

**VENANGO COUNTY  
2013 BUDGET  
11/13/2012**

**2013 BUDGET  
NOVEMBER 13, 2012**

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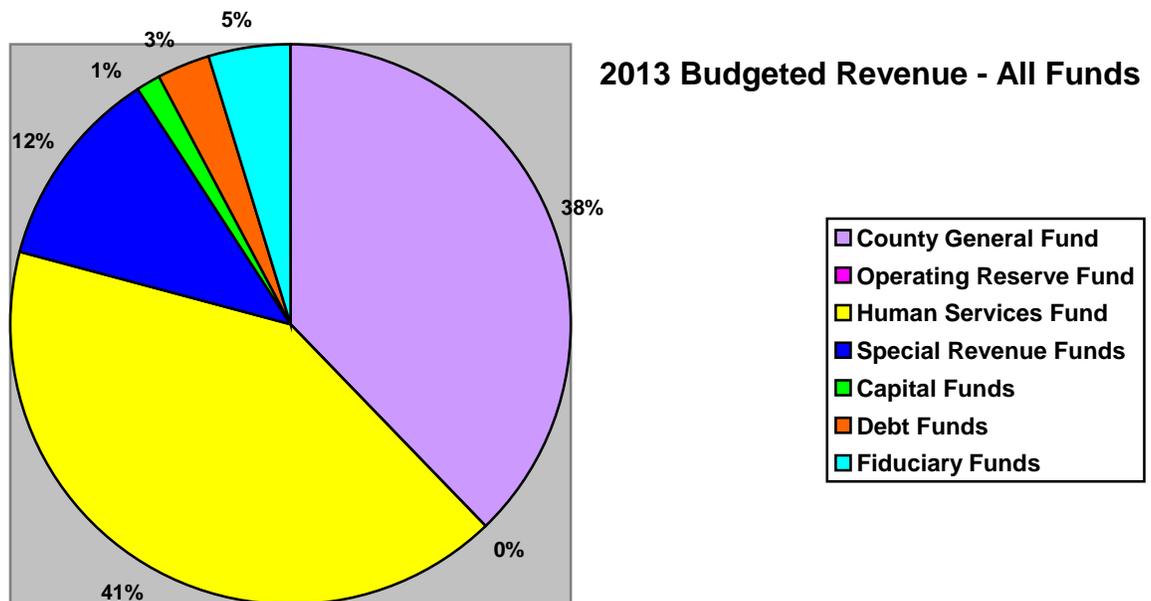
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## 2013 VENANGO COUNTY BUDGET NARRATIVE

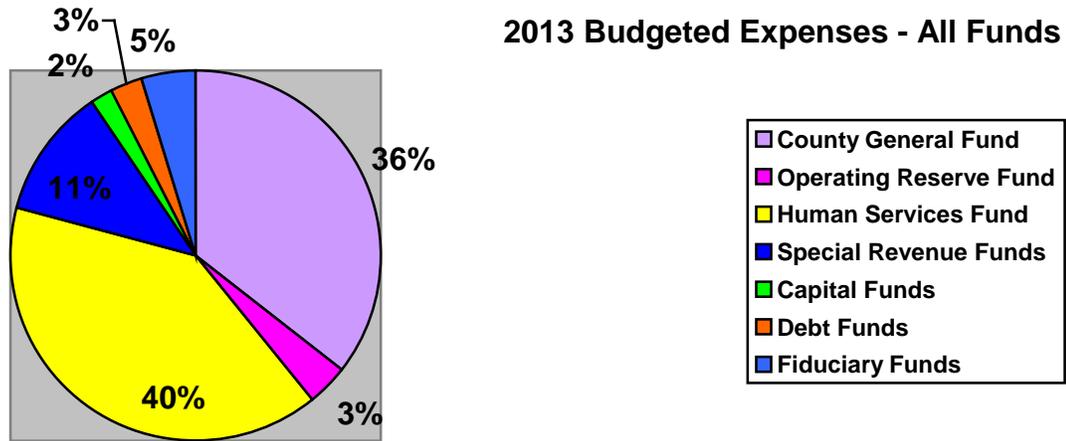
The Venango County budget consists of approximately 70 funds which roll up in the following categories:

- 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 \$47,033,256 in 2013 which represents an increase of approximately .7% from the current 2012 \$46,719,266 revenue budget. The County General Fund revenue budget, excluding Human Services, is projected at \$17,811,319 or an estimated 37.9% of the entire revenue budget.



