

County of Westmoreland, Pennsylvania
Citizen's Financial Report



For the year ended December 31, 2008
Prepared by the Office of the Controller
Carmen Pedicone, Controller



Controller's Message



Fellow Citizens of Westmoreland County:

In these days of complicated public finances, taxpayers in the local government environment can find themselves confused by news accounts of government operations and spending. To that end, each year my office produces a detailed and lengthy Comprehensive Annual Financial Report (CAFR) which displays the financial position and results of Westmoreland County Government operations. This effort has earned us national awards for the past 22 consecutive years.

In our quest for transparency and accountability in county government, we distribute this report in hard copy to libraries and senior centers throughout the county. We also make it available through the internet. Although this form of reporting proves valuable to financial professionals, we find few of our taxpayers take the time to read and understand the fiscal operations and financial position of the county because of the size, detail and technical nature of the report.

To address that problem, the Government Finance Officers Association (GFOA) of the **United States and Canada promotes the use of a "Popular Annual Financial Report" as a simpler means of delivering the annual financial results and observations to the taxpayers.** It is my pleasure to present our premier edition of the Popular Annual Financial Report to the taxpayers of Westmoreland County. This report is dedicated to the full disclosure of county financial affairs, presented in a format that is easy to read and understand.

The Citizen's Financial Report is based on information contained in the County of Westmoreland 2008 CAFR for the year ended December 31, 2008. Copies of the CAFR are available online at www.co.westmoreland.pa.us and from the Controller's Office at 2 North Main Street, Suite 111, Greensburg, PA 15601.

We hope this new form of reporting will result in increased public awareness and also encourage input and participation in county government. I welcome your comments via email at controller@co.westmoreland.pa.us or by phone at 724-830-3115.

Sincerely,

Carmen Pedicone,

County Controller

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Born of the Revolutionary Spirit

Westmoreland County was founded on February 26, 1773, by Act of Assembly which designated that the courts of the county should be housed at the home of Robert Hanna until a courthouse could be built. This house was built at the present day settlement of Hannastown. The first court sessions of the county were held at Hannastown on April 6, 1773, and continued to be used as a courthouse until the county seat was moved to Greensburg.



The Declaration of Independence has historical antecedents in the "Hannas Town Resolves". On May 16, 1775, in the house of Robert Hanna, a meeting was held for the purpose of deciding what course of action the people on the western frontier would take concerning the tyranny of the British. Hence, the Hannas Town Resolves was adopted. At

the same time thought was given to the matter of defense, and the following week a militia was formed. This militia was under the leadership of Colonel John Proctor, then Sheriff of Westmoreland County. This militia was known as the Independent Battalion of Westmoreland County, Pennsylvania. Hence, the "I.B.W.C.P." on the Proctor Flag pictured at left.



The movement to select the permanent county seat on December 10, 1785, resulted in the selection of Newtown (currently the City of Greensburg).

A log courthouse was built on the ground that continues today as the site of the County Courthouse. Today's courthouse is the fourth at this site. It was dedicated in 1908 at a cost of \$1.6 million. It is included in the National Historic Register. Constructed in the Italian Renaissance style, its central dome stands 175 feet above ground. It is one of only two in the world designed by architect William Kauffman, with the other in Vancouver British Columbia. In 1992, the main terra cotta dome was replaced with a molded cast aluminum replica and displays a baked-on caynor finish. The courthouse is the focal point of the county seat and is the most recognizable symbol of Westmoreland County.



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 is comprised of Chairman Tom Balya, Vice-Chairman Tom Ceraso 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 of the county, 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 of the county.

There are several other elected officials serving a judicial, quasi-judicial or administrative role within the county. They are as follows:

- CORONER
- CLERK OF COURTS
- DISTRICT ATTORNEY
- JUDGES (11)
- JURY COMMISSIONERS (2)
- PROTHONOTARY
- RECORDER OF DEEDS
- REGISTER OF WILLS & CLERK OF THE ORPHANS COURT
- SHERIFF



Financial Summary

Financial Position and Outlook

Presented below is a summary of the county's financial position for governmental and business-type activities for the last three years. As one can see, Net Assets have steadily increased over that time-frame. The level of net assets over time may serve as an indicator of the financial health of an institution.

