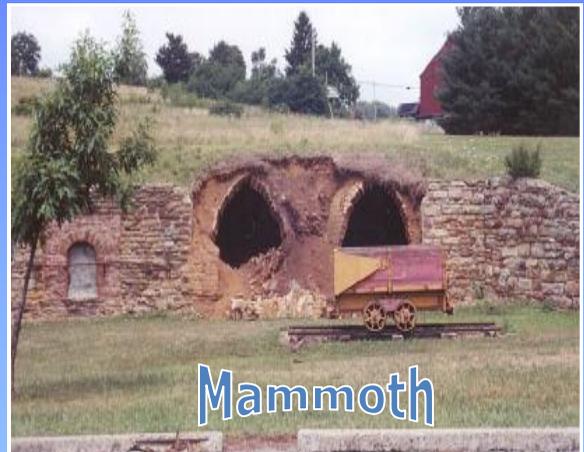


County of Westmoreland, Pennsylvania Citizen's Financial Report



**For the year ended December 31, 2010
Prepared by the Office of the Controller
Carmen Pedicone, Controller**



Controller's Message



Fellow Citizens of Westmoreland County:

I am happy to present our 3rd Annual Citizen's Financial Report. This report is prepared to fulfill our pledge of accountability and transparency to the citizens of our county. Designed to meet the needs of the average taxpayer, the Citizen's Financial Report is based on information contained in the County of Westmoreland Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2010. Unless otherwise noted, the summary financial information in this report is derived from the financial data from the CAFR which is presented in accordance with Generally Accepted Accounting Principles. Access to the CAFR as

well as the Citizen's Financial Report is available online at www.co.westmoreland.pa.us. Printed copies of both publications may be obtained at the Office of the Controller at 2 North Main Street, Suite 111, Greensburg, PA 15601.

The budget debates, which are occurring in Harrisburg and Washington, are resulting in more people paying attention to the services that are provided by government and the costs involved with those services. We view that as a positive sign. Likewise, our activities in the Controller's Office are geared toward encouraging increased scrutiny and discussion of county operations by the taxpayers of our county. Our philosophy has long been that increased citizen input in governmental decision-making will yield more and better services at a lower cost.

Please forward your comments to controller@co.westmoreland.pa.us or call me at 724-830-3115.

Sincerely,

Carmen Pedicone,

County Controller

- Cover Photo:
- Northmoreland Park Lake
- Pavilion at Cedar Creek Park
- Upper Lake at Twin Lakes Park
- Restored Coke Ovens at Mammoth Park

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Rich in History



Westmoreland County was formed by an Act of Assembly on February 26, 1773 by then Governor, Richard Penn. This Act designated that Courts should be held at the home of Robert Hanna until an official Westmoreland County Courthouse could be built. The first Courts of the County were held in Hannastown on April 6, 1773. In 1782, Hannastown was burnt by an Indian raid and the county trustees determined that a new Courthouse should be built in Greensburg. By July 1786, a one story log Courthouse was built on the ground which has since been used for the same purpose and upon which stands the present Courthouse. The first court was held on January 7, 1787.

The log Courthouse proved to be too small and by 1796 was torn down to build a more permanent brick building. The production of the new Courthouse was delayed almost 6 years by the Whiskey Rebellion. By 1801, the new two-story brick Courthouse was built at a cost of \$5,000. This building also proved too small to accommodate the rapid growth of county business and was torn down in May 1854. In October of 1854, a new two-story sand-stone and brick Courthouse was built. This Courthouse was of the Greek revival style and cost the County \$90,000 to build. It was leveled in 1901 to make room for the construction of the present building.



The brilliant edifice we know today as the Westmoreland County Courthouse was dedicated in 1908. It is described as one of the region's most beautiful Beaux Arts buildings and is located on Main Street in downtown Greensburg. The central dome is of Italian Renaissance style and stands 175 feet above the ground. It is covered by ornamental gold and terra cotta which can be seen from several approaches into the city. The dome is one of only two in the world designed by the courthouse's original architect, William Kauffman. In 1978, an additional annex building was completed and houses the majority of the County's administrative offices. In the same year, the Westmoreland County Courthouse was added to the National Register of Historic Places.

