

# IT'S YOUR MONEY

## A QUARTERLY NEWSLETTER FROM YOUR COUNTY AUDITOR FINANCIAL FORECAST RELEASED



**CRAWFORD COUNTY COURTHOUSE**

**Special points of interest:**

- Financial Forecast Released
- County Commissioners Approve \$43 Million Dollar Budget for 2010
- A Review of County Health Benefit Changes for 2010

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**DEDICATED TO SERVING CRAWFORD COUNTY WITH ACCOUNTABILITY, INTEGRITY AND PROFESSIONALISM**

**OVERVIEW**

The Financial Forecast for Crawford County's General Fund was released during the fourth quarter of 2009. This report includes actual financial data for the years 2006-2008 and forecasted financial data for the years 2009-2011.

**BACKGROUND**

County governments in Ohio are not required by law to prepare multi-year budgets or to do any sort of long-range financial forecasting. In fact, multi-year budgeting is prohibited by state law and unlike school districts, county governments are not required to prepare any reports on long-term financial forecasting. As such, in order to do any type of long-term financial forecasting, the County had to create a model that could be incorporated into the annual budget process used by the Board of County Commissioners.

Accordingly, the Board of County Commissioners contracted with Auditor of State Mary Taylor's Office to assist the county in building a sustainable forecasting model for the County General Fund. This model incorporates a summary of significant assumptions that are used to forecast future revenues and expenditures and is based on input from the various county officials and the Board of County Commissioners as to what relevant financial assumptions should be used to forecast future revenues and expenditures.

The Auditor of State provided the processes and procedures that the County used to compile the financial data included in the forecast. The County Auditor's Office was responsible for compiling the data in the forecast based on financial information provided by the Board of County Commissioners, individual office holders, the Budget Com-

mission and the Auditor of State.

**USING THE FINANCIAL FORECAST**

The forecast model incorporates a summary of significant assumptions that are used to forecast future revenues and expenditures. Also included in the forecast model are the financial details for each office or department along with an outline of the major functions and responsibilities of that office.

*The Schedule of Revenues, Expenditures, and Changes in Fund Balance* in the forecast provides a combined financial statement for six years; three years of actual revenues and expenditures and three years of projected revenues and expenditures.

*The Further Recommendations* section of the forecast identifies areas within the County General Fund where additional revenues may be available and where costs may be reduced. Also included in this section of the report is a *Schedule of Revenues, Expenditures, and Changes in Fund Balance* that incorporates some of the recommended changes identified during the preparation of the forecast. All recommendations listed will be considered by the appropriate officials to determine the feasibility of implementing said recommendations.

**KEY FINANCIAL HIGHLIGHTS**

- Sales Tax revenue was projected to decline in 2009 by about 13% and forecasted to decrease by another 12% in 2010.
- Charge for Services revenue is projected to decline in 2010 due to the loss of revenue from the solid waste lease and a decrease in conveyance fees.
- Intergovernmental revenue is

projected to decline as a result of a reduction in local government revenue received from the State of Ohio.

- Interest revenue is projected to decline in 2010 due to lower interest rates associated with the global economy and a reduction in the amount of cash available to be invested.
- General fund operating expenditures are projected to decline by approximately 4% over the next two years.
- For the period 2006-2008, the average percent increase in General Fund expenditures was 2.19% and the average rate of inflation for the same period was 3.31%.
- Operating transfers are not included in the total expenditures of the County General fund but generally represent 16% to 18% of the total expenditures.
- Projected salary costs included in the forecast for 2010 and 2011 were based on 2009 salary levels.
- Projected benefit costs for 2010 and 2011 were reduced to reflect changes in the County's health insurance plan that decreased the level of benefits and therefore the costs paid by the County on behalf of its employees.
- As of the date of the forecast, there were 366 county employees, 121 whom are paid from the County General Fund. A ten year comparison of the total number of county employees indicates a 12% decline in the number of employees since 2000.

## ON THE YEAR; GENERAL FUND REVENUES, EXPENDITURES AND CASH

*The General Fund is the chief operating fund of the County. It is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in a separate fund. There is only one General Fund of the County as contrasted with multiple special revenue, debt service, capital projects, fiduciary and proprietary funds.*

Actual operating revenues of the General Revenue Fund for 2009 were \$9,615,621.20 or 102.62% of the \$9,370,207.56 estimated by the County Budget Commission in January. Operating revenues collected for the same period last year were \$9,497,979.22.

