

Jan – Sep 2017
Report on Expenses and Budget-to-Actual Ratios
Overview

NOTES:

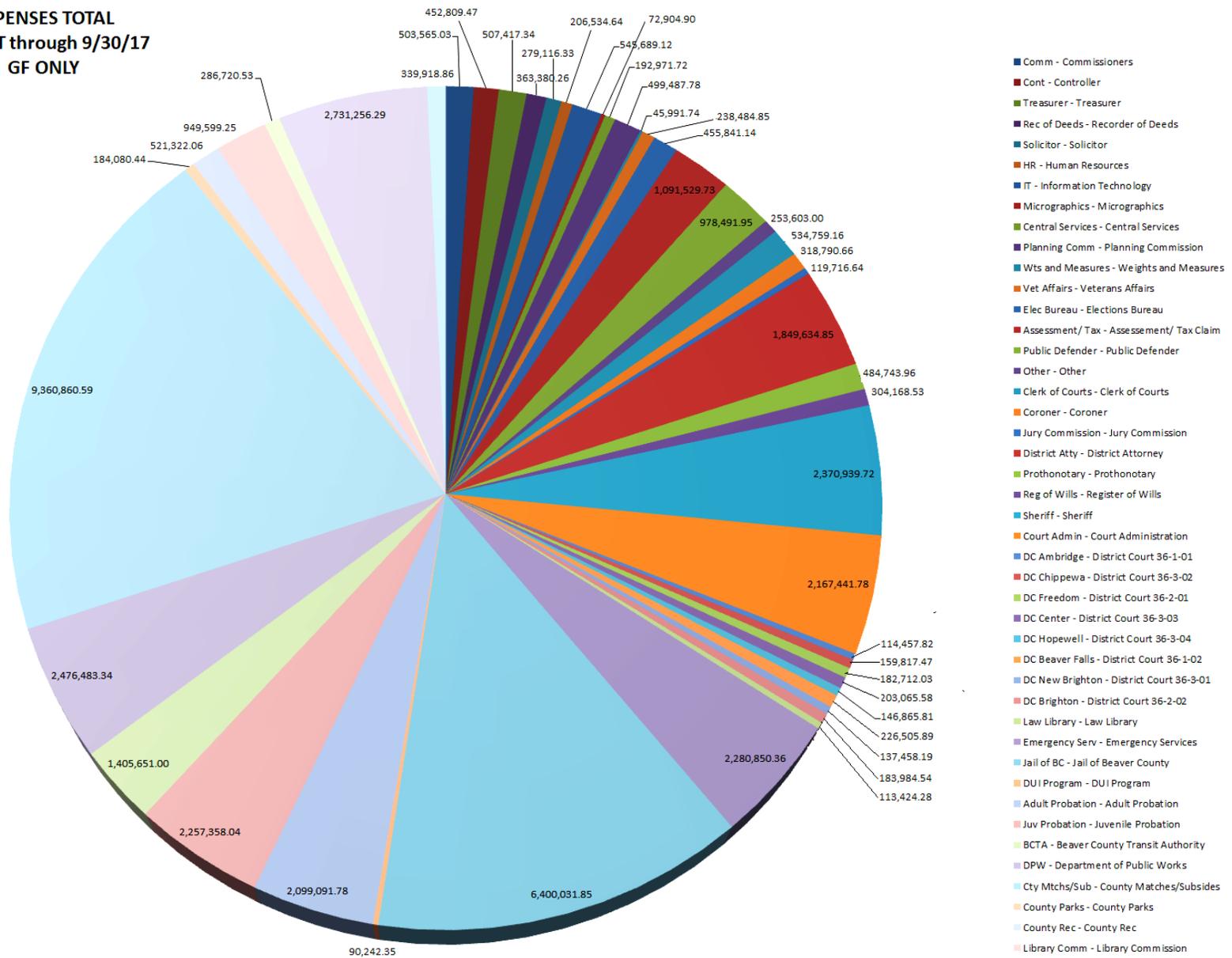
1. Through September 30 the expectation is that, on average, 75% of the budgeted expenses have been incurred (used up), given that 75% of the year has elapsed.
2. We find that actually 3 of the 47 General Fund departments exceeded the 75% of budget use mark and the remaining 44 were below it.
3. The following departments had budget amendments through September 30 that increased their expense budget from the originally adopted budget: Commissioners, Controller, Treasurer, Recorder of Deeds, Solicitor, IT, Central Services, Planning, Weights and Measures, Veteran Affairs, Assessment, Public Defender, Other, Clerk of Courts, Coroner, Jury Commission, DA, Prothonotary, Register of Wills, Sheriff, Court Admin, District Courts (6 of 8), Law Library, Jail, DUI Program, Adult Probation, Juvenile Probation, BCTA, DPW, County Matches/Subsidies, Recreation, Library Commission. 32 departments in total. In most cases, these increases deal with reclassifications and budget line item distributions among departments.
4. County Matches / Subsidies: This total is made up of about two thirds subsidies to outside entities –with the exception of the BC Transit Authority and local library subsidies- and one third financial matching funds to county-operated programs funded by federal and state grants. Most subsidies are paid out early in the year, which results in a higher than average budget use percentage.
5. Library Commission: The Commission pays out its entire budgeted amount for local libraries in 2 transactions, one in January and one in July. This results in a higher than average budget use percentage.
6. Coroner: The number of autopsies performed increased significantly over the course of 2016 and 2017. Through September 2017 approximately 80% of the Autopsies line item total had been spent, bringing this department’s total initial budget percentage use slightly over the 75% mark.
7. General Government: This is where insurance premiums and deductibles for property and general liability are accounted for. No other expenses are included in this department.

