

**VENANGO COUNTY  
2009 BUDGET  
12/9/2008**

**2009 PRELIMINARY BUDGET PRESENTATION  
DECEMBER 9, 2008**

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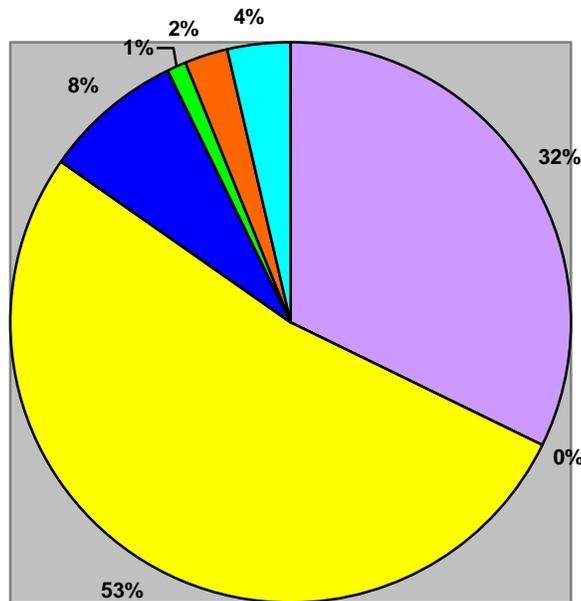
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## 2009 VENANGO COUNTY BUDGET NARRATIVE

The Venango County budget consists of approximately 70 funds which roll up in the following categories:

- General Fund: to include County General Fund operations, Human Services Fund and Operating Reserve Fund.
- Special Revenue Funds: to include major funds such as Liquid Fuels, Airport Special Funds, 911 Special Funds and CDBG Funds.
- Capital Reserve Fund: consists only of the Capital Reserve Fund, designated for capital use only.
- Debt Fund: to include the Debt Funds from where all County Debt is recorded and paid.
- Fiduciary Funds: to include major funds such as: Early Head Start, Domestic Relations IV-D Fund, Capital Transit Fund and Rural Operating Assistance Fund.

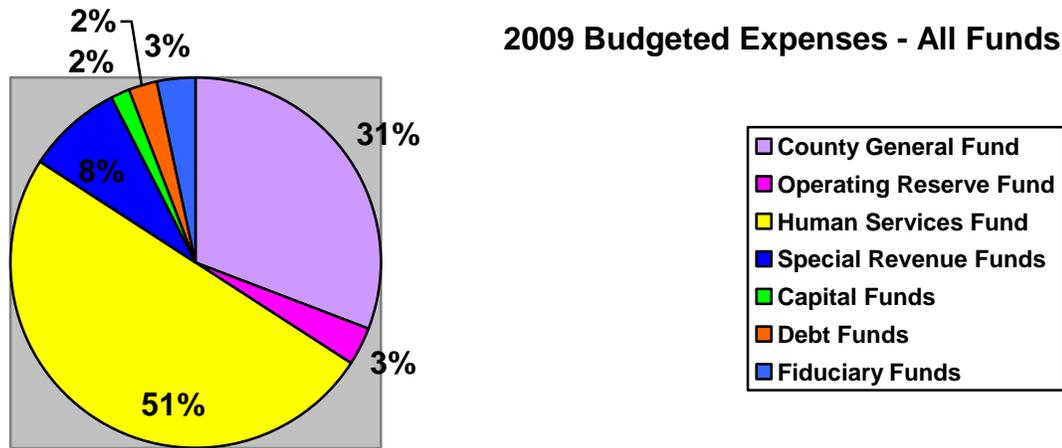
Total revenue for all funds is projected to be \$49,987,952 in 2009 which represents a decrease of approximately 1.9% over the current 2008 \$50,943,544 revenue budget. The County General Fund revenue budget, excluding Human Services, is projected at \$16,125,246 or an estimated 32.3% of the entire revenue budget.



