

**VENANGO COUNTY
2016 BUDGET
12/8/15**

**2016 BUDGET
NOVEMBER 17, 2015**

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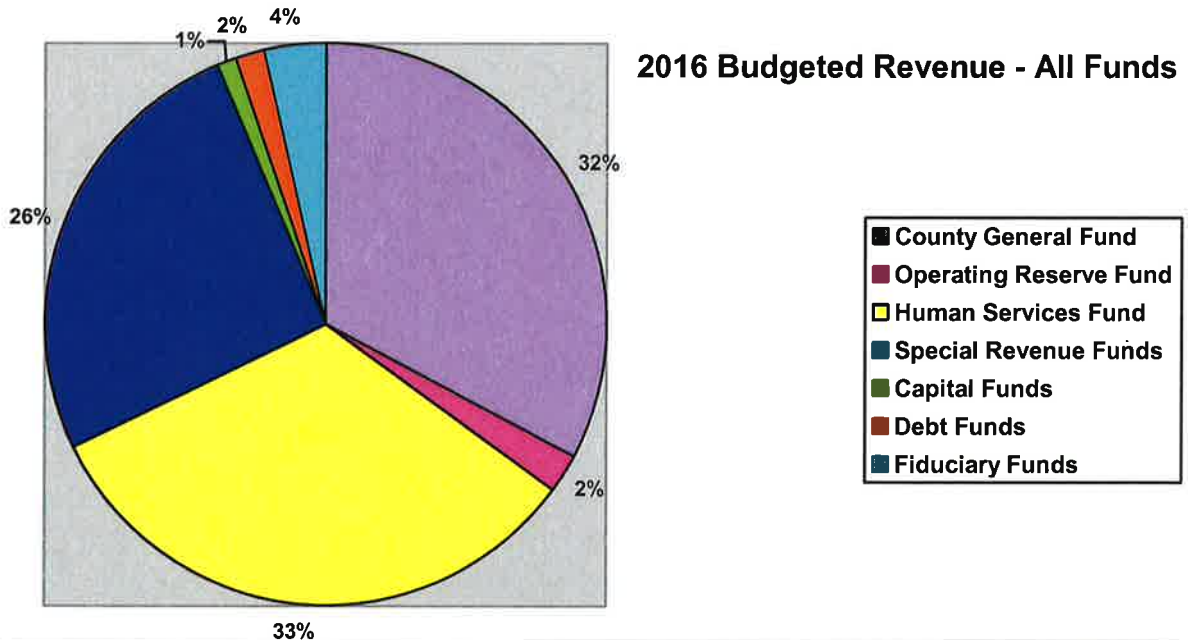
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2016 VENANGO COUNTY BUDGET NARRATIVE

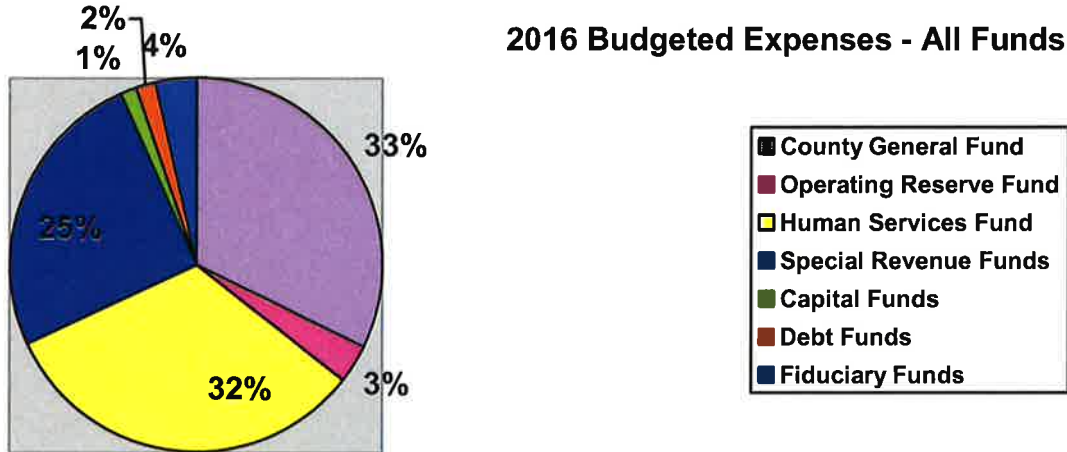
The Venango County budget consists of approximately 70 funds which roll up in the following categories:

- 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 \$60,655,334 in 2016 which represents an increase of approximately 12.5% from the current 2015 \$53,076,176 revenue budget. The County General Fund revenue budget, excluding Human Services, is projected at \$19,883,747 or an estimated 33% of the entire revenue budget.