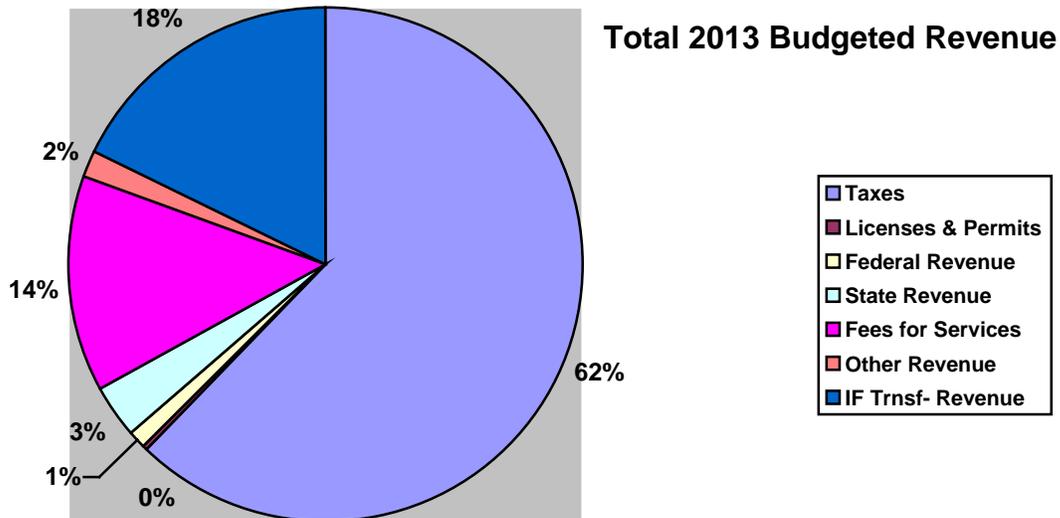
Total expenses for all Venango County funds are projected to be \$48,810,759 in 2013 which represents a decrease of 1.4% from the 2012 \$49,503,144 expense budget. The County General Fund expense budget, excluding Human Services, is projected at \$17,811,319 or an estimated 36.5% of the entire budget.



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) 2013 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 2013 budget estimates that the assessed value of 36,019 taxable parcels is \$1.969 billion (an estimated .6% increase in the tax base) which will result in gross billings of approximately \$11.5 million. The County also offers a homestead exemption of \$10,000 for all who apply and qualify. There are approximately 15,000 who qualify for this exemption which is budgeted to cost the County approximately \$890,000. The County's non delinquent collection rate on billed taxes is approximately 85%.

The total millage rate for 2013 has been budgeted to increase to 6.00. This is a .435 mill increase or 7.8%. 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/Developmental Services, 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 6.00 is allocated as follows:

	<b>2012</b>	<b>2013</b>
GENERAL GOVERNMENT	0.791	0.952
JUDICIAL	1.115	1.122
PUBLIC SAFETY	1.858	1.949
PUBLIC WORKS	0.135	0.125
HUMAN SERVICES	0.731	0.766
CULTURE AND RECREATION	0.110	0.105
CONSERVATION & DEVELOP.	0.129	0.189
MISCELLANEOUS	0.311	0.408
DEBT	0.385	0.383
	5.565	6.000

In 2013, the median value of a parcel in Venango County is estimated at \$54,977; therefore, the County's annual real estate taxes for an average home amounts to approximately \$330. This is an increase to the average tax bill of approximately \$24.00 annually.