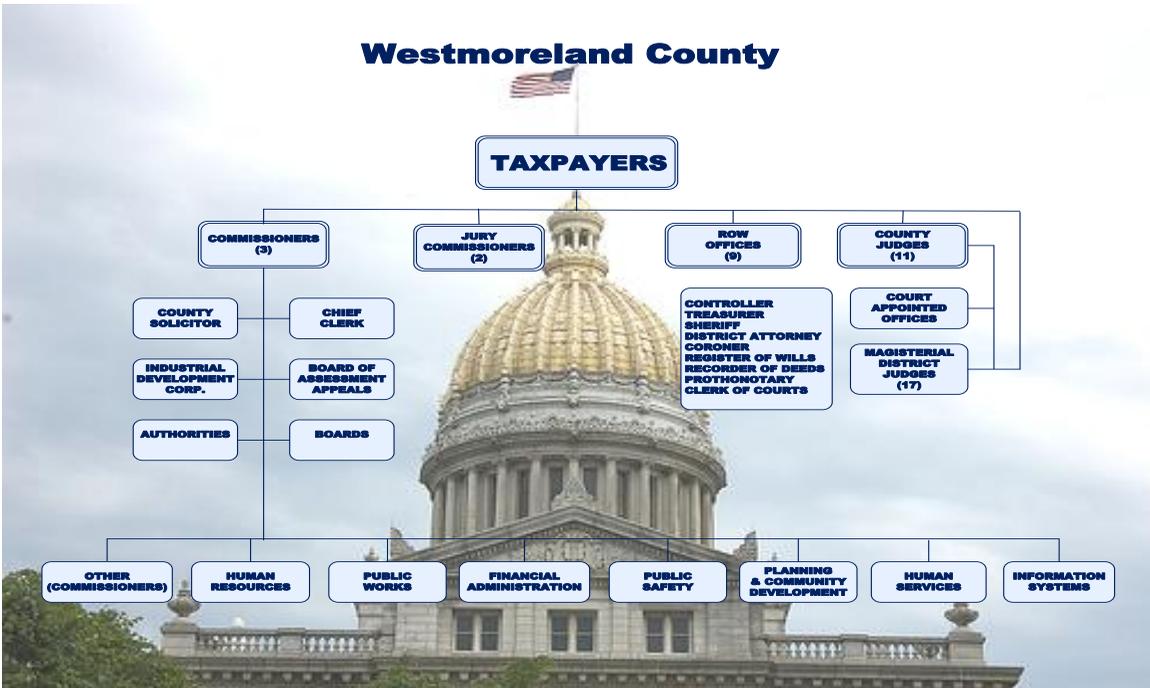
Form of Government



Westmoreland County is organized under the commission form of government. A three person board of commissioners is elected every four years on an at-large basis. The current Board of Commissioners is comprised of Chairman Tom Balya, Vice-Chairman Ted Kopas and Secretary Charles Anderson.

The board conducts its business at regularly scheduled public meetings held approximately twice a month. These meetings are generally held at the County Courthouse.

The Board of Commissioners are joined by two additional elected officials in the conduct of the county's financial affairs. The County Controller, Carmen Pedicone, is the chief financial officer, serving as the principal accountant and auditor for the County. The Treasurer, Kathalyn O'Brien, serves as the official cashier/disburser and cash management officer for the County.





Budget Process

The budget process plays a very important role in county government. The purpose of a budget is to establish spending limits and to estimate future revenues and expenses for a given time period. In Westmoreland County, the process of planning the budget begins as early as August for the following year. Departments are required to submit budget requests to the Department of Financial Administration. Upon receiving the submitted budgets, the Department of Financial Administration meets with each department to review, refine and adjust, if necessary, each line item within the department's proposed budget. Care is taken to make sure each request has appropriate supporting documentation.



The Board of Commissioners then conducts a review of all budget requests with the Department of Financial Administration. This process may include requests for additional information for proposed budgets, deferral, elimination or reduction of requests. Upon completion of this process, the proposed budget is adopted for public display and placed in the Office of the Chief Clerk for not less than 20 days prior to its final adoption. This takes place on or before December 31st of each year. Additional analysis and modification of the proposed budget can take place during the display period.

The budget process is filled with estimates that are based on multiple assumptions. Continuous monitoring of the County budget is required throughout the year. Revenue sources such as taxes and grants are monitored for timeliness and sufficiency. Expenses are monitored to ensure that legal limits are not exceeded without executive approval.