**2009 Budgeted Revenue - All Funds**



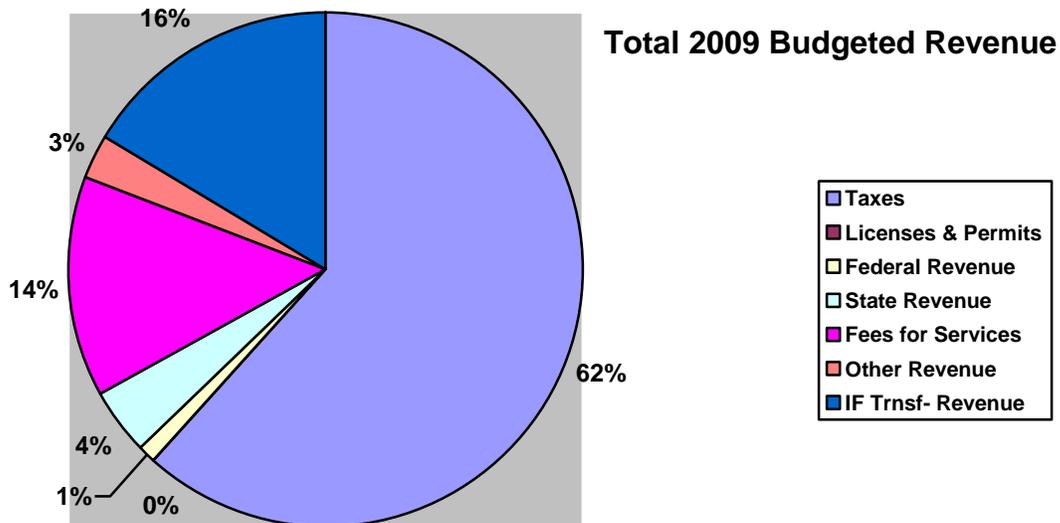
Total expenses for all Venango funds are projected to be \$52,325,900 in 2009 which represents a decrease of 4.6% over the 2008 \$54,806,226 expense budget. The County General Fund expense budget, excluding Human Services, is projected at \$16,125,245 or an estimated 30.9% of the entire budget.



Although the largest portion of the County's overall budget is the Human Services Fund, this review will place emphasis on the General Fund, non Human Services portion of the budget. This is where all expenses are reported which are funded utilizing the county assessed millage thus funded by county taxpayer dollars.

## I. General Fund (Excluding Human Services) 2009 Budget Review

### Revenue Analysis:



### **Taxes**

Taxes are the total amount to be raised by property and per capita taxes for the support of County operations. The County is permitted to levy taxes up to 25 mills on the assessed value of real estate for general purposes and without limitation as to debt service.

The 2009 budget estimates that the assessed value of 35,712 taxable parcels is \$1.935 billion (an estimated .7% increase in the tax base) which will result in gross billings of approximately \$10.4 million. The County also offers a homestead exemption of \$10,000 for all who apply and qualify. There are 14,644 who qualify for this exemption which is budgeted to cost the County approximately \$815,000. The County's historical non delinquent collection rate on billed taxes continues to be approximately 90%.

The total millage rate for 2009 has been budgeted to remain at 5.565. It will be used entirely for general fund purposes. The County does not officially designate millage for capital reserve or debt service purposes. The millage rate has been allocated to each general fund functional group. The general fund departments break into functional groups as follows:

- **General Government:** Commissioner's, Fiscal, Tax Claim Bureau, MIS, Assessment, Maintenance & Custodial, Garage, Public Defender, Human Resources, Voter Registration, Tax Collectors, Treasurer, Auditors and Planning.
- **Judicial:** Courts, Domestic Relations, Law Library, District Justices, Jury Commissioners, Register & Recorder, Coroner, District Attorney, Prothonotary and Sheriff.

- **Public Safety:** Prison, Court Supervision Services, Juvenile Court Supervision Services, EMA and 911.
- **Public Works:** Airport.
- **Human Services:** Veterans, Area on Aging, Children & Youth Services, Mental Health/Mental Retardation, Office of Economic Opportunity, Transportation and Weatherization.
- **Culture and Recreation:** Park
- **Conservation and Development:** Conservation and Economic Development Activities.
- **Other:** Property Insurances
- **Debt:** Debt Service.