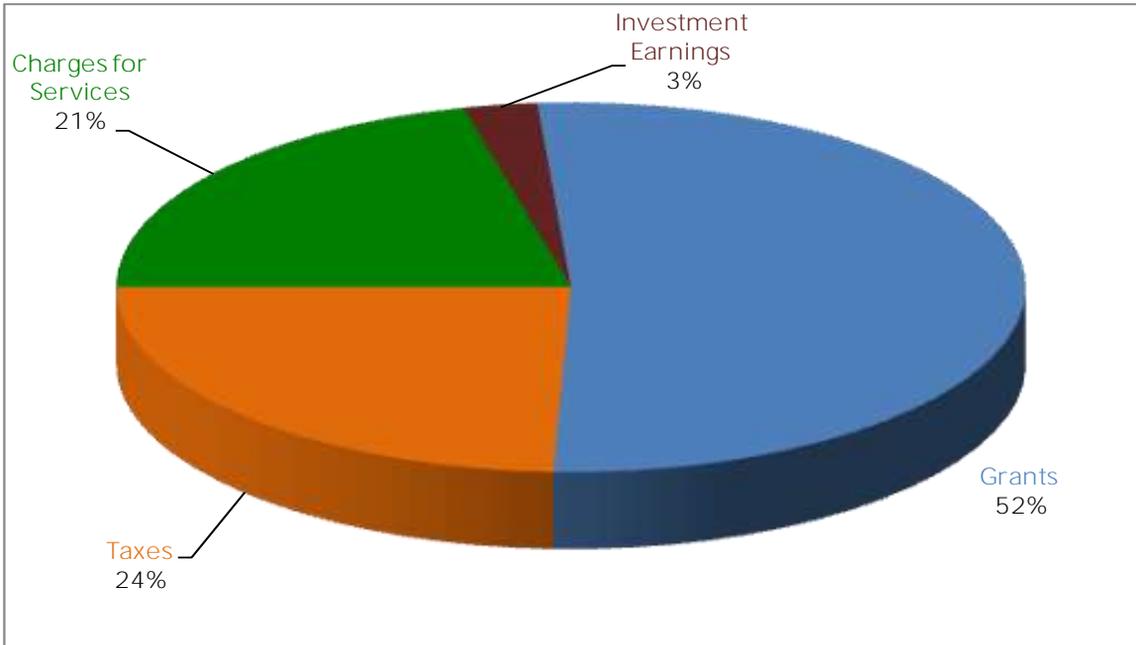
| Assets | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--------------------------|----------------------|----------------------|-----------------------|
| Current assets: | | | |
| Cash and investments | \$ 97,563,276 | \$ 85,422,099 | \$ 72,339,676 |
| Other current assets | 69,669,410 | 64,998,352 | 62,762,179 |
| Capital assets and other | <u>161,901,471</u> | <u>167,409,068</u> | <u>160,298,959</u> |
| Total assets | <u>329,134,157</u> | <u>317,829,519</u> | <u>295,400,814</u> |
| Liabilities | | | |
| Current liabilities | 34,919,439 | 38,110,095 | 31,338,193 |
| Noncurrent liabilities | <u>137,962,263</u> | <u>143,991,044</u> | <u>144,184,806</u> |
| Total liabilities | <u>172,881,702</u> | <u>182,101,139</u> | <u>175,522,999</u> |
| Net Assets | <u>\$156,252,455</u> | <u>\$135,728,380</u> | <u>\$ 119,877,815</u> |

Westmoreland County was fortunate to enter 2009 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 is guarded. The well-publicized financial crisis that emerged in late 2008 continues to complicate plans for the future.

The real impact of this economic crisis on Westmoreland County is difficult to determine. We know that the Retirement Fund investment portfolio declined by 24% in 2008 when the minimum expected return should be 7.5%. This will require the county to contribute an estimated 8 million dollars to insure adequate funding of the plan. General operations are not expected to be significantly impacted during 2009. However, the results of state and federal budget proceedings may have an impact on the 2010 budget.

Where the money comes from . . .



County revenues totaled \$327,220,017 in 2008. The chart above shows the breakdown of revenues by category.

As one can see, grants are the dominant source of revenues for the county, accounting for **over 52% of county revenues**. **The county's dependence on grant revenues to finance its operations makes it susceptible to state and federal budget cuts.** In the event of material decreases in state or federal funding, the county commissioners would need to decide whether to continue programs with local funding, which might require an increase in taxation, downsize or eliminate programs entirely.

