806,763	-	60,251	-	60,251	867,014
Accrued Payroll	7,858	1,033	159	-	72,752	-	-	-	-	72,752
Accrued Other Liabilities	-	-	-	-	1,150,500	-	-	-	-	1,150,500
Deferred Revenue	98,016	-	-	749,865	1,501,414	-	-	-	-	1,501,414
Total Liabilities	682,987	12,345	2,738	1,010,221	4,597,770	11,963	138,720	38,532	189,215	4,786,985
Fund Balance (Deficit)										
Restricted:										
General Government	-	-	-	-	397,773	-	36,899	-	36,899	434,672
Judicial	-	-	340,864	-	717,776	-	-	-	-	717,776
Public Safety	-	-	-	90,205	180,327	-	-	-	-	180,327
Public Works and Enterprises	-	-	-	-	1,378,870	-	-	-	-	1,378,870
Culture, Recreation & Conservation	-	108,386	-	-	108,386	-	-	-	-	108,386
Human Services	-	-	-	-	322,111	-	-	-	-	322,111
Committed:										
General Government	-	-	-	-	-	446,239	-	839,262	1,285,501	1,285,501
Unassigned:	(22,301)	-	-	-	(77,740)	-	-	-	-	(77,740)
Total Fund Balance (Deficit)	(22,301)	108,386	340,864	90,205	3,027,503	446,239	36,899	839,262	1,322,400	4,349,903
Total Liabilities and Fund Balance (Deficit)	\$ 660,686	\$ 120,731	\$ 343,602	\$ 1,100,426	\$ 7,625,273	\$ 458,202	\$ 175,619	\$ 877,794	\$ 1,511,615	\$ 9,136,888

Exhibit C (Page 2 of 2)

COUNTY OF BEAVER, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2011

	Special Revenue										
	County Records Improvement	Recorder of Deeds Records Improvement	Prothonotary Automation	Clerk of Courts Automation	Register of Wills Automation	Domestic Relations	Offender's Supervisory	Victim Witness	Hazardous Materials/ Act 147 Grants	Liquid Fuels	Office on Aging
Revenues	\$ 58	\$ 48	\$ 23	\$ 20	\$ 24	\$ 63	\$ 324	\$ 14	\$ 157	\$ 889	\$ 1,041
Investment Income	-	-	-	-	-	-	-	-	-	-	-
Inergovernmental	-	-	-	-	-	1,764,485	250,855	159,370	183,759	8,167,266	4,974,873
Departmental Earnings	50,754	73,881	14,400	7,876	18,297	42,351	241,697	-	-	24,054	210,986
Local Hotel Room Tax	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	9,740	-	-
Total Revenues	50,812	73,929	14,423	7,896	18,321	1,806,899	492,876	159,384	193,656	8,192,189	5,186,900
Expenditures											
Current:											
General Government	11,089	4,081	27,805	411	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	2,261,269	-	182,923	-	-	-
Public Safety	-	-	-	-	-	-	-	-	210,663	-	-
Public Works and Enterprises	-	-	-	-	-	-	-	-	-	-	-
Culture Recreation & Conservation	-	-	-	-	-	-	-	-	362,826	-	-
Intergovernmental:	-	-	-	-	-	-	-	-	-	-	-
Operating / Human Services	-	-	-	-	-	-	-	-	-	-	5,654,323
Capital Outlay:	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	7,746,180	-
Fixed Asset Acquisition	28,059	22,894	-	-	12,388	-	-	-	-	60,239	12,245
Total Expenditures	39,148	26,975	27,805	411	12,388	2,261,269	-	182,923	210,663	8,169,245	5,666,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,664	46,954	(13,382)	7,485	5,933	(454,370)	492,876	(23,539)	(17,007)	22,944	(479,668)
Other Financing Sources (Uses)											
Issuance of Debt	-	-	-	-	-	-	-	-	-	-	-
Transfers From Other Funds	-	-	-	-	-	489,397	-	-	-	-	31,200
Transfers to Other Funds	-	-	-	-	-	-	(663,535)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	489,397	(663,535)	-	-	-	31,200
Net Change in Fund Balance	11,664	46,954	(13,382)	7,485	5,933	35,027	(170,659)	(23,539)	(17,007)	22,944	(448,468)
Fund Balance - Beginning	87,461	141,743	43,185	31,240	35,490	5,321	507,223	(31,900)	107,129	1,355,926	770,579
Fund Balance (Deficit) - Ending	\$ 99,125	\$ 188,697	\$ 29,803	\$ 38,725	\$ 41,423	\$ 40,348	\$ 336,564	\$ (55,439)	\$ 90,122	\$ 1,378,870	\$ 322,111

Exhibit D (Page 1 of 2)

COUNTY OF BEAVER, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2011

	Special Revenue				Capital Projects				Nomajor Governmental Funds Total
	Childcare Resource Management	Tourist Promotion	Anti-Drug Task Force/ Educational	Emergency Services 911	Total	Courtroom Improvement	2007 & 2009 Capital Projects	Capital Reserve	
Revenues									
Investment Income	\$ 368	\$ 55	\$ (2,273)	\$ 681	\$ 1,492	\$ 331	\$ 521	\$ 207	\$ 1,059
Intergovernmental	8,054,196	-	93,500	1,914,674	25,562,978	-	129,590	-	129,590
Departmental Earnings	-	18,138	56,246	690,643	1,449,303	-	-	672,507	672,507
Local Hotel Room Tax	-	267,925	-	-	267,925	-	-	-	-
Miscellaneous	-	-	-	-	9,740	-	-	-	-
Total Revenues	8,054,564	286,118	147,473	2,605,998	27,291,438	331	130,111	672,714	803,156
Expenditures									
Current:									
General Government	-	-	-	-	43,386	85,600	5,345	246,478	337,423
Judicial	-	-	111,229	-	2,555,421	-	-	-	2,555,421
Public Safety	-	-	-	2,194,786	2,405,449	-	-	-	2,405,449
Public Works and Enterprises	-	-	-	-	362,826	-	-	-	362,826
Culture Recreation & Conservation	-	278,539	-	-	278,539	-	-	-	278,539
Intergovernmental:									
Operating / Human Services	8,065,984	-	-	-	13,720,307	-	-	-	13,720,307
Capital Outlay:									
Infrastructure	-	-	-	-	7,746,180	-	491,608	51,153	542,761
Fixed Asset Acquisition	-	-	-	100,660	236,485	106,180	587,029	109,949	803,158
Total Expenditures	8,065,984	278,539	111,229	2,295,446	27,348,593	191,780	1,083,982	407,580	1,683,342
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,420)	7,579	36,244	310,552	(57,155)	(191,449)	(953,871)	265,134	(880,186)
Other Financing Sources (Uses)									
Issuance of Debt	-	-	-	-	-	-	58,403	-	58,403
Transfers From Other Funds	-	-	-	-	520,597	179,836	237,776	-	417,612
Transfers to Other Funds	-	-	-	(112,556)	(776,091)	-	(861,351)	-	(861,351)
Total Other Financing Sources (Uses)	-	-	-	(112,556)	(255,494)	179,836	(565,172)	-	(385,336)
Net Change in Fund Balance	(11,420)	7,579	36,244	197,996	(312,649)	(11,613)	(1,519,043)	265,134	(1,265,522)
Fund Balance - Beginning	(10,881)	100,807	304,620	(107,791)	3,340,152	457,852	1,555,942	574,128	2,587,922
Fund Balance (Deficit) - Ending	\$ (22,301)	\$ 108,386	\$ 340,864	\$ 90,205	\$ 3,027,503	\$ 446,239	\$ 36,899	\$ 839,262	\$ 1,322,400

Exhibit D (Page 2 of 2)

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>General Government</u>				
County Records Improvement				
Revenues:				
Departmental Earnings	\$ 35,000	\$ 35,000	\$ 50,754	\$ 15,754
Interest	200	200	58	(142)
Total Revenues	<u>35,200</u>	<u>35,200</u>	<u>50,812</u>	<u>15,612</u>
Expenditures:				
Other Expenses	34,000	34,000	-	(34,000)
Supplies & Minor Equipment	-	11,091	11,089	(2)
Capital Outlay	-	28,178	28,059	(119)
Total Expenditures	<u>34,000</u>	<u>73,269</u>	<u>39,148</u>	<u>(34,121)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,200	(38,069)	11,664	49,733
Fund Balance - January 1, 2011	<u>114,600</u>	<u>63,578</u>	<u>87,461</u>	<u>23,883</u>
Fund Balance - December 31, 2011	<u>\$ 115,800</u>	<u>\$ 25,509</u>	<u>\$ 99,125</u>	<u>\$ 73,616</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
General Government				
Recorder of Deeds Records Improvement				
Revenues:				
Departmental Earnings	\$ 58,000	\$ 58,000	\$ 73,881	\$ 15,881
Interest	100	100	48	(52)
Total Revenues	<u>58,100</u>	<u>58,100</u>	<u>73,929</u>	<u>15,829</u>
Expenditures:				
Supplies & Minor Equipment	13,000	13,000	1,681	(11,319)
Transportation	2,500	2,500	-	(2,500)
Consultant/Contracted Services	75,000	69,000	2,400	(66,600)
Capital Outlay	25,000	31,000	22,894	(8,106)
Total Expenditures	<u>115,500</u>	<u>115,500</u>	<u>26,975</u>	<u>(88,525)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,400)	(57,400)	46,954	104,354
Fund Balance - January 1, 2011	<u>3,550</u>	<u>3,550</u>	<u>141,743</u>	<u>138,193</u>
Fund Balance - December 31, 2011	<u>\$ (53,850)</u>	<u>\$ (53,850)</u>	<u>\$ 188,697</u>	<u>\$ 242,547</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
General Government				
Prothonotary Automation				
Revenues:				
Departmental Earnings	\$ 17,000	\$ 17,000	\$ 14,400	\$ (2,600)
Interest	100	100	23	(77)
Total Revenues	<u>17,100</u>	<u>17,100</u>	<u>14,423</u>	<u>(2,677)</u>
Expenditures:				
Salaries & Benefits	26,933	26,963	23,924	(3,039)
Supplies & Minor Equipment	11,000	11,000	3,881	(7,119)
Total Expenditures	<u>37,933</u>	<u>37,963</u>	<u>27,805</u>	<u>(10,158)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,833)	(20,863)	(13,382)	7,481
Fund Balance - January 1, 2011	<u>57,262</u>	<u>1,915</u>	<u>43,185</u>	<u>41,270</u>
Fund Balance - December 31, 2011	<u>\$ 36,429</u>	<u>\$ (18,948)</u>	<u>\$ 29,803</u>	<u>\$ 48,751</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>General Government</u>				
Clerk of Courts Automation				
Revenues:				
Departmental Earnings	\$ 8,700	\$ 8,700	\$ 7,876	\$ (824)
Interest	50	50	20	(30)
Total Revenues	<u>8,750</u>	<u>8,750</u>	<u>7,896</u>	<u>(854)</u>
Expenditures:				
Supplies & Minor Equipment	-	411	411	-
Capital Outlay	39,750	39,339	-	(39,339)
Total Expenditures	<u>39,750</u>	<u>39,750</u>	<u>411</u>	<u>(39,339)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,000)	(31,000)	7,485	38,485
Fund Balance - January 1, 2011	<u>18,400</u>	<u>18,400</u>	<u>31,240</u>	<u>12,840</u>
Fund Balance - December 31, 2011	<u>\$ (12,600)</u>	<u>\$ (12,600)</u>	<u>\$ 38,725</u>	<u>\$ 51,325</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>General Government</u>				
Register of Wills Automation				
Revenues:				
Departmental Earnings	\$ 17,200	\$ 17,200	\$ 18,297	\$ 1,097
Interest	50	50	24	(26)
Total Revenues	<u>17,250</u>	<u>17,250</u>	<u>18,321</u>	<u>1,071</u>
Expenditures:				
Consultant/Contracted Services	25,000	25,000	-	(25,000)
Capital Outlay	9,000	13,624	12,388	(1,236)
Total Expenditures	<u>34,000</u>	<u>38,624</u>	<u>12,388</u>	<u>(26,236)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,750)	(21,374)	5,933	27,307
Fund Balance - January 1, 2011	<u>28,040</u>	<u>14,492</u>	<u>35,490</u>	<u>20,998</u>
Fund Balance - December 31, 2011	<u>\$ 11,290</u>	<u>\$ (6,882)</u>	<u>\$ 41,423</u>	<u>\$ 48,305</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Domestic Relations				
Revenues:				
Intergovernmental	\$ 1,683,338	\$ 1,683,338	\$ 1,764,485	\$ 81,147
Departmental Earnings	45,000	45,000	42,351	(2,649)
Interest	100	100	63	(37)
Total Revenues	1,728,438	1,728,438	1,806,899	78,461
Expenditures:				
Salaries & Benefits	2,090,031	2,090,031	1,998,735	(91,296)
Personnel Expense	16,200	16,200	9,563	(6,637)
Occupancy	1,370	1,370	1,152	(218)
Communication	47,700	47,700	31,773	(15,927)
Supplies & Minor Equipment	30,500	30,500	8,927	(21,573)
Transportation	9,500	9,500	6,604	(2,896)
Consultant/Contracted Services	21,500	21,500	15,330	(6,170)
Other Expenditures	308,412	308,412	189,185	(119,227)
Capital Outlay	5,000	5,000	-	(5,000)
Total Expenditures	2,530,213	2,530,213	2,261,269	(268,944)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(801,775)	(801,775)	(454,370)	347,405
Other Financing Sources (Uses):				
Transfers from Other Funds	811,210	811,210	489,397	(321,813)
Total Financing Sources (Uses)	811,210	811,210	489,397	(321,813)
Net Change in Fund Balance	9,435	9,435	35,027	25,592
Fund Balance - January 1, 2011	(652,445)	(699,702)	5,321	705,023
Fund Balance - December 31, 2011	<u>\$ (643,010)</u>	<u>\$ (690,267)</u>	<u>\$ 40,348</u>	<u>\$ 730,615</u>

