

Beaver County Pennsylvania



Annual Report Summary

December 31, 2008

Table of Contents

Page 1 Beaver County Controller’s Letter

Page 2 Profile of Beaver County

Page 3 Profile of Beaver County Continued

Page 4 General Fund Revenues

Page 5 Beaver County’s Revenue Trends

Page 6-7 General Fund Expenditures

Page 8 Human Services Provided by the County

Page 9 Beaver County’s Expenses

Page 10 Business-Type Activities

Page 11 Beaver County’s Long-Term Debt

**Page 12 Beaver County Government Elected
Officials**

To the citizens of Beaver County:

This report presents select information related to Beaver County and its finances for the year ended December 31, 2008. I hope that you will find this report useful.

All information within this report was taken from the County's audited Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2008. The purpose of this report is to provide users with summarized financial and other information related to the operations 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 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 human services that the County administers on behalf of the state and federal government.

Except for financial information related to the business-type activities and outstanding debt, all information presented in this report is presented using the modified accrual method of accounting. This means that revenues are recognized when they become measurable and available to finance the expenditures of the fiscal period. Expenses are generally recognized when incurred.

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 www.co.beaver.pa.us/Controller/CAFRS/cafr_2008.pdf.

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 situation. The County's audited 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 175,000. 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 the Beaver Valley Expressway. 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.

In terms of transportation, the Pittsburgh International Airport is located within close proximity to the County. The airport serves southwestern Pennsylvania, northern West Virginia, and eastern Ohio. Additionally, the Beaver County Transit Authority regularly provides transportation services throughout Beaver County and with additional routes extending service all the way to Pittsburgh.

Beaver County provides several educational opportunities to its citizens with the Community College of Beaver County, Pennsylvania State University- Beaver Campus, and Geneva College all located within the County's borders.

There are four parks within Beaver County that are owned and operated by the County. In total these parks provide over 5,000 acres of outdoor space that can be used for boating, swimming, regatta, and sport 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 which operates over 650 beds. In addition to this medical facility the County also operates Friendship Ridge, a skilled and intermediate level, 676 bed, nursing home.

Within the past decade the County has focused on acquiring and renovating its state of the art facilities. 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 is currently involved in acquiring a state of the art Emergency 911 Services building.

Beaver County Profile Continued

Beaver County's Largest Taxpayers in 2008

First Energy (Bruce Mansfield, BV2, Various)
 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
 NGC Gypsum Plant- Shippingport
 Kimsquare Chippewa 460 Inc. (Home Depot & K-mart)



BRADYS RUN LAKE

- **Brady's Run**

Park

Beaver County's Principal Employers in 2008

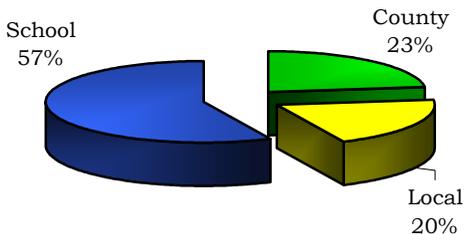
Heritage Valley Health System
 First Energy Nuclear Operating
 Beaver County Government
 Wal-Mart Associates Inc.
 Service Link LP
 Friendship Ridge
 McCarl's inc.
 Passavant Memorial Homes



