

Beaver County Pennsylvania



ANNUAL REPORT SUMMARY

December 31, 2010

Prepared by
DAVID A. ROSSI, CONTROLLER

Table of Contents

Page 1 Beaver County Controller’s Letter

Page 2-3 Profile of Beaver County

Page 4 Governmental and General Fund Revenues

Page 5 Governmental Revenue Trends

Page 6-7 General Fund Expenditures

Page 8 Human Services Provided by the County

Page 9 Beaver County’s Expenditures

Page 10 Business-Type Activities

Page 11 Beaver County’s Long-Term Debt

Page 12 Beaver County Government Elected Officials

Inside Back Cover..... Beaver County Map

Back Cover..... Other Financial Highlights

Fellow citizens of Beaver County, Pennsylvania:

I am pleased to provide you with Beaver County's (the County) Annual Report Summary for the year ended December 31, 2010.

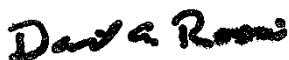
All information within this report was taken from the County's audited Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2010. The purpose of this report is to provide users with summarized financial and other information related to the operations and demographics of the County in an easy to read format. As this report only includes information related to the primary government, the Beaver County Transit Authority and the Community College of Beaver County, although considered component units of the County's government, are not included in this report.

This report presents a general profile of the County, information related to the revenues and expenses of the County's General Fund, information regarding the outstanding debt of the County, information relating to the business-type activities of the County, and descriptions of some services that the County administers.

In a continuing national economic recession, we are proud to say that Beaver County has remained strong in attracting private investment to foster local employment. The County's unemployment rate has declined to under 8%, well beneath both the national and the Commonwealth's unemployment rates. This local strength stems in part from the dedicated effort of elected officials and committed citizens alike to face the realities of shrinking funding from federal and state sources. County government continues to trim the workforce where possible through the implementation of innovative efficiencies. Savings in other areas as well as alternate revenue sources were achieved also.

As this report is only a summary of the County's financial information, users who desire additional information should refer to the County's audited CAFR which can be obtained by calling the Controller's Office at (724) 770-4530 or on the County's website at <http://www.beavercountypa.gov/ElectedOfficials/Controller/CAFR.aspx>. Throughout the report you will find explanations on the information provided to help you comprehend what is being presented. Also, do not hesitate to contact my office and I will be glad to explain any of the details here included. This report is unaudited and does not include many important disclosures and other financial information that are required by Generally Accepted Accounting Principles which may significantly affect the users' understanding of the County's financial condition. The County's CAFR contains all such disclosures.

Sincerely,



David A. Rossi
Beaver County Controller

Profile of Beaver County

Beaver County was founded March 12, 1800, from parts of Washington and Allegheny Counties at the confluence of the Ohio and Beaver Rivers. It is 435 square miles and has a population of roughly 170,000. The County is located northwest of Pittsburgh and is bordered on its west by both Ohio and West Virginia.

Though the County's economy was once dominated by the steel industry, the County has experienced recent commercial growth in areas of the County located along Interstate Highway 376, also known as the Beaver Valley Expressway. This is in part due to the area's close proximity to the Pittsburgh International Airport. Included in this growth is the Beaver Valley Mall, which includes roughly 120 establishments within the mall and 10 ancillary stores and restaurants surrounding the property. Despite the shift in the economic landscape over the past thirty years, production activity in energy and commodities is significant in the County, particularly along the waterways and railroads.

In terms of transportation, in addition to the Pittsburgh International Airport, the Beaver County Airport serves our citizens' private and commercial needs as well. The Beaver County Transit Authority regularly provides passenger transportation services throughout Beaver County with additional routes extending service all the way to Pittsburgh. The continuously improving service of this transit facility has resulted in steady increase of ridership, particularly on the commute routes to and from Pittsburgh. Important freight traffic takes place along the lines of the transportation logistics companies Norfolk Southern and CSX Transportation that traverse our County. Norfolk Southern's railroad yard in Conway continues to employ many of our residents.