The General Fund revenue for 2009 increased by \$117,641.98 when compared to 2008. Sales tax revenue collections for 2009 decreased by \$410,329.14 or a little more than 12% when compared to 2008. Decreases in intergovernmental revenue and fines and forfeiture revenues were also realized in 2009. These decreases were offset by an increase in charge for services revenue of \$333,815.43 and an increase in interest revenue of \$469,270.87.

2009 operating expenditures totaled \$10,299,948.35 or 86.61% of the \$11,892,217.78 appropriated by the County Commissioners in January. A comparison of 2008 and 2009 indicates that expenditures for 2009 decreased by \$31,249.93. A review of 2009 financial activity indicates that 13.39% of the General Fund appropriations were not spent during the year.

In 2009, General Fund operating expenditures exceeded operating revenues by \$684,327.15. For 2008, operating expenditures exceeded operating revenues by \$833,219.06.

When comparing actual revenues and expenditures, advances made to other funds or received as a repayment are not considered as operating revenues and expenditures because these items only affect cash flow. Thus, in order to accurately reflect operating revenues and expenditures these loans have been removed from the totals and the financial data presented in this newsletter.

The cash balance of the General Fund at December 31, 2009 was \$1,424,165.94 as compared to \$2,216,073.69 at December 31, 2008. The decrease in cash position is due to operating expenditures exceeding operating revenues, offset by the difference between outstanding loans that were repaid and loans issued by the County Commissioners.

## 2009 GENERAL FUND BUDGET VS ACTUAL REVENUES

	2009 ESTIMATED REVENUE	2009 ACTUAL REVENUE JANUARY-DECEMBER	PERCENT COLLECTED
PROPERTY TAXES	\$ 1,245,000.00	\$ 1,234,364.45	99.15%
SALES TAXES	\$ 3,000,000.00	\$ 2,989,027.22	99.63%
CHARGES FOR SERVICES	\$ 2,833,500.00	\$ 2,525,917.04	89.14%
LICENSES AND PERMITS	\$ 3,410.00	\$ 2,414.68	70.81%
FINES AND FORFEITURES	\$ 194,000.00	\$ 196,587.57	101.33%
INTERGOVERNMENTAL	\$ 1,543,671.00	\$ 1,522,065.32	98.60%
INTEREST	\$ 500,000.00	\$ 1,038,884.41	207.78%
OTHER	\$ 50,626.56	\$ 106,360.51	210.09%
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 9,370,207.56</b>	<b>\$ 9,615,621.20</b>	<b>102.62%</b>
ADVANCE REPAYMENT		\$ 632,287.99	
TRANSFERS IN		\$ 38,578.79	