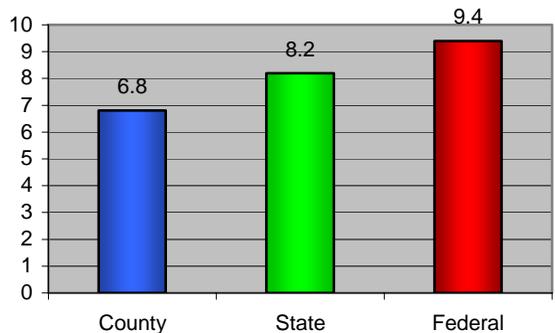
- **Brush Creek**

Park

Average 2008 Real Estate Tax Rate Breakdown for Beaver County

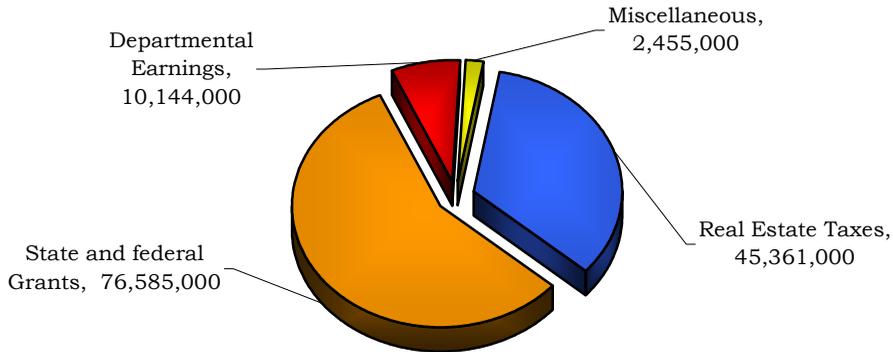


2008 Unemployment Rates (%)



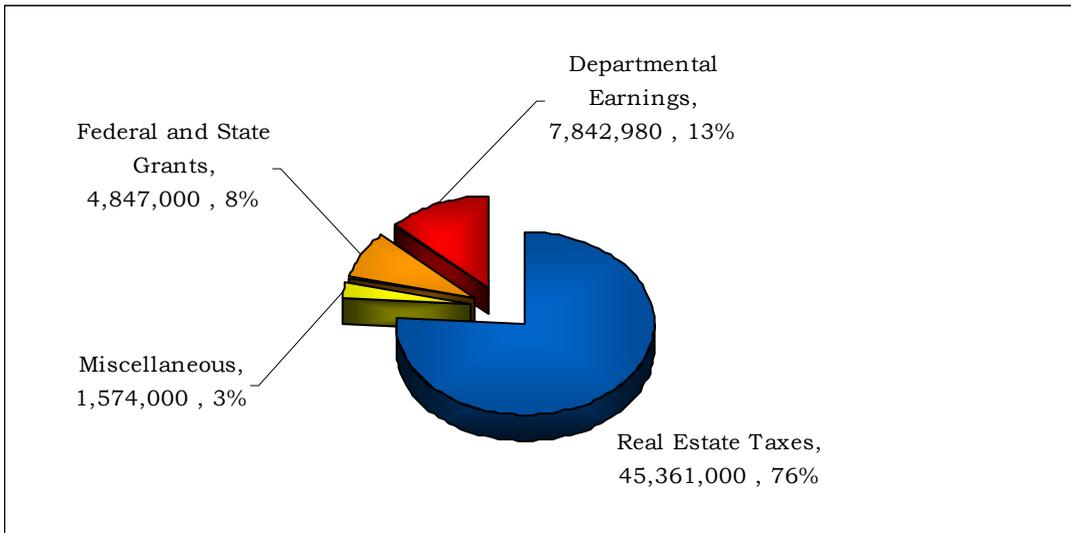
County Revenues (General Fund Focus)

This chart illustrates the breakdown of revenues received by source for all governmental funds of Beaver County. Real estate taxes represent approximately 33% of all revenues while state and federal grants comprise approximately 57% of all revenues received by the County.



General Fund Revenues (General Fund Focus)

The General Fund is the County's main operating fund. It is used to track most of the activities of the general government. Approximately 76% 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 expenses.



Beaver County's Revenue Trends

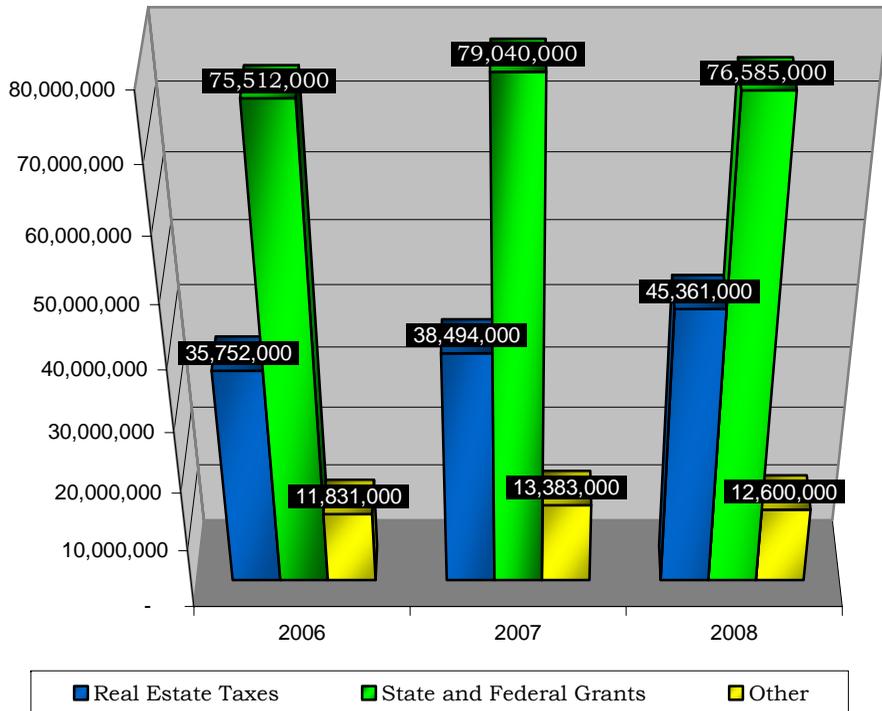
Beaver County derives its revenue from a number of sources to provide services to the citizens of the County. The following summarizes those revenue sources:

Real Estate Taxes: Taxes levied on parcels of land within the County limits

Federal and State Grants: Monies received from the state and federal government that are to be used to administer state and federal programs

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

While the real estate tax revenues have been increasing over the past three years, other revenues have remained consistent.



General Fund Expenditures Per Capita

Because the General fund is primarily financed by real estate taxes it is important to understand what these tax dollars are spent on. The following chart demonstrates the total and per capita expenditures of the General Fund by department.

	<u>Expenditures</u> <u>per Capita</u>		<u>Expenditures</u> <u>per Capita</u>		<u>Expenditures</u> <u>per Capita</u>
General Government		Judicial		Public Works	
Commissioners	\$ 3.48	Clerk of Courts	\$ 3.65	Department of Public Works	\$ 11.94
Controller	3.68	Coroner	1.74	Airport of Beaver County	2.49
Treasurer	4.90	Jury Commission	0.67	Buildings and Grounds	5.79
Recorder of Deeds	3.04	District Attorney	11.14	Total Public Works	\$ 20.21
Solicitor	1.58	Prothonotary	3.57		
Employee Relations	3.86	Register of Wills	1.93	Public Safety	
Microfilm	1.91	Sheriff	16.27	Emergency Services	\$ 7.57
Information Technology	2.04	Court Administration	12.91	Jail of Beaver County	39.44
Central Services Department	1.03	Law Library	0.88	Allencrest Detention Center	4.17
Planning Commission	2.68	District Court 36-1-03	0.94	DUI Program	0.56
Weights and Measures	0.33	District Court 36-1-01	0.87	Adult Probation	5.47
Veterans Affairs	1.73	District Court 36-3-02	0.85	Intermediate Punishment Program	3.17
Election Bureau	4.01	District Court 36-2-01	1.18	Juvenile Probation- Court Services	12.42
Assessment/Tax Claim	8.21	District Court 36-3-03	1.18	Juvenile Probation- Grants	2.28
Public Defender	5.45	District Court 36-3-04	0.85	Total Public Safety	\$ 75.07
Miscellaneous	7.10	District Court 36-1-02	1.13		
Total Government	\$ 55.02	District Court 36-3-01	0.95	Culture, Recreation, and Conservation	
		District Court 36-2-02	1.23	Waste Management	\$ 2.18
Human Services		Total Judicial	\$ 61.93	Library Commission	8.20
Children and Youth County Match	\$ 7.37			Park/Shelter/Recreation	0.67
Domestic Relations County Match	3.80	Fixed Asset Acquisition		DPW/Parks	0.69
MH/MR County Match	4.02	Fixed Asset Acquisition	\$ 9.34	Ice Arena	3.77
BCTA Subsidy	4.86	Total FA Acquisition	\$ 9.34	Pool	0.63
Community College Subsidy	19.14			DPW- Ballfields	0.04
Other Matches and Subsidies	2.13	Debt Service		Total CRC	\$ 16.18
Total Human Services	\$ 41.32	Debt Service- Principal	\$ 15.54		
		Debt Service- Interest	28.56		
		Total Debt Service	\$ 44.09		

Human Services Provided by the County

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

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

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.

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.

County Office of Aging: The purpose of this agency is to plan and deliver a comprehensive system of social services for the citizens of Beaver County who are over the age of 60.