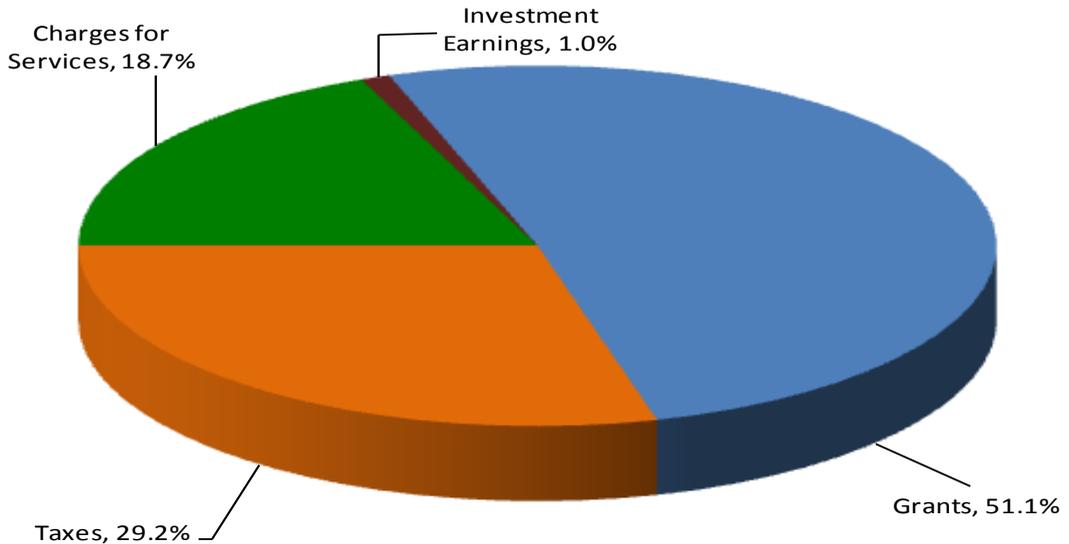


If changes are needed, adjustments to the budget can be made. These adjustments are known as budget amendments. Significant budget amendments require commissioner approval at a public meeting. Minor budget amendments are processed administratively.

In 2010, the Board of Commissioners adopted a spending plan totaling \$314,200,926. Local Property Taxes of \$79,854,133 were estimated to be received during the year while Charges for Services were budgeted at \$57,786,428. The majority of money taken in by the County was from various grants which were budgeted at \$135,114,152.



Where the money comes from . . .



County revenues totaled \$293,716,537 in 2010. The chart above shows the breakdown of revenues by category.

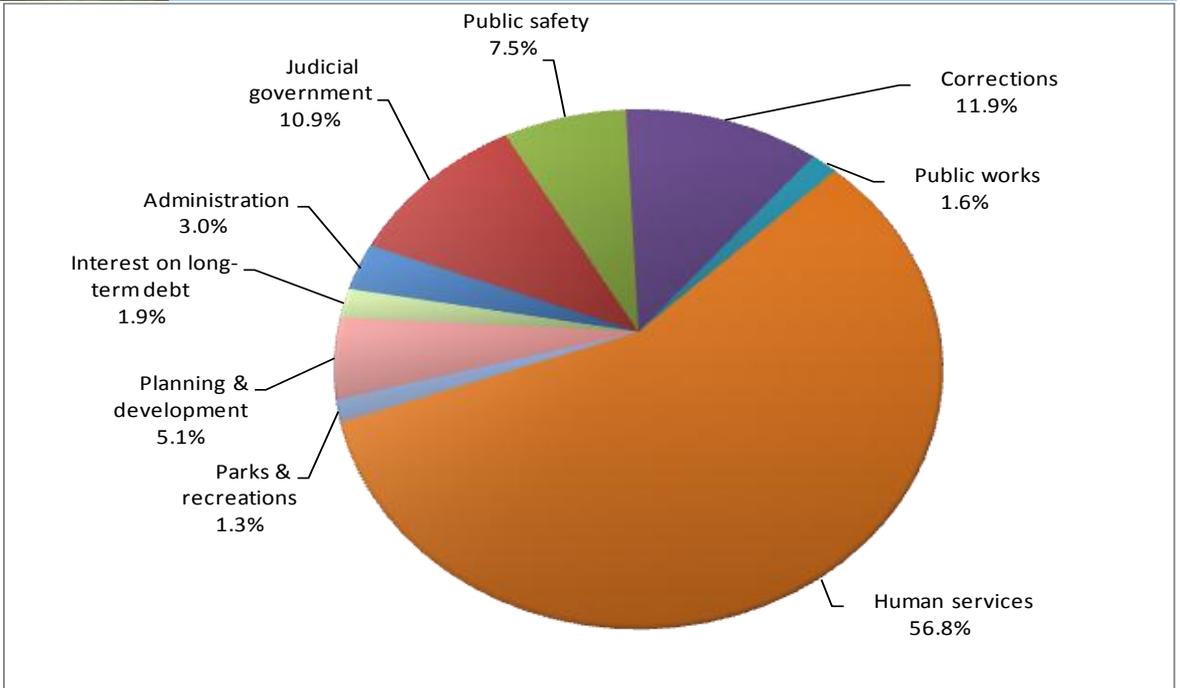
Grants are the dominant source of revenues for the County, accounting for 51.1% of county revenues. The County's dependence on grant revenues to finance its operations makes it susceptible to state and federal budget cuts. The current budget environment at the state and federal levels serves to increase the probability that county commissioners will need to decide whether to continue programs with local funding (which might require a tax increase), downsize or eliminate programs entirely.

