

IT'S YOUR MONEY

A QUARTERLY NEWSLETTER FROM YOUR COUNTY AUDITOR

The State Budget Proposal - A Local Perspective

(Since the writing of this article several amendments to the Governor's Budget have been submitted which could have a direct impact on the information provided below)



CRAWFORD COUNTY COURTHOUSE

Overview

The Governor's Executive Budget for FY 2012-2013 (effective July 1, 2011) was presented to the Ohio General Assembly on March 15, 2011.

In a letter to Ohioans and the members of the General Assembly, the Governor indicated that "never in our lifetime has Ohio faced as grave a fiscal crisis."

The purpose of this article is to provide readers with a brief summary of some of the proposed changes that have been included in the Governor's budget that will have a financial impact on local government and therefore the services that are delivered locally.

Local Government Funds

Included in the Governor's budget proposal is the reduction or elimination of certain shared revenues that have historically been paid to local governments by the State.

One example of a shared revenue source is local government monies. The Local Government Fund (LGF) was created by the Ohio General Assembly in the 1930's when the legislature was imposing the first sales tax in Ohio and after the prime source of local government fund revenue...real estate taxes...plummeted during the Great Depression.

The Local Government Fund is comprised of all major state tax revenues including: public utilities excise taxes, corporation franchise taxes, sales and use taxes, dealers intangibles taxes and income taxes. A portion of these tax revenues are then returned to the taxpayers locally to provide services through each county, township, city and village.

The Local Government Fund is considered to be part of the State's revenue sharing programs for local governments much like other shared revenue programs such as motor fuel tax. Unlike motor fuel tax, the LGF and LLGSF (Library and Local Government Support Fund) monies are considered to be general purpose type revenues, which means the money is not restricted for a specific purpose. Local government monies differ from other forms of State aid to local governments in that local government monies are not restricted in use and are distributed based on a certain criteria rather than based on the origination of the monies such as State grants.

Throughout the State, LGF monies are used to provide vital services at a local government level such as police, fire and ambulance, homeland security and natural disaster response, parks and recreation, senior and child welfare programs.

According to a press release from the Local Government Coalition Fund, "Seventy years ago state leaders recognized that certain public services are more efficiently delivered at the local level, and created the Local Government Fund." The Local Government Fund has been an important source of funding for counties, municipalities, townships and Park Districts and the proposed reduction is expected to have a significant impact on local government and its citizens.

Other Proposed Reductions Which Will Impact Local Government Services

In addition to the proposed reductions in the LGF, the Governor's budget also includes a proposal to:

- Eliminate the dealers intangi-

bles tax which currently is distributed to local governments and which is proposed to be redirected to the State's General Revenue Fund.

- Escalate the current phasing-out of Tangible Personal Property.

The State legislature already approved the:

- Elimination of Public Utility Reimbursements currently paid by the State to local governments.

Other changes in the government process that are either included in the Governor's budget proposal or that have been proposed separately in the State Legislature, and which could have a negative financial impact on local governments are:

- Funding reductions for OSU Extension and Soil and Water Conservation Districts.
- Sentencing reform proposals have been incorporated into the budget bill rather than being debated in a stand-alone bill. It is unclear at this point what financial impact this could have on local governments.
- Reduced funding for Child Support Agencies.
- Reduction for Adoption Assistance Subsidy...transferring funding to counties.
- Reduced funding for TANF and Child Care Funding programs locally.

See Pages 4 and 5 for a summary of the financial impact locally.

Special points of interest:

- State Budget - A Local Perspective
- General Fund Revenues vs Expenditures
- Estimated Local Financial Impact of Proposed State Budget

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DEDICATED TO SERVING CRAWFORD COUNTY WITH ACCOUNTABILITY, INTEGRITY AND PROFESSIONALISM

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 the first quarter of 2011 were \$2,514,600.95 or 29.07% of the \$8,651,418.78 estimated by the County Budget Commission in January. Operating revenues collected for the same period last year were \$2,398,719.76.