## ***2009 GENERAL FUND BUDGET VS ACTUAL EXPENDITURES***

	<u>2009 Appropriation</u>	<u>Expenditures Jan-December</u>	<u>Unexpended Balance</u>	<u>Percent Expended</u>
<b>General Fund Operating Expenditures and Transfers</b>	<b>\$ 11,892,217.78</b>	<b>\$ 10,299,948.35</b>	<b>\$ 1,592,269.43</b>	<b>86.61%</b>
<b>Department Breakdown</b>				
COUNTY COMMISSIONERS	355,616.30	339,144.47	16,471.83	95.37%
COUNTY AUDITOR	390,323.49	368,650.27	21,673.22	94.45%
COUNTY TREASURER	126,727.96	124,101.04	2,626.92	97.93%
PROSECUTING ATTORNEY	658,097.24	608,763.58	49,333.66	92.50%
BUDGET COMMISSION	500.00	-	500.00	0.00%
BOARD OF REVISION	500.00	-	500.00	0.00%
BUREAU OF INSPECTION	126,209.25	55,209.25	71,000.00	43.74%
COUNTY PLANNING	35,000.00	10,000.00	25,000.00	28.57%
DATA PROCESSING	139,153.00	125,037.72	14,115.28	89.86%
COURT OF APPEALS	31,445.00	17,060.74	14,384.26	54.26%
COMMON PLEAS COURT	697,627.88	660,243.12	37,384.76	94.64%
JUVENILE COURT	867,332.69	643,755.49	223,577.20	74.22%
PROBATE COURT	148,253.61	124,104.39	24,149.22	83.71%
CLERK OF COURTS	285,283.24	276,527.97	8,755.27	96.93%
CORONER	146,620.40	121,466.30	25,154.10	82.84%
MUNICIPAL COURT	629,616.79	496,754.77	132,862.02	78.90%
BOARD OF ELECTION	456,076.45	371,216.06	84,860.39	81.39%
COURT HOUSE & BLDG MAINT	846,186.61	709,549.98	136,636.63	83.85%
SHERIFF ROAD PATROL	2,450,801.50	1,980,987.05	469,814.45	80.83%
COUNTY RECORDER	199,416.05	176,940.91	22,475.14	88.73%
EMA	150,000.00	150,000.00	-	100.00%
AGRICULTURE	338,961.00	307,203.07	31,757.93	90.63%
T.B. HOSPITAL	910.00	781.05	128.95	85.83%
VITAL STATISTICS	1,000.00	744.00	256.00	74.40%
OTHER HEALTH	73,893.64	73,893.64	-	100.00%
VETERANS SERVICES	373,564.63	359,661.53	13,903.10	96.28%
PUBLIC ASST - GRANT	198,000.00	188,179.50	9,820.50	95.04%
CHILD WELFARE GRANT	215,000.00	215,000.00	-	100.00%
VICTIMS OF CRIME GRANT	23,829.00	23,829.00	-	100.00%
SANITARY ENGINEER	40,550.00	38,324.95	2,225.05	94.51%
COUNTY ENGINEER	134,528.91	128,568.60	5,960.31	95.57%
LAW LIBRARY	46,207.81	46,181.97	25.84	99.94%
LIABILITY INSURANCE	274,200.00	252,331.00	21,869.00	92.02%
TRANSFERS/MISCELLANEOUS	1,430,785.33	1,305,736.93	125,048.40	91.26%
TOTAL OPERATING EXP/TRANSFERS	<b>\$ 11,892,217.78</b>	<b>\$ 10,299,948.35</b>	<b>\$ 1,592,269.43</b>	<b>86.61%</b>
LOANS TO OTHER FUNDS		778,447.38		
TOTAL EXPENDITURES AND LOANS		<b>\$ 11,078,395.73</b>		

The 2009 appropriation includes all encumbrances carried forward from 2008 and any adjustments to the budget approved by the County Commissioners on January 1, 2009. Adjustments made to the 2009 budget during the year totaled \$-0-.