Beaver County provides several educational opportunities to its citizens with the Community College of Beaver County, Pennsylvania State University - Beaver Campus, Geneva College, Mountain State University, and Trinity Episcopal School of Ministry, all located within our County. Midland is also home to The Pennsylvania Cyber Charter School, providing opportunities to high school students across the entire state.

There are three parks within Beaver County that are owned and operated by the County. In total these parks provide over 2,500 acres of outdoor space that can be used for boating, swimming, regatta, and sports activities. Raccoon Creek State Park is also located within the County.

Ample medical facilities are also available to residents of the County. These facilities include the Heritage Valley Health System's Brighton Township facility and Friendship Ridge, a skilled and intermediate level long-term care facility owned by the County.

Beaver County Profile – Continued

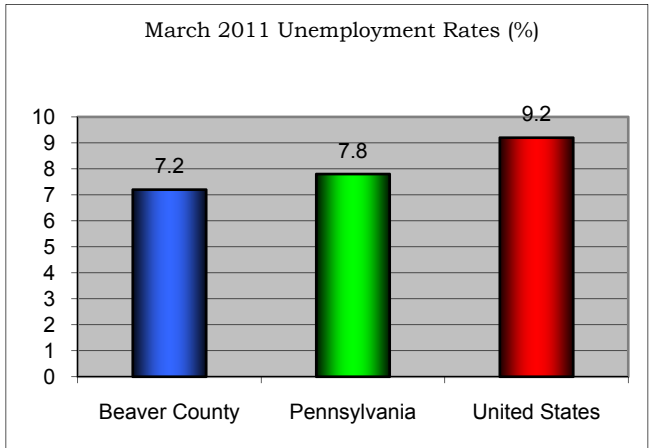
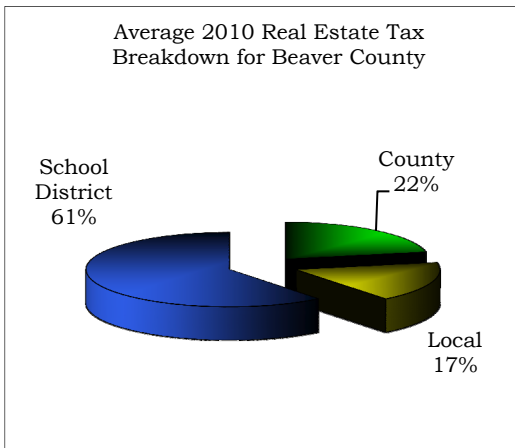
Within the past decade, the County has focused on acquiring and renovating its facilities to turn into a state of the art local government that focuses on serving its residents. This effort includes renovating and expanding the County courthouse, constructing a parking garage adjacent to the courthouse, constructing a human services building in Beaver Falls to house all human services agencies, acquiring a new community development center, and constructing an advanced Emergency Management Services building. Currently, the County is involved in renovating and expanding its recreation facilities that are available to citizens and visitors alike.

Beaver County's Largest Taxpayers in 2010

- First Energy Corporation
- PR Beaver Valley LP - Beaver Valley Mall
- Koppel Steel (Ambridge & Koppel)
- Horsehead Industries
- DDR MDT - Lowes, Eat 'n Park, Texas Roadhouse
- United States Gypsum- Aliquippa
- THF Monaca, LP - Walmart
- Nova Chemicals, Inc.