Revenue received in the General Fund for the first quarter of 2011 increased by \$115,881.19 when compared to the same period last year. A review of all revenue sources indicates that the increase in General Fund operating revenue can be attributed in large part to additional sales taxes, charges for services revenues and intergovernmental revenues, offset by smaller decreases in property tax revenue, interest revenue and other revenue collections.

Operating expenditures for the first quarter of 2011 totaled \$2,018,072.53 or 24.75% of the \$8,153,951.22 appropriated by the County Commissioners in January. Operating expenditures for the same period last year totaled \$2,621,052.76, indicating a decrease in expenditures of \$602,980.23. The decrease in operating expenditures can generally be attributed to the passage of the Criminal Justice Services Levy which authorized the Sheriff Road Patrol expenditures to be moved to a designated fund for the support of the Sheriff's Office.

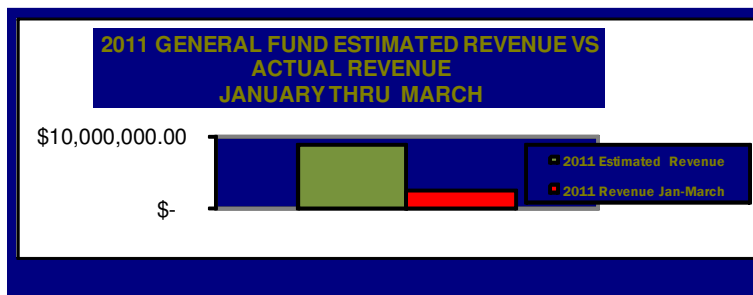
For the first quarter of 2011, operating revenues exceeded operating expenditures by \$496,528.42. For the first quarter of 2010, General Fund operating expenditures exceeded operating revenues by \$222,333.00. The change between operating expenditures exceeding revenues in the first quarter of 2010 to operating revenues exceeding operating expenditures in the first quarter of 2011 is a result of a decrease in operating expenditures in the first quarter of 2011 in combination with an increase in revenues received during the first quarter of 2011.

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 March 31, 2011 was \$1,380,701.45 as compared to \$970,794.31 at March 31, 2010. The increase in cash position is due in part to increased revenue collections and a decrease in expenditures.

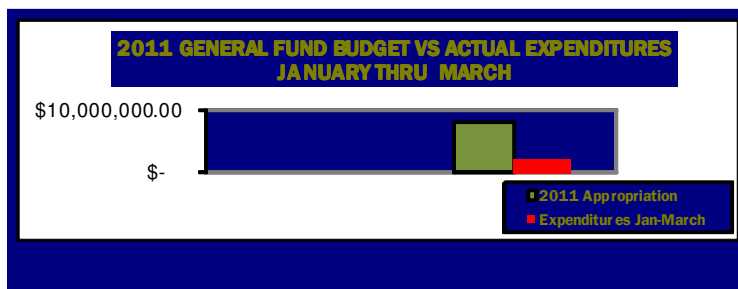
2011 GENERAL FUND BUDGET VS ACTUAL REVENUES

	2011 ESTIMATED REVENUE	2011 ACTUAL REVENUE JANUARY-MARCH	PERCENT COLLECTED
PROPERTY TAXES	\$ 1,229,142.31	\$ 675,643.90	54.97%
SALES TAXES	\$ 2,938,626.60	\$ 825,781.80	28.10%
CHARGES FOR SERVICES	\$ 2,558,407.96	\$ 638,940.94	24.97%
LICENSES AND PERMITS	\$ 2,310.00	\$ 443.63	19.20%
FINES AND FORFEITURES	\$ 169,000.00	\$ 46,704.53	27.64%
INTERGOVERNMENTAL	\$ 1,508,823.91	\$ 299,805.69	19.87%
INTEREST	\$ 200,000.00	\$ 2,158.34	1.08%
OTHER	\$ 45,108.00	\$ 25,122.12	55.69%
TOTAL OPERATING REVENUE	\$ 8,651,418.78	\$ 2,514,600.95	29.07%
Advances In		\$ 39,527.68	