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 Expenses

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

General Government: Costs associated with the office of most elected officials, as well as other functions that serve other overall 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

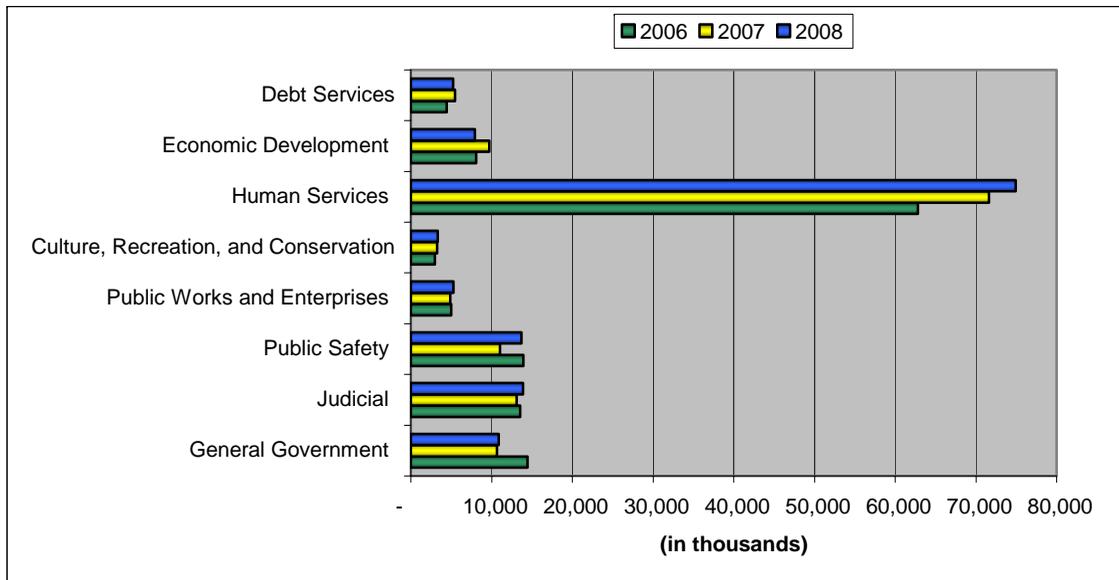
Public Works and Enterprises: Includes costs associated with the maintenance of County property as well as the costs associated with the Beaver County Airport.

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

Economic Development: Includes the costs of the County's Community Development program aimed at eliminating slum and blight within the County.

Human Services: Costs related to providing the citizens of the county assistance in certain areas including healthcare, foster care, child support, and other services for the elderly

Debt Services: Includes all debt payments of the County.



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: a county-owned nursing home that is primarily funded through medical assistance and private insurance payees

HealthChoices: accounts for the County’s participation in the state’s managed care behavioral health program for medical assistance consumers.

Emergency Service 911: Accounts for emergency service surcharges levied on all land and cell phone lines within the County.