Beaver County's Principal Employers in 2010

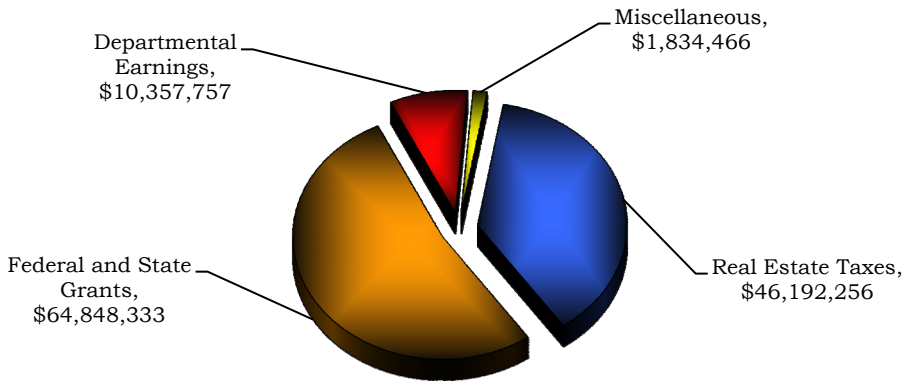
- Valley Medical Facilities, Inc.
- Beaver County Government
- First Energy Nuclear Operating Co.
- Fidelity National Management Services
- Passavant Memorial Homes
- Wal-Mart Associates Inc.
- Koppel Steel Corporation
- Federal Government



The County real estate tax share has decreased 1% in relationship to the total paid by property owners since 2008.

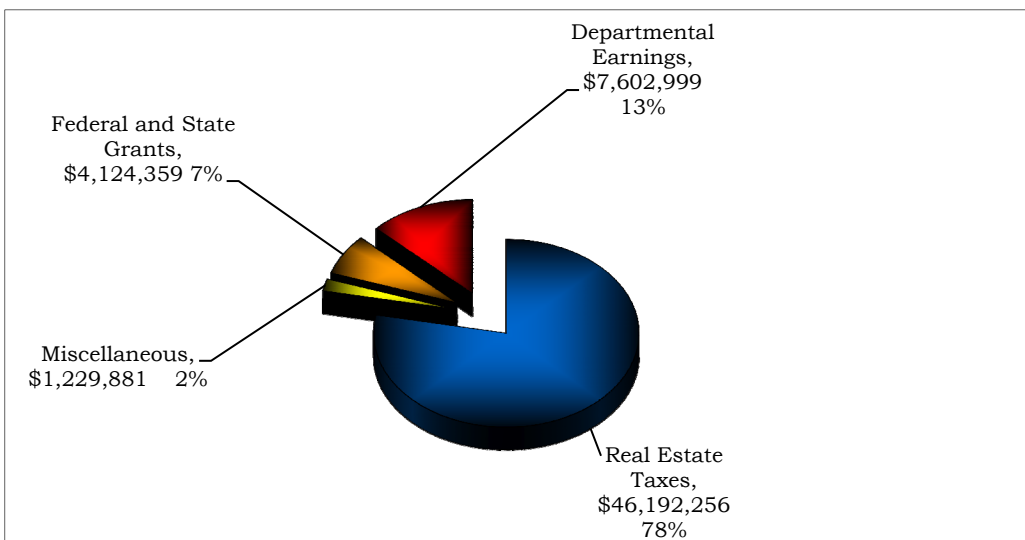
Governmental Revenues

This chart illustrates the breakdown of revenues, by source, for all governmental funds of Beaver County. Real estate taxes represent approximately 37% of all revenues while state and federal grants comprise approximately 53% of all revenues received by the County.



General Fund Revenues

The General Fund is the County's main operating fund. It is a governmental fund used to track most of the activities of the general government. Approximately 78% of the General Fund's revenue is generated through real estate taxes. The following chart summarizes the revenues received by the General Fund that were used for general government expenditures.