2011 GENERAL FUND BUDGET VS ACTUAL EXPENDITURES

	<u>2011 Appropriation</u>	<u>Expenditures Jan-March</u>	<u>Unexpended Balance</u>	<u>Percent Expended</u>
General Fund Operating				
Expenditures and Transfers	\$ 8,153,951.22	\$ 2,018,072.53	\$ 6,135,878.69	24.75%
Department Breakdown				
COUNTY COMMISSIONERS	\$ 325,870.47	\$ 82,981.00	\$ 242,889.47	25.46%
COUNTY AUDITOR	\$ 342,686.04	\$ 81,359.30	\$ 261,326.74	23.74%
COUNTY TREASURER	\$ 143,424.18	\$ 33,860.19	\$ 109,563.99	23.61%
PROSECUTING ATTORNEY	\$ 594,531.40	\$ 143,078.04	\$ 451,453.36	24.07%
AUDIT	\$ 75,000.00	\$ 20,336.65	\$ 54,663.35	27.12%
REGIONAL PLANNING	\$ 10,000.00	\$ 10,000.00	\$ -	100.00%
DATA PROCESSING	\$ 103,115.18	\$ 26,722.10	\$ 76,393.08	25.91%
COURT OF APPEALS	\$ 25,500.00	\$ 4,791.00	\$ 20,709.00	18.79%
COMMON PLEAS COURT	\$ 665,669.16	\$ 160,740.90	\$ 504,928.26	24.15%
JUVENILE COURT	\$ 655,207.70	\$ 134,556.63	\$ 520,651.07	20.54%
PROBATE COURT	\$ 112,847.83	\$ 26,176.31	\$ 86,671.52	23.20%
CLERK OF COURTS	\$ 271,601.76	\$ 69,245.53	\$ 202,356.23	25.50%
CORONER	\$ 118,811.52	\$ 23,780.05	\$ 95,031.47	20.01%
MUNICIPAL COURT	\$ 461,470.27	\$ 109,302.43	\$ 352,167.84	23.69%
BOARD OF ELECTION	\$ 441,613.83	\$ 84,320.88	\$ 357,292.95	19.09%
COURT HOUSE/BLDG MAINT	\$ 754,168.50	\$ 212,275.16	\$ 541,893.34	28.15%
SHERIFF ROAD PATROL	\$ 11,446.88	\$ 9,295.10	\$ 2,151.78	81.20%
COUNTY RECORDER	\$ 135,322.23	\$ 33,202.55	\$ 102,119.68	24.54%
EMERGENCY MANAGEMENT	\$ 25,000.00	\$ -	\$ 25,000.00	0.00%
AGRICUTURE	\$ 241,149.64	\$ 137,417.75	\$ 103,731.89	56.98%
T.B. HOSPITAL	\$ 1,410.00	\$ -	\$ 1,410.00	0.00%
VITAL STATISTICS	\$ 1,000.00	\$ -	\$ 1,000.00	0.00%
OTHER HEALTH	\$ 69,046.94	\$ 36,811.59	\$ 32,235.35	53.31%
VETERANS SERVICES	\$ 354,659.77	\$ 68,025.58	\$ 286,634.19	19.18%
PUBLIC ASST - GRANT	\$ 145,000.00	\$ 36,106.35	\$ 108,893.65	24.90%
VICTIMS OF CRIME GRANT	\$ 12,841.00	\$ -	\$ 12,841.00	0.00%
SANITARY ENGINEER	\$ 37,914.44	\$ 8,293.98	\$ 29,620.46	21.88%
COUNTY ENGINEER	\$ 121,934.81	\$ 32,855.50	\$ 89,079.31	26.95%
LIABILITY INSURANCE	\$ 196,000.00	\$ -	\$ 196,000.00	0.00%
TRANSFER/MISCELLANEOUS	\$ 1,699,707.67	\$ 432,537.96	\$ 1,267,169.71	25.45%
TOTAL OPERATING EXP/TRANSFERS	\$ 8,153,951.22	\$ 2,018,072.53	\$ 6,135,878.69	24.75%
LOANS TO OTHER FUNDS		\$ 262,000.00		
TOTAL EXPENDITURES AND LOANS		\$ 2,280,072.53		