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Overview (continued)

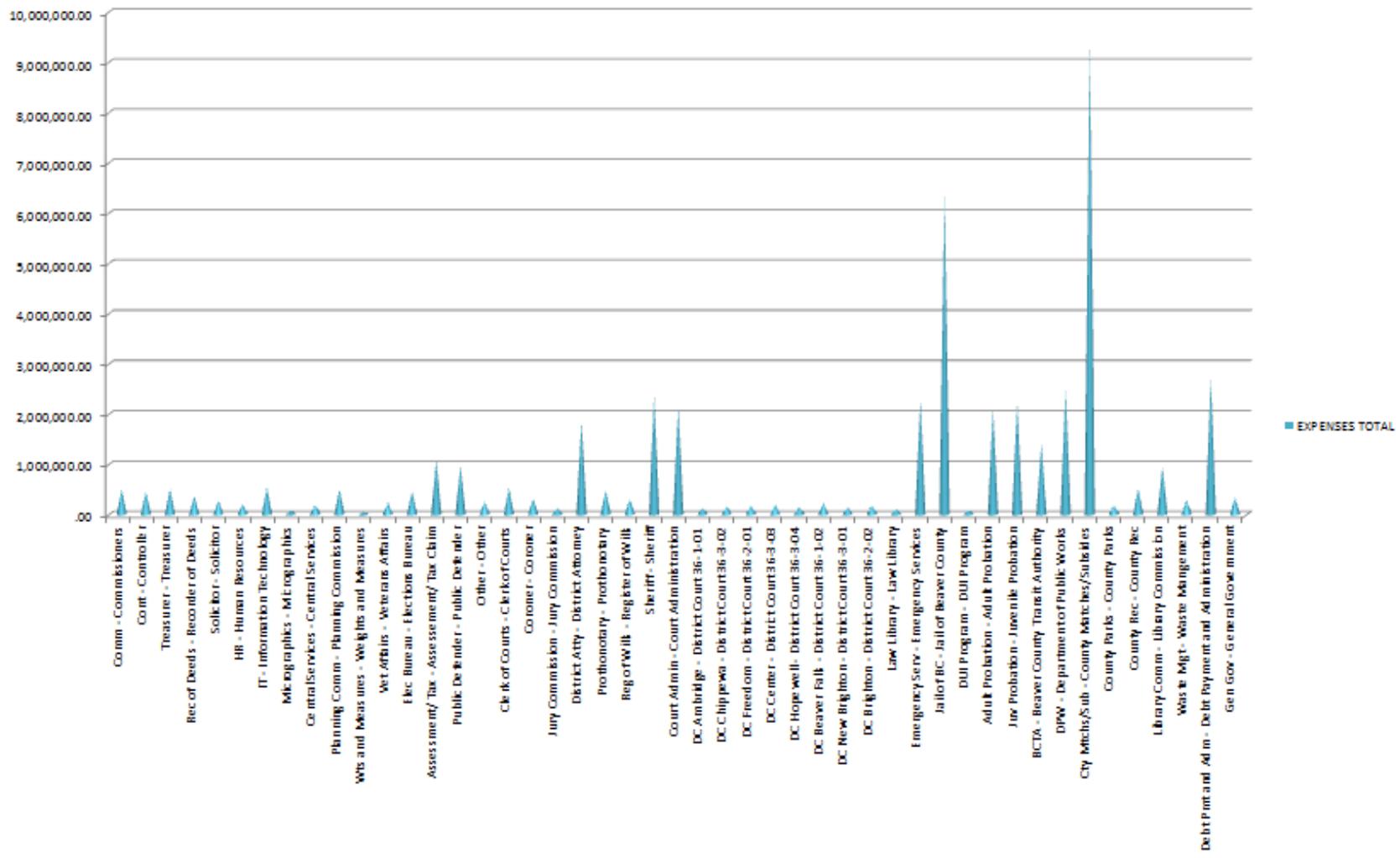
8. Other: This is where unallocated expenses not related to insurance are accounted for. They include dues for membership in government-related associations, costs associated with the unoccupied section of the Human Services Building, external audit fees, funeral costs for indigent burials, and financial software support and licensing costs. The budgeted portion of the General Fund's ending fund balance is also included here, which makes the budget use percentage appear low. Without it, this department's budget use through September 30 is 38%.
9. Debt Payments and Administration: This is where most principal and interest on long-term debt is accounted for. Interest expense on the Tax and Revenue Anticipation Note (TRAN) is also accounted for in this department as well as fees charged by trustees on the County's Bond issues. The County makes semi-annual payments on the outstanding bonds, with most principal payments being due in October and November. That is why a lower than average budget use percentage is seen here. Debt incurred in the construction of the Human Services Building is accounted for as "occupancy costs" and it is liquidated mostly by funds other than the General Fund.
10. BCTA – Beaver County Transit Authority: This is where both the County's \$615,000 annual subsidy and a pass-through grant that combines federal and state funding is accounted for.