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COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Offender's Supervisory				
Revenues:				
Departmental Earnings	\$ 275,000	\$ 275,000	\$ 241,697	\$ (33,303)
Intergovernmental	275,000	275,000	250,855	(24,145)
Interest	600	600	324	(276)
Total Revenues	<u>550,600</u>	<u>550,600</u>	<u>492,876</u>	<u>(57,724)</u>
Expenditures:				
Reimburse Other Funds	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	550,600	550,600	492,876	(57,724)
Other Financing Sources (Uses):				
Transfers to Other Funds	<u>(850,000)</u>	<u>(850,000)</u>	<u>(663,535)</u>	<u>(186,465)</u>
Total Financing Sources (Uses)	<u>(850,000)</u>	<u>(850,000)</u>	<u>(663,535)</u>	<u>(186,465)</u>
Net Change in Fund Balance	(299,400)	(299,400)	(170,659)	128,741
Fund Balance - January 1, 2011	<u>(376,965)</u>	<u>(376,965)</u>	<u>507,223</u>	<u>884,188</u>
Fund Balance - December 31, 2011	<u>\$ (676,365)</u>	<u>\$ (676,365)</u>	<u>\$ 336,564</u>	<u>\$ 1,012,929</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Victim Witness				
Revenues:				
Intergovernmental	\$ 188,192	\$ 188,192	\$ 159,370	\$ (28,822)
Interest	-	-	14	14
Total Revenues	<u>188,192</u>	<u>188,192</u>	<u>159,384</u>	<u>(28,808)</u>
Expenditures:				
Salaries & Benefits	187,125	188,178	174,324	(13,854)
Personnel Expense	185	234	72	(162)
Communication	-	500	295	(205)
Supplies & Minor Equip.	370	3,087	2,902	(185)
Transportation	1,368	856	-	(856)
Other Expenditures	6,000	6,000	5,330	(670)
Total Expenditures	<u>195,048</u>	<u>198,855</u>	<u>182,923</u>	<u>(15,932)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,856)	(10,663)	(23,539)	(12,876)
Fund Balance - January 1, 2011	<u>(7,196)</u>	<u>(10,989)</u>	<u>(31,900)</u>	<u>(20,911)</u>
Fund Balance - December 31, 2011	<u>\$ (14,052)</u>	<u>\$ (21,652)</u>	<u>\$ (55,439)</u>	<u>\$ (33,787)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Public Safety</u>				
Hazardous Materials / Act 147 Grants				
Revenues:				
Intergovernmental	\$ 149,764	\$ 149,764	\$ 183,759	\$ 33,995
Interest	450	450	157	(293)
Miscellaneous	-	-	9,740	9,740
Total Revenues	150,214	150,214	193,656	43,442
Expenditures:				
Personnel Expense	22,000	22,000	6,699	(15,301)
Consultant/Contracted Services	-	800	800	-
Occupancy	12,700	16,700	14,122	(2,578)
Communication	9,000	9,505	9,505	-
Supplies & Minor Equipment	47,840	64,480	49,797	(14,683)
Transportation	10,500	8,700	6,864	(1,836)
Other Expenditures	150,056	169,891	96,620	(73,271)
Contra Revenue Accounts	-	-	26,256	26,256
Capital Outlay	56,000	27,500	-	(27,500)
Total Expenditures	308,096	319,576	210,663	(108,913)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,882)	(169,362)	(17,007)	152,355
Fund Balance - January 1, 2011	(103,860)	(120,590)	107,129	227,719
Fund Balance - December 31, 2011	\$ (261,742)	\$ (289,952)	\$ 90,122	\$ 380,074

Exhibit E (Page 9 of 15)

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Works				
Liquid Fuels				
Revenues:				
Intergovernmental	\$ 14,244,315	\$ 14,244,315	\$ 8,167,266	\$ (6,077,049)
Departmental Earnings	20,000	20,000	24,034	4,034
Interest	2,000	2,000	889	(1,111)
Total Revenues	<u>14,266,315</u>	<u>14,266,315</u>	<u>8,192,189</u>	<u>(6,074,126)</u>
Expenditures:				
Salaries & Benefits	53,771	53,781	52,639	(1,142)
Personnel Expense	520	520	18	(502)
Consultant/Contracted Services	147,000	145,361	58,873	(86,488)
Communication	5,000	4,233	1,493	(2,740)
Supplies & Minor Equip.	14,300	15,150	8,965	(6,185)
Transportation	3,000	3,308	3,305	(3)
Other Expenditures	236,000	246,459	237,533	(8,926)
Infrastructure	13,772,575	13,788,559	7,746,180	(6,042,379)
Capital Outlay	338,006	331,162	60,239	(270,923)
Total Expenditures	<u>14,570,172</u>	<u>14,588,533</u>	<u>8,169,245</u>	<u>(6,419,288)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(303,857)	(322,218)	22,944	345,162
Fund Balance - January 1, 2011	<u>187,654</u>	<u>78,567</u>	<u>1,355,926</u>	<u>1,277,359</u>
Fund Balance - December 31, 2011	<u>\$ (116,203)</u>	<u>\$ (243,651)</u>	<u>\$ 1,378,870</u>	<u>\$ 1,622,521</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Human Services</u>				
Office on Aging				
Revenues:				
Intergovernmental	\$ 5,478,144	\$ 5,478,144	\$ 4,974,873	\$ (503,271)
Departmental Earnings	108,000	108,000	210,986	102,986
Interest	8,000	8,000	1,041	(6,959)
Total Revenues	<u>5,594,144</u>	<u>5,594,144</u>	<u>5,186,900</u>	<u>(407,244)</u>
Expenditures:				
Reimbursement to State	100,000	255,000	104,000	(151,000)
Salaries & Benefits	2,615,822	2,652,885	2,572,268	(80,617)
Personnel Expense	20,000	20,000	12,045	(7,955)
Consultant/Contracted Services	165,000	166,450	153,554	(12,896)
Sub Contracted Services	2,500,000	2,437,866	2,272,789	(165,077)
Occupancy	292,750	328,502	296,776	(31,726)
Communication	34,000	33,139	27,362	(5,777)
Supplies & Minor Equip.	107,500	104,314	59,709	(44,605)
Transportation	29,000	29,900	28,284	(1,616)
Other Expenditures	205,900	175,751	127,536	(48,215)
Capital Outlay	-	15,000	12,245	(2,755)
Total Expenditures	<u>6,069,972</u>	<u>6,218,807</u>	<u>5,666,568</u>	<u>(552,239)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(475,828)	(624,663)	(479,668)	144,995
Other Financing Sources (Uses):				
Transfers from Other Funds	15,600	15,600	31,200	15,600
Total Financing Sources (Uses)	<u>15,600</u>	<u>15,600</u>	<u>31,200</u>	<u>15,600</u>
Net Change in Fund Balance	(460,228)	(609,063)	(448,468)	160,595
Fund Balance - January 1, 2011	<u>(269,489)</u>	<u>(679,686)</u>	<u>770,579</u>	<u>1,450,265</u>
Fund Balance - December 31, 2011	<u>\$ (729,717)</u>	<u>\$ (1,288,749)</u>	<u>\$ 322,111</u>	<u>\$ 1,610,860</u>

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COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Human Services</u>				
Childcare Resource Management				
Revenues:				
Intergovernmental	\$ 9,351,607	\$ 9,351,607	\$ 8,054,196	\$ (1,297,411)
Interest	2,000	2,000	368	(1,632)
Total Revenues	<u>9,353,607</u>	<u>9,353,607</u>	<u>8,054,564</u>	<u>(1,299,043)</u>
Expenditures:				
Reimbursement to State	150,000	150,000	105,990	(44,010)
Salaries & Benefits	568,714	592,666	580,418	(12,248)
Personnel Expense	1,800	1,800	236	(1,564)
Consultant/Contracted Services	26,600	27,600	16,929	(10,671)
Sub Contracted Services	8,178,492	8,154,521	7,124,691	(1,029,830)
Occupancy	79,350	79,369	70,454	(8,915)
Communication	33,500	34,920	21,800	(13,120)
Supplies & Minor Equip.	81,500	81,500	33,822	(47,678)
Transportation	1,800	1,800	1,333	(467)
Other Expenditures	153,000	153,000	110,311	(42,689)
Capital Outlay	35,000	35,000	-	(35,000)
Total Expenditures	<u>9,309,756</u>	<u>9,312,176</u>	<u>8,065,984</u>	<u>(1,246,192)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,851	41,431	(11,420)	(52,851)
Fund Balance - January 1, 2011	<u>20,689</u>	<u>(152,845)</u>	<u>(10,881)</u>	<u>141,964</u>
Fund Balance - December 31, 2011	<u>\$ 64,540</u>	<u>\$ (111,414)</u>	<u>\$ (22,301)</u>	<u>\$ 89,113</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Recreation</u>				
Tourist Promotion				
Revenues:				
Intergovernmental	\$ 9,151	\$ 9,151	\$ -	\$ (9,151)
Departmental Earnings	12,500	12,500	18,138	5,638
Local Hotel Room Tax	237,500	237,500	267,925	30,425
Interest	150	150	55	(95)
Total Revenues	<u>259,301</u>	<u>259,301</u>	<u>286,118</u>	<u>26,817</u>
Expenditures:				
Salaries & Benefits	98,294	100,000	81,276	(18,724)
Personnel Expense	5,920	3,615	3,568	(47)
Consultant/Contracted Services	13,000	7,700	722	(6,978)
Communication	138,800	144,260	140,096	(4,164)
Supplies & Minor Equip.	4,250	4,090	2,430	(1,660)
Transportation	7,500	7,036	4,816	(2,220)
Other Expenditures	44,500	48,269	45,631	(2,638)
Capital Outlay	1,000	-	-	-
Total Expenditures	<u>313,264</u>	<u>314,970</u>	<u>278,539</u>	<u>(36,431)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,429	31,429	7,579	63,248
Fund Balance - January 1, 2011	<u>106,441</u>	<u>106,441</u>	<u>100,807</u>	<u>(5,634)</u>
Fund Balance - December 31, 2011	<u>\$ 137,870</u>	<u>\$ 137,870</u>	<u>\$ 108,386</u>	<u>\$ 57,614</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Anti-Drug Task Force / Educational				
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 93,500	\$ (6,500)
Departmental Earnings	30,000	30,000	56,246	26,246
Interest	90	90	(2,273)	(2,363)
Total Revenues	<u>130,090</u>	<u>130,090</u>	<u>147,473</u>	<u>17,383</u>
Expenditures:				
Salaries & Benefits	145,236	145,119	56,248	(88,871)
Personnel Expense	17,000	17,000	2,648	(14,352)
Communication	4,500	4,500	671	(3,829)
Supplies & Minor Equip.	14,000	13,714	5,710	(8,004)
Transportation	11,000	11,617	9,219	(2,398)
Other Expenditures	80,000	79,500	36,733	(42,767)
Total Expenditures	<u>271,736</u>	<u>271,450</u>	<u>111,229</u>	<u>(160,221)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(141,646)	(141,360)	36,244	177,604
Fund Balance - January 1, 2011	<u>(117,713)</u>	<u>(148,540)</u>	<u>304,620</u>	<u>453,160</u>
Fund Balance - December 31, 2011	<u>\$ (259,359)</u>	<u>\$ (289,900)</u>	<u>\$ 340,864</u>	<u>\$ 630,764</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Public Safety</u>				
Emergency Services 911				
Revenues:				
Intergovernmental	\$ 1,810,805	\$ 1,810,805	\$ 1,914,674	\$ 103,869
Departmental Earnings	765,996	765,996	690,643	(75,353)
Interest	1,700	1,700	681	(1,019)
Total Revenues	<u>2,578,501</u>	<u>2,578,501</u>	<u>2,605,998</u>	<u>27,497</u>
Expenditures:				
Consultant/Contracted Services	11,500	220,208	202,263	(17,945)
Communication	262,011	272,011	253,721	(18,290)
Supplies & Minor Equip.	85,071	131,229	95,990	(35,239)
Other Expenditures	2,132,014	2,103,730	1,642,812	(460,918)
Capital Outlay	210,716	250,914	100,660	(150,254)
Total Expenditures	<u>2,701,312</u>	<u>2,978,092</u>	<u>2,295,446</u>	<u>(682,646)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(122,811)	(399,591)	310,552	710,143
Other Financing Sources (Uses):				
Transfers To Other Funds	-	(112,556)	(112,556)	-
Total Financing Sources (Uses)	<u>-</u>	<u>(112,556)</u>	<u>(112,556)</u>	<u>-</u>
Net Change in Fund Balance	(122,811)	(512,147)	197,996	710,143
Fund Balance - January 1, 2011	<u>565,848</u>	<u>565,848</u>	<u>(107,791)</u>	<u>(673,639)</u>
Fund Balance - December 31, 2011	<u>\$ 443,037</u>	<u>\$ 53,701</u>	<u>\$ 90,205</u>	<u>\$ 36,504</u>