The total millage of 5.565 is allocated as follows:

	<b>2008</b>	<b>2009</b>
GENERAL GOVERNMENT	0.902	0.782
JUDICIAL	1.060	1.135
PUBLIC SAFETY	1.955	2.017
PUBLIC WORKS	0.105	0.134
HUMAN SERVICES	0.610	0.645
CULTURE AND RECREATION	0.068	0.180
CONSERVATION & DEVELOP.	0.151	0.038
MISCELLANEOUS	0.314	0.229
DEBT	0.401	0.405

In 2009, the median value of a parcel in Venango County is estimated at \$54,181; therefore, the County's annual real estate taxes for an average home amounts to approximately \$300.

The 2009 General Fund budget for taxes of \$9,922,850 represents a decrease of approximately \$4,950 over the 2008 \$9,927,800 budget. Approximately 62% of the general fund budget is funded through tax revenue.

### **Licenses & Permits**

The 2009 General Fund budget for licenses and permits of \$33,800 represents a slight increase over the 2008 \$33,675 budget. The primary reason for the increase is due to fees generated in the Treasurer's office through the sale of licenses and permits.

### **Federal Revenue**

The County receives revenue from the federal government in the form of specific purpose grants. These monies are designated as federal and tracked via the C.F.D.A. (Catalog of Federal Domestic Assistance) number to ensure the monies are used for the purposes that are allowable under the grant.

The 2009 General Fund budget for Federal Revenue of \$168,140 represents an increase of approximately \$30,566 (22.3%) over the 2008 \$137,574 budget. The primary reason for the increase is the federal grant to provide DUI checkpoints and roving patrols.

## **State Revenue**

State revenue represents the funds the County receives from the Commonwealth of Pennsylvania and these funds are designated for a specific purpose. These funds are tracked using a project number and the grant number when applicable. State Operating Grant revenues are completely different from Federal Operating Grants.

The 2009 General Fund budget for state revenue of \$657,704 represents an increase of approximately \$9,270 (1.4%) over the 2008 \$648,434 budget.

Also included in State revenue are state entitlements which are funds provided by the Commonwealth of Pennsylvania to the County for the State's portion of specific expenses. The primary entitlement the County receives is the reimbursement of Judges' expenses. The State remits approximately \$70,000 to the County every year for each of the County Judges. As the County has two Judges, approximately \$140,000 is received annually. In addition, the State reimburses the County for 65% of the wages paid to the District Attorney or approximately \$85,000.

## **Fees for Services – General Government**

These are monies received by the County for a variety of services. They include specific charges assessed members of the public for services rendered. One example of Fees for Services is the monies received by the Recorder's Office for recording a deed.

The 2009 General Fund budget for Fees for Services of \$2,231,579 represents an increase of approximately \$44,073 (2.0%) over the 2008 budget of \$2,187,506. Various increases and decreases occurred to net to the projected increase are namely as follows:

- decreased projections for Tax Claim commissions of \$10,000;
- increased projections for House Arrest revenues of \$10,000
- decreased projections for the Register and Recorder revenue of \$20,000;
- increased projections of Prothonotary revenue of \$40,000;
- increased projections for Prison revenue of \$7,000; and
- increased projections for Sheriff revenue of \$10,000.

## **Other Revenue**

These are various sources of revenue received by the County. Included in this grouping is revenue generated from the sale of county assets and monies generated by the rental of County property leased to outside entities. It also

includes the revenue generated from the investment of cash. The 2009 General Fund budget for Other Revenue of \$462,887 represents an increase of approximately \$80,227 (17.5%) over the 2007 budget of \$382,660. The increase is namely due to the revenues generated by the sale of gas at the Park.

### **Inter Fund Transfers – Revenue**

These are various monies received in the General Fund from other County funds. One example is the Domestic Relations and Human Services Indirect Cost Reimbursement. This is an amount allotted each year to repay a portion of administrative costs absorbed by the general fund which include but are not limited to Finance, Management Information Systems, Human Resources, Maintenance and Custodial.