11. A General Note on Low Usage Departments: Many departments have incurred a lower than average percentage budget use (average being 75%) due primarily to 2 factors. The first one is related to the increase in the employee health care monthly charge rate. This rate increased from \$1,400 per-member-per-month (PMPM) to \$1,600 PMPM in August. Consequently, through September, the departments had mostly used up the lighter side of the budget. The second reason is that several departments had budgeted for contingencies that at least through September had not come to realize.
12. Departments without Payroll: The following departments do not have employees and consequently do not incur any payroll or fringe benefit costs: County Matches / Subsidies, General Government, BCTA, Debt Payments and Administration, Other.
13. The next report on expenses and budget-to-actual ratios by department will be for the entire fiscal year 2017 and it will include the County's other governmental funds.
14. For any questions related to this report or other financial matters of Beaver County, please contact Ricardo Luckow, Financial Administrator at 724-770-4408 or rluckow@beavercountypa.gov.

For navigation of this Pie chart, begin with "Comm - Commissioners" at 503,565.03, and continue in a clockwise direction

**EXPENSES TOTAL
by DEPT through 9/30/17
GF ONLY**



EXPENSES TOTAL
by DEPT through 9/30/17
GF ONLY





Jan – Sep 2017
Budget-to-Actual Comparison – General Fund only
Notes to %age Actual/Budget Graph