Beaver County's Governmental Revenue Trends

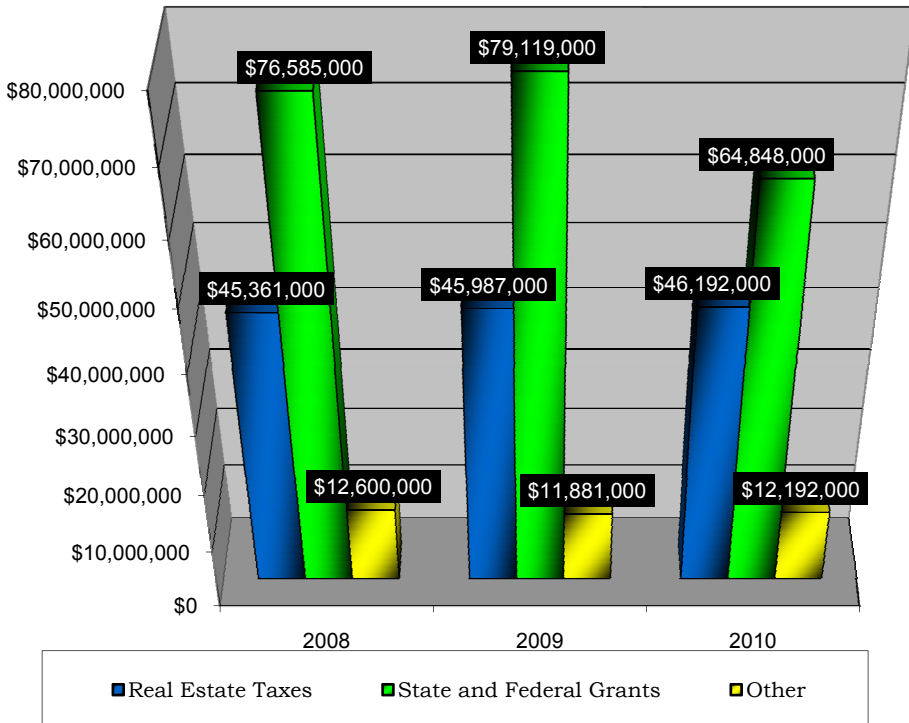
Beaver County derives its revenue from a number of sources to provide services to the citizens of the County. The following summarizes those revenue sources:

Real Estate Taxes: Taxes levied on real property (land, buildings, and structures) within the County limits

Federal and State Grants: Monies received from the state and federal government that are used to run programs aimed at specific sectors of the County's population

Other: Charges, fees, interest, and other income items that each department generates as a result of the services they are performing.

- *Real estate tax revenues have gradually increased over the past three years despite no increases in the millage since 2008.*
- *The decrease in federal and state revenues seen in 2010 is largely due to the Commonwealth of Pennsylvania taking over the administration of a human services program (expenditures have decreased accordingly).*



General Fund Expenditures Per Capita

Since the General Fund is primarily financed by real estate taxes, it is important to understand how these tax dollars are spent. The following chart displays the per capita expenditures of the General Fund by function:

		<u>Expenditures</u>	
		<u>per Capita</u>	
General Government			Judicial
Commissioners	\$	4.18	Clerk of Courts
Controller		4.00	Coroner
Treasurer		4.89	Jury Commission
Recorder of Deeds		3.06	District Attorney
Solicitor		1.77	Prothonotary
Employee Relations		3.89	Register of Wills
Microfilm		1.82	Sheriff
Information Technology		2.10	Court Administration
Central Services Department		1.05	Law Library
Planning Commission		1.95	District Court 36-1-03
Weights and Measures		0.37	District Court 36-1-01
Veterans Affairs		1.44	District Court 36-3-02
Election Bureau		3.79	District Court 36-2-01
Assessment/Tax Claim		9.37	District Court 36-3-03
Public Defender		6.46	District Court 36-3-04
Miscellaneous		6.00	District Court 36-1-02
Total General Government	\$	56.14	District Court 36-3-01
			District Court 36-2-02
			Total Judicial
Human Services			Capital Assets Acquisition
Children and Youth County Match	\$	10.12	Capital Assets Acquisition
Domestic Relations County Match		4.10	Total FA Acquisition
Behavioral Health County Match		3.96	Debt Service
Transit Authority Subsidy		4.98	Debt Service- Principal
Community College Subsidy		20.47	Debt Service- Interest
Other Matches and Subsidies		6.62	Total Debt Service
Total Human Services	\$	50.26	