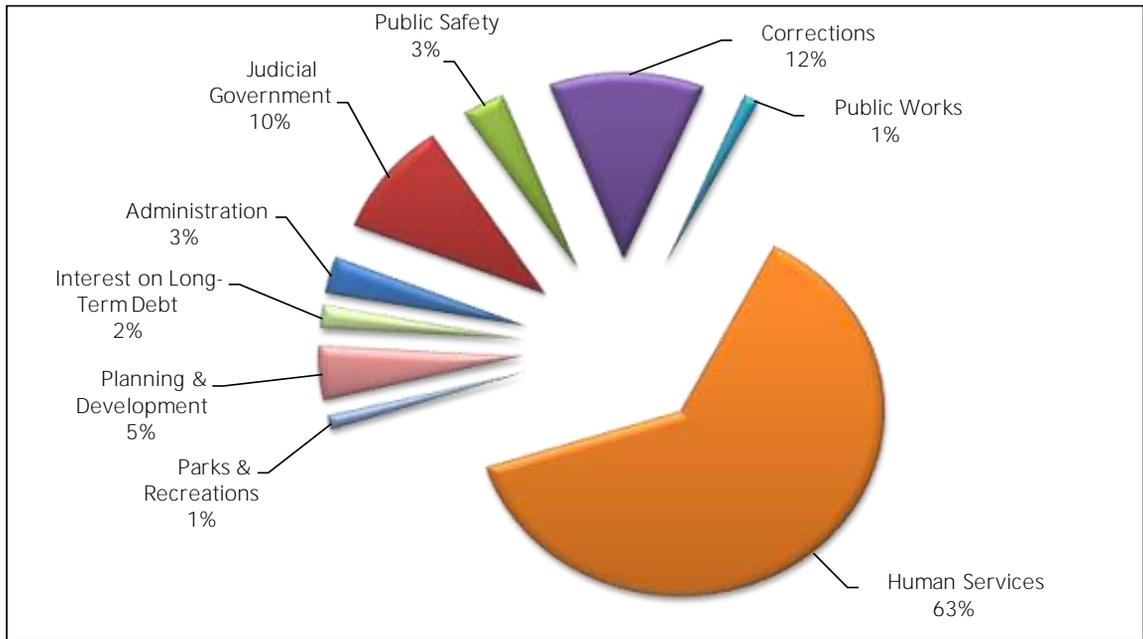
Taxes presented are primarily real estate taxes which amount to \$78,782,403. The county also levies a hotel tax which yielded \$978,305 in 2008. Hotel tax proceeds are dedicated to fund tourism in the region.

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 \$306,695,942 for 2008. The chart shows the breakdown of expenses by function.

The Human Services function is by far the largest area of expense borne by the county, encompassing Children & Youth, Mental 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% and 12% respectively of the overall county expenditure scheme. Once again these functions are mandates passed down by the State or Federal government.

As you may conclude, 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

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 . . . | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Program revenues: | | | |
| Charges for services | \$ 69,333,542 | \$ 65,185,760 | \$ 61,615,645 |
| Operating grants and contributions | 165,917,078 | 162,946,589 | 168,443,969 |
| Capital Grants and contributions | 3,606,462 | 5,027,540 | 8,301,075 |
| General revenues: | | | |
| Taxes | 79,760,708 | 79,106,287 | 77,474,253 |
| Investment earnings | <u>8,602,227</u> | <u>7,096,993</u> | <u>5,615,590</u> |
| Total Revenues | <u>\$ 327,220,017</u> | <u>\$ 319,363,169</u> | <u>\$ 321,450,532</u> |

Dollars Out . . .