- A. The triangles connected by the green line depict the percentage of actual to initial budget expense use through September 30, 2017, for each department or function of the General Fund. The term “initial budget” is used to identify the budget adopted by the Board of Commissioners on December 28, 2016.
- B. The squares connected by the blue line depict the percentage of actual to amended budget expense use through September 30, 2017, for each department or function of the General Fund. The term “amended budget” is used to identify the budget that results from amendments approved by the Board of Commissioners applied to the initial budget.
- C. Through September 30, three fourths of the fiscal year has expired and it is reasonable to expect about 75% consumption of the year’s expense budget. However, various circumstances can result in a behavior that differs from this expectation.
- D. Three departments had a percentage use higher than 75% actual to initial budget. The reasons for their individual ratios is explained in Notes 4., 5., and 6.
- E. The graph displays sectors where the two lines do not run together. Where the blue line runs under the green line, it means that a particular department has had amendments that increased its total budget. Where the blue line runs above the green line, it means that a particular department has had amendments that decreased its total budget.
- F. Here are the primary reason(s) for the more noteworthy department budgets that were decreased:
 - a. County Parks: (I) Repairs and maintenance on buildings and roads was less than expected, allowing for transfers to other areas of the General Fund. (II) A rainy and colder season restricted the use of the Economy Pool, decreasing operating expenses and allowing for transfers to other areas of the General Fund.
 - b. Emergency Services: Primarily, a plan to fill a number of positions at the department was not executed, freeing up amounts for transfer to other areas of the General Fund.
 - c. Micrographics (Records Management): This department initially budgeted for the County’s administration of real estate tax billing and collection. Real estate taxes were in fact collected and administered by the Treasurer and with that change came also a shift in approximately \$35,000 of budgeted expenses from Records management to Treasurer.

Jan – Sep 2017
Budget-to-Actual Comparison – General Fund only
Notes to %age Actual/Budget Graph
(continued)

- d. Human Resources: This department budgets initially for all of the General Fund’s unemployment compensation costs and as the need arises to pay out at a particular department, budget transfers are performed from Human Resources to the affected department. Through September 30, approximately \$90,000 had been transferred out of the Human resources’ unemployment compensation line item.
 - e. Debt Payments and Administration: Due to the bond refunding of 2017, initially budgeted debt payments of \$2,100,000 were transferred out of this department and into the ending budgeted fund balance line.
- G. Here are the primary reason(s) for the more noteworthy department budgets that were increased:
- a. Solicitor: This department was restructured in the second quarter of the year and the process required an addition to the outsourced legal services budget, primarily for purposes of contract labor negotiations.
 - b. Assessment: Primarily a misjudgment for line items budgeted for contracted employees and for postage required an addition to this department’s budget of approximately \$115,000 through September 30, 2017.
 - c. Law Library: This is a rather small department, which required a small increase in its budgeted workers’ compensation costs and its pension costs.
 - d. Beaver County Transit Authority: This department accounts for the County’s subsidy provided to the local transit authority as well as for a federal and state funded program that is passed through the County to the authority. These revenues were actually more than budgeted and so were the payments required to be passed through to the authority. This required an increase in its budgeted expenses.
 - e. Recreation: (I) The department had unforeseen maintenance events that required addition to its expense budget. (II) The department also adjusted the allocation share of its director’s wages and benefits, which required budget funding to be transferred in.
 - f. Other (General Government): This is where miscellaneous, non-allocated expenses are recorded and also where budgetary ending fund balance is recorded. This line item is for budgetary balance purposes only –it has no actual expenses posted to it- and it had the debt payment savings from the bond refunding referenced above transferred into.