<u>Expenditures</u>	
<u>per Capita</u>	
\$	3.92
	1.73
	0.76
	12.00
	3.59
	2.18
	17.34
	14.86
	0.88
	1.03
	0.94
	0.95
	1.31
	1.31
	0.92
	1.16
	1.03
	1.12
\$	2.91
\$	2.91

\$	17.76
	33.38
\$	51.14

Public Works

Department of Public Works
Airport of Beaver County *
Buildings and Grounds
Total Public Works

Public Safety

Emergency Services
Jail of Beaver County
Juvenile Detention Services
DUI Program
Adult Probation
Intermediate Punishment Program
Juvenile Probation – Court Services
Juvenile Probation – Grants
Total Public Safety

Culture, Recreation, and Conservation

Waste Management
Library Commission
Parks / Shelter / Recreation
Department of Public Works
Ice Arena
Pool
Ball Fields
Total CRC

Expenditures
per Capita

\$	10.90
	1.32
	6.03
\$	18.25

\$	3.83
	41.93
	2.96
	0.75
	7.26
	3.17
	9.97
	3.05
\$	72.91

\$	2.15
	7.10
	0.27
	0.83
	3.95
	0.78
	0.01
\$	15.07

* Only through July 7, 2010, then transferred to the Beaver County Airport Authority.

Human Services Provided by the County

The human services that are provided by the County to its citizens are mostly funded through grants received by the state and federal government.

Behavioral Health: This agency is responsible for serving the needs of the County's mentally or behaviorally challenged citizens, including full administration of the HealthChoices program, sponsored by the Commonwealth of Pennsylvania.

Children and Youth Services: The purpose of this agency is to protect and care for children who have been abused, neglected, exploited, abandoned, adjudicated delinquent, or are without proper parental supervision, such as runaways.

Office on Aging: The goal of this agency is to plan and deliver a comprehensive system of social services for the senior citizens of Beaver County.

Childcare Resource Management: This agency administers the Subsidized Child Day Care Program for low income families and makes resources and referral services available to all citizens.



Beaver County's Expenditures

Beaver County's expenditures are classified by type of service provided. These services include the following:

General Government: Costs associated with the offices of most elected officials, as well as other functions that serve administrative needs of the County.

Judicial: These costs are associated with the administration of the court system, including magistrates, district attorneys, and the sheriff.

Public Safety: Includes costs associated with emergency services, the jail, and juvenile detention.

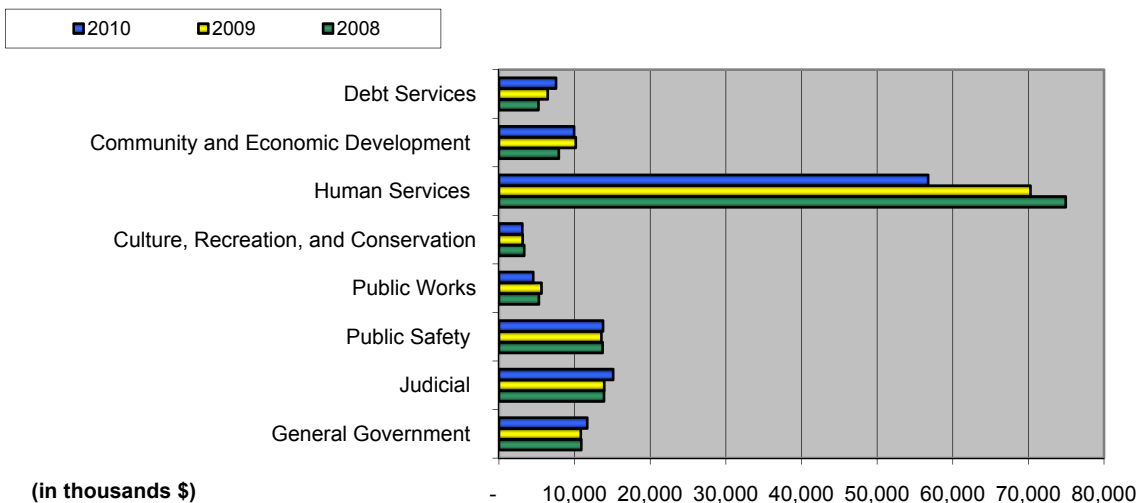
Public Works: Includes costs associated with the maintenance of County property as well as the costs associated with the Beaver County Airport.