The 2013 General Fund budget for taxes of \$11,107,100 represents an increase of approximately \$848,000 from the 2012 \$10,259,100 budget. The increase is namely attributable to increased tax revenue as well as projections closer to actual and collections through Tax Claim. Approximately 62% of the general fund budget is funded through tax revenue which is consistent with that of the prior year.

### **Licenses & Permits**

The 2013 General Fund budget for licenses and permits of \$31,700 represents a slight increase over the 2012 \$32,730 budget. The fees for licenses and permits are largely generated from the Treasurer's Office.

### **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 2013 General Fund budget for Federal Revenue of \$205,500 represents a decrease of approximately \$34,046 (14.21%) from the 2012 \$239,546 budget. The primary reason for the decrease relates to Court Supervision grants.

### **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 2013 General Fund budget for state revenue of \$577,757 represents an increase of approximately \$84,164 (17.05%) from the 2012 \$493,593 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 will remit approximately \$65,000 to the County in 2013 for each of the County Judges. As the County has two Judges, approximately \$130,000 is budgeted to be received. Slight decreases in State allocations for the County's Court Supervision Services have been factored as well as an increase for the Sandycreek Industrial Park grant as the County is administering this grant.

### **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 2013 General Fund budget for Fees for Services of \$2,414,673 represents a decrease of approximately \$16,923 (.70%) from the 2012 budget of \$2,431,596. Various increases and decreases occurred to net to the projected increase are namely as follows:

- decreased projections for the reimbursement revenue related to the Human Services Complex of \$50,000;
- increased projections of Sheriff revenue of \$5,000; and,
- increased projections of Register and Recorder revenue of \$25,000;

## **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 2013 General Fund budget for Other Revenue of \$284,329 represents a decrease of approximately \$16,577 (5.51%) from the 2012 budget of \$300,906. The decrease is namely due to the hangar rental and interest income.

## **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 Direct and 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, and Maintenance.

The 2013 General Fund budget for Inter Fund Transfers – Revenue of \$3,190,260 represents a decrease of approximately \$224,880 (6.58%) from the 2012 budget of \$3,415,141. The primary reason for the decrease includes the net of the following:

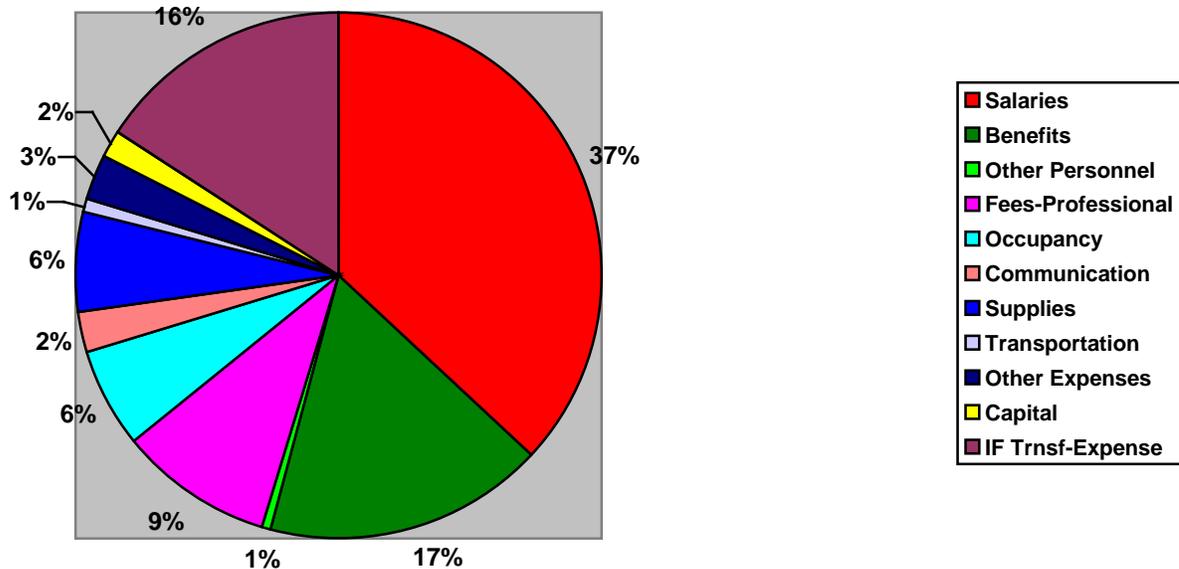
- total transfers from the Operating Reserve Fund of \$1,628,079 represent an approximate decrease of \$205,729;
- total transfers from the Capital Reserve Fund of \$270,000 represents an approximate decrease of \$28,000;
- total transfers from the Human Services Funds represent an approximate increase of \$20,000;