Exhibit E (Page 15 of 15)

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Capital Projects				
Courtroom Improvement				
Revenues:				
Interest	\$ 500	\$ 500	\$ 331	\$ (169)
Total Revenues	<u>500</u>	<u>500</u>	<u>331</u>	<u>(169)</u>
Expenditures:				
Supplies & Minor Equipment	-	140,632	85,600	(55,032)
Capital Outlay	275,100	167,725	106,180	(61,545)
Total Expenditures	<u>275,100</u>	<u>308,357</u>	<u>191,780</u>	<u>(116,577)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(274,600)	(307,857)	(191,449)	116,408
Other Financing Sources (Uses):				
Transfers From Other Funds	176,030	176,030	179,836	3,806
Total Financing Sources (Uses)	<u>176,030</u>	<u>176,030</u>	<u>179,836</u>	<u>3,806</u>
Net Change in Fund Balance	(98,570)	(131,827)	(11,613)	120,214
Fund Balance - January 1, 2011	<u>160,285</u>	<u>53,970</u>	<u>457,852</u>	<u>403,882</u>
Fund Balance - December 31, 2011	<u>\$ 61,715</u>	<u>\$ (77,857)</u>	<u>\$ 446,239</u>	<u>\$ 524,096</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Capital Projects</u>				
2007 & 2009 Capital Projects				
Revenues:				
Intergovernmental	\$ 64,000	\$ 64,000	\$ 129,590	\$ 65,590
Departmental Earnings	-	-	-	-
Interest	535	535	521	(14)
Total Revenues	<u>64,535</u>	<u>64,535</u>	<u>130,111</u>	<u>65,576</u>
Expenditures:				
Consultant/Contracted Services	-	3,775	3,775	-
Supplies & Minor Equip.	-	1,570	1,570	-
Infrastructure	1,421,498	1,915,426	491,608	(1,423,818)
Capital Outlay	365,000	1,237,526	587,029	(650,497)
Total Expenditures	<u>1,786,498</u>	<u>3,158,297</u>	<u>1,083,982</u>	<u>(2,074,315)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,721,963)	(3,093,762)	(953,871)	2,139,891
Other Financing Sources (Uses):				
Insurance of Debt	-	-	58,403	58,403
Transfers From Other Funds	810,685	810,685	237,776	(572,909)
Transfer to Other Funds	(607,035)	(607,035)	(861,351)	254,316
Total Financing Sources (Uses)	<u>203,650</u>	<u>203,650</u>	<u>(565,172)</u>	<u>(768,822)</u>
Net Change in Fund Balance	(1,518,313)	(2,890,112)	(1,519,043)	1,371,069
Fund Balance - January 1, 2011	<u>2,888,323</u>	<u>(1,061,403)</u>	<u>1,555,942</u>	<u>2,617,345</u>
Fund Balance - December 31, 2011	<u>\$ 1,370,010</u>	<u>\$ (3,951,515)</u>	<u>\$ 36,899</u>	<u>\$ 3,988,414</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget		Actual	Variance
	Original	Final		Over (Under)
Capital Projects				
Capital Reserve				
Revenues:				
Departmental Earnings	\$ 400,000	\$ 400,000	\$ 672,507	\$ 272,507
Interest	100	100	207	107
Total Revenues	<u>400,100</u>	<u>400,100</u>	<u>672,714</u>	<u>272,614</u>
Expenditures:				
Consultant/Contracted Services	-	271,705	246,478	(25,227)
Infrastructure	-	89,452	51,153	(38,299)
Capital Outlay	299,000	71,651	109,949	38,298
Total Expenditures	<u>299,000</u>	<u>432,808</u>	<u>407,580</u>	<u>(25,228)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	101,100	(32,708)	265,134	297,842
Other Financing Sources (Uses):				
Transfers From Other Funds	85,000	85,000	-	(85,000)
Total Financing Sources (Uses)	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>(85,000)</u>
Net Change in Fund Balance	186,100	52,292	265,134	212,842
Fund Balance - January 1, 2011	<u>-</u>	<u>(10)</u>	<u>574,128</u>	<u>574,138</u>
Fund Balance - December 31, 2011	<u>\$ 186,100</u>	<u>\$ 52,282</u>	<u>\$ 839,262</u>	<u>\$ 786,980</u>

Exhibit F (Page 3 of 3)

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS

December 31, 2011

	Medical Fund	Workers' Compensation Fund	Total
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,010,865	\$ 97,231	\$ 1,108,096
Receivables	60,424	-	60,424
Prepaid Expenses	30,057	-	30,057
Interfund Receivable	119,964	-	119,964
Total Current Assets	1,221,310	97,231	1,318,541
Total Assets	\$ 1,221,310	\$ 97,231	\$ 1,318,541
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 22,068	\$ 159,045	\$ 181,113
Accrued Employee Benefits	492,136	42,931	535,067
Total Current Liabilities	514,204	201,976	716,180
Total Liabilities	514,204	201,976	716,180
<u>Net Assets</u>			
Unrestricted	707,106	(104,745)	602,361
Total Net Assets	\$ 707,106	\$ (104,745)	\$ 602,361

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

	Medical Fund	Workers' Compensation Fund	Total
<u>Operating Revenues</u>			
Charges for Services	\$ 8,715,330	\$ 988,054	\$ 9,703,384
Miscellaneous Income	8,095	-	8,095
Total Operating Revenues	8,723,425	988,054	9,711,479
<u>Operating Expenses</u>			
Costs of Services	8,248,520	593,466	8,841,986
Administrative	181,720	508,707	690,427
Total Operating Expenses	8,430,240	1,102,173	9,532,413
Operating Income (Loss)	293,185	(114,119)	179,066
<u>Non-Operating Revenues (Expenses)</u>			
Investment Income	617	71	688
Total Non-Operating Revenues (Expenses)	617	71	688
Income (Loss) Before Transfers	293,802	(114,048)	179,754
Change in Net Assets	293,802	(114,048)	179,754
Total Net Assets - Beginning	413,304	9,303	422,607
Total Net Assets - Ending	\$ 707,106	\$ (104,745)	\$ 602,361

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COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
<u>Cash Flows from Operating Activities:</u>			
Cash receipts for services provided	\$ 8,715,085	\$ 988,711	\$ 9,703,796
Cash payments to suppliers	<u>(8,582,673)</u>	<u>(1,100,825)</u>	<u>(9,683,498)</u>
Net Cash Provided by/(used in) Operating Activities	<u>132,412</u>	<u>(112,114)</u>	<u>20,298</u>
<u>Cash Flows from Investing Activities:</u>			
Investment income	<u>617</u>	<u>71</u>	<u>688</u>
Net Cash Provided by Investing Activities	<u>617</u>	<u>71</u>	<u>688</u>
Net Increase (Decrease) in Cash and Cash Equivalents	133,029	(112,043)	20,986
<u>Cash and Cash Equivalents:</u>			
Beginning of year	877,836	209,274	1,087,110
End of year	<u>\$ 1,010,865</u>	<u>\$ 97,231</u>	<u>\$ 1,108,096</u>
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:</u>			
Operating income (loss)	\$ 293,185	\$ (114,119)	\$ 179,066
Change in operating assets and liabilities:			
Accounts receivable and due from other funds	(8,338)	657	(7,681)
Prepaid expenses	(1,705)	59,810	58,105
Accounts payable and due to other funds	(404,293)	124,777	(279,516)
Accrued liabilities	<u>253,563</u>	<u>(183,239)</u>	<u>70,324</u>
Net Cash Provided by/(used in) Operating Activities	<u>\$ 132,412</u>	<u>\$ (112,114)</u>	<u>\$ 20,298</u>

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
Clerk of Courts				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 243,011	2,353,822	2,384,725	\$ 212,108
	<u>243,011</u>	<u>2,353,822</u>	<u>2,384,725</u>	<u>212,108</u>
<u>Liabilities</u>				
Accounts Payable	215,854	2,353,159	2,357,568	211,444
Other Liabilities	27,157	663	27,157	663
	<u>\$ 243,011</u>	<u>2,353,822</u>	<u>2,384,725</u>	<u>\$ 212,108</u>
Domestic Relations - Support Payments				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 74,353	429,625	416,508	\$ 87,470
	<u>74,353</u>	<u>429,625</u>	<u>416,508</u>	<u>87,470</u>
<u>Liabilities</u>				
Accounts Payable	74,353	429,625	416,508	87,470
	<u>\$ 74,353</u>	<u>429,625</u>	<u>416,508</u>	<u>\$ 87,470</u>
Other Escrow				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,884	1	231	\$ 1,654
	<u>1,884</u>	<u>1</u>	<u>231</u>	<u>1,654</u>
<u>Liabilities</u>				
Accounts Payable	1,884	1	231	1,654
	<u>\$ 1,884</u>	<u>1</u>	<u>231</u>	<u>\$ 1,654</u>
Recorder of Deeds				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 335,842	9,465,102	9,438,213	\$ 362,731
	<u>335,842</u>	<u>9,465,102</u>	<u>9,438,213</u>	<u>362,731</u>
<u>Liabilities</u>				
Accounts Payable	329,710	9,457,893	9,432,081	355,522
Other Liabilities	6,132	7,209	6,132	7,209
	<u>\$ 335,842</u>	<u>9,465,102</u>	<u>9,438,213</u>	<u>\$ 362,731</u>
Register of Wills				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 161,152	7,604,719	7,706,497	\$ 59,374
Accounts Receivable - State	2,529	2,253	2,529	2,253
	<u>163,681</u>	<u>7,606,972</u>	<u>7,709,026</u>	<u>61,627</u>
<u>Liabilities</u>				
Accounts Payable	163,681	7,606,972	7,709,026	61,627
	<u>\$ 163,681</u>	<u>7,606,972</u>	<u>7,709,026</u>	<u>\$ 61,627</u>

Exhibit G (Page 1 of 2)

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
Sheriff				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 399,394	1,718,307	1,883,801	\$ 233,899
	<u>399,394</u>	<u>1,718,307</u>	<u>1,883,801</u>	<u>233,899</u>
<u>Liabilities</u>				
Accounts Payable	399,394	1,718,307	1,883,801	233,899
	<u>\$ 399,394</u>	<u>1,718,307</u>	<u>1,883,801</u>	<u>\$ 233,899</u>
Prothonotary				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 99,475	776,754	698,294	\$ 177,935
	<u>99,475</u>	<u>776,754</u>	<u>698,294</u>	<u>177,935</u>
<u>Liabilities</u>				
Accounts Payable	98,220	775,644	697,039	176,825
Other Liabilities	1,255	1,110	1,255	1,110
	<u>\$ 99,475</u>	<u>776,754</u>	<u>698,294</u>	<u>\$ 177,935</u>
Tax Claim				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,599,140	16,479,821	16,672,894	\$ 1,406,067
	<u>1,599,140</u>	<u>16,479,821</u>	<u>16,672,894</u>	<u>1,406,067</u>
<u>Liabilities</u>				
Accounts Payable	1,599,140	16,479,821	16,672,894	1,406,067
	<u>\$ 1,599,140</u>	<u>16,479,821</u>	<u>16,672,894</u>	<u>\$ 1,406,067</u>
Treasurer				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 41,870	284,253	293,237	\$ 32,886
	<u>41,870</u>	<u>284,253</u>	<u>293,237</u>	<u>32,886</u>
<u>Liabilities</u>				
Accounts Payable	41,870	284,253	293,237	32,886
	<u>\$ 41,870</u>	<u>284,253</u>	<u>293,237</u>	<u>\$ 32,886</u>
Total - Agency Funds				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,956,121	39,112,403	39,494,400	\$ 2,574,123
Accounts Receivable - State	2,529	2,253	2,529	2,253
	<u>2,958,650</u>	<u>39,114,656</u>	<u>39,496,929</u>	<u>2,576,376</u>
<u>Liabilities</u>				
Accounts Payable	2,924,106	39,105,674	39,462,385	2,567,394
Other Liabilities	34,544	8,982	34,544	8,982
	<u>\$ 2,958,650</u>	<u>39,114,656</u>	<u>39,496,929</u>	<u>\$ 2,576,376</u>