Taxes presented are primarily real estate taxes which total \$79,750,462. The County also levies a hotel tax which generated \$986,239 in 2010. Hotel tax proceeds are dedicated to fund tourism in the region.

Charges for services represent fees, costs, fines and user charges assessed by county agencies according to policy or law. Examples of this category would be court fines & costs, park pavilion rentals, marriage license fees and gun permits.

Investment earnings represent the interest realized on idle cash placed with various financial institutions pursuant to the County's cash management strategy.

... and where it goes.



County Expenses totaled \$304,852,343 for 2010. The chart shows the breakdown of expenses by function.

The Human Services function is by far the largest area of expense of the County, encompassing Children & Youth, Behavioral Health, Nursing Home, HealthChoices and Aging. This function represents a series of mandates passed down by the state and federal government to be administered by the Board of Commissioners and their agents without the benefit of significant creative control. The functions of Judicial (Courts) and Corrections account for 10.9% and 11.9% respectively of the overall County expense scheme. Once again these functions are mandates passed down by the state or federal government.

The Board of Commissioners control over the "discretionary" aspects of the budget is probably less than 15% of the overall county budget. Therefore, it is important to closely monitor the activities in Harrisburg and Washington D.C. that have a direct impact on Westmoreland County Government. To that end, the County is in regular contact with our elected representatives at the state and federal levels. In addition, the County participates in a number of state and national associations whose mission is to keep the County informed and to represent the views of counties and agencies across the state and country.



Financial Summary

Financial Position and Outlook

Presented below is a summary of the County's financial position for governmental activities (financed mainly by taxes and grants) and business-type activities (financed mainly by fees charged to users) for the last three years. Net Assets is the difference between total assets and total liabilities. The level of net assets over time may serve as an indicator of the financial health of an institution.

Assets	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current assets:			
Cash and investments	\$ 86,506,936	\$ 87,309,929	\$ 97,563,276
Other current assets	67,023,732	66,174,477	69,669,410
Capital assets and other	<u>150,815,039</u>	<u>162,756,874</u>	<u>161,901,471</u>
Total assets	<u>304,345,707</u>	<u>316,241,280</u>	<u>\$ 329,134,157</u>
Liabilities			
Current liabilities	38,762,556	33,527,549	34,919,439
Noncurrent liabilities	<u>129,171,646</u>	<u>134,365,344</u>	<u>137,962,263</u>
Total liabilities	<u>167,934,202</u>	<u>167,892,893</u>	<u>172,881,702</u>
Net Assets	<u><u>\$136,411,505</u></u>	<u><u>\$148,348,387</u></u>	<u><u>\$ 156,252,455</u></u>

Westmoreland County was fortunate to enter 2010 in a relatively strong financial position. The Board of Commissioners and other elected officials have been effective at controlling the growth of government spending during the last several years.

The near-term financial outlook for Westmoreland County continues to be guarded. The budget debates occurring in Harrisburg and Washington, D.C. directly impact the County's financial outlook.

The County's net assets decreased by over \$11.9 million during 2010. This decrease was largely driven by reductions in operating grants and contributions. The availability of federal stimulus money mitigated further reductions. The United States government and Commonwealth of Pennsylvania continue to struggle with the lingering effects of the economic downturn.