## 2010 APPROVED BUDGET

COMMISSIONERS	\$	323,982.00	SANCTION COST REIMB.	\$	19,043.07
AUDITORS	\$	342,617.00	TAX INCENTIVE REVIEW COUNCIL	\$	33,205.44
TREASURER	\$	124,904.65	DELQ.REAL EST.TAX & ASSES.PROS.	\$	35,856.00
PROSECUTING ATTORNEY	\$	596,717.00	COMMISSARY FUND-SHERIFF	\$	95,000.00
COMMON PLEAS COURT	\$	580,183.11	EMERGENCY MANAGEMENT	\$	160,248.00
JUVENILE COURT	\$	329,701.46	SPECIAL PROJECTS-MUNI CT.	\$	111,383.00
PROBATE COURT	\$	122,182.05	CONCEALED HANDGUN EXPENSE	\$	11,000.00
JUVENILE PROBATION	\$	356,524.23	COURT SPECIAL PROJECTS-COM		
CLERK OF COURTS	\$	279,151.09	PLEA	\$	20,500.00
MUNICIPAL COURT	\$	493,115.17	ECONOMIC DEVELOPMENT	\$	182,500.00
BOARD OF ELECTIONS	\$	432,330.41	RR CROSSING IMPROVEMENT	\$	11,750.00
SHERIFF	\$	1,923,206.84	LAW ENFORCEMENT ASSISTANCE	\$	5,000.00
COUNTY RECORDER	\$	170,623.35	WIRELESS E-911	\$	70,000.00
VETERAN SERVICE COMMISSION	\$	162,904.36	LAW LIBRARY	\$	115,925.58
VETERANS SERVICES	\$	185,744.00	PREPAYMENT INTEREST FUND	\$	27,753.72
DATA PROCESSING	\$	123,455.60	JOBS & FAMILY SERVICES-ADMIN	\$	3,179,600.00
CORONER	\$	116,721.34	JOB & FAMILY SERVICES-SOC SERV	\$	2,093,582.27
INSURANCES	\$	271,200.00	JOB & FAMILY SERV TRANSFER.	\$	391,797.53
T.B. HOSPITAL	\$	910.00	CHILD SUPPORT ENFORCEMENT	\$	1,093,166.05
VITAL STATISTICS	\$	1,000.00	WIA	\$	1,027,663.00
OTHER HEALTH	\$	71,271.79	REAL ESTATE ASSESSMENT FUND	\$	502,885.00
AGRICULTURE	\$	201,829.00	AUTO LICENSE & GAS TAX FUND	\$	4,373,900.00
COURT OF APPEALS	\$	17,500.00	SOLID WASTE AND RECYCLING	\$	975,200.00
JURY COMMISSION	\$	1,617.00	MR/DD (MENTAL RET/DEV DISAB)	\$	115,000.00
ADULT PROBATION	\$	70,518.74	DITCH MAINTENANCE FUND	\$	86,686.89
COURTHOUSE AND JAIL	\$	758,028.00	FAIRWAY SCHOOL FUND (169 BD.)	\$	4,047,460.00
BUREAU OF EXAMINATION	\$	73,000.00	FAIRVIEW MANOR-LEVY	\$	1,589,367.00
COUNTY PLANNING COMMISSION	\$	10,000.00	MENTAL HEALTH LEVY FUND	\$	739,264.00
SANITARY ENGINEER	\$	38,214.77	JAIL OPERATION LEVY	\$	1,540,789.00
COUNTY ENGINEER	\$	118,004.43	COUNCIL ON AGING LEVY	\$	427,700.00
TRANSFERS	\$	1,324,485.00	FAMILY RES.PLANNING FD.	\$	30,018.00
<b>TOTAL GENERAL FUND</b>	<b>\$</b>	<b>9,621,642.39</b>	HOUSING DEVELOPMENT CORP.-	\$	90,000.00
			FELONY DELINQ.CARE & CUSTODY	\$	380,094.68
<b>SPECIAL REVENUE FUNDS</b>			OHIO CHILDRENS TRUST FUND	\$	15,000.00
INDIGENT GUARDIAN FUND-PROBATE	\$	10,269.17	629 GRANT	\$	323,789.00
COMM. MR/DD RESID.SERV.FD.FWY.	\$	99,277.00	ISIF GRANT	\$	351,074.00
PROBATE CT. CONDUCT BUSINESS	\$	250.00	OPER. RD PATROL GRANT	\$	207,298.00
DOG & KENNEL	\$	144,050.00	REVOLVING LOAN FUND	\$	2,500.00
CHILDRENS SERVICES	\$	2,083,063.58	FY 08 COMM. DEV. BLK GRANT	\$	38,939.00
INDEPENDENT LIVING	\$	24,000.00	CDBG REHAB INCOME	\$	20,000.00
DRUG LAW ENFORCE.FUND-SHERIFF	\$	16,000.00	PRESCHOOL GRANT-FWY	\$	16,000.00
RECORDER EQUIPMENT FEES	\$	21,472.00	TITLE VI-B GRANT-FAIRWAY	\$	49,600.00
CERTIFICATE OF TITLE ADM-CLK CT	\$	178,000.00	VICTIMS OF CRIME	\$	61,604.00
DELQ.REAL EST.TAX & ASSES.TREAS	\$	48,966.40	LAW ENFORCEMENT OT GRANT	\$	22,106.00
COMMON PLEAS COMPUTER	\$	31,410.00	FY 08 STATE HOMELAND SEC. GT.	\$	39,577.06
JUVENILE CT. COMPUTER	\$	9,329.20	BRIDGES TO TRANSITION	\$	130,920.00
MUNI CT. COMPUTER	\$	52,000.00	LIB. LEG RES. FD. - COMMON PL	\$	12,305.00
PROBATE CT. COMPUTER	\$	10,200.00	LIB. LEG RES. FD. - MUNI. CT.	\$	2,000.00
INDIG.DRIVER ALCOHOL TREATMENT	\$	53,000.00	MRDD DONATION TRUST FUND	\$	5,000.00
ENFORCEMENT & EDUCATION FUND	\$	13,673.40			
MUNI CT. PROBATION OFFICER	\$	87,482.46	<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>\$</b>	<b>27,763,493.50</b>