In 2013 the total amount to be transferred from the Operating Reserve Fund is projected to be \$1,628,079 compared to \$1,833,808 which represents a decrease of approximately 11%.

In 2013 the total amount to be transferred from the Capital Reserve Fund is projected to be \$270,000. The transfer from the Capital Reserve Fund, which will have a balance of approximately \$348,000 after funding 2012 projects, is needed in order to provide funding for the 2013 General Fund capital expenses.

## Expense Analysis

### 2013 Total General Fund Budgeted Expenses



### Salaries

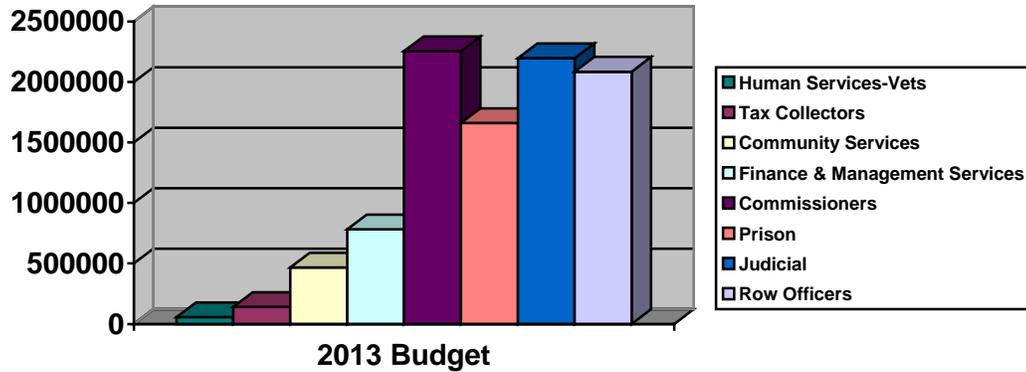
These are monies spent on the payroll of County General Fund elected officials and employees. This excludes any salaries paid for Human Services or 911 employees. The 2013 General Fund budget for Salaries of \$6,559,157 represents an increase of approximately \$54,029 (.83%) from the 2012 budget of \$6,505,128. The 2013 budget includes projected raises for County personnel averaging approximately 3.25%. In addition, increases and decreases to the complement factor into the overall increase or decrease to salary expense.

### Benefits

These are monies spent on FICA and insurance costs for County General Fund elected officials and employees. The 2013 General Fund budget for benefits of \$3,078,971 represents an increase of approximately \$267,672 (9.52%) from the 2012 budget of \$2,811,299. There primary reason for this increase includes notification that the health insurance premium is scheduled to increase approximately 5% for 2013; however, the County will again be required to make a contribution to the pension plan in the amount of approximately \$536,000. Changes to the complement are also directly proportionate to the change in benefit amount.

Below is a chart which breaks out the 2013 salary and benefit budget by administrative division.

**2013 Salary & Benefit Expense by Division**



### Other Personnel Costs

These are monies primarily spent on training and workshops for County elected officials and employees. The 2013 General Fund budget for Other Personnel Costs of \$114,460 represents an increase of approximately \$233 (.20%) from the 2012 budget of \$114,227. 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 2013 General Fund Budget for Fees-Professional of \$1,682,308 represents an increase of approximately \$132,069 (8.52%) from the 2012 budget of \$1,550,239. This increase results from costs associated with the Sandycreek Industrial Park.