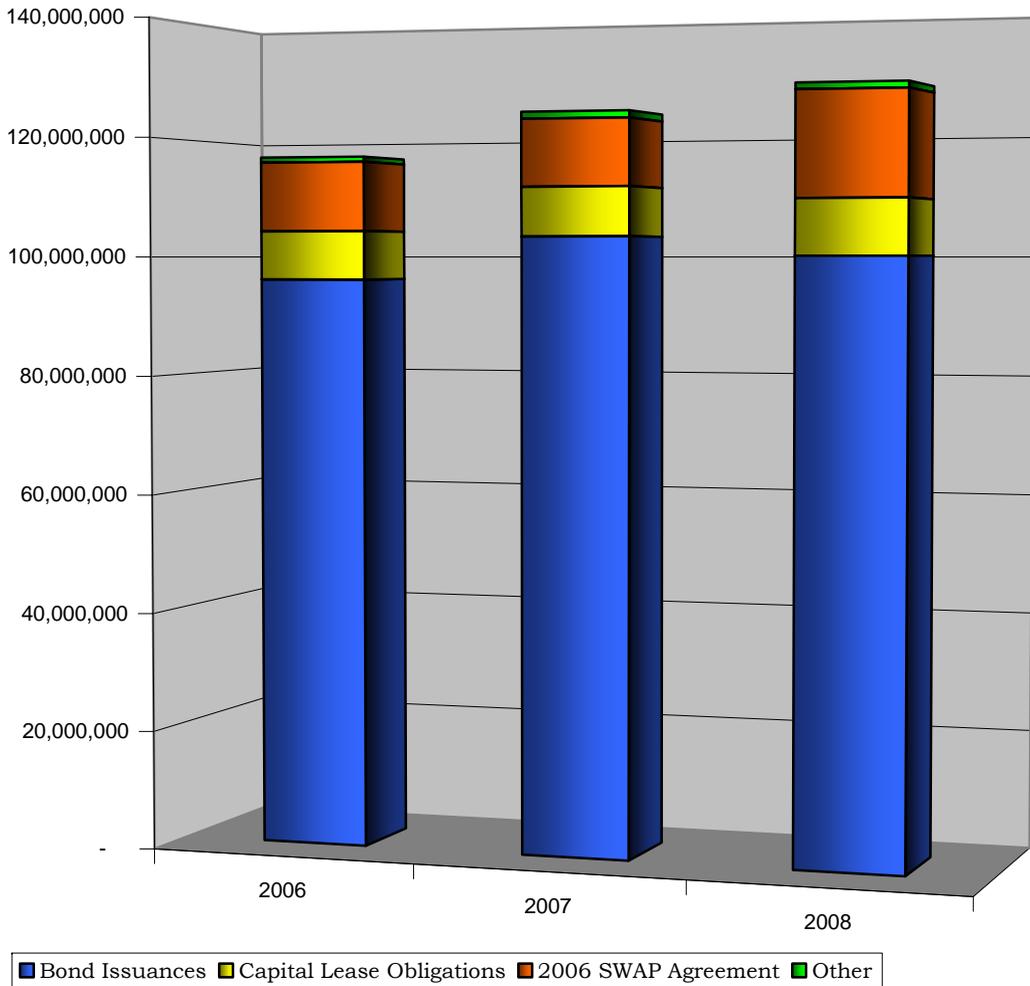
The following summarizes the income or loss generated by each of these activities for the 2007 and 2008:

December 31, 2008	Friendship		Emergency
	<u>Ridge</u>	<u>HealthChoices</u>	<u>Services 911</u>
Revenues	\$ 52,588,151	\$ 26,209,483	\$ 3,062,108
Expenses	<u>(52,968,826)</u>	<u>(26,628,247)</u>	<u>(2,178,655)</u>
Income/ (Loss)	(380,675)	(418,764)	883,453

December 31, 2007	Friendship		Emergency
	<u>Ridge</u>	<u>HealthChoices</u>	<u>Services 911</u>
Revenues	\$ 51,978,112	\$ 25,257,240	\$ 2,934,807
Expenses	<u>52,609,529</u>	<u>23,033,731</u>	<u>2,905,978</u>
Income/ (Loss)	(631,417)	2,223,509	28,829

Beaver County's Long-Term Debt

The following chart summarizes the long-term debt outstanding as of December 31, 2008



The County's total legal debt margin is approximately \$230 million for the year ended December 31, 2008.

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:	Teri Tatalovich-Rossi
District Attorney:	Anthony J. Berosh
Prothonotary:	Nancy C. Werme
Recorder of Deeds:	Janice Jeschke Beall
Recorder of Wills:	Carol R. Fiorucci
Sheriff:	George J. David
Treasurer:	Connie T. Javerns
Jury Commissioners:	Dorothy Colella 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:	VACANT 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

Other Financial Highlights

A series of events that have occurred after December 31, 2008, included the following:

During 2009, the County entered into two additional bond issuances. The County issued General Obligation Bonds, Series of 2009 amounting to \$72,685,000. The purpose of these bonds was to refinance certain outstanding long-term liabilities, including variable interest rate bonds and the 2006 Swap Agreement. Since this is a refinancing transaction, it will have minimal effect on the total amount of long-term debt outstanding.

Additionally, in June 2009, the County issued General Obligation Pension Bonds, Series of 2009 amounting to \$19,135,000. The proceeds of these bonds were contributed to the County's retirement system and used to reduce future contribution volatility.

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

ALL INFORMATION RECEIVED WILL REMAIN STRICTLY CONFIDENTIAL

DAVID A. ROSSI
CONTROLLER



WILLIAM CALHOON
CHIEF DEPUTY CONTROLLER
ALBERT A. TORRENCE
SOLICITOR

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