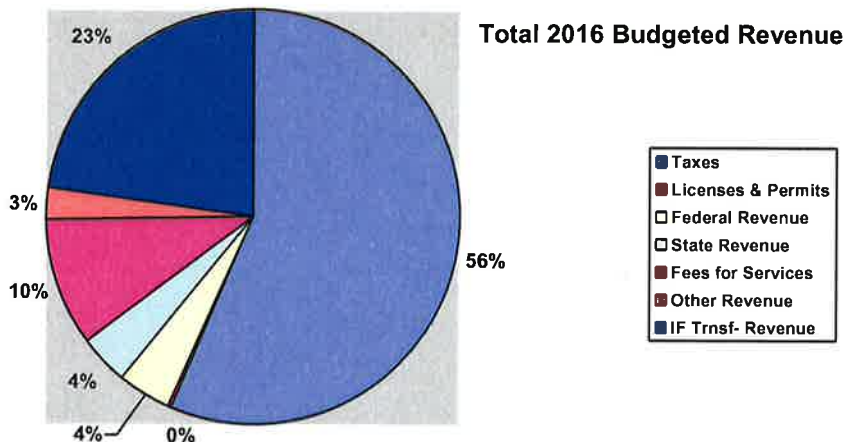
Total expenses for all Venango County funds are projected to be \$61,588,456 in 2016 which represents an increase of 9.1% from the 2015 \$55,995,324 expense budget. The County General Fund expense budget, excluding Human Services, is projected at \$19,883,747 or an estimated 32.3% of the entire budget.



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) 2016 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 2016 budget estimates that the assessed value of approximately 36,000 taxable parcels is \$2.007 billion which will result in gross billings of approximately \$12 million. The County also offers a homestead exemption of \$10,000 for all who apply and qualify. There are approximately 14,805 who qualify for this exemption which is budgeted to cost the County approximately \$832,000. The County's non delinquent collection rate on billed taxes is approximately 85%.

The total millage rate for 2016 has been budgeted to remain unchanged at 6.00. 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:

	2016	2015
GENERAL GOVERNMENT	0.730	1.0697
JUDICIAL	1.258	1.1172
PUBLIC SAFETY	2.241	2.0825
PUBLIC WORKS	0.139	0.1313
HUMAN SERVICES	0.760	0.7182
CULTURE AND RECREATION	0.140	0.1158
CONSERVATION & DEVELOP.	0.163	0.1401
MISCELLANEOUS	0.184	0.2778
DEBT	0.386	0.3474
	6.0000	6.0000

In 2015, the median value of a parcel in Venango County is estimated at \$55,594; therefore, the County's annual real estate taxes for an average home amounts to approximately \$334.

The 2016 General Fund budget for taxes of \$11,220,000 represents a decrease of approximately \$2,400 from the 2015 \$11,222,400 budget. Approximately 56% of the general fund budget is funded through tax revenue which is consistent with that of the prior year.

Licenses & Permits

The 2016 General Fund budget for licenses and permits of \$32,300 represents a slight decrease from the 2015 \$33,376 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 2016 General Fund budget for Federal Revenue of \$876,512 represents an increase of approximately \$225,359 (27.84%) from the 2015 \$584,204 budget. The primary reason for the increase relates to fiduciary activity related to the Task Force.

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 2016 General Fund budget for state revenue of \$454,879 represents a decrease of approximately \$6,292 (1.36%) from the 2015 \$461,171 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 2016 for each of the County Judges. As the County has two Judges, approximately \$130,000 is budgeted to be received.

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 2016 General Fund budget for Fees for Services of \$2,270,491 represents a decrease of approximately \$61,772 (2.65%) from the 2015 budget of \$2,332,263.

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 2016 General Fund budget for Other Revenue of \$527,135 represents an increase of approximately \$244,750 (96.67%) from the 2015 budget of \$282,385. The increase is attributable to the \$250,000 to be received from UPMC for updates to the storage facility.

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 2016 General Fund budget for Inter Fund Transfers – Revenue of \$4,502,430 represents an increase of approximately \$1,191,630 (35.18%) from

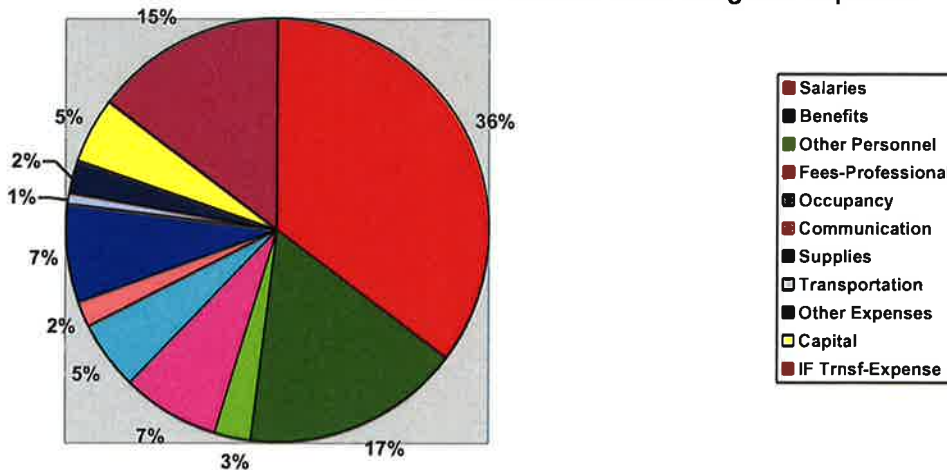
the 2015 budget of \$3,330,800. The primary reason for the increase includes the net of the following:

- total transfers from the Operating Reserve Fund of \$2,065,937 represent an approximate increase of \$400,000;
- transfers from the Capital Reserve Fund representing an approximate increase of \$712,000;

In 2016 the total amount to be transferred from the Operating Reserve Fund is projected to be \$2,065,937 compared to \$1,633,141 which represents an increase of approximately 21%.

Expense Analysis

2016 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 2016 General Fund budget for Salaries of \$7,018,122 represents an increase of approximately \$158,829 (2.32%) from the 2015 budget of \$6,669,712. The 2015 budget includes projected raises for County personnel averaging approximately 2.75%. 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 2016 General Fund budget for benefits of \$3,341,318 represents an increase of approximately \$91,411 (2.81%) from the 2015 budget of \$3,249,907. The primary reason for this increase includes notification that the health insurance premium is scheduled to increase approximately 5% for 2016 and the County will again be required to make a contribution to the pension plan which is consistent with the amount budgeted for 2015. Changes to the complement are also directly proportionate to the change in benefit amount.

Other Personnel Costs

These are monies primarily spent on training and workshops for County elected officials and employees. The 2016 General Fund budget for Other Personnel Costs of \$521,571 represents an increase of approximately \$62,964 (13.73%) from the 2015 budget of \$458,607. This increase is directly related to the County's fiduciary function for the Northwest PA Emergency Response Group.

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 2016 General Fund Budget for Fees-Professional of \$1,484,883 represents a decrease of approximately \$1,335 (.09%) from the 2015 budget of \$1,486,218.

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 2016 General Fund Budget for Occupancy of \$1,062,503 represents a decrease of approximately \$9,520 (.89%) from the 2015 \$1,072,023 budget.

Communication

These are monies spent for costs such as telephone, postage, internet, and advertising. The 2016 General Fund budget for Communication of \$407,377 represents a decrease of \$25,955 (5.99%) from the 2015 \$433,332 budget. This decrease is representative of the departments controlling advertising and postage costs where possible.

Supplies

These are monies spent for supplies required for all county departments to operate. The 2016 General Fund budget for Supplies of \$1,453,827 represents an increase of approximately \$361,219 (33.06%) over the 2015 \$1,092,608 budget. This increase is directly related to the County's fiduciary function for the Northwest PA Emergency Response Group.

Transportation

These are monies spent for travel costs to include vehicle leases, repair, insurance and supplies. The 2016 General Fund budget for Transportation of \$211,883 represents an increase of approximately \$11,083 (5.50%) from the 2015 \$200,845 budget. This increase is primarily related to costs associated with car repairs and maintenance.

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 2016 General Fund budget for Other Expense of \$481,283 represents an increase of approximately \$57,029 (13.44%) over the 2015 \$424,254 budget.

Capital

These are monies spent on capital equipment and projects. The 2016 General Fund budget for Capital of \$963,315 represents an increase of approximately \$841,133 from the 2015 \$122,182 budget. This increase is namely attributable

to the need for building repairs to the storage facility, building upgrades and updated computer equipment.

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 2016 General Fund budget for Inter Fund Transfers – Expense of \$2,937,665 represents an increase of approximately \$90,335 (3.17%) from the 2015 budget of \$2,847,330. The inter fund transfer expenses include:

- A total of \$721,300 to be funded to the Debt Service Fund to cover required debt service payments on the Series 2014.
- The General Fund anticipates a total of \$626,000 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 \$1,582,943 in 2016.