### 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 2013 General Fund Budget for Occupancy of \$1,102,653 represents increase of approximately \$24,384 (2.26%) over the 2012 \$1,078,269 budget. This increase is primarily due to repairs to systems as required by the buildings owned by the County.

## **Communication**

These are monies spent for costs such as telephone, postage, internet, and advertising. The 2013 General Fund budget for Communication of \$413,562 represents an increase of \$980 (.24%) from the 2012 \$412,582 budget. This slight increase is representative of the increased telephone cost.

## **Supplies**

These are monies spent for supplies required for all county departments to operate. The 2013 General Fund budget for Supplies of \$1,085,837 represents an increase of approximately \$41,736 (4.00%) over the 2012 \$1,044,101 budget. This increase is namely due to increased maintenance contracts.

## **Transportation**

These are monies spent for travel costs to include vehicle leases, repair, insurance and supplies. The 2013 General Fund budget for Transportation of \$179,280 represents an increase of approximately \$3,087 (1.75%) from the 2012 \$176,193 budget. This increase is primarily related to costs associated with gasoline.

## **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 2013 General Fund budget for Other Expense of \$456,577 represents a slight increase of approximately \$5,358 (1.19%) over the 2012 \$451,219 budget. The increase is namely representative of costs associated with the house arrest program.

## **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 2013 General Fund budget for Capital of \$322,045 represents a decrease of approximately \$16,596 (4.90%) from the 2012 \$338,641 budget.

Of the \$322,045 total capital expenses, \$270,000 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 2013 General Fund budget for Inter Fund Transfers – Expense of \$2,816,469 represents an increase of approximately \$125,756 (4.67%) over the 2012 budget of \$2,690,714. The inter fund transfer expenses include:

- A total of \$708,458 to be funded to the Debt Service Fund to cover required debt service payments on the Series 2009.
- The General Fund anticipates a total of \$550,654 to be funded to the 911 Special Fund to cover costs associated with the operations of the 911 Center.
- The County match to the Human Services Funds is also reflected here totaling \$1,548,658 in 2013.

## **II. Operating Reserve Fund**

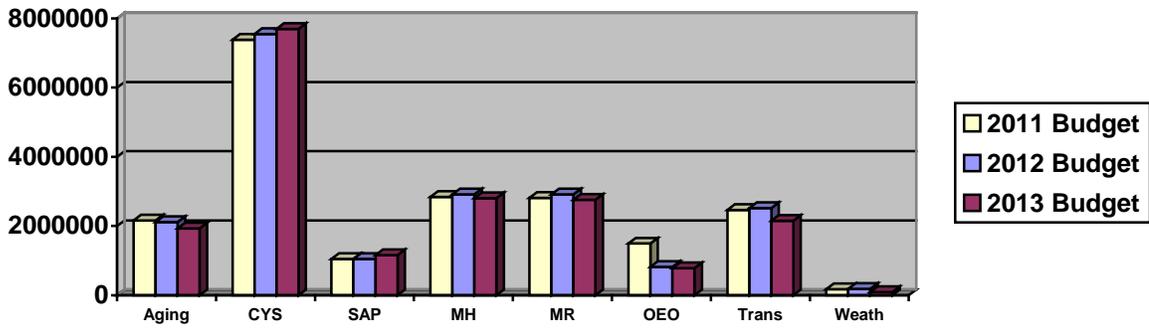
The Operating Reserve Fund currently has a balance of approximately \$2.1 million. Approximately \$1.85 million was transferred as appropriated in the 2012 General Fund Budget. Any carryover in 2012 will be transferred to the Operating Reserve Fund.

The 2013 budget uses \$1,623,079 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 2013 is expected to be their July 1, 2013 through June 30, 2014 budget. Since this fiscal budget has not yet been created, Human Services uses their 2012 calendar year budget as a basis for the 2013 calendar year budget. Once the 12-13 fiscal year budget is completed during 2013, budget amendments will be done to adjust the calendar year 2013 budget accordingly. The following chart trends the expenses per Human Services Fund which shows the greatest growth in CYS, Transportation, and Developmental Services.