The 2009 General Fund budget for Inter Fund Transfers – Revenue of \$2,648,286 represents a decrease of approximately \$942,025 (26.2%) over the 2008 budget of \$3,590,311. The primary reason for the decrease is due to:

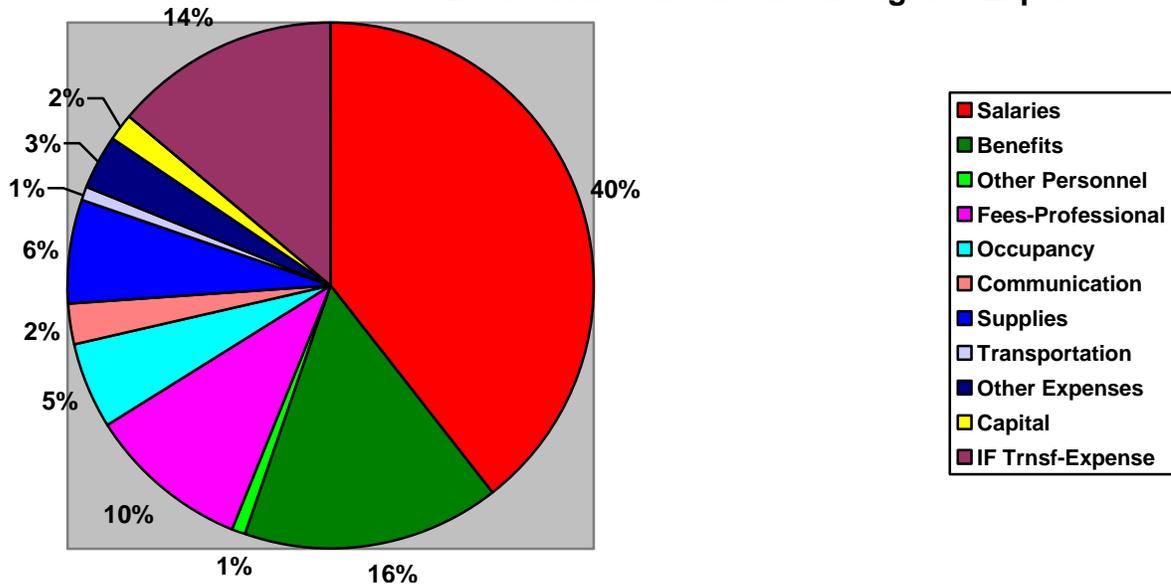
- total transfers from the Operating Reserve Fund of \$1,718,823 represent an approximate decrease of \$530,731;
- total transfers from the Capital Reserve Fund of \$236,398 represent a decrease of \$409,602;

In 2009 the total amount to be transferred from the Operating Reserve Fund is projected to be \$1,718,823. Of the 2008 total, \$2,235,481, approximately \$375,000 was allocated for costs related to the consolidation of the Human Services departments.

In 2009 the total amount to be transferred from the Capital Reserve Fund is projected to be \$236,398. The transfer from the Capital Reserve Fund, which will have a balance of approximately \$700,000 after funding 2008 projects, is needed in order to provide funding for the 2009 General Fund capital expenses.