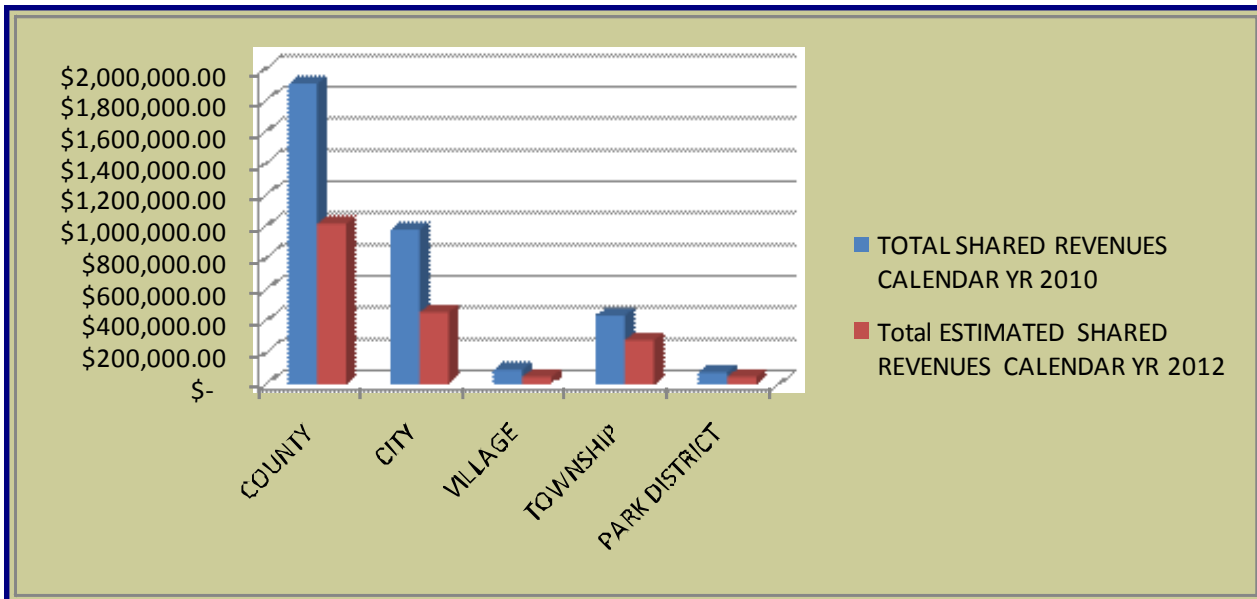
The 2011 appropriation includes all encumbrances carried forward from 2010 and any adjustments to the budget approved by the County Commissioners after January 1, 2011. 2010 encumbrances totaled \$128,136.87 and adjustments made to the 2010 budget during the first quarter totaled \$7,970.00.

ESTIMATED LOCAL FINANCIAL IMPACT OF STATE BUDGET PROPOSAL

The information provided below and on the next page is intended to provide readers with a better understanding of the financial impact locally of the reductions in the Local Government Fund as proposed by the Governor on March 15, 2011. Also included below, is the estimated loss of revenue that will be realized locally because of previous changes in the law to deregulate utilities and to eliminate tangible personal property taxes. The Governor's proposed budget escalates the rate in which the tangible personal property reimbursements are eliminated to local governments.