Services Provided:

| | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Administration | \$ 9,552,726 | \$ 8,819,808 | \$ 9,415,524 |
| Judicial government | 30,251,020 | 29,680,518 | 28,973,387 |
| Public safety | 10,293,608 | 9,592,154 | 9,358,987 |
| Corrections | 37,563,938 | 37,794,117 | 37,146,142 |
| Public works | 3,751,757 | 4,031,648 | 2,157,949 |
| Human services | 191,738,626 | 186,662,331 | 187,016,950 |
| Parks & recreations | 3,732,219 | 3,657,550 | 3,618,349 |
| Planning & development | 13,988,817 | 17,264,851 | 15,020,820 |
| Interest on long-term debt | <u>5,823,231</u> | <u>6,009,627</u> | <u>7,364,963</u> |
| | <u>\$ 306,695,942</u> | <u>\$ 303,512,604</u> | <u>\$ 300,073,071</u> |



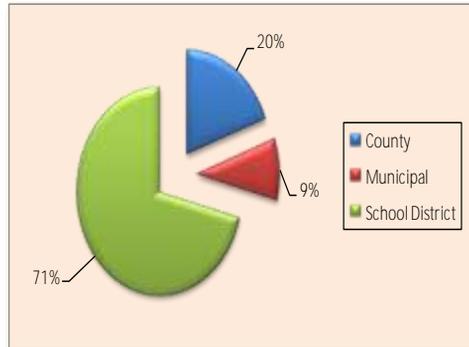
Taxes/Assessment

Your Real Estate Taxes-**The County's Portion**

This pie chart illustrates that on average, 20% of your local real estate taxes is paid to the county.

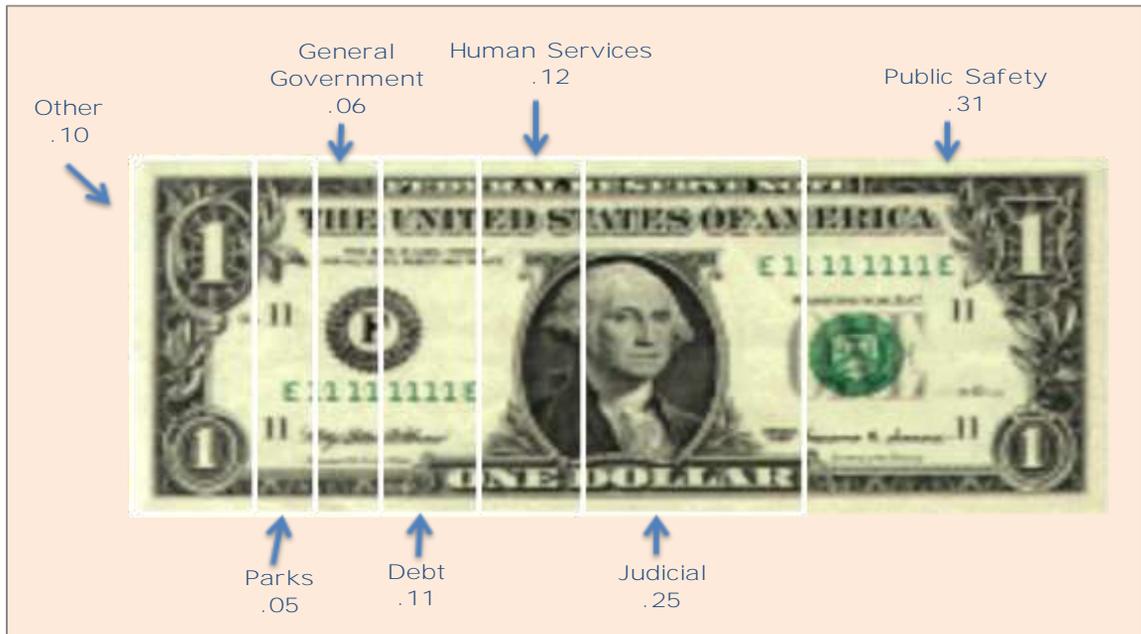
Westmoreland County residents paid an average of \$1,075 in local real estate taxes on \$10,000 of assessed value for 2008. Of that average, \$210 (20%) is paid to the county.

The county's millage rate is 20.99, with each mill generating approximately \$3,721,000 in taxes. The last tax increase occurred in 2005.



Below is an illustration of how the county's portion of your real estate taxes is spent.

The majority (77% of \$307 million) of the county's spending is funded by federal and state grants or charges for services. The remaining spending (\$68 million) must be paid primarily with your county real estate taxes.





A Great Place to Live...

EDUCATION-Excellent elementary, secondary and vocational educational facilities in nineteen school districts. Higher educational facilities include Penn State University at New Kensington, Saint Vincent College, Seton Hill University, University of Pittsburgh at Greensburg, and Westmoreland County Community College. Colleges close to Westmoreland County include Carnegie Mellon University, University of Pittsburgh, Duquesne University, Robert Morris University, Carlow College, and Point Park University.