Exhibit G (Page 2 of 2)

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STATISTICAL SECTION

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Statistical Section Content

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules are intended to assist the reader in understanding and assessing how the County's financial position has changed over time.	187-192
Revenue Capacity These schedules are intended to assist the reader in understanding and assessing the factors affecting the County's most significant local revenue source, the property tax.	193-197
Debt Capacity These schedules are intended to assist the reader in understanding and assessing the factors affecting the County's outstanding debt and its ability to issue additional debt in the future.	198-203
Demographic and Economic Information These schedules are intended to assist the reader in understanding the demographic and economic factors that the County's financial activities take place in.	204-205
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	206-209

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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County of Beaver, Pennsylvania
Net Assets by Component
Last Ten Years
(accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 12,674,892	\$ 1,590,243	\$ 9,995,154	\$ 9,036,227	\$ 9,354,708	\$ 9,179,985	\$ (5,815,883)	\$ 3,333,611	\$ 1,137,967	\$ 3,203,947
Restricted for:										
General Government	430,148	-	-	-	-	-	-	-	-	-
Judicial	850,946	-	-	-	-	-	-	-	-	-
Public Safety	180,327	-	-	-	-	-	-	-	-	-
Public Works and Enterprises	1,655,523	-	-	-	-	-	-	-	-	-
Culture, Recreation & Conservation	108,386	-	-	-	-	-	-	-	-	-
Economic Development	269,711	-	-	-	-	-	-	-	-	-
Human Services	9,397,396	-	-	-	-	-	-	-	-	-
Unrestricted	(10,265,174)	(1,618,896)	(5,422,856)	(15,219,816)	(12,062,442)	(12,886,891)	(2,991,638)	(6,127,682)	863,707	4,499,575
Total Governmental Activities Net Assets	15,302,155	(28,653)	4,572,298	(6,183,589)	(2,707,734)	(3,706,906)	(8,807,521)	(2,794,071)	2,001,674	7,703,522
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	8,084,721	11,434,203	11,106,333	9,285,442	8,526,775	9,146,273	9,230,260	8,564,335	8,882,470	8,273,789
Restricted	-	7,279,670	6,912,769	11,534,085	11,970,526	9,732,190	7,815,415	7,146,922	7,127,610	11,901,724
Unrestricted	1,155,027	16,381	2,086,675	5,580,363	5,818,575	6,990,875	4,453,838	3,994,352	5,890,931	10,981,605
Total Business-type Activities Net Assets	9,239,748	18,730,254	20,105,777	26,399,890	26,315,876	25,869,338	21,499,513	19,705,609	21,901,011	31,157,118
Primary Government										
Invested in Capital Assets, Net of Related Debt	20,759,613	13,024,446	21,101,487	18,321,669	17,881,483	18,326,258	3,414,377	11,897,946	10,020,437	11,477,736
Restricted for:										
Restricted Fund	-	7,279,670	6,912,769	11,534,085	11,970,526	9,732,190	7,815,415	7,146,922	7,127,610	11,901,724
General Government	430,148	-	-	-	-	-	-	-	-	-
Judicial	850,946	-	-	-	-	-	-	-	-	-
Public Safety	180,327	-	-	-	-	-	-	-	-	-
Public Works and Enterprises	1,655,523	-	-	-	-	-	-	-	-	-
Culture, Recreation & Conservation	108,386	-	-	-	-	-	-	-	-	-
Economic Development	269,711	-	-	-	-	-	-	-	-	-
Human Services	9,397,396	-	-	-	-	-	-	-	-	-
Unrestricted	(9,110,147)	(1,602,515)	(3,336,181)	(9,639,453)	(6,243,867)	(5,896,016)	1,462,200	(2,133,330)	6,754,638	15,481,180
Total Primary Government Net Assets	\$ 24,541,903	\$ 18,701,601	\$ 24,678,075	\$ 20,216,301	\$ 23,608,142	\$ 22,162,432	\$ 12,691,992	\$ 16,911,538	\$ 23,902,685	\$ 38,860,640

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

County of Beaver, Pennsylvania
Changes in Net Assets
(accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Program Revenues										
Governmental Activities:										
Fees and Charges:										
General Government	\$ 8,106,487	\$ 7,751,564	\$ 7,625,322	\$ 8,078,762	\$ 7,912,438	\$ 7,247,343	\$ 6,501,784	\$ 6,747,064	\$ 6,458,387	\$ 6,007,415
Judicial	340,294	304,522	314,108	335,118	346,304	316,087	300,717	303,751	275,774	298,890
Public Safety	690,643	-	-	-	-	-	-	-	1,790	-
Public Works and Enterprises	24,034	22,367	25,312	285,784	260,553	670,536	754,864	776,312	648,922	610,169
Culture, Recreation, and Conservation	286,063	251,490	233,425	-	-	-	-	-	-	-
Human Services	1,271,830	1,412,633	1,463,490	1,398,292	1,244,744	774,607	1,276,100	1,274,498	1,394,925	1,196,109
Economic Development	384,870	321,209	393,641	385,609	476,730	429,784	-	-	-	-
Miscellaneous	1,070,899	2,031,365	1,137,675	1,147,581	1,435,432	1,168,842	1,741,876	2,443,662	1,681,590	1,827,143
Operating Grants and Contributions	101,993,002	66,461,336	77,339,228	80,267,272	77,284,833	76,456,596	76,832,424	74,330,497	70,375,916	63,124,529
Total Governmental Activities Program Revenues	114,168,122	78,556,487	88,532,201	91,898,418	88,961,034	87,063,795	87,407,765	85,875,784	80,837,304	73,064,255
Business-type Activities:										
Fees and Charges:										
Friendship Ridge	54,820,672	56,136,160	53,408,458	52,376,087	51,730,038	49,249,600	48,574,177	45,586,326	41,044,373	39,690,062
Emergency Services	-	767,042	912,983	1,212,158	1,315,659	1,644,239	1,472,638	1,435,183	1,512,831	1,492,892
HealthChoices	-	35,106,108	28,804,258	25,846,355	24,707,769	22,040,751	19,945,731	16,769,458	10,742,058	10,583,092
Operating Grants and Contributions	-	2,447,934	3,507,863	1,795,207	1,622,282	1,660,497	963,108	-	-	-
Total Business-type Activities Program Revenues	54,820,672	94,457,244	86,633,562	81,229,807	79,375,748	74,595,087	70,955,654	63,790,967	53,299,262	51,766,046
Total Primary Government Program Revenues	168,988,794	173,013,731	175,165,763	173,128,225	168,336,782	161,658,882	158,363,419	149,666,751	134,136,566	124,830,301
Expenses										
Governmental Activities:										
General Government	11,996,754	11,669,448	10,815,513	10,885,322	10,638,416	14,438,453	16,606,678	10,896,002	9,267,579	10,109,241
Judicial	14,636,699	15,098,971	13,913,313	13,886,914	13,116,223	13,530,585	13,030,383	12,972,500	13,136,088	12,259,262
Public Safety	15,462,810	13,757,968	13,544,091	13,702,730	11,031,994	13,925,640	12,851,354	12,186,450	13,236,526	11,840,973
Public Works and Enterprises	4,241,207	4,528,251	5,619,566	5,278,816	4,886,450	4,992,021	14,224,464	13,401,626	14,428,990	14,271,672
Culture, Recreation, and Conservation	3,397,281	3,084,802	3,126,749	3,334,894	3,235,547	2,981,813	2,905,154	3,040,058	3,536,393	3,349,113
Human Services	89,981,045	56,738,862	70,269,076	74,933,041	71,619,963	62,830,600	65,027,441	67,919,948	61,905,388	56,843,130
Economic Development	8,270,783	9,930,980	10,150,296	7,912,766	9,687,518	8,073,719	-	-	-	-
Miscellaneous	-	-	-	-	-	-	1,259,430	501,769	795,143	592,953
Interest Expense	6,195,361	7,545,030	6,443,658	5,222,561	5,464,151	4,454,056	4,537,621	3,951,019	3,845,322	3,922,308
Total Governmental Activities Expenses	154,181,940	122,354,311	133,882,262	135,157,044	129,680,262	125,226,887	130,442,525	124,869,372	120,151,429	113,188,652
Business-type Activities:										
Friendship Ridge	56,272,993	58,274,662	57,367,785	53,439,581	52,609,529	48,981,202	48,687,662	47,414,926	45,550,629	41,598,201
Emergency Services	-	3,318,004	3,485,386	2,178,655	2,905,978	1,647,499	1,451,371	1,473,907	1,668,613	1,908,355
HealthChoices	-	34,760,543	33,479,918	26,628,247	23,033,731	20,652,039	18,781,499	16,835,814	15,595,080	11,432,082
Interest Expense	-	-	-	-	-	-	-	-	-	251,026
Total Business-type Activities Expenses	56,272,993	96,353,209	94,333,089	82,246,483	78,549,238	71,280,740	68,920,532	65,724,647	62,814,322	55,189,664
Total Primary Government Expenses	\$ 210,454,933	\$ 218,707,520	\$ 228,215,351	\$ 217,403,527	\$ 208,229,500	\$ 196,507,627	\$ 199,363,057	\$ 190,594,019	\$ 182,965,751	\$ 168,378,316

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

County of Beaver, Pennsylvania
Changes in Net Assets
Last Ten Years
(accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Net (Expense)/Revenue										
Governmental Activities	\$ (40,013,818)	\$ (43,797,824)	\$ (45,350,061)	\$ (43,258,627)	\$ (40,719,225)	\$ (38,163,092)	\$ (43,034,760)	\$ (38,993,588)	\$ (39,314,125)	\$ (40,124,397)
Business-type Activities	(1,452,321)	(1,895,965)	(7,699,527)	(1,016,676)	826,510	3,314,347	2,035,122	(1,933,680)	(9,515,060)	(3,423,618)
Total Primary Government Net Expense	\$ (41,466,139)	\$ (45,693,789)	\$ (53,049,588)	\$ (44,275,303)	\$ (39,892,715)	\$ (34,848,745)	\$ (40,999,638)	\$ (40,927,268)	\$ (48,829,185)	\$ (43,548,015)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Real Estate Taxes	\$ 47,133,255	\$ 46,603,187	\$ 45,901,624	\$ 45,714,111	\$ 38,995,721	\$ 34,994,052	\$ 35,870,725	\$ 32,991,875	\$ 32,828,964	\$ 31,172,720
Investment Income (Loss)	74,490	98,614	243,583	(5,315,720)	2,138,290	(7,553,763)	1,180,297	829,642	987,180	1,344,331
Other Income	-	-	680,307	-	-	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	(135,934)	333,590	(6,667)	(95,726)	700,010
Special Item:										
Transfer to Airport Authority	-	(7,430,681)	-	-	-	-	-	-	-	-
Gain on 2006 Swap Termination	-	-	10,586,368	-	-	-	-	-	-	-
Transfers	(2,255,409)	(452,553)	(1,305,934)	(615,612)	584,386	(336,607)	(363,301)	382,993	(108,140)	(121,747)
Total Governmental Activities	44,952,336	38,818,567	56,105,948	39,782,779	41,718,397	26,967,748	37,021,311	34,197,843	33,612,278	33,095,314
Business-type Activities:										
Investment Earnings	5,566	24,213	79,457	473,498	758,318	675,349	317,265	110,890	145,763	340,188
Other Income	11,933	43,676	20,025	11,579	36,094	43,523	8,253	10,381	5,050	13,011
Transfers	2,255,409	452,553	1,305,934	615,612	(584,386)	336,607	363,301	(382,993)	108,140	121,747
Total Business-type Activities	2,272,908	520,442	1,405,416	1,100,689	210,026	1,055,479	688,819	(261,722)	258,953	474,946
Total Primary Government	47,225,244	39,339,009	57,511,364	40,883,468	41,928,423	28,023,227	37,710,130	33,936,121	33,871,231	33,570,260
Change in Net Assets										
Governmental Activities	4,938,518	(4,979,257)	10,755,887	(3,475,848)	999,172	(11,195,344)	(6,013,449)	(4,795,745)	(5,701,847)	(7,029,083)
Business-type Activities	820,587	(1,375,523)	(6,294,111)	84,013	1,036,536	4,369,827	2,723,941	(2,195,402)	(9,256,107)	(2,948,672)
Total Primary Government Change in Net Assets	\$ 5,759,105	\$ (6,354,780)	\$ 4,461,776	\$ (3,391,835)	\$ 2,035,708	\$ (6,825,517)	\$ (3,289,508)	\$ (6,991,147)	\$ (14,957,954)	\$ (9,977,755)

Notes:

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

County of Beaver, Pennsylvania
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Unreserved, Designated	\$ -	\$ 26,032	\$ 855,737	\$ 77,750	\$ 66,901	\$ -	\$ 41,231	\$ 17,605	\$ 191,216	\$ 112,070
Unreserved, Undesignated	-	3,712,094	3,277,443	1,233,082	1,311,137	(142,447)	622,378	746,179	1,830,759	2,899,572
Nonspendable:										
Not in Spendable Form (Prepaid Expenses)	272,453	-	-	-	-	-	-	-	-	-
Assigned:										
General Government	6,135	-	-	-	-	-	-	-	-	-
Judicial	3,947	-	-	-	-	-	-	-	-	-
Public Safety	2,101	-	-	-	-	-	-	-	-	-
Culture, Recreation & Conservation	649	-	-	-	-	-	-	-	-	-
Unassigned:	2,112,317	-	-	-	-	-	-	-	-	-
Total General Fund	2,397,602	3,738,126	4,133,180	1,310,832	1,378,038	(142,447)	663,609	763,784	2,021,975	3,011,642
All Other Governmental Funds										
Unreserved, Designated	-	1,589,202	933,293	1,054,288	1,332,155	1,301,740	1,290,257	327,272	510,988	2,044,801
Unreserved, Reported in:										
Special Revenue funds	-	5,053,869	5,757,754	3,457,454	4,597,378	4,835,823	3,971,923	4,994,567	5,170,375	4,413,357
Capital Projects funds	-	1,161,197	5,674,231	911,524	2,866,916	372,830	1,236,854	1,560,857	4,108,710	8,408,756
Nonspendable:										
Not in Spendable Form (Prepaid Expenses)	1,666,991	-	-	-	-	-	-	-	-	-
Restricted:										
General Government	434,672	-	-	-	-	-	-	-	-	-
Judicial	717,776	-	-	-	-	-	-	-	-	-
Public Safety	180,327	-	-	-	-	-	-	-	-	-
Public Works and Enterprises	1,378,870	-	-	-	-	-	-	-	-	-
Culture, Recreation & Conservation	108,386	-	-	-	-	-	-	-	-	-
Economic Development	269,711	-	-	-	-	-	-	-	-	-
Human Services	8,076,310	-	-	-	-	-	-	-	-	-
Committed:										
General Government	1,285,501	-	-	-	-	-	-	-	-	-
Unassigned:	(234,522)	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	13,884,022	7,804,268	12,365,278	5,423,266	8,796,449	6,510,393	6,499,034	6,882,696	9,790,073	14,866,914
Total Governmental Funds	\$ 16,281,624	\$ 11,542,394	\$ 16,498,458	\$ 6,734,098	\$ 10,174,488	\$ 6,367,946	\$ 7,162,643	\$ 7,646,480	\$ 11,812,048	\$ 17,878,556

Notes:

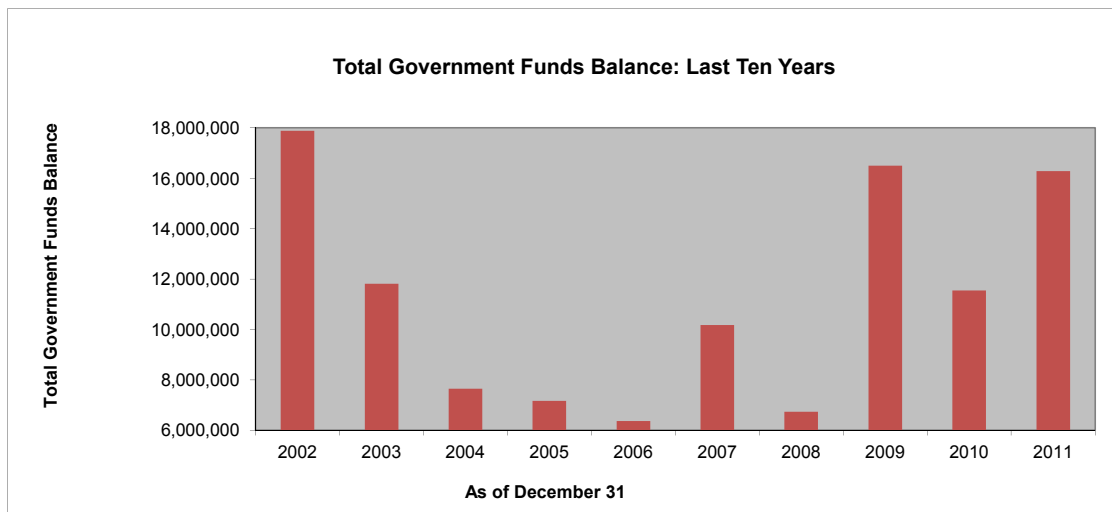
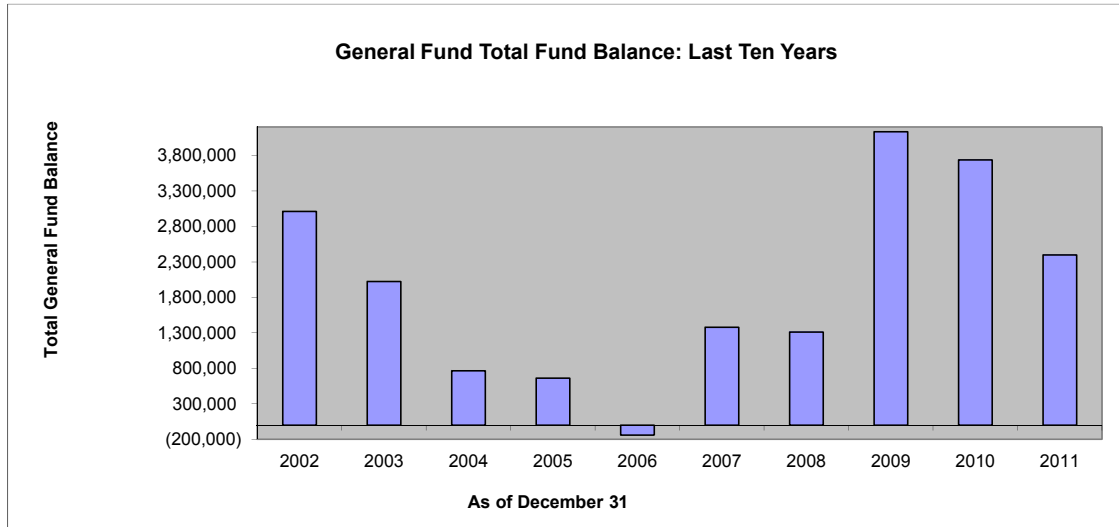
- 1) Generally accepted accounting principles changed for the reporting of fund balance with GASB 54 effective for years ending on or after December 31, 2011. Prior to 2011, records were not compiled in accordance with GASB 54. "Fund Balance Reporting and Governmental Fund Type Definitions." This GASB was implemented on a prospective basis starting January 1, 2011.
- 2) Two activities previously categorized as business-type (HealthChoices and Emergency Services) are classified as governmental starting January 1, 2011, due to the change in definition of a special revenue fund per GASB 54. Financial statements prior to January 1, 2011 have not been restated to reflect this change.
- 3) With the implementation of GASB 54 noted above, the statistical section was implemented on a prospective basis but the Management's Discussion and Analysis (MD&A) section has implemented GASB 54 on a retrospective basis in order to have comparative statements. Therefore, the 2010 fund financial statements in the statistical section will not agree to the 2010 fund financial statements in the MD&A.

County of Beaver, Pennsylvania

Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)



County of Beaver, Pennsylvania
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

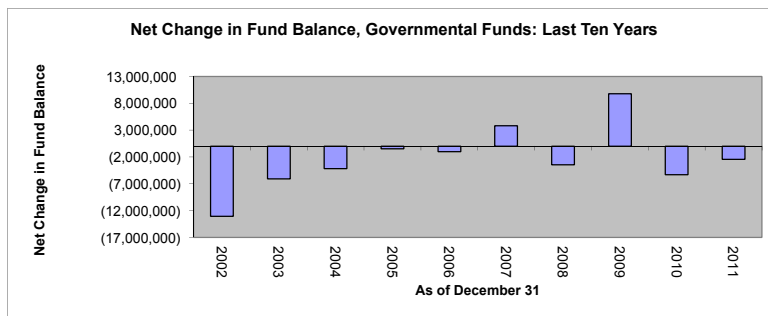
	2011 (e)	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Real Estate Taxes	\$ 47,359,047	\$ 46,192,256	\$ 45,986,732	\$ 45,361,286	\$ 38,494,475	\$ 35,752,456	\$ 35,317,573	\$ 32,890,800	\$ 32,798,112	\$ 31,715,029
Licenses and Permits	95,994	88,331	90,613	94,777	97,652	71,623	72,633	77,137	120,258	112,552
Interest and Rents	73,801	97,072	237,972	968,971	1,707,464	1,224,703	1,174,688	828,021	984,415	1,337,353
Intergovernmental	103,744,098	64,848,333	79,118,847	76,585,454	79,040,944	75,512,509	78,860,749	71,617,067	70,025,840	63,124,529
Charges for Services and Facilities	10,748,397	10,269,426	9,755,195	10,144,856	9,914,265	9,157,130	5,840,710	6,014,249	6,190,617	5,754,603
Local Hotel Room Tax	267,925	235,540	215,100	243,930	228,852	209,604	-	-	-	-
Project Income	-	-	-	-	-	-	2,920,122	3,010,237	2,558,023	2,245,428
Miscellaneous	1,062,804	1,501,854	1,581,922	1,147,581	1,435,432	1,168,842	1,875,861	2,443,662	1,681,517	1,827,143
Total Revenues	163,352,066	123,232,812	136,986,381	134,546,855	130,919,084	123,096,867	126,062,336	116,881,173	114,358,782	106,116,637
Expenditures										
Current:										
General Government	9,982,399	9,884,189	11,226,886	9,797,512	9,512,670	13,374,579	18,249,926	9,420,239	9,026,172	8,765,584
Judicial	14,028,854	14,730,514	15,672,337	13,778,503	12,775,641	13,039,493	15,965,270	12,689,128	12,557,536	11,983,149
Public Safety	15,386,635	12,571,331	16,001,577	13,258,113	10,337,538	12,602,316	16,764,923	11,347,406	12,176,861	11,040,261
Public Works and Enterprises (b)	3,370,619	3,491,805	3,936,778	3,904,651	3,495,004	3,500,517	14,218,880	12,675,793	13,666,279	13,566,984
Culture, Recreation and Conservation	2,960,924	2,847,595	3,117,984	3,144,734	2,977,581	2,686,344	3,230,307	2,803,330	3,250,341	3,098,146
Economic Development (b)	8,300,580	9,804,324	10,102,085	7,876,607	9,624,288	8,000,366	-	-	-	-
Human Services (d)	90,167,200	56,804,760	69,812,859	74,616,096	70,916,823	62,381,096	65,006,281	66,354,133	61,068,794	56,536,369
Miscellaneous (a)	-	-	-	-	-	-	1,259,430	501,769	795,143	592,953
Capital Outlay-Infrastructure	8,294,941	6,200,701	1,968,649	1,082,722	2,713,748	2,150,860	3,207,525	167,902	245,318	1,281,767
Capital Outlay-Asset Acquisition and Improvements	1,410,896	3,025,859	9,351,084	3,572,364	1,398,789	2,573,437	2,821,743	1,156,853	2,990,460	17,754,912
Refunding Bond Issuance Costs	-	-	-	-	933,619	309,351	-	-	-	-
Debt service:										
Principal	3,285,850	3,028,918	2,147,247	2,718,684	2,659,767	1,132,235	2,000,909	1,900,436	801,544	1,905,000
Interest	5,537,461	5,692,426	5,725,138	4,997,227	5,237,624	2,324,349	3,938,028	3,791,049	3,878,269	3,447,171
Bond Issuance Costs	-	-	1,355,321	-	54,853	-	-	-	92,282	-
Total Expenditures	162,726,359	128,082,421	150,417,945	138,747,213	132,637,945	124,074,943	146,663,222	122,808,038	120,548,999	129,972,296
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>625,707</i>	<i>(4,849,609)</i>	<i>(13,431,564)</i>	<i>(4,200,358)</i>	<i>(1,718,861)</i>	<i>(978,076)</i>	<i>(20,600,886)</i>	<i>(5,926,865)</i>	<i>(6,190,217)</i>	<i>(23,855,659)</i>
Other Financing Sources (Uses)										
Sale of Capital Assets	-	-	-	-	-	-	700,000	-	-	710,005
Capital Leases	-	174,680	7,984,367	1,375,582	329,409	-	-	-	-	8,699,804
Payment to Refunded Bonds Escrow Agent	-	-	(58,484,063)	-	(58,125,000)	(8,678,280)	-	-	(5,132,414)	-
Proceeds from Basis Cap	-	-	-	-	-	-	-	1,378,305	-	-
Proceeds of Bonds	58,403	-	21,923,950	-	3,289,430	-	19,780,350	-	-	-
Issuance of Refunding Debt	-	-	60,328,550	-	59,655,000	9,050,000	-	-	5,375,000	-
Swaption Payment	-	-	-	-	-	-	-	-	-	1,511,500
Insurance Proceeds	-	-	442,320	-	-	-	-	-	-	-
Original Issue Discount	-	-	(1,428,045)	-	(207,822)	(62,369)	-	-	(10,737)	-
Transfers In	3,571,299	3,793,889	353,420	250,899	1,200,000	36,568	-	1,031,129	131,391	1,090,604
Transfers Out (d)	(6,688,059)	(4,246,442)	(979,573)	(866,511)	(615,614)	(373,175)	(363,301)	(648,136)	(239,531)	(1,212,351)
Total Other Financing Sources (Uses)	(3,058,357)	(277,873)	30,140,926	759,970	5,525,403	(27,256)	20,117,049	1,761,298	123,709	10,799,562
Special Items										
2006 Swap Agreement Termination	-	-	(6,945,000)	-	-	-	-	-	-	-
Transfer to the Airport Authority	-	(206,885)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (2,432,650)	\$ (5,334,367)	\$ 9,764,362	\$ (3,440,388)	\$ 3,806,542	\$ (1,005,332)	\$ (483,837)	\$ (4,165,567)	\$ (6,066,508)	\$ (13,056,097)
Debt Service as a Percentage of Noncapital Expenditures	5.8%	7.3%	5.7%	5.8%	6.1%	2.9%	4.2%	4.7%	4.0%	4.8%

(a) - For all years prior to 2006, the County recorded Miscellaneous expenditures separately in its basic financial statements. For all years starting in 2006 these amounts were allocated to the appropriate function.