Culture, Recreation and Conservation: These costs are associated with all expenditures related to recreation including the ice arena, parks, pools, and ball fields.

Community and Economic Development: Includes costs aimed at eliminating slum and blight within the County as well as improving the low to moderate income communities.

Human Services: Costs related to providing the County's citizens assistance in specific areas including healthcare, foster care, child support and protection, and services for the elderly. *See comment under Beaver County's Revenue Trends for an explanation of the decrease.*

Debt Services: Includes all long-term debt payments of the County's governmental type activities.



Business-Type Activities

Business-type activities of the County operate similar to non-governmental for-profit entities. As such, the County expects that the costs of providing services will be recovered through direct charges to the users. The County maintains three business type activities:

Friendship Ridge: This is a county-owned long-term care facility that is primarily funded through the fees of medical assistance and private insurance payees.

HealthChoices: This fund accounts for the County's participation in the State's managed care behavioral health program for medical assistance consumers.

Emergency Services 911: This fund accounts for surcharges levied on all phone lines –wired and wireless- within the County to provide for 9-1-1 emergency assistance.

The following summarizes the income or loss generated by each of these activities for the year ended December 31:

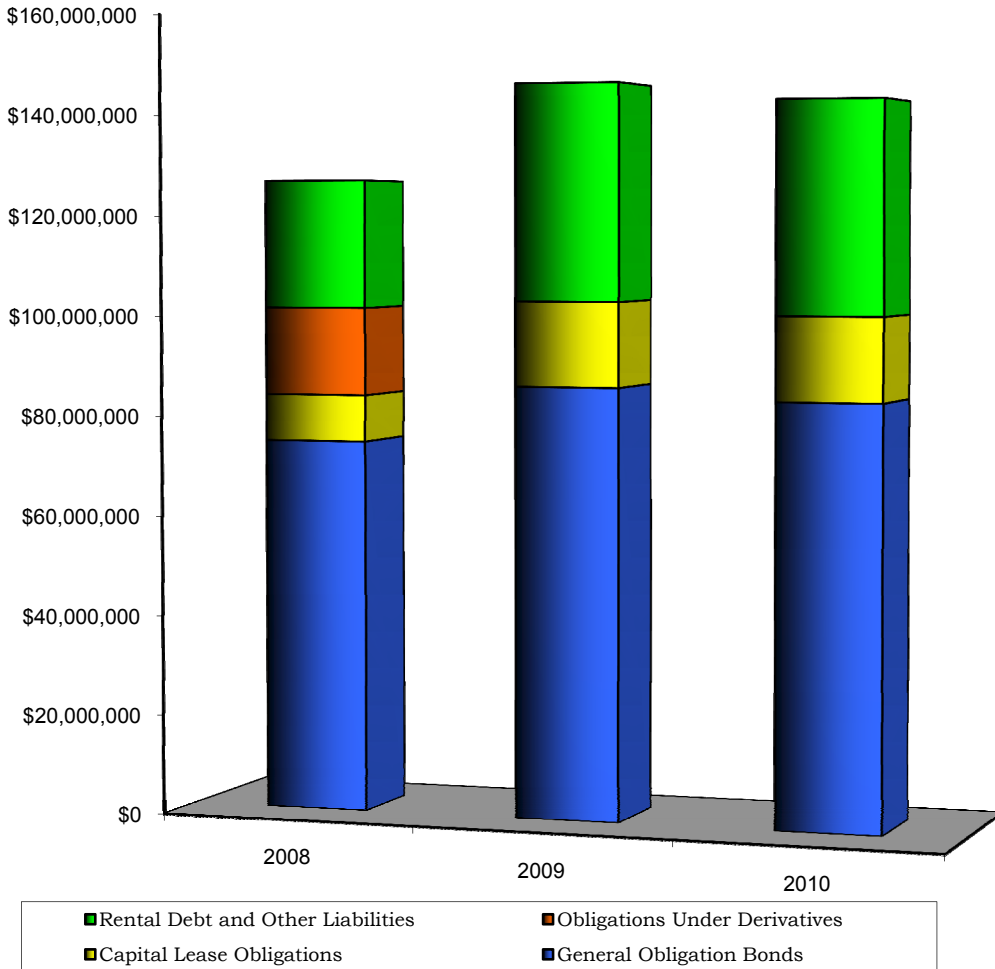
2009	<u>Friendship</u>	<u>HealthChoices</u>	<u>Emergency</u>
	<u>Ridge</u>		<u>Services 911</u>
Revenues	\$ 54,100,179	\$ 28,859,229	\$ 5,141,603
Expenses	<u>57,367,785</u>	<u>33,479,918</u>	<u>3,547,419</u>
Income/ (Loss)	(3,267,606)	(4,620,689)	1,594,184