FUND	FUNCTION	DEPT	EXPENSES TOTAL	% OF AMENDED BUDGET	% OF INITIAL BUDGET
Fund 100 - General	Human Services - Human Services	Cty Mtchs/Sub - County Matches/Subsides	9,360,860.59	91%	94%
Fund 100 - General	Culture/Rec/Cons - Culture/Recreation/Conservation	Library Comm - Library Commission	949,599.25	83%	82%
Fund 100 - General	Judicial - Judicial	Coroner - Coroner	318,790.66	73%	76%
Fund 100 - General	Judicial - Judicial	Jury Commission - Jury Commission	119,716.64	72%	75%
Fund 100 - General	Highways/Streets - Highways/Streets (Public Works)	DPW - Department of Public Works	2,476,483.34	71%	75%
Fund 100 - General	General - General Government	Rec of Deeds - Recorder of Deeds	363,380.26	71%	74%
Fund 100 - General	General - General Government	Vet Affairs - Veterans Affairs	238,484.85	71%	73%
Fund 100 - General	Public Safety - Public Safety	Jail of BC - Jail of Beaver County	6,400,031.85	69%	71%
Fund 100 - General	Judicial - Judicial	DC Beaver Falls - District Court 36-1-02	226,505.89	69%	69%
Fund 100 - General	General - General Government	Solicitor - Solicitor	279,116.33	65%	69%
Fund 100 - General	General - General Government	Central Services - Central Services	192,971.72	66%	68%
Fund 100 - General	Judicial - Judicial	District Atty - District Attorney	1,849,634.85	68%	68%
Fund 100 - General	Judicial - Judicial	DC Chippewa - District Court 36-3-02	159,817.47	67%	68%
Fund 100 - General	Miscellaneous - Miscellaneous	Gen Gov - General Government	339,918.86	67%	67%
Fund 100 - General	Judicial - Judicial	Prothonotary - Prothonotary	484,743.96	67%	67%
Fund 100 - General	General - General Government	Comm - Commissioners	503,565.03	65%	67%
Fund 100 - General	Judicial - Judicial	DC Center - District Court 36-3-03	203,065.58	67%	67%
Fund 100 - General	Public Safety - Public Safety	Adult Probation - Adult Probation	2,099,091.78	67%	67%
Fund 100 - General	General - General Government	Wts and Measures - Weights and Measures	45,991.74	66%	67%
Fund 100 - General	Judicial - Judicial	Reg of Wills - Register of Wills	304,168.53	66%	67%
Fund 100 - General	Judicial - Judicial	Sheriff - Sheriff	2,370,939.72	67%	67%
Fund 100 - General	Judicial - Judicial	DC Brighton - District Court 36-2-02	183,984.54	63%	66%
Fund 100 - General	General - General Government	Assessment/ Tax - Assesment/ Tax Claim	1,091,529.73	62%	66%
Fund 100 - General	General - General Government	Public Defender - Public Defender	978,491.95	66%	66%
Fund 100 - General	Culture/Rec/Cons - Culture/Recreation/Conservation	County Parks - County Parks	184,080.44	78%	65%
Fund 100 - General	Judicial - Judicial	Law Library - Law Library	113,424.28	57%	65%
Fund 100 - General	Judicial - Judicial	Clerk of Courts - Clerk of Courts	534,759.16	65%	64%
Fund 100 - General	Judicial - Judicial	Court Admin - Court Administration	2,167,441.78	62%	64%
Fund 100 - General	Judicial - Judicial	DC Freedom - District Court 36-2-01	182,712.03	64%	64%

Fund 100 - General	Highways/Streets - Highways/Streets (Public Works)	BCTA - Beaver County Transit Authority	1,405,651.00	53%	63%
Fund 100 - General	General - General Government	Cont - Controller	452,809.47	63%	63%
Fund 100 - General	Culture/Rec/Cons - Culture/Recreation/Conservation	County Rec - County Rec	521,322.06	59%	62%
Fund 100 - General	General - General Government	IT - Information Technology	545,689.12	60%	62%
Fund 100 - General	General - General Government	Treasurer - Treasurer	507,417.34	56%	59%
Fund 100 - General	Public Safety - Public Safety	Juv Probation - Juvenile Probation	2,257,358.04	58%	58%
Fund 100 - General	Judicial - Judicial	DC Hopewell - District Court 36-3-04	146,865.81	56%	56%
Fund 100 - General	Judicial - Judicial	DC Ambridge - District Court 36-1-01	114,457.82	56%	56%
Fund 100 - General	Public Safety - Public Safety	Emergency Serv - Emergency Services	2,280,850.36	62%	55%
Fund 100 - General	Judicial - Judicial	DC New Brighton - District Court 36-3-01	137,458.19	57%	54%
Fund 100 - General	General - General Government	Elec Bureau - Elections Bureau	455,841.14	57%	54%
Fund 100 - General	General - General Government	Micrographics - Micrographics	72,904.90	60%	45%
Fund 100 - General	General - General Government	Planning Comm - Planning Commission	499,487.78	45%	45%
Fund 100 - General	Culture/Rec/Cons - Culture/Recreation/Conservation	Waste Mgt - Waste Mangement	286,720.53	46%	43%
Fund 100 - General	General - General Government	Other - Other	253,603.00	11%	42%
Fund 100 - General	General - General Government	HR - Human Resources	206,534.64	48%	41%
Fund 100 - General	Public Safety - Public Safety	DUI Program - DUI Program	90,242.35	29%	30%
Fund 100 - General	Debt Service - Debt Service	Debt Pmt and Adm - Debt Payment and Administration	2,731,256.29	39%	30%