## 2010 APPROVED BUDGET, CONTINUED

DEBT SERVICE FUNDS	2010 BUDGET
DEBT SERVICE-HUMAN SERVICES	\$ 78,200.00
DEBT SERVICE-WATERLINE	\$ 77,650.00
DEBT SERVICE-JAIL-99 REFUND	\$ 365,362.50
DEBT SERVICE-LDFL-99 REFUND	\$ 349,362.50
DEBT SERVICE-1.5M 99 LDF NOTES	\$ 260,000.00
DEBT SERVICE-CO ADD'L SPACE	\$ 123,705.00
DEBT SERVICE-DJFS ADDITION	\$ 102,900.00
DEBT SERVICE-CT. HOUSE REN.	\$ 257,592.50
DEBT SERVICE-LDFL CAP	\$ 88,075.00
DEBT SERVICE-ADMIN BLDG.	\$ 168,287.50
DEBT SERVICE-MORTON	\$ 2,500.00
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>\$ 1,873,635.00</b>
ENTERPRISE FUNDS	
SANITARY LANDFILL	\$ 792,087.50
SEWER DISTRICT #2-WATERLINE	\$ 96,850.00
SEWER DIST. #2 DEPOSITS	\$ 1,200.00
SEWER DIST # 3-SUGAR GROVE	\$ 14,250.00
SEWER DIST # 2 LINLARE	\$ 21,250.00
SEWER DIST # 2 -MORTON	\$ 19,350.00
<b>TOTAL ENTERPRISE FUNDS</b>	<b>\$ 944,987.50</b>
EXPENDABLE TRUST FUNDS	
CO. HOME DONATION FUND	\$ 4,600.00
CHILDRENS TRUST FUND	\$ 9,000.00
JUVENILE TRUST FUND	\$ 400.00
<b>TOTAL EXPENDABLE TRUST FUNDS</b>	<b>\$ 14,000.00</b>
INTERNAL SERVICE FUND	
CRAW. CO. HEALTH INS. FUND	\$ <b>3,690,081.65</b>
AGENCY FUNDS	
DOMESTIC SHELTER FUND	\$ 12,000.00
SOIL CONSERVATION	\$ 192,671.00
DISTRICT HEALTH	\$ 11,670.00
DISTRICT HEALTH	\$ 391,081.00
DISTRICT HEALTH	\$ 3,598.00
DISTRICT HEALTH	\$ 10,902.00
DISTRICT HEALTH	\$ 65,100.00
DISTRICT HEALTH	\$ 292,480.00
DISTRICT HEALTH	\$ 58,300.00
CRAWF.CO. PARK DISTRICT	\$ 152,738.00
REGIONAL PLANNING	\$ 54,878.00
DISTRICT HEALTH	\$ 21,348.00
DISTRICT HEALTH	\$ 115,000.00
DISTRICT HEALTH	\$ 17,138.00
DISTRICT HEALTH	\$ 123,437.00
WIC	\$ 208,341.00
DISTRICT HEALTH	\$ 54,189.00
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 1,784,871.00</b>

The 2010 budget for Crawford County was approved by the County Commissioners and filed with the County Auditor on January 5, 2010. The total 2010 budget for all funds of the County which are governed by the County Commissioners is \$43,907,840.04.

In addition to being the County's fiscal agent, the County Auditor is also fiscal agent to several outside agencies such as the Park District, Health District, Regional Planning Commission, Domestic Shelter and Soil & Water Conservation.

The 2010 appropriations for agencies not included in the 2010 budget or which are governed separately (Soil and Water and Domestic Shelter) are considered agency funds because these agencies are considered by law to be legally separate and not under the budgetary control of the County Commissioners. The total budget approved by the various boards and commissions which have oversight of these agencies is \$1,784,871 for 2010.

The 2010 General Fund appropriations are \$9,621,642.39 or 21.91% of the total County appropriations governed by the County Commissioners.

The 2010 General Fund revenue estimate is \$8,836,459.06. This revenue estimate along with the \$1,424,165.94 cash balance/reserves at year-end, reduced by the 2009 encumbrances of \$256,693.66 will provide the operating resources available for operating expenditures in the County General Fund in 2010. Outstanding loans to the General Fund of \$547,375.56 are expected to be repaid during 2010. Ohio law requires each fund's budget to be balanced with available resources.

The County Auditor segregates financial transactions related to certain County functions or activities into separate funds to aid financial management and to demonstrate legal compliance. This process is commonly known as governmental accounting or fund accounting.

There are three general categories of funds: governmental, proprietary, and fiduciary.

Governmental fund reporting focuses on the sources, uses, and balance of current financial resources. This fund category is broken down into four smaller categories such as: General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Proprietary Fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. This category is broken down into smaller categories such as: Enterprise Funds and Internal Service Funds.