(b) - In prior years the Economic Development Function was included as part of the Public Works function.

(c) - Two activities previously categorized as business-type (HealthChoices and Emergency Services) are classified as governmental starting January 1, 2011, due to the change in definition of a special revenue fund per GASB 54. Financial statements prior to January 1, 2011 have not been restated to reflect this change.

(d) - Effective January 1, 2011, county match expenditures from the General Fund to other funds are classified as Transfers Out in the General Fund and Transfer from Other Funds in the receiving fund. Prior to January 1, 2011, these transactions were reported as Human Services expenditures in the General Fund and Intergovernmental Revenues in the receiving fund.



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

Fiscal Year	Residential / Agricultural	Commercial / Industrial	Less Non Taxable	Total Taxable End of Year Actual Assessed Value	Total Taxable Actual Market Value	Common Level Ratio % (CLR)	Direct Tax Rate
2011	\$ 1,970,569,657	\$ 605,884,431	\$ 457,991,312	\$ 2,118,462,776	\$ 7,085,159,786	29.90 %	22.20
2010	1,954,254,872	613,019,142	457,704,757	2,109,569,257	7,079,091,467	29.80	22.20
2009	1,947,012,633	605,314,542	455,114,519	2,097,212,656	7,182,235,123	29.20	22.20
2008	1,918,509,761	628,834,644	469,572,834	2,077,771,571	7,091,370,549	29.30	22.20
2007	1,910,141,821	606,747,900	451,800,957	2,065,088,764	6,838,042,265	30.20	18.70
2006	1,839,888,236	629,254,621	429,005,650	2,040,137,207	6,581,087,765	31.00	17.70
2005	1,814,757,767	621,869,891	429,291,421	2,007,336,237	6,233,963,469	32.20	17.70
2004	1,798,217,184	616,201,867	425,378,651	1,989,040,400	5,715,633,333	34.80	15.70
2003	N/A	N/A	N/A	2,070,855,533	5,985,131,598	34.60	15.70
2002	1,761,024,351	714,646,323	429,276,531	2,046,394,143	5,830,182,744	35.10	15.70

Sources: Beaver County Assessment Office

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

N/A = Not Available

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

	Year Taxes are Payable									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
County Direct Rate										
Property Tax	22.20	22.20	22.20	22.20	18.70	17.70	17.70	15.70	15.70	15.70
Municipal Rates										
City of Aliquippa (1)	L 84.00 B 14.40	L 84.00 B 14.40	L 81.00 B 11.40	L 81.00 B 11.40	L 80.60 B 11.40	L 78.80 B 11.50	L 78.80 B 11.50	L 77.50 B 11.50	L 77.50 B 11.50	L 77.00 B 9.00
City of Beaver Falls (1)	32.00	32.00	32.00	32.00	32.00	32.00	30.00	30.00	28.00	28.00
Townships	5.00-25.00	5.00-25.00	5.00-23.38	5.00-23.38	5.00-23.38	5.00-22.38	5.00-22.38	3.00-22.38	3.00-20.38	3.00-20.38
Boroughs (2)	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-32.50	1.00-30.50	1.00-28.50	1.00-28.50
School District Rates										
City of Aliquippa (1)	L 202.00 B 32.50	L 198.00 B 32.00	L 195.00 B 31.00	L 188.00 B 29.50	L 177.00 B 28.00	L 173.00 B 28.00	L 173.00 B 28.00	L 169.00 B 24.00	L 165.00 B 20.00	L 165.00 B 20.00
City of Beaver Falls (1)	62.00	61.00	61.00	61.00	59.00	59.00	59.00	56.00	56.00	54.00
Townships	44.00-69.8390	42.00-67.00	41.20-66.00	39.00-66.00	39.00-66.00	39.00-66.00	37.00-66.00	37.00-62.50	34.00-61.00	36.00-57.00
Boroughs (2)	28.00-69.8390	28.00-63.339	28.00-61.02	28.00-61.02	28.00-59.00	28.00-59.00	28.00-59.00	28.00-56.00	28.00-56.00	34.00-54.00
Totals										
City of Aliquippa (1)	308.20	304.20	298.20	291.20	276.30	269.50	269.50	262.20	258.20	257.70
Land	69.10	68.60	64.60	63.10	58.10	57.20	57.20	51.20	47.20	44.70
Building	377.30	372.80	362.80	354.30	334.40	326.70	326.70	313.40	305.40	302.40
City of Beaver Falls (1)	116.20	115.20	115.20	115.20	109.70	108.70	106.70	101.70	99.70	97.70
Townships	71.20-117.0390	69.20-114.20	68.40-111.58	66.20-111.58	62.70-108.08	61.70-106.08	59.70-106.08	55.70-100.58	52.70-97.08	54.70-93.08
Boroughs (2)	51.20-126.5390	51.20-120.04	51.20-117.72	51.20-117.72	47.70-112.20	46.70-111.20	46.70-109.20	44.70-102.20	44.70-100.20	50.70-98.20

Source: Beaver County Assessment Office

Notes:

(1) Cities are individually listed because the City of Aliquippa is the only municipality within the School District and both the City and School District apply a separate tax rate to land value as opposed to building value.

(2) A portion of Ellwood City Borough is annexed to Beaver County from Lawrence County for County Tax Rate purposes only.

L: Land
 B: Building

County of Beaver, Pennsylvania

Principal Property Tax Payers Current Year and Ten Years Ago

Taxpayer	January 1, 2011	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy Corporation (Bruce Mansfield, BV2, Various)	\$134,374,005	6.34%
PR Beaver Valley LP - Beaver Valley Mall	28,450,900	1.34%
Koppel Steel (Ambridge & Koppel)	14,801,400	0.70%
Horsehead Industries	12,421,700	0.59%
DDR MDT - Lowes, Eat'N Park, Texas Roadhouse	12,266,400	0.58%
United States Gypsum - Aliquippa	12,128,600	0.57%
THF Monaca, LP - Walmart	9,976,600	0.47%
Nova Chemicals Inc.	9,600,000	0.45%
The Buncher Company	8,873,100	0.42%
NGC Gypsum Plant - Shippingport	8,733,700	0.41%
	<u>\$251,626,405</u>	<u>11.88%</u>
Total Assessed Valuation	<u>\$2,118,462,776</u>	

Taxpayer	January 1, 2002	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Bruce Mansfield Plant	\$157,028,950	7.67%
Beaver Valley # 2	134,441,431	6.57%
Beaver Valley Mall	27,882,500	1.36%
United States Gypsum	15,218,050	0.74%
Nova	9,600,000	0.47%
Horsehead Industries	13,074,300	0.64%
PA Northern Lights Shoppers City	10,378,700	0.51%
Lowes	10,292,100	0.50%
Koppel Steel (Ambridge & Koppel)	9,496,500	0.46%
Gypsum Plant (Shippingport)	8,598,900	0.42%
	<u>\$396,011,431</u>	<u>19.35%</u>
Total Assessed Valuation	<u>\$2,046,394,143</u>	

Source: Beaver County Board of Property Assessment

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

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County of Beaver, Pennsylvania
Property Tax Levies and Collections
Last Ten Years

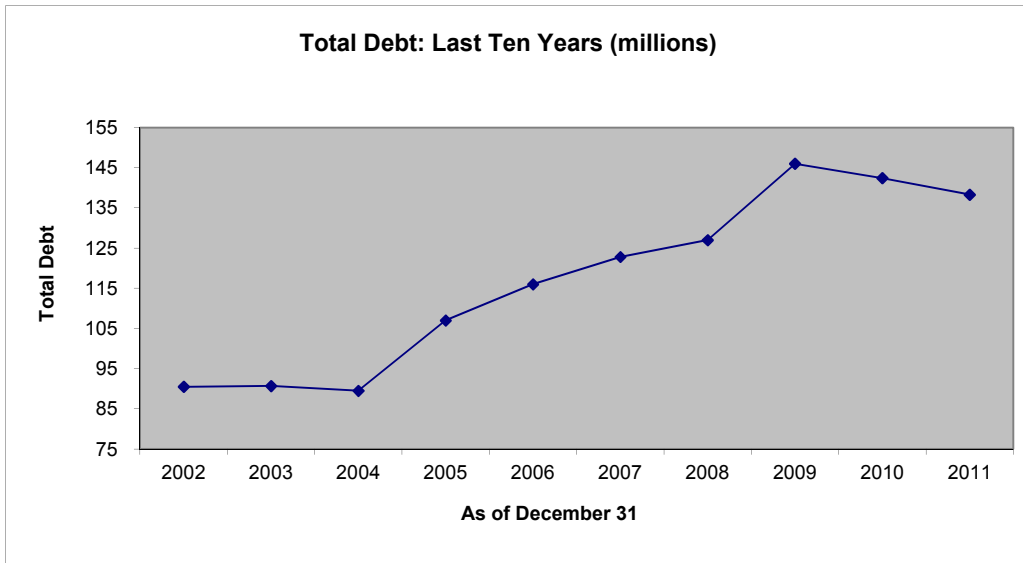
Fiscal Year Ended December 31,	Total Property Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Lien Tax Collections	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 47,029,879	\$ 42,857,527	91.13 %	\$ 2,800,306	\$ 45,657,833	97.08 %
2010	46,832,454	42,021,182	89.73	3,307,353	45,328,535	96.79
2009	46,558,121	42,091,789	90.41	2,355,960	44,447,749	95.47
2008	46,126,529	43,731,779	94.81	1,998,129	45,729,908	99.14
2007	38,617,160	33,565,533	86.92	1,859,882	35,425,415	91.73
2006	36,110,429	32,601,955	90.28	1,882,828	34,484,783	95.50
2005	35,529,851	32,183,528	90.58	1,700,296	33,883,824	95.37
2004	32,699,401	29,615,181	90.57	1,686,256	31,301,437	95.72
2003	32,699,401	29,549,369	90.37	1,618,082	31,167,451	95.32
2002	32,122,516	28,870,520	89.88	1,496,938	30,367,458	94.54

Source: Beaver County Board of Property Assessment

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

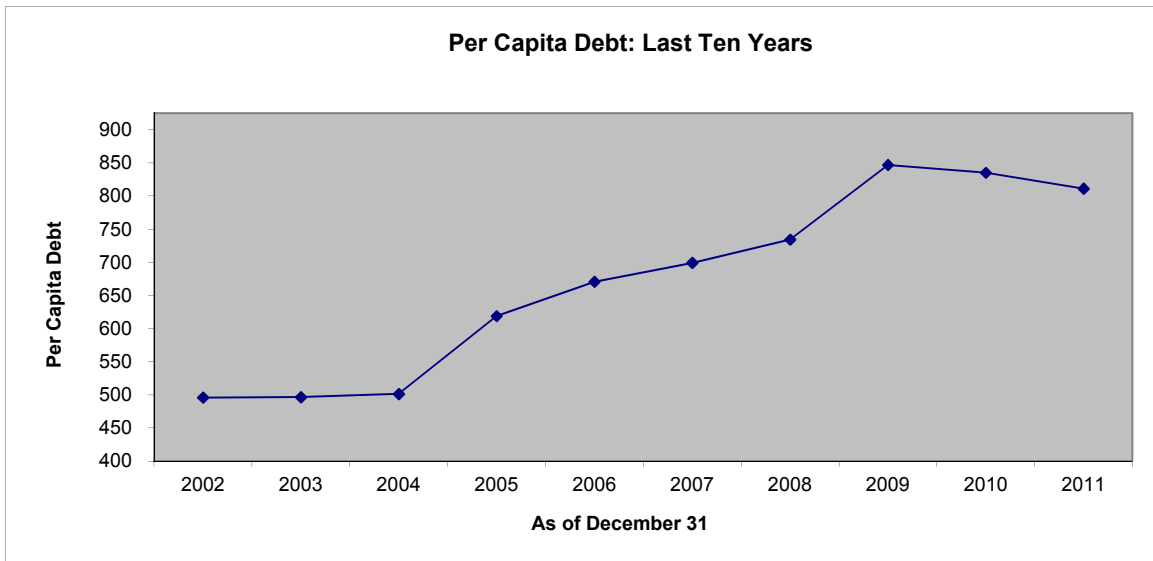
County of Beaver, Pennsylvania
 Ratio of Outstanding Debt to
 Total Personal Income and Debt per Capita
 Last Ten Years