HOUSING-Low property tax rates combined with reasonable market values provide affordable quality housing for individuals and families. New housing developments allow purchasers to buy the home of their dreams.



TRANSPORTATION-The county has bus service through Westmoreland Transit, serving the local communities and Pittsburgh; airline service from the Arnold Palmer Regional and Rostraver airports and Amtrak rail service. Westmoreland County has three interchanges with the Pennsylvania turnpike. The historic Lincoln Highway (Route 30) is the main east west thoroughfare through the county.



The Westmoreland County Airport Authority is responsible for the operation of the county's two aviation facilities: Arnold Palmer Regional Airport and Rostraver Airport. The original airport authority was named the Tri-City Municipal Authority and was incorporated on September 7, 1951. On July 13, 1970, the Authority was renamed the Westmoreland County Airport Authority.



PUBLIC SAFETY-Westmoreland County Public Safety Department is responsible for 9-1-1, Emergency Management, HazMat and Homeland Security. The county has a state-of-the-art 911 Center.





... Work ...



The top employers include:

- Pennsylvania State Government
- United Parcel Service
- Respironics
- Westinghouse Electric
- Excela Health
- Westmoreland County

Other employers include

- ABB, Inc.
- Reinhart FoodService, Inc.
- Levin Furniture
- Precision Metal Crafters,
- Bacharach, Inc.
- Leeds
- Kennametal, Inc.

The Private Industry Council of Westmoreland/Fayette, Inc. spearheads labor training programs.

Westmoreland County offers an abundant supply of low cost energy resources. Additionally, the county is located within a 500-mile radius of the nation's primary eastern and mid-western markets.

The Southwest Pennsylvania Railroad provides service to **Westmoreland Logistics Park, the county's rail freight** intermodal terminal and Sony Park.



The county's workforce boasts traditional work ethics and pride, yet is receptive to change.

The county has sixteen industrial parks which include some pad-ready sites.





... and Play

There are four state parks, ten county parks, and four bike trails included in over 3,900 acres of park land. All of the major county parks have pavilion rentals, ball fields, fishing, and walking trails. Special events are also held throughout the year for family fun.

Cedar Creek Park



- *August Fun Fest*
- *Cedar Creek Gorge*
- *Model Radio Controlled Airfield*
- *Great Allegheny Trail—Youghiogheny River Trail*

Mammoth Park



- *Giant Slide*
- *Fishing Derby*
- *Mammoth Lake*
- *World War II Memorial*

Twin Lakes Park



- *Arts & Heritage Festival*
- *Peach Plaza Skate Park*
- *Boat Rentals*
- *Summer Concert Series*

Northmoreland Park



- *Boat Rentals*
- *BMX Track*
- *Labor United Celebration*
- *Model Radio Controlled Airfield*

Did You Know?

The city of Latrobe, hosted the first ever professional football game. It is also the birth place of Arnold Palmer and the late Fred Rogers.

There are six country clubs and twenty-four public golf courses in the county.

Westmoreland County is home to twelve performing art theatres, including the Palace Theater, Westmoreland Cultural Trust, home of the Westmoreland Symphony; the Westmoreland Museum of American Art; and historic museums.





Virtual Courthouse

www.co.westmoreland.pa.us

Westmoreland County has made a significant investment in technology that enables it to offer its citizens and taxpayers access to a virtual courthouse. Interested parties can access:

- Clerk of Courts
 - Criminal Court Records
- Prothonotary
 - Civil Court Search
- Controllars
 - Comprehensive Annual Financial Report
 - Bids, Contracts & Audits
- Recorder of Deeds
 - Property Deeds Search
- Court Administrator
 - Civil Family Court Forms
 - Custody Forms
 - Orphans Court Forms
- Register of Wills
 - Various Forms
 - Marriage License & Estate Search
- District Attorney
 - Victim Notification System (PA SAVIN)
- Sheriff
 - Sheriff Sale Information & Results
 - Firearm Permits
- Domestic Relations
 - New Case Filing & General Forms
- Tax Assessment
 - Various Forms
- Election Bureau
 - View Election Results
 - Various Forms
- Tax Office
 - Property Search
 - Judicial Sale Listing & Results
 - Tax Collector Listing
- Geographic Information System (GIS)
 - View Photographic Image of Property
- Treasurer
 - Bingo, Dog & Small Games of Chance Licenses
- Jury Commissioner
 - Daily Juror Notification
- Veterans Affairs
 - Enroll/Apply for VA Health Benefits
- Prison
 - Inmate Information/Search



Human Services . . .