Financial Summary

Dollars in/Dollars out:

The summary below displays the revenues and expenses of the County for the last three years. The dollar values presented correlate directly to the charts presented on the preceding pages.

Dollars In . . .	2010	2009	2008
Program revenues:			
Charges for services	\$ 68,894,946	\$ 66,410,442	\$ 69,333,542
Operating grants and contributions	140,349,473	154,642,567	165,917,078
Capital grants and contributions	881,492	2,803,652	3,606,462
General revenues:			
Taxes	80,736,701	80,380,559	79,760,708
Investment earnings	2,853,925	230,576	8,602,227
Total Revenues	\$ 293,716,537	\$ 304,467,796	\$ 327,220,017
Dollars Out . . .			
Services Provided:			
Administration	\$ 9,250,492	\$ 10,485,590	\$ 9,552,726
Judicial government	33,321,462	32,645,506	30,251,020
Public safety	22,821,653	16,217,426	10,293,608
Corrections	36,286,973	36,511,486	37,563,938
Public works	4,899,092	4,670,344	3,751,757
Human services	173,068,132	185,577,763	191,738,626
Parks & recreations	4,083,695	4,015,763	3,732,219
Planning & development	15,514,075	16,580,808	13,988,817
Interest on long-term debt	5,606,769	5,667,178	5,823,231
Total Expenses	\$ 304,852,343	\$ 312,371,864	\$ 306,695,942

As mentioned on the preceding page, reductions in grants and changes in how certain grants are handled accounted for the nearly \$10.8 million decrease in revenues.

Some of the changes reduced the expenses in the Human Services line. Actually, the Commonwealth is making payments to providers on behalf of the County giving rise to a reduction in both revenues and expenses.

The County made an accounting change concerning the treatment of capital assets in the 911 Surcharge Fund which accounts for much of the spike in Public Safety expenses.



Taxes/Assessment

Your Real Estate Taxes-The County's Portion



In 2010, Westmoreland County residents paid an average of \$1,119 in local real estate taxes (county, municipal and school district) on each \$10,000 of assessed property value. Of that average, \$210 is paid to the County. On average, 19¢ of every property tax dollar is used to fund county operations.

The County's millage rate is 20.99, with each mill generating approximately \$3,773,000 in taxes.



Taxpayers in Westmoreland County

1. CBL Westmoreland LP
2. THF Greengate & Mt. Pleasant Dev
3. Alcoa
4. Wal-Mart
5. A. Richard Nernberg
6. Adam Eidemiller Inc
7. Gustine Co.
8. Buncher Co.
9. Kennametal
10. Commonwealth Renewable Energy

Fact:

The Top Ten is comprised mainly of industrial, real estate and retail businesses

Fact:

The Top Ten Taxpayers pay 2.01% of the total County taxes

Fact:

The last tax increase occurred in 2005



ELECTIONS

The Election Bureau conducts the Primary and General Elections and administers the Voter Registration process in the County, as prescribed by legislation.



In order to cast a ballot the individual must be registered to vote.

The registration process in Pennsylvania is quick and easy.

To be eligible you must be:

- ◆ A citizen of the United States for at least one month before the next primary, special, municipal or general election.
- ◆ A resident of Pennsylvania and the election district in which you want to register and vote for at least 30 days before the next primary, special, municipal or general election.
- ◆ At least 18 years of age on or before the day of the next primary, special, municipal or general election.

You can register in person, by mail or at various government agencies; including PA Department of Transportation photo license centers when you update your driver license.

Once you have registered to vote, you are not required to register again unless you change your residence, name or political party affiliation.



Voting by Absentee Ballot is available for those voters unable to attend their polling place in person on Election Day. To vote by absentee ballot, a voter must apply to the County Board of Elections for an absentee ballot. A paper absentee ballot is sent to the voter. The voter completes the ballot and returns it to the County Board of Elections.



HAVA, Help America Vote Act, is a United States Federal law that passed and was signed on October 29, 2002. HAVA requires states to use funding to replace punched card voting systems or lever voting systems with new touch screen systems.

DID YOU KNOW? The old lever type voting machines weighed over 700 pounds and were in use for over 50 years.





Parks and Recreation

Mammoth Park

Mammoth Park is located in Mount Pleasant Township, accessible via Routes 981 and 982 from Latrobe and Greensburg.