Fiduciary Fund reporting focuses on net assets and changes in net assets and is broken down into smaller categories such as: pension trust funds, investment trust funds, private purpose trust funds, and agency funds.

## A QUARTERLY NEWSLETTER FROM YOUR COUNTY AUDITOR

Robin Hildebrand, County Auditor

112 E. Mansfield Street

Bucyrus, Ohio 44820

Phone: 419-562-7941

Fax: 419-562-2139 Email: robinh@crawford-co.org

### UPCOMING DATES TO REMEMBER

January 1, 2010 - Monthly financial statements filed with County Commissioners.

January 1, 2010 - Fiscal year begins for County, Townships, Villages, and Municipalities.

January 1, 2010 - or about Budget Commission certifies amended certificates of estimated resources to all political subdivisions.

January 1, 2010 - or about Auditor's certificate filed with appropriating authority showing appropriations do not exceed estimated resources.

February 1, 2010 - Last day to purchase dog license without penalty.

February 1, 2010 - Monthly financial statements filed with County Commissioners.

February 5, 2010 - Last day to pay 1st half real estate taxes without penalty.

March 1, 2010 - Monthly financial statements filed with County Commissioners.

March 1, 2010 - Last day to pay 1st half mobile home taxes without penalty.

## ABOUT YOUR COUNTY

**With 11 employees, the County Auditor serves as both the Chief Financial Officer and the Real Property Assessor for all political subdivisions within the County.**

**It is the goal of this office to provide the citizens of Crawford County with the most cost effective and efficient office possible while never forgetting the people we serve. In addition to the County Auditor, there are seven elected administrative officials and three judges who operate independently as set forth by Ohio law. These officials are: Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff, Treasurer, two Common Pleas Judges and a Municipal County Judge. All of these officials serve four-year terms except for the judges, who serve six-year terms. The County was formed by an act of the General Assembly on April 1, 1826 and includes 400 square miles and has an estimated population of 45,047.**

# DEPARTMENT FOCUS

During the last quarter of 2009, the County Commissioners and Elected Officials determined that an outside audit/review of the County's health insurance program was necessary because over the last several years and particularly over the last several months, Crawford County was deeply affected by the world economy. The health insurance audit/review was done in conjunction with a three-year financial forecast for the County General Fund and identified that health insurance for County employees was an area where costs have increased significantly over the last several years. In fact, according to a 2009 Health Care Cost Survey, Crawford County was spending \$16,122 annually for its employer sponsored family health care as compared to \$14,064 nationally. This difference indicated that Crawford County's health care costs were 15% above the national average. A review of the County's health care costs over the last eight years indicated that insurance costs have increased more than 150% and that these increases were largely absorbed by the employer in order to maintain the current level of benefits and costs to employees. **Although the County completed a three year health insurance strategy plan, more or less aggressive plan changes and employee contribution strategies may be necessary to meet budgetary demands.**

The increased cost of health insurance, along with a decrease in revenue streams, have contributed to the County General Operating Fund expenditures exceeding operating revenues. The financial effect of expenditures exceeding revenues is that cash reserves in the General Operating Fund of the County have been significantly depleted. As such, beginning January 1, 2010, the County implemented a High Deductible Health Plan (HDHP) in conjunction with a Health Savings Account (H.S.A) or a Flexible Spending Account (FSA) depending on the employees' age. The HDHP is now considered the base plan for County employees and if the employee chooses to continue with one of the two Preferred Provider (PPO) health insurance plans in place previously, then the employee will be required to pay 20% of the base premium plus the differential between the HDHP and the PPO health plans. In 2011, one of the PPO plans will be phased out. In 2012 the deductibles and premium rates will be increased for both the HDHP and the remaining PPO plan. The table below summarizes some of the more significant health insurance changes that will be realized by County employees for the years 2010 through 2012.

INSURANCE BENEFIT	2009	2010	2011	2012
<b>Deductible</b>	0	\$1,500 (S) \$3,000 (F)	\$1,500 (S) \$3,000 (F)	\$2,000 (S); \$4,000 (F)
<b>Employee Contribution Rate</b>	19%	20%	23%	25%
<b>Spousal Surcharge</b>	0	\$50 per month	\$100 per month	\$150 per month
<b>ER/Urgent Care</b>	\$40/\$10	\$75/\$35	\$75/\$35	\$75/\$35