2010	<u>Friendship</u>	<u>HealthChoices</u>	<u>Emergency</u>
	<u>Ridge</u>		<u>Services 911</u>
Revenues	\$ 56,609,119	\$ 35,118,476	\$ 3,250,091
Expenses	<u>58,274,662</u>	<u>34,760,543</u>	<u>3,318,004</u>
Income/ (Loss)	(1,665,543)	357,933	(67,913)

Losses of the business-type activities are being absorbed by previously accumulated net assets and they are not of a reoccurring nature.

Beaver County's Long-Term Debt

The following chart summarizes the long-term debt outstanding as of December 31:



- Total outstanding long-term debt at December 31, 2010, has decreased for the first time since 2004.
- With the elimination of derivatives in 2009, the County's debt payments are now all fixed and determinable.

Beaver County Government Elected Officials

Board of Commissioners: Anthony Amadio, Chairman
Joseph Spanik
Charles A. Camp

Clerk of Courts: Judy R. Enslin

Controller: David A. Rossi

Coroner: Terry Tatalovich-Rossi

District Attorney: Anthony J. Berosh

Prothonotary: Nancy C. Werme

Recorder of Deeds: Janice Jeschke Beall

Register of Wills: Carol R. Fiorucci

Sheriff: George J. David

Treasurer: Connie T. Javens

Jury Commissioners: Shelley L. 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 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

**ALL OF OUR ELECTED
OFFICIALS CAN BE
REACHED BY CALLING THE
SWITCHBOARD OPERATOR
AT 724-728-5700**

Beaver County



Other Financial Highlights

During 2010 the following significant events materialized through County government:

- ✦ The operations of the Beaver County Airport were transferred to a municipal authority. This relieves the County from the responsibilities of running a business activity, while retaining ultimate control, as all of the transferred assets will eventually revert to the County.
- ✦ Substantial investments were made in County-owned parks, Friendship Ridge, and the \$34 million Veterans' Memorial Bridge. This bridge is being constructed entirely with federal and state funding.
- ✦ The value of the County's employees' pension plan assets increased almost \$22 million.

Fraud and Abuse Hotline

The Beaver County Controller is the financial watchdog of your County tax dollars. However, there may be occasions when you may be aware of inefficiencies, fraud, waste, or mismanagement of your County tax dollars.

There are three ways for you to report these types of suspected abuse:

1. Call the anonymous hotline at 724-728-5700 ext. 7213
2. Call the Controller at 724-770-4521
3. E-mail us at fraudhotline@beavercountypa.gov
4. Mail your tip to: Beaver County Controller
810 Third Street
Beaver, PA 15009

ALL INFORMATION RECEIVED WILL REMAIN STRICTLY CONFIDENTIAL



DAVID A. ROSSI
CONTROLLER

WILLIAM CALHOON
CHIEF DEPUTY CONTROLLER

ALBERT A. TORRENCE
SOLICITOR

Office of Controller