Every June, Mammoth Park hosts "Mammoth Fest". The annual festival features arts and crafts, food, music and entertainment. It is a family oriented event with carnival rides, pony rides, a petting zoo and kiddie train rides.

One of the favorite attractions at Mammoth Park is the "Giant Slide". It is a unique 96' giant slide that is nestled into the hillside of Mammoth Park and provides a thrilling ride for millions of adventuresome park visitors.

In addition, Mammoth Park boasts a scenic overlook, a ball field complex and a model radio controlled airfield. The lake front area of the park is open in the fall for waterfowl hunting. The Westmoreland County Senior Games are held at Mammoth Park annually. The events include bocce, bowling, cycling, golf, horseshoes and swimming.



Twin Lakes Park



Twin Lakes Park is just east of Greensburg, accessible via Donahoe Road from Route 30.

Each July 4th weekend, Twin Lakes Parks hosts the "Westmoreland Arts and Heritage Festival", which is one of the top 100 events in North America. The festival includes over 100 live performances, 200 arts and craft exhibitors, heritage and history demonstrations and 40 ethnic food booths.



In addition to the annual festival, Twin Lakes Park has made a number of improvements, upgrades and expansions. Most notably is the work on Twin Lakes Park Expansion Phase II which includes a Dog Park, a winter sports area, a wheelchair accessible playground and a Life Training Exercise Course designed for people 50 and older. These improvements are a continuation of what began with Peach Plaza Skate Park, which was completed in 2008.





Parks and Recreation

Cedar Creek Park

Cedar Creek Park is just one quarter mile north of I-70 on Route 51 in Rostraver Township.



Picnic pavilions, athletic fields and scenic play areas are just a few of the many reasons why Cedar Creek Park is a popular destination. One of the more unique features within Cedar Creek Park's 464 acres is a spectacular deep gorge cut by Cedar Creek in the northern section of the park. A walk along the gorge trail provides a breathtaking view of the surrounding landscape.

Every August Cedar Creek Park hosts the "August Fun Fest". The event includes a classic car show, an arts and crafts marketplace, music, entertainment, a flea market and food vendors.



Northmoreland Park

Northmoreland Park is located off of Route 356 in Allegheny Township.

Northmoreland Park is 548 acres, making it the largest Westmoreland County Park. Northmoreland Park offers a number of facilities, including the 17 acre lake and adjoining boathouse. In addition there is a BMX Track, Model Radio Controlled Airfield and sports fields.



Every Labor Day weekend, Northmoreland Park hosts the "Labor United Celebration". The Labor United Celebration is presented by Labor United Celebration, Inc. and the Westmoreland County Bureau of Parks and Recreation. The event includes a giant flea market, food vendors, an arts and craft show, music and a circus.



Improvements have been made to the sidewalk areas, parking areas as well as adding additional soccer practice fields. A new safety surface has been installed at the playground by the lake and upgrades have been made to the Model Radio Controlled Airfield.

- ◆ Check pavilion availability online for each park on the County web site.
- ◆ Summer Environmental Programs are hosted at all County parks.
- ◆ March for Parks, held every March at Twin Lakes, continues to be a successful event, earning \$50,000 in 2010. It has been a major fundraiser for improvements at the parks.





Veterans

The mission of the Office of Veterans Affairs is to ensure that Westmoreland County Veterans receive those benefits to which they are entitled. With roughly 40,000 Veterans, Westmoreland County has the second largest Veterans population in Western Pennsylvania. Matt Zamosky was appointed Director of the Veterans Affairs office in January 2011.



With three accredited Veteran Service Officers on staff, the VA can assist Veterans, and in many cases surviving dependants, in applying for a broad variety of government benefits. These benefits include burial and headstone assistance, service connected disability compensation, low income pensions and personal care support.

In coordination with the Disabled American Veterans (a non-profit organization), the Office of Veterans Affairs helps organize free transportation for Veterans from various locations in Westmoreland County to the VA hospitals in Pittsburgh. This van service is available Monday, Tuesday and Thursday between 9 a.m. and noon. Appointments for this service can be made through the VA office.



The Office of Veterans Affairs also maintains a website dedicated to aiding Veterans. Through the website, Veterans are able to view many local events dedicated to honoring, supporting and helping Veterans readjust to civilian life. Also available are downloadable forms, memorial sites located in Westmoreland County and an extensive list of useful contacts committed to assisting Veterans. This site can be accessed through the department's link at www.co.westmoreland.pa.us.