Governmental Activities				
Year	General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Obligations under Derivatives
2011	\$ 73,583,133	\$ 31,067,844	\$ 16,329,003	\$ -
2010	76,130,147	32,380,719	16,689,585	-
2009	77,831,993	33,474,684	16,867,219	-
2008	65,776,253	25,263,678	9,240,803	17,531,368
2007	68,007,510	25,623,205	8,122,387	11,229,326
2006	65,906,708	25,703,830	8,004,767	11,654,416
2005	70,022,446	20,790,000	8,246,796	2,871,500
2004	68,713,457	4,030,000	8,402,497	2,871,500
2003	70,463,893	4,180,000	8,539,190	1,511,500
2002	70,876,859	4,325,000	8,699,804	1,511,500



County of Beaver, Pennsylvania
 Ratio of Outstanding Debt to
 Total Personal Income and Debt per Capita
 Last Ten Years

Business-type Activities						
General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Total Debt	Percentage of Personal Income	Per Capita	
\$ 7,791,210	\$ 9,572,254	\$ -	\$ 138,343,444	3.43 %	811	
7,664,136	9,559,370	2,386	142,426,343	3.53	835	
8,298,314	9,546,486	40,687	146,059,383	3.60	847	
8,894,004	290,000	78,897	127,075,003	3.11	734	
9,477,588	290,000	114,224	122,864,240	3.16	699	
4,303,664	290,000	149,500	116,012,885	3.64	671	
4,982,040	-	147,213	107,059,995	3.36	619	
5,505,416	-	-	89,522,870	2.72	501	
6,018,792	-	-	90,713,375	2.70	497	
4,988,540	-	173,755	90,575,458	2.69	496	



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County of Beaver, Pennsylvania
Ratio of Net Obligation Bonded Debt to Assessed
Value and Net Bonded Debt per Capita
Last Ten Years

Year	Population	Estimated Actual Value of Taxable Property	Gross Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2011	170,567	\$ 7,085,159,786	\$ 81,374,343	1.15 %	477
2010	170,539	7,079,091,467	83,794,283	1.18	491
2009	172,476	7,182,235,123	86,130,307	1.20	499
2008	173,074	7,091,370,549	74,670,257	1.05	431
2007	175,736	6,838,042,265	77,485,098	1.13	441
2006	173,005	6,581,087,765	70,210,372	1.07	406
2005	173,005	6,233,963,469	75,004,486	1.20	434
2004	178,601	5,715,633,333	74,218,873	1.30	416
2003	182,687	5,985,131,598	76,482,685	1.28	419
2002	182,687	5,830,182,744	75,865,399	1.30	415

County of Beaver, Pennsylvania
Legal Debt Margin
Last Ten Years

	2011	2010	2009	2008
Borrowing Base	\$ 63,302,104	\$ 62,715,342	\$ 60,561,918	\$ 57,411,646
Legal Debt Limit:				
Non-electoral Debt	189,906,311	188,146,026	181,685,755	172,234,938
Non-electoral Debt plus Lease Rental Debt	253,208,415	250,861,368	242,247,673	229,646,584
Net Debt Applicable to the Limit:				
Non-electoral Debt	113,963,491	106,799,416	96,574,049	74,088,924
Non-electoral Debt plus Lease Rental Debt	26,111,303	36,692,659	50,532,410	32,375,000
Legal Debt Margin:				
Non-electoral Debt	75,942,820	81,346,610	85,111,706	98,146,014
Non-electoral Debt plus Lease Rental Debt	227,097,112	214,168,709	191,715,263	197,271,584
Ratio of Net Debt Applicable to the Limit / Legal Debt Limit:				
Non-electoral Debt	60%	57%	53%	43%
Non-electoral Debt plus Lease Rental Debt	10%	15%	21%	14%

Limitations on incurring other debt:

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

Borrowing base:

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

Debt:

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

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

County of Beaver, Pennsylvania
Legal Debt Margin
Last Ten Years

2007	2006	2005	2004	2003	2002
\$ 48,888,029	\$ 188,618,944	\$ 54,016,703	\$ 48,281,650	\$ 45,517,687	\$ 43,254,286
146,664,086	140,050,051	162,050,108	144,844,951	136,553,061	129,762,859
195,552,115	186,733,401	216,066,811	193,126,601	182,070,748	173,017,145
77,485,098	85,101,249	95,799,486	78,248,873	80,775,351	80,190,399
20,794,816	20,323,597	116,499,742	101,284,541	101,284,541	89,063,958
69,178,988	54,948,802	66,250,622	66,596,078	55,777,710	49,572,460
174,757,299	166,409,804	99,567,069	91,842,060	80,786,207	83,953,187
53%	61%	59%	54%	59%	62%
11%	11%	54%	52%	56%	51%

Non-electoral debt:

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

Lease rental debt:

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

Legal debt margin:

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

County of Beaver, Pennsylvania

Principal Employers Current Year and Ten Years Ago

2011		
Employer	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Beaver County Government	n/a	n/a
First Energy Nuclear Operating Co.	n/a	n/a
Fidelity National Management Services	n/a	n/a
Passavant Memorial Homes	n/a	n/a
Wal-Mart Associates, Inc.	n/a	n/a
IPSCO Koppel Tubulars Corporation	n/a	n/a
Horsehead Corporation	n/a	n/a
Michael Baker Jr., Inc.	n/a	n/a
McGuire Memorial	n/a	n/a
 Total	 n/a	 n/a
Total County Employees	787	

2002		
Employer	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Beaver County Government	n/a	n/a
First Energy Nuclear Operating Co.	n/a	n/a
Wal-Mart Associates, Inc.	n/a	n/a
Zinc Corporation of America	n/a	n/a
Passavant Memorial Homes	n/a	n/a
Michael Baker Jr., Inc.	n/a	n/a
Eaton Electrical, Inc.	n/a	n/a
J & L Specialty Steel, Inc.	n/a	n/a
Newell Holdings Delaware, Inc.	n/a	n/a
 Total	 n/a	 n/a
Total County Employees	935	

(1) Source: Center for Workforce Information and Analysis-Home of PA Work Stats
Number of Employees not available from source due to confidentiality.

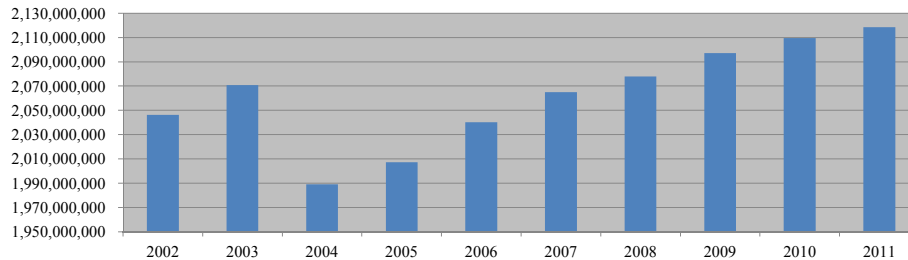
County of Beaver, Pennsylvania
 Demographic and Economic Statistics
 Last Ten Years

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Personal Income	Median Household Income	Median Age	Percent with Educational Attainment: Bachelor's Degree or Higher		School Enrollment	Unemployment Rate	Total Assessed Property Value
2011	170,567 (16)	\$ 4,035,103,519	\$ 23,657 (16)	\$ 43,898 (16)	44.3 (16)	20.1 % (16)	39,875 (16)	6.6 % (4)	\$ 2,118,462,776	
2010	170,539 (15)	4,038,534,059	23,681 (13)	45,414 (13)	43.5 (12)	18.9 (14)	38,003 (14)	7.4 (4)	2,109,569,257	
2009	172,476 (9)	4,061,119,896	23,546 (10)	45,408 (10)	43.9 (9)	18.1 (11)	36,627 (11)	8.2 (4)	2,097,212,656	
2008	173,074 (7)	4,083,681,030	23,595 (8)	45,017 (8)	43.8 (8)	19.5 (8)	36,970 (8)	5.6 (4)	2,077,771,571	
2007	175,736 (6)	3,893,255,344	22,154 (6)	42,023 (6)	43.0 (6)	18.4 (6)	39,016 (6)	4.5 (4)	2,065,088,764	
2006	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	4.1 (4)	2,040,137,207	
2005	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	4.7 (4)	2,007,336,237	
2004	178,601 (2)	3,286,615,602	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	5.3 (4)	1,989,040,400	
2003	182,687 (2)	3,361,806,174	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	5.8 (4)	2,070,855,533	
2002	182,687 (2)	3,361,806,174	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	6.4 (4)	2,046,394,143	

Sources:

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

Total Assessed Property Value: Last Ten Years



County of Beaver, Pennsylvania
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Years

<u>Function/program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Government:										
Commissioners	5.0	6.0	6.0	5.0	8.0	8.0	8.0	8.0	8.0	8.0
Controller	8.0	8.0	9.0	10.0	9.5	14.5	14.5	12.5	14.5	14.5
Treasurer	10.5	13.5	11.5	12.0	13.0	11.5	11.5	13.0	16.5	15.0
Recorder of Deeds	6.0	8.5	8.5	8.5	11.5	11.5	11.5	13.5	13.5	14.0
Solicitor	2.5	3.0	3.0	3.0	3.0	3.0	3.5	3.0	3.0	3.5
Information Technology	7.0	7.0	7.0	9.0	9.0	10.0	11.0	12.0	14.5	14.5
Planning Commission	4.0	4.0	4.0	6.0	6.0	6.0	6.0	7.0	9.0	6.5
Weights and Measures	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5
Veterans Affairs	3.0	2.5	2.5	3.0	4.0	4.0	4.0	4.0	4.0	4.5
Election Bureau	8.5	8.5	8.5	6.0	6.5	6.5	7.5	9.5	9.5	8.5
Assessment/Tax Claim	20.5	21.0	21.0	24.0	24.5	24.0	25.0	24.0	28.5	27.5
Public Defender	16.0	16.0	15.5	16.0	16.0	16.5	16.0	16.0	16.5	16.0
Employee Relations	5.0	6.0	5.5	7.0	7.5	3.5	3.5	4.0	3.0	4.0
Mailroom*	3.0	3.0	3.0	2.0	1.0	1.0	1.0	1.0	1.0	1.5
Micrographics	5.0	6.0	5.5	5.0	5.0	5.0	5.0	5.5	5.0	5.0
Central Telephone	0.0	0.0	0.0	1.5	1.5	2.0	2.0	1.5	1.5	2.5
Purchasing*	0.0	0.0	3.0	2.0	3.0	2.5	3.0	3.0	4.0	3.5
Engineering	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Parking Garage/Bus Drivers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Judicial:										
Clerk of Courts	11.5	11.5	10.5	12.5	13.5	13.5	12.5	14.0	14.5	14.0
Coroner	2.5	2.5	2.5	3.0	4.0	4.0	4.0	4.0	4.5	4.5
Jury Commission	1.5	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5
District Attorney	23.5	24.0	22.5	24.5	24.5	24.0	24.0	24.5	24.0	25.5
Prothonotary	11.5	11.5	11.0	13.0	13.5	13.0	14.0	15.5	17.0	17.5
Register of Wills	5.5	5.5	5.5	5.5	6.5	6.5	6.5	6.5	7.5	8.0
Sheriff	46.5	44.0	45.5	45.5	34.5	39.0	38.5	38.0	43.5	43.5
Court Administration	42.5	46.0	45.5	45.5	42.5	43.5	39.5	41.5	42.5	39.5
Law Library	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.5	1.5
Stop Grant	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0	2.0
Domestic Relations	32.0	33.0	33.0	35.0	35.0	35.0	36.0	35.5	37.5	36.5
District Courts (Nine)	31.0	28.0	29.0	31.0	30.0	31.0	31.0	30.0	32.0	31.0
Rights & Services/Victims of Crime	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Drug Investigation	7.0	7.5	8.0	8.0	5.0	5.5	5.5	5.5	5.5	5.5
Public Safety:										
Emergency Services	45.5	45.0	42.5	42.5	42.0	41.0	41.0	39.0	41.0	41.5
Jail	93.5	88.5	87.5	89.5	81.0	88.0	92.5	101.0	100.0	97.0
Allencrest Detention Center	0.0	0.0	2.0	29.5	28.0	32.5	32.5	31.5	39.0	37.5
Adult Probation/Intermediate Punishment	30.0	31.5	30.0	33.0	31.0	31.5	31.0	30.0	34.0	34.0
Juvenile Services	25.5	26.0	24.5	25.0	25.0	26.0	26.5	26.5	26.0	26.5
DUI Program	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0
Public Works & Enterprise:										
Liquid Fuels	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Department of Public Works	29.5	27.5	27.5	31.0	30.0	32.0	32.0	35.0	45.0	46.0
Airport	0.0	0.0	2.0	5.5	3.0	3.0	3.0	4.0	7.5	6.0
Culture, Recreation and Conservation:										
Parks/Recreation/Tourist	12.5	13.0	14.0	13.5	13.5	11.5	12.5	15.0	16.5	16.5
Library Commission	11.5	11.0	11.5	11.5	12.5	12.5	12.0	12.5	15.0	15.0
Waste Management	5.0	4.0	4.0	4.0	4.0	4.0	4.5	5.0	5.5	5.5
Conservation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	6.0
Human Services:										
Office on Aging	39.0	38.0	40.0	39.5	39.5	40.0	39.0	39.5	39.5	38.5
Children & Youth	67.0	64.0	60.0	70.5	71.5	69.5	71.5	71.5	70.5	70.5
MH/ID (formerly MH/MR)-Drug & Alcohol-HealthChoices	81.0	78.5	88.0	88.0	81.0	80.0	81.0	78.0	81.0	81.0
Childcare Choices	10.0	10.5	10.5	11.0	11.0	12.0	12.0	14.0	14.0	14.5
Economic Development:										
Community Development	9.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0	9.0	8.0
Environmental Protection	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Totals:	<u>786.5</u>	<u>783.5</u>	<u>790.0</u>	<u>857.0</u>	<u>830.5</u>	<u>845.5</u>	<u>855.0</u>	<u>874.0</u>	<u>943.5</u>	<u>935.0</u>