II. Operating Reserve Fund

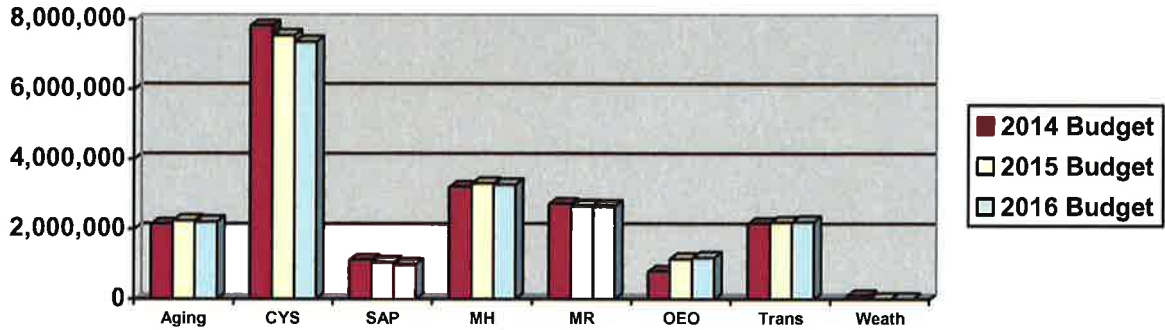
The Operating Reserve Fund currently has a balance of approximately \$2.2 million. Approximately \$1.63 million was transferred as appropriated in the 2015 General Fund Budget. Any carryover in 2015 will be transferred to the Operating Reserve Fund.

The 2016 budget uses \$2,065,937 of the Operating Reserve Fund to balance the General Fund Budget. In addition, \$1,300,000 is expected in revenue which represents a portion of the remaining payment received on the lease purchase arrangement of Venango Manor.

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 2016 is expected to be their July 1, 2015 through June 30, 2016 budget. Since this fiscal budget has not yet been created, Human Services uses their 2015 calendar year budget as a basis for the 2016 calendar year budget. Once the 15-16 fiscal year budget is completed during 2016, budget amendments will be done to adjust the calendar year 2016 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.

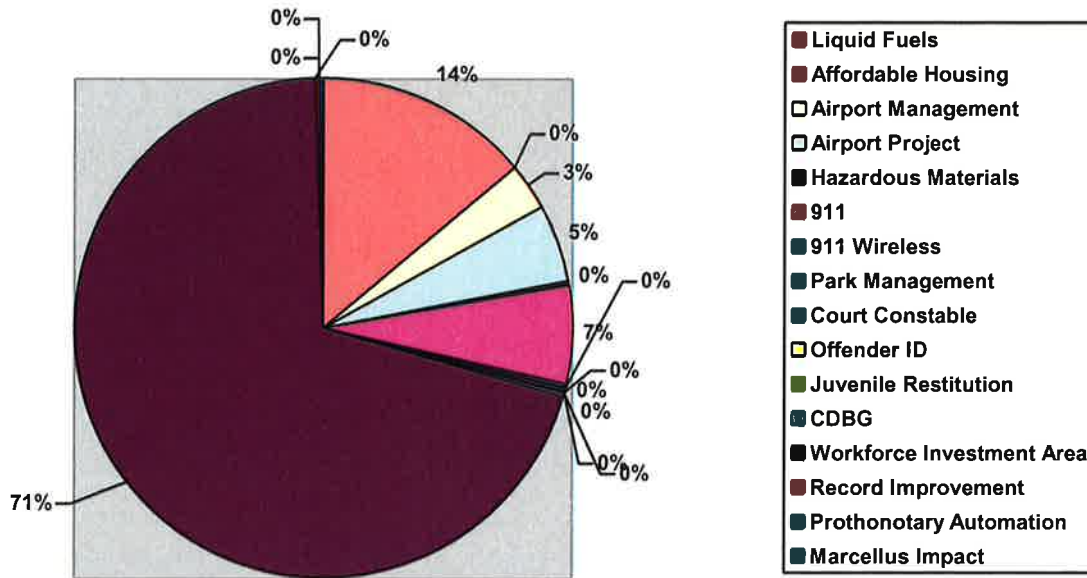
The total 2016 budgeted revenues total \$15,637,625 which is an increase of \$5,160,578 (33%) from the 2015 \$10,477,047 budget.

The total 2016 budgeted expenses total \$15,710,945 which is an increase of \$3,897,757 (25%) from the 2015 \$11,813,188 budget.

The substantial increase to the Special Revenue Funds is due to the fiscal agent functions performed for the Northwest Workforce Investment Area.

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

2016 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 2016 Capital Budget revenue is pegged at \$700,000. This number represents a portion of the remaining payment received on the lease purchase arrangement of Venango Manor.

The 2016 Capital Budget expense of \$762,315 represents an increase from the 2015 \$470,260 budget. The funding of capital projects includes building repairs to the storage facility, building upgrades, updated computer equipment and upgraded equipment for public safety.

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 2016 Debt Service Fund expense budget of \$995,550 represents an approximate \$396,000 decrease from the 2015 \$1,391,600 budget. The decrease is attributable to the Venango Manor portion of the debt being fully paid.

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 2016 budgeted revenues total \$2,252,877 which is a slight decrease of \$43,516 (.04%) from the 2015 \$2,253,806 budget.

The 2016 budgeted expenses total \$2,283,427 which is an increase of \$11,016 (.48%) from the 2015 \$2,272,411 budget.

2016 Fiduciary Fund Expense Budgets