## Expense Analysis

### 2009 Total General Fund Budgeted Expenses



### Salaries

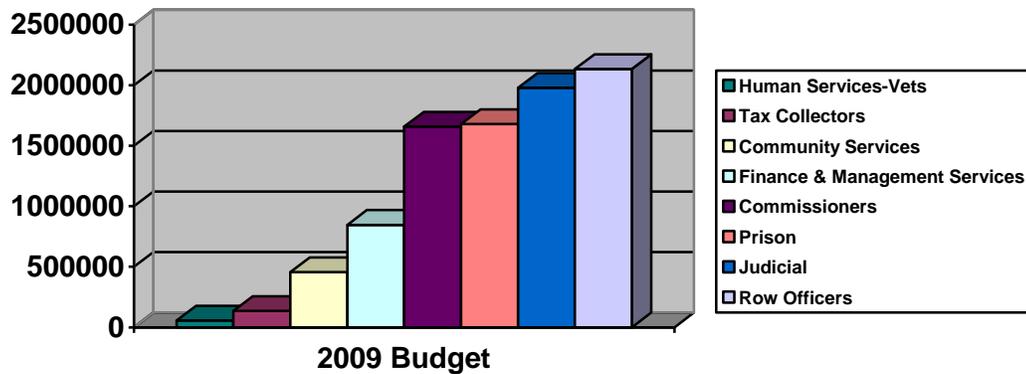
These are monies spent on the payroll of County General Fund elected officials and employees. This excludes any salaries paid for Human Services or 911 employees. The 2009 General Fund budget for Salaries of \$6,367,338 represents an increase of approximately \$173,166 (2.8%) over the 2008 budget of \$6,194,172. The primary reasons for the increase are due to an additional pay date to occur in 2009. In addition, increases and decreases to the complement factor into keeping the overall increase reasonable.

### Benefits

These are monies spent on FICA and insurance costs for County General Fund elected officials and employees. The 2009 General Fund budget for benefits of \$2,547,292 represents an increase of approximately \$330,621 (14.9%) over the 2008 budget of \$2,216,671. The primary reason for this increase includes the notification that the health insurance premium will increase 28.5% for 2009. Changes to the complement are also directly proportionate to the change in benefit amount.

Below is a chart which breaks out the 2009 salary and benefit budget by administrative division.

## 2009 Salary & Benefit Expense by Division



### Other Personnel Costs

These are monies primarily spent on training and workshops for County elected officials and employees. The 2009 General Fund budget for Other Personnel Costs of \$120,831 represents a decrease of approximately \$36,172 (23.0%) over the 2008 budget of \$157,003. This decrease reflects efforts by management to cut costs where possible.

### Fees-Professional

These are monies spent on professional fees contracted by the General Fund as well as money provided to other agencies to support their operating costs. The 2009 General Fund Budget for Fees-Professional of \$1,623,115 represents a decrease of approximately \$143,859 (8.1%) from the 2008 budget of \$1,766,974. This decrease is primarily due to the following variances:

- A decrease of \$100,000 for contracted services related to the Assessment Office; and
- A decrease of \$8,000 for contracted services related to Domestic Relations.

### Occupancy

These are monies spent for all costs associated with building occupancy to include utilities, insurance, and rental of space, ground/building maintenance and repairs. The 2009 General Fund Budget for Occupancy of \$861,534 represents decrease of approximately \$27,432 (3.1%) over the 2008 \$888,966 budget. This decrease is primarily due to the lower custodial costs and no costs related to the County Exchange Building as it has been vacated. The 2009 projection also accounts for additional occupancy costs related to the Park and costs associated with the adequate upkeep and maintenance for the Park.

## **Communication**

These are monies spent for costs such as telephone, postage, internet, and advertising. The 2009 General Fund budget for Communication of \$387,526 represents a decrease of approximately \$20,822 (5.1%) from the 2008 \$408,348 budget. This decrease is representative of the Elected Officials and Department Heads aiding in keeping costs low where possible.

## **Supplies**

These are monies spent for supplies required for all county departments to operate. The 2009 General Fund budget for Supplies of \$1,019,449 represents an decrease of approximately \$38,000 (3.6%) over the 2008 \$1,057,691 budget. This decrease represents the cooperation of all departments in containing costs.

## **Transportation**

These are monies spent for travel costs to include vehicle leases, repair, insurance and supplies. The 2009 General Fund budget for Transportation of \$158,115 represents an increase of approximately \$19,751 (14.3%) over the 2008 \$138,364 budget. This increase is primarily related to costs associated with gasoline and car repairs due to the age of the fleet.

## **Other Expenses**

These are monies spent on all other expenses to include books, memberships, subscriptions, insurance for public officials, other court related costs and contingencies. The 2009 General Fund budget for Other Expense of \$553,056 represents a slight decrease of approximately \$44,379 (7.4%) under the 2008 \$597,435 budget. The decrease is namely representative of contingency decreases related to the Assessment Office and the Park.