Veterans can also record their discharge documents with Westmoreland County through the Recorder of Deeds Office. Once this is done, Veterans can obtain certified copies through the Office of Veterans Affairs. These services are offered free of charge.

DID YOU KNOW? The Office of Veterans Affairs is in need of volunteers. For more information on how you can, help please contact the VA office at (724)830-3530.

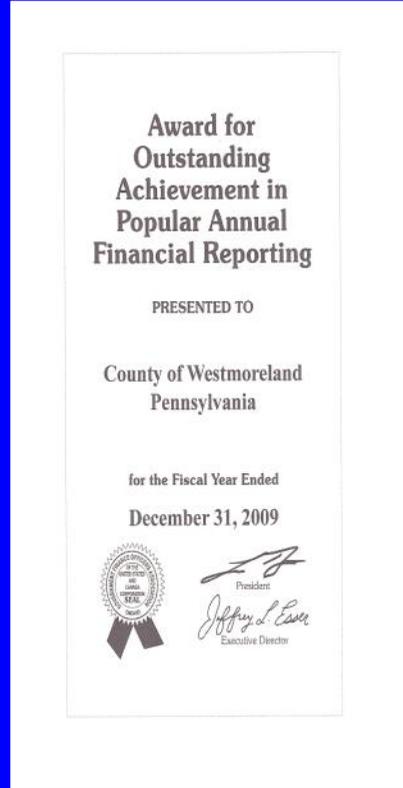


National Award

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Westmoreland for its Popular Annual Financial Report for the fiscal year ended December 31, 2009. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The County of Westmoreland has received a Popular Award for the second time. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



Did You Know?

- ◆ The Office of Veterans Affairs distributed over 63,000 flags and markers in 2010 for veteran grave sites throughout Westmoreland County.
- ◆ John Ewing, John Mathews and Amzi Harmon from Westmoreland County received the medal of honor for their bravery during the Civil War.
- ◆ Passport applications are available and can be processed at the Office of the Prothonotary.





Guide to County Government

<u>Office</u>	<u>Official</u>	<u>Phone</u>	<u>Email</u>
Commissioner	Tom Balya	(724) 830-3106	tbalya@co.westmoreland.pa.us
Commissioner	Ted Kopas	(724) 830-3106	tkopas@co.westmoreland.pa.us
Commissioner	Charles W. Anderson	(724) 830-3106	canderso@co.westmoreland.pa.us
Controller	Carmen Pedicone	(724) 830-3115	controller@co.westmoreland.pa.us
Clerk of Courts	Bryan L. Kline	(724) 830-3734	wcclkrt@co.westmoreland.pa.us
Coroner	Kenneth A. Bacha	(724) 830-3636	coroner@co.westmoreland.pa.us
District Attorney	John Peck	(724) 830-3949	jpeck@co.westmoreland.pa.us
Prothonotary	Christina O'Brien	(724) 830-3502	prothon@co.westmoreland.pa.us
Recorder of Deeds	Tom Murphy	(724) 830-3518	tmurphy@co.westmoreland.pa.us
Register of Wills	Earl S. Keim II	(724) 830-3177	ekeim@co.westmoreland.pa.us
Acting Sheriff	Charles D. Moore	(724) 830-3457	cmoore@co.westmoreland.pa.us
Treasurer	Kathalyn O'Brien	(724) 830-3180	kobrien@co.westmoreland.pa.us
Jury Commissioner	Daniel M. Blissman	(724) 830-3817	dblissma@co.westmoreland.pa.us
Jury Commissioner	Frank E. Schiefer III	(724) 830-3817	fschiefe@co.westmoreland.pa.us

Westmoreland County Helpline	1-800-222-8848
Mental Health 24 Hour Crisis Hotline	1-800-836-6010
Suspect Abuse Call Childline	1-800-932-0313
Domestic Violence 24 Hour Hotline	1-888-832-2272
Area Agency on Aging	1-800-442-8000
Election Bureau	724-830-3150
Westmoreland Manor Admissions	724-830-4022
Parks & Recreation	724-830-3950
Veteran's Affairs	724-830-3530
Court Appointed Special Advocates (CASA)	724-850-6874



**Emergency
Call 9-1-1**

www.co.westmoreland.pa.us