### Human Services Expenses Trend



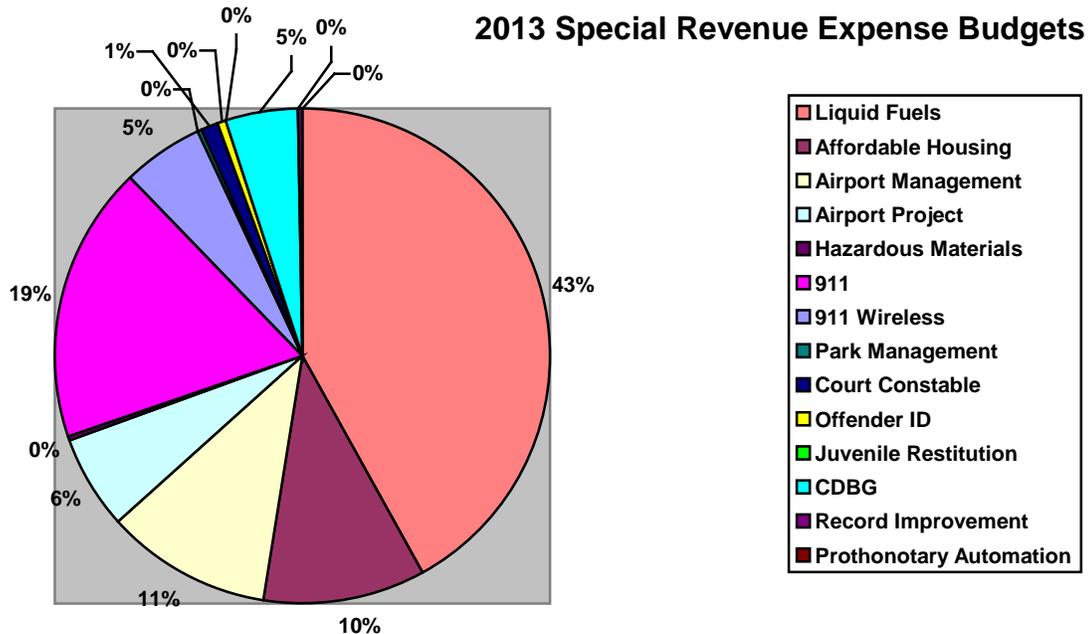
### IV. Special Revenue Funds

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 2013 budgeted revenues total \$5,579,952 which is an increase of \$357,953 (6.9%) from the 2012 \$5,221,999 budget.

The total 2013 budgeted expenses total \$5,550,100 which is a decrease of \$370,403 (6.3%) from the 2012 \$5,920,503 budget.

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



## **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 2013 Capital Budget revenue of \$541,500 is consistent with the 2012 budget. This number represents the payments received on the lease purchase arrangement of Venango Manor and interest earnings.

The 2013 Capital Budget expense of \$843,263 represents a decrease of 3.0% from the 2012 \$870,092 budget. The primary uses of this fund are:

- \$50,000 funding for the 911 Special Fund Capital;
- \$270,000 funding for General Fund Capital to include exterior Courthouse renovations.
- \$523,263 funding for debt service (manor) obligations.

The Capital fund is projected to have a cash balance of approximately \$350,000 at the end of 2012 providing all of the budgeted capital money is exhausted.

## **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 2013 Debt Service Fund expense budget of \$1,405,705 represents approximately a \$2,307 (.2%) decrease from the 2012 \$1,403,398 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 2013 budgeted revenues total \$2,206,585 which is an increase of \$10,907 (.5%) from the 2012 \$2,195,678 budget.

The 2013 budgeted expenses total \$2,236,255 which is an increase of \$10,857 (.5%) from the 2012 \$2,225,398 budget.

# 2013 Fiduciary Fund Expense Budgets