## **Capital**

These are monies spent on capital equipment and projects and with the exception of those being funded directly by grants or other funding avenues, all capital is funded directly from the capital reserve fund. The 2009 General Fund budget for Capital of \$244,076 represents a decrease of approximately \$842,224 (77.9%) over the 2008 \$1,086,300 budget. The primary reason for this decrease is Courthouse renovations and capital costs associated with the Human Services consolidation.

Of the \$254,076 total capital expenses, \$193,898 will be funded by the Capital Reserve Fund. The remaining expenses will be funded from other County Special Revenue Funds or state funding.

## **Inter Fund Transfers – Expenses**

These are various monies provided by the General Fund to other County funds. One example is County's responsibility to fund the 911 special revenue fund.

The 2009 General Fund budget for Inter Fund Transfers – Expense of \$2,242,917 represents a decrease of approximately \$153,119 (6.4%) under the 2008 budget of \$2,396,036. The primary reasons for the decrease are due to:

- In 2009, the General Fund anticipates a total of \$1,247,926 to be funded to Human Service Agencies. This is a decrease of \$164,496 under the 2008 budget of \$1,412,422;
- In 2009, the General Fund anticipates a total of \$717,000 to be funded to the Debt Service Fund to cover required debt service payments on the Series 2002 bond refinancing. This is an increase of \$11,000 over the 2008 budget of \$706,000; and
- In 2009, the General Fund anticipates a total of \$277,000 to be funded to the 911 Special Fund to cover costs associated with the operations of the 911 Center.

## **II. Operating Reserve Fund**

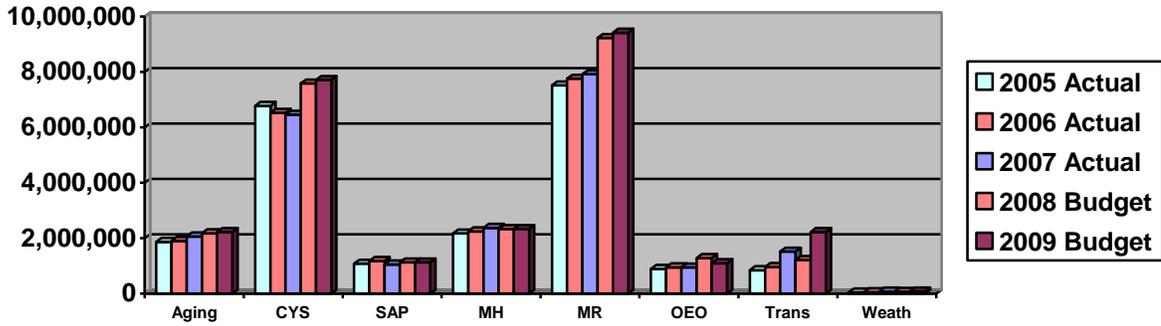
The Operating Reserve Fund currently has a balance of approximately \$2.3 million. Approximately \$2.24 million was transferred as appropriated in the 2008 General Fund Budget. Any carryover in 2008 will be transferred to the Operating Reserve Fund.

The 2009 budget uses \$1,718,823 of the Operating Reserve Fund to balance the General Fund Budget.

## **III. Human Services Funds**

All Human Services Funds actually operate on a fiscal year of July 1 through June 30. They are required to budget on a fiscal year basis; therefore, the County's calendar year budget for 2009 is expected to be their July 1, 2009 through June 30, 2010 budget. Since this fiscal budget has not yet been created, Human Services uses their 2008 calendar year budget as a basis for the 2009 calendar year budget. Once the 08-09 fiscal year budget is completed during 2009, budget amendments will be done to adjust the calendar year 2009 budget accordingly. The following chart trends the expenses per Human Services Fund which shows the greatest growth in CYS, Transportation, and Mental Retardation.