Westmoreland County Children's Bureau

Our mission: To protect children from abuse and neglect, preserve families wherever possible and ensure every child under our care and supervision has a safe, stable and permanent home in which to grow.

We are on call 24 hours a day, every day of the year.

The following services are provided by WCCB:

- ◆ Investigation
- ◆ General protective services
- ◆ Emergency shelters
- ◆ Foster homes and resource homes
- ◆ Residential placements
- ◆ Adoption
- ◆ Independent Living for youths 16-21 years old
- ◆ Generation in-touch pairings



Mental Health/Mental Retardation

Vision Statement: To provide the opportunity for each individual to choose appropriate services and supports which promote hope, growth, recovery, quality of life and inclusion in his/her community.

In 2008, 5,839 individuals were served on the county-funded side and 10,467 were **also served through the MH/MR's HealthChoices services.** The MH/MR Program contracts with agencies throughout the Commonwealth to provide a wide array of services to meet community mental health, developmental disability and child early intervention needs.

Mental Health/Mental Retardation Services include:

- | | |
|--|---------------------------------------|
| Information and Referral | Warmline—a non-emergency support line |
| Emergency Services | Crisis Intervention Services |
| Home, School and Community Services and Programs | |

There are certain eligibility criteria for the above services. Additionally, the HealthChoices program is a managed care mental health and drug and alcohol program that covers medical assistance recipients in Westmoreland County.



A Caring Community

Area Agency on Aging

The Westmoreland County Area Agency on Aging was created in 1967. The agency was designated by the state to administer human service programs at the local level. Their goal is to provide services and opportunities to adults age 60 and older. They adopt the mission to be responsible to the maximum degree of our resources, to assist and enable older and disabled persons to live their lives as independently as their circumstances will allow and in the best possible and desired manner.

Some of the services provided by the Area Agency on Aging are:

- ◆ 13 Senior Centers located throughout the county
- ◆ Free cell phones for emergency use for seniors age 60 and over
- ◆ Companionship and oversight for homebound seniors while relieving regular caregiver
- ◆ Eligible seniors 60 and older may qualify for \$20 in vouchers to be used at **Farmer's Markets.**



Westmoreland Manor

Westmoreland Manor has provided quality nursing care and rehabilitation services to residents of the surrounding communities of Westmoreland County for over 150 years. The 408-bed facility also provides hospice care, respite care, physical, occupational, speech and respiratory therapies. The Manor is staffed by physicians and an experienced licensed nursing staff that attends to the needs of residents around the clock.

In addition, Westmoreland Manor has also operated the Eagle Tree Apartments since 2003. Eagle Tree is a 21 unit independent living facility that provides both privacy and a secure environment for all tenants. Tenants have access to recreation activities offered at the Manor, as well as church services. Additional amenities include: appliances, furniture, cable TV, daily delivered meals, housekeeping services and laundry facilities.

Westmoreland Manor is licensed by Medicare and Medicaid as well as under contract with a variety of other insurance providers. Westmoreland Manor and the Eagle Tree Apartments are under the jurisdiction of the Westmoreland County Board of Commissioners.



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 | Tom Ceraso | (724) 830-3106 | tceraso@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 | David L. Patterson | (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 | Ron Diehl | (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 |
| Sheriff | Chris Scherer | (724) 830-3457 | cscherer@co.westmoreland.pa.us |
| Treasurer | Kathalyn O'Brien | (724) 830-3180 | kobrien@co.westmoreland.pa.us |
| Jury Commissioner | Christina O'Brien | (724) 830-3817 | cobrien@co.westmoreland.pa.us |
| Jury Commissioner | Vacant | | |



| | |
|--------------------------------------|----------------|
| 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 |
| Jury Commissioners | 724-830-3817 |
| Parks & Recreation | 724-830-3950 |
| Veteran's Affairs | 724-830-3530 |



Emergency Call 9-1-1