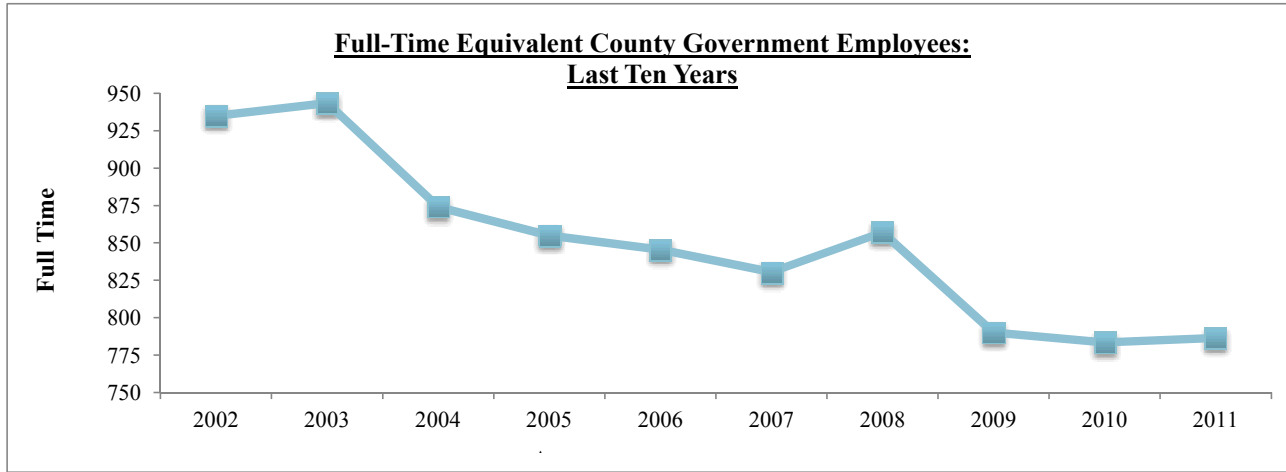
Source: Beaver County Payroll Department

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. Elected officials were excluded from the count.

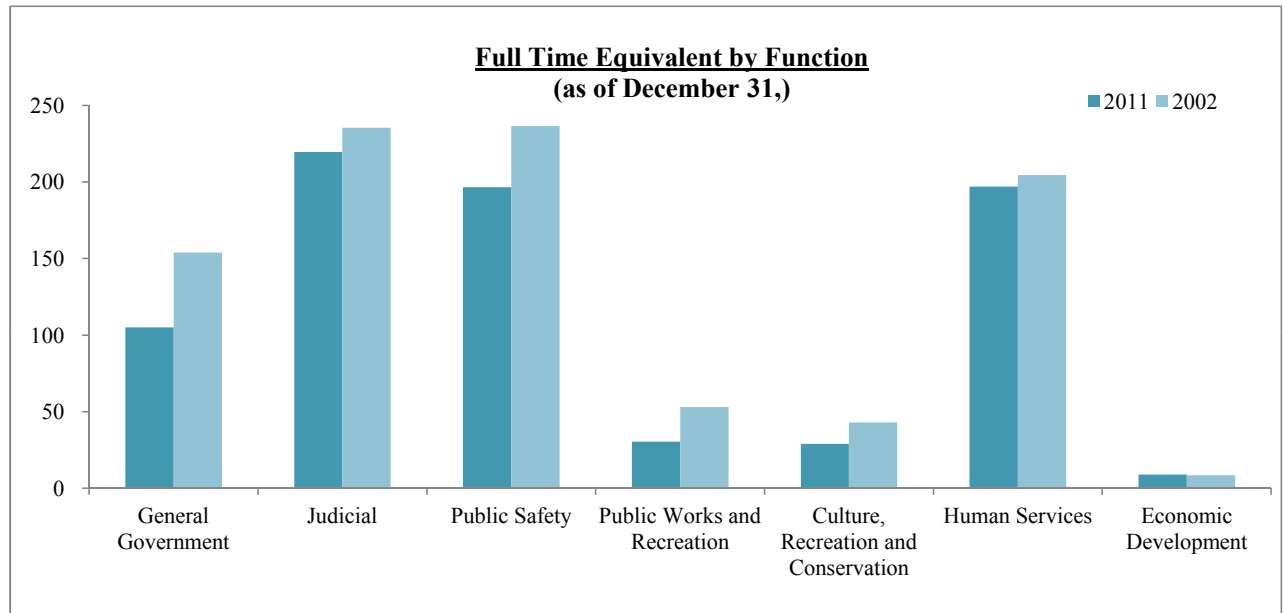
Count taken at December 31.

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

County of Beaver, Pennsylvania
 Full-Time Equivalent County Government Employees Graphs / Charts
 Last Ten Years



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



The following represents the % increase or decrease in FTE between 2002 and 2011:

- General Government - Decreased 32%
- Judicial - Decreased 7%
- Public Safety - Decreased 17%
- Public Works and Recreation - Decreased 42%
- Culture, Recreation and Conservation - Decreased 33%
- Human Services - Decreased 4%
- Economic Development - Increased 6%

County of Beaver, Pennsylvania
 Operating Indicators by Function/Program
 Last Ten Years

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government (1)										
Number of Registered Voters	112,531	116,234	115,862	118,311	112,248	113,612	112,001	122,351	115,788	105,451
Number of Votes Cast in Last General Election	34,142	58,525	28,254	86,022	40,118	65,606	37,998	86,609	32,394	55,434
Percentage of Registered Voters Voting in Last General Election	30.34	50.35	24.39	72.71	35.39	57.74	33.93	70.79	27.98	52.57
Judicial (2)										
Year-to-date Filings	40,134	39,426	42,370	46,338	36,690	34,337	34,407	35,003	36,099	38,905
Traffic Citations	26,633	25,957	28,868	29,000	22,893	20,465	20,417	20,615	21,506	24,269
Summary/Non Traffic	6,304	6,608	6,836	7,229	6,623	6,529	6,684	7,273	7,689	7,676
Civil Complaints	3,423	2,909	2,913	3,314	3,108	3,369	3,150	2,962	2,788	2,678
Misdemeanor/Felony Citations	3,774	3,952	3,753	4,019	4,066	3,974	4,156	4,153	4,116	4,282
Criminal Filings	2,492	2,595	2,540	2,776	2,576	3,667	3,574	3,099	2,905	2,888
Civil Filings	2,046	1,865	1,710	1,219	1,100	943	740	739	687	706
Orphans Court Filings	196	226	225	336	296	306	299	397	343	399
Custody Filings	775	834	628	601	582	562	558	574	536	442
Protection from Abuse Filings	469	490	541	488	469	500	468	463	485	501
Divorces	490	483	451	471	484	517	538	553	580	575
Public Service (3)										
Recycling - Stainless Steel (Tons)	35,881	179,966	137,603	143,821	170,566	199,187	198,756	99	72	173
Recycling - Ferrous (Tons)	98,958	107,175	63,974	61,717	210,873	34,916	15,393	27,016	21,669	20,744
Recycling - White Goods (Tons)	50,979	52,404	8,660	4,108	13,284	26,893	8,450	12,684	10,450	9,410
Recycling - Other Materials (Tons)	67,958	48,051	17,719	80,136	18,885	11,313	17,807	52,296	7,068	13,334
Wood Waste Removed (Tons)	2,823	2,854	1,596	3,710	2,372	1,876	541	242	457	303
Yard Waste Removed (Tons)	712	802	358	1,998	2,140	4,477	4,018	2,701	2,894	3,203

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

County of Beaver, Pennsylvania
Capital Asset Statistics by Function/Program
Last Ten Years

Function / Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Human Services										
Computer Terminals:										
Childcare Information Services	9	8	8	8	8	n/a	n/a	n/a	n/a	n/a
Children & Youth	104	104	104	104	80	n/a	n/a	n/a	n/a	n/a
MH/ID (formerly MH/MR)	108	108	125	132	86	n/a	n/a	n/a	n/a	n/a
Office on Aging	109	109	99	84	40	n/a	n/a	n/a	n/a	n/a
Judicial										
Sheriff:										
Vehicles	33	33	32	29	29	n/a	n/a	n/a	n/a	n/a
Weapons (Firearms)	53	53	51	74	80	n/a	n/a	n/a	n/a	n/a
Courtrooms	8	8	8	8	8	8	8	8	7	7
Proprietary										
Long-Term Care Facilities:										
Bed Capacity	589	589	589	589	589	589	589	589	589	n/a
Public Safety										
Jail:										
Cell Capacity	402	402	402	402	403	403	403	403	403	403
Allencrest*:										
Secure Bed Capacity	0	0	0	18	25	25	25	25	25	25
Shelter Bed Capacity	0	0	0	6	6	6	6	6	6	8
Public Works										
Airport**:										
Private Hangars	0	0	13	13	13	13	13	13	13	13
Commercial Hangars	0	0	8	8	9	9	9	9	9	9
Runways	0	0	1	1	1	1	1	1	1	1
Length of Runways (feet)	0	0	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Department of Public Works:										
Vehicles	34	34	38	32	31	n/a	n/a	n/a	n/a	n/a
Parking Garages	1	1	1	1	1	1	1	1	1	0
Parking Lots	14	14	15	15	15	15	15	15	15	15
Liquid Fuels:										
Bridges	57	56	55	55	55	55	57	57	57	57
County Owned & Maintained Streets (miles)	26	26	25	25	24	24	24	24	24	24
Recreation (County owned and/or maintained)										
Parks	3	3	3	3	3	3	3	3	3	3
Park Acres	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517
Pavilions	25	25	25	25	25	25	25	25	25	25
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	12	12	12	12	12	12	12	12	12	12
Basketball Courts	2	2	2	2	2	2	2	2	2	2
Baseball / Softball Fields	9	9	9	9	9	9	9	9	9	9
Soccer / Football Fields	3	3	3	3	3	3	3	3	3	3
Walking / Jogging Trails	2	2	2	2	2	2	2	2	2	2
Bike Trails	2	2	2	2	2	2	2	2	2	2
Horse Riding Trails	2	2	2	2	2	2	2	2	2	2
Lakes/Ponds for Fishing	2	2	2	2	2	2	2	2	2	2
Playgrounds	1	1	1	1	1	1	1	1	0	0
Ice Skating Rinks	1	1	1	1	1	1	1	1	1	1
Shooting Ranges	0	0	0	0	0	4	4	4	4	4
Deck Hockey Rinks	1	1	1	1	1	1	1	1	1	1
Outdoor Skate Parks	1	0	0	0	1	0	0	0	0	0

Source:

Various County Departments
n/a - information not available

Notes

* The Allencrest facility closed in 2009

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