	TOTAL SHARED REVENUES CY 2010	TOTAL CY2011 ESTIMATED DECREASE	TOTAL CY2012 ESTIMATED DECREASE	Total ESTIMATED SHARED REVENUES CALENDAR YR 2012
COUNTY	\$ 1,904,382.99	\$ (294,899.89)	\$ (593,208.31)	\$ 1,016,274.79
CITY	\$ 980,506.17	\$ (253,216.12)	\$ (272,133.96)	\$ 455,156.09
VILLAGE	\$ 88,438.57	\$ (15,857.03)	\$ (27,889.08)	\$ 44,692.46
TOWNSHIP	\$ 433,317.20	\$ (53,845.13)	\$ (101,763.23)	\$ 277,708.84
PARK DISTRICT	\$ 74,547.28	\$ (3,281.94)	\$ (25,282.10)	\$ 45,983.24
TOTALS	\$ 3,481,192.21	\$ (621,100.11)	\$ (1,020,276.68)	\$ 1,839,815.42

CY = Calendar Yr



ESTIMATED LOCAL FINANCIAL IMPACT OF STATE BUDGET PROPOSAL, CONTINUED

	<u>Actual</u>	<u>Estimated</u>	<u>Public Utility</u>	<u>Estimated Local</u>	<u>Estimated</u>
	<u>CY2010</u>	<u>Tangible Personal</u>	<u>Elimination</u>	<u>Government Fund</u>	<u>CY2012</u>
	<u>Shared Revenues</u>	<u>Decrease</u>	<u>Decrease</u>	<u>Decrease</u>	<u>Shared Revenues</u>
CRAWFORD COUNTY	1,904,382.99	453,351.91	47,447.00	387,309.29	1,016,274.79
COUNTY TOTAL	1,904,382.99	453,351.91	47,447.00	387,309.29	1,016,274.79
BUCYRUS CITY	444,433.56	154,755.62	11,705.00	106,510.03	171,462.91
CRESTLINE CITY	199,226.83	15,322.91	1,958.00	69,715.65	112,230.27
GALION CITY	336,845.78	55,663.84	3,209.00	106,510.03	171,462.91
CITY TOTAL	980,506.17	225,742.37	16,872.00	282,735.71	455,156.09
CHATFIELD VLG	10,693.63	150.35	14.00	4,034.48	6,494.80
NEW WASHINGTON VLG	55,223.78	14,327.35	464.00	15,492.37	24,940.06
NORTH ROBINSON VLG	11,773.69	826.41	150.00	4,034.48	6,762.80
TIRO VLG	10,747.47	157.19	61.00	4,034.48	6,494.80
VILLAGE TOTAL	88,438.57	15,461.30	689.00	27,595.81	44,692.46
AUBURN TWP	21,446.55	7,060.98	216.00	5,043.08	9,126.49
BUCYRUS TWP	20,447.83	5,002.26	572.00	5,043.08	9,830.49
CHATFIELD TWP	16,058.44	2,314.87	582.00	5,043.08	8,118.49
CRANBERRY TWP	19,609.53	4,048.96	303.00	5,043.08	10,214.49
DALLAS TWP	16,616.52	2,744.95	151.00	5,043.08	8,677.49
HOLMES TWP	27,649.32	6,663.75	2,174.00	5,043.08	13,768.49
JACKSON TWP	25,660.76	2,151.19	502.00	5,043.08	17,964.49
JEFFERSON TWP	17,903.78	4,307.21	435.00	5,043.08	8,118.49
LIBERTY TWP	18,392.56	4,942.99	288.00	5,043.08	8,118.49
LYKENS TWP	13,681.05	486.48	33.00	5,043.08	8,118.49
POLK TWP	99,256.12	16,377.55	1,443.00	5,043.08	76,392.49
SANDUSKY TWP	13,568.41	250.84	156.00	5,043.08	8,118.49
TEXAS TWP	13,238.69	70.12	7.00	5,043.08	8,118.49
TOD TWP	14,158.16	904.59	92.00	5,043.08	8,118.49
VERNON TWP	15,038.12	1,661.55	215.00	5,043.08	8,118.49
WHETSTONE TWP	80,591.36	7,924.79	837.00	5,043.08	66,786.49
TOWNSHIP TOTAL	433,317.20	66,913.08	8,006.00	80,689.28	277,708.84
CRAWFORD PARK DIST.	74,547.28	-	-	28,564.04	45,983.24
TOTAL PARK DISTRICT	74,547.28	-	-	28,564.04	45,983.24
TOTALS	3,481,192.21	761,468.66	73,014.00	806,894.13	1,839,815.42