### Human Services Expenses Trend



### IV. Special Revenue Funds

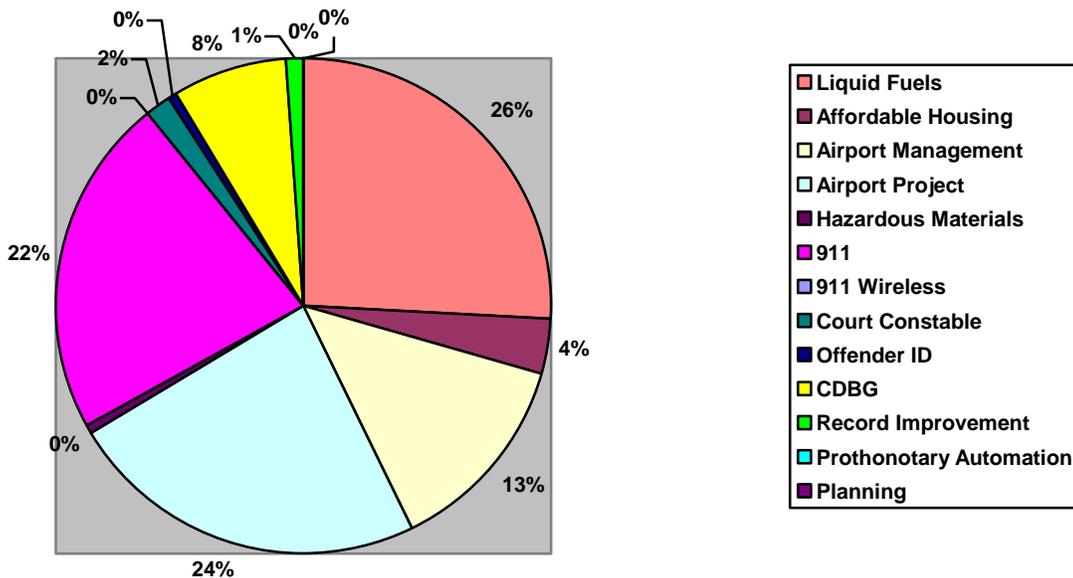
Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The total 2009 budgeted revenues total \$4,030,574 which is a decrease of \$1,344,822 (33.4%) from the 2008 \$5,375,396 budget.

The total 2009 Budgeted expenses total \$4,357,212 which is a decrease of \$1,935,399 (44.5%) over the 2008 \$6,292,611 budget.

The following pie chart details the breakdown of the Special Revenue Funds expenses:

### 2009 Special Revenue Expense Budgets



## **V. Capital Reserve**

Capital Reserve Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or maintenance to existing facilities and equipment.

The 2009 Capital Budget revenue of \$575,000 is a slight decrease under the 2008 budget of \$605,000. This number represents the payments received on the lease purchase arrangement of Venango Manor and interest earnings.

The 2009 Capital Budget expense of \$906,800 represents a decrease of 32.6% under the 2008 \$1,343,851 budget. The primary uses of this fund are:

- \$150,000 funding for the 911 Special Fund Capital;
- \$193,898 funding for General Fund Capital to include items such as computer equipment, internal Courthouse renovations, and Prison updates;
- \$518,938 funding for debt service (manor) obligations.

The Capital fund is projected to have a cash balance of approximately \$700,000 at the end of 2008 providing all of the budgeted capital money is exhausted. Using the budgeted capital fund net loss, the capital fund is projected to have a cash balance of approximately \$400,000 at the end of 2009.

## **VI. Debt Service Fund**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

- The 2009 Debt Service Fund expense budget of \$1,238,103 represents approximately \$477 (.1%) decrease over the 2008 \$1,237,626 budget.

## **VII. Total Fiduciary Funds**

Fiduciary funds are monies which are used to account for assets held by the County in trustee capacity or as an agent for individuals, private organizations, other governments and/or funds.

The total 2009 budgeted revenues total \$1,802,628 which is a decrease of \$794 (.1%) over the 2008 \$1,803,422 budget.

The total 2009 budgeted expenses total \$1,767,815 which is an increase of \$14,031 (.8%) over the 2008 \$1,753,784 budget.

# 2009 Fiduciary Fund Expense Budgets