Amendments to the Governor's State budget proposal have been made since the compilation of this newsletter. Because these amendments and the budget process is ongoing, the data in this newsletter has been restricted to the Governor's original budget proposal, with the exception of the table below. Due to the significant financial impact that could result from an amendment to eliminate the requirement to pay Estate Taxes., the table below was compiled to provide readers with an historical perspective as to the potential loss of revenue to the various townships, villages and cities within the county.

Political Jurisdictions	Five- Year Estate Tax Distributions
Townships	\$1,499,564.87
Villages	\$10,292.78
Cities	\$1,861,931.79
Total	\$3,371,789.44

**A QUARTERLY NEWSLETTER FROM YOUR COUNTY
AUDITOR**

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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 43,784.

UPCOMING DATES TO REMEMBER

May 1, 2011 - Monthly financial statements filed with County Commissioners.

May 15, 2011 or about - County Auditor required to make tangible personal property tax distributions to schools, townships, villages and cities.

May 30, 2011 - Annual financial statements filed with State Auditor.

June 1, 2011 - Monthly financial statements filed with County Commissioners.

June 6, 2011 - Last day to file homestead and 2 1/2 percent rollback tax credit forms with County Auditor.

June 20, 2011 - Last day to pay 2nd half real estate taxes without penalty.

2012 Property Revaluation Update

During the last quarter of 2010 and the first quarter of 2011, the 2012 Property Revaluation Program for Crawford County officially got started. A comprehensive review of the revaluation process was outlined in the October 26, 2010 "It's Your Money" newsletter. The purpose of this article is to provide property owners with an update on the revaluation process since October.

More than 16,000 real estate information request forms were mailed to property owners over the last few months, with approximately 10,000 mailers already returned to the Auditor's Office. An important first step in the revaluation process is to verify that the County's appraisal records accurately reflect the characteristics that are unique to any home and property. Property owners were asked to review the information provided on these mailers, to ensure that the County's appraisal records accurately reflect the information unique to that property.

In October, property owners were also advised that part of the 2012 Property Revaluation program will include the use of street level photographs of all buildings in the County. County Auditor personnel are continuing to collect street level photographs of all buildings in the County. Currently, there are only a portion of five townships remaining to be photographed; Holmes, Liberty, Vernon, Sandusky and Bucyrus. The photography phase of the revaluation program is approximately 86% complete, and depending on weather conditions, is expected to be completed by the end of May.

The next phase of the 2012 Property Revaluation Program is the desk top review phase that incorporates the use of the street level photographs with other imagery that is part of the County's Geographic Information System (GIS). These photographs will be used in conjunction with the data collection mailers, and will allow the appraisers to assess the physical condition of the property, including a full inventory of all exterior attributes. The desk top review phase, along with any required field checks by the appraisers is estimated to be completed by late fall of 2011. In conjunction with the desk top review phase, appraisers will also be analyzing the actual arms-length property sales that have occurred in the County throughout the three-year appraisal period.

The final phase of the 2012 Property Revaluation Program will include informal hearings with individual property owners who want to discuss their new property valuations. The final phase is anticipated to begin in the summer of 2012. Once the property values become final, those values will be used to determine the taxes that will be billed in calendar year 2013.