

IT'S YOUR MONEY

A QUARTERLY NEWSLETTER FROM YOUR COUNTY AUDITOR

STATE BUDGET APPROVED - A LOCAL PERSPECTIVE



**CRAWFORD COUNTY
COURTHOUSE**

Inside this issue:

General Operating	2
Dog License Changes	4

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

OVERVIEW

On June 30, 2013, the Governor signed into law a two-year budget bill that is being touted as a “budget that will provide \$2.87 billion in net tax cuts over the next three years.”

Some highlights of the new tax plan included:

- A 50% small business tax cut on the first \$250,000 in net business income.
- A 10% income tax cut over the next three years.
- Adjusts the State sales tax rate from 5.5% to 5.75%.
- A new minimum tax payment structure for business who are required to pay a Commercial Activity Tax (CAT).
- Eliminates 12.5% tax credits on all new or replacement levies approved by voters effective with the November, 2013 election.
- Re-imposes an income requirement to determine eligibility for the Homestead tax credit for senior citizens.

HOMESTEAD TAX CREDIT

The new tax plan eliminates the homestead exemption for those seniors who are not yet 65 and who earn more than \$30,000 annually per household.

To provide further perspective on the Homestead Exemption elimination, readers need to understand that until 2007,

the Homestead Tax Credit included a “means” or income requirement to be eligible for this tax credit that reduces most property taxes for senior citizens by approximately \$350-\$400 annually.

However, this “means” or income based eligibility requirement was removed by the Ohio Legislature in 2007.

In Crawford County, when the legislature enacted the law to remove the income requirement in 2007 more than 2,444 senior citizens became eligible to receive this significant tax credit. Today, more than 4,279 senior citizens receive the Homestead tax credit.

The new law does allow those seniors who are currently receiving the Homestead tax credit to retain eligibility.

As County Auditor, I foresee confusion and disparity between neighbors that will be based entirely on the date a person reached age 65.

Additionally, this change in Ohio law will create more bureaucracy at the local level because it will increase the cost of administering the Homestead Exemption Program at the local level because now the County Auditor’s Office will have to require applicants to share their private financial data with yet another level of government.

PROPERTY TAX CREDITS

While the State budget does include a 10% income tax cut

to be phased in over the next three years, the tax plan also includes a provision that eliminates the 12.5% tax credit the State pays on replacement and new property tax levies that are approved beginning in November of this year.

The elimination of these tax credits to residential property owners is being marketed by the State as “property tax reform,” but readers should consider how this approved tax plan and the elimination of these tax credits will impact their tax liability in the future.

Prior to the passage of the new tax plan, State law allowed residential taxpayers to receive a 10% tax credit on their property tax bills and another 2 1/2% tax credit if they lived in that home. The new tax plan will eliminate the 12 1/2% tax credits on all newly authorized tax levies. Existing or renewal levies will remain unchanged so taxpayers will continue to receive benefit from the 12.5% tax credits authorized with those current levies.

All future levies will cost taxpayers more money as the 12.5% tax credits are phased out by the State.

CONCLUSION

As the State’s new tax plan is implemented, readers are encouraged to understand the full impact of these changes and what effect these changes will have on their tax liabilities.

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 Fund for the first six months of 2013 were \$4,357,672.07 or 51.03% of the \$8,539,704.20 estimated by the County Budget Commission. Operating revenues collected for the same period last year were \$4,230,946.83.

The General Fund operating revenue for the first six months of 2013 increased by \$126,725.24 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 charges for services revenue and intergovernmental revenue, offset by small decreases in property tax revenue and sales tax revenue. Interest revenue accrues in an agency fund and is paid into the various funds by the County Treasurer periodically. During the first six months of 2013, no interest earnings were paid into the General Fund.

Operating expenditures for the first quarter of 2013 totaled \$4,178,047.20 or 46.31% of the \$9,021,370.79 appropriated by the County Commissioners. Operating expenditures for the same period last year totaled \$4,031,376.91, indicating an increase in expenditures of \$146,670.29 when compared to last year.

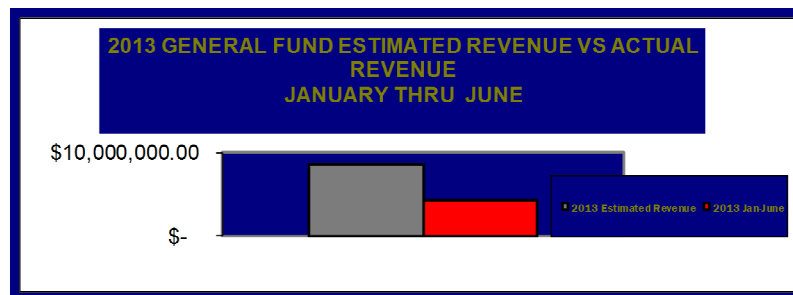
For the first six months of 2013, operating revenues exceeded operating expenditures by \$179,624.87 as compared to \$199,569.92 at the same time last year.

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 June 30, 2013 was \$3,601,269.56 as compared to \$2,161,538.90 at June 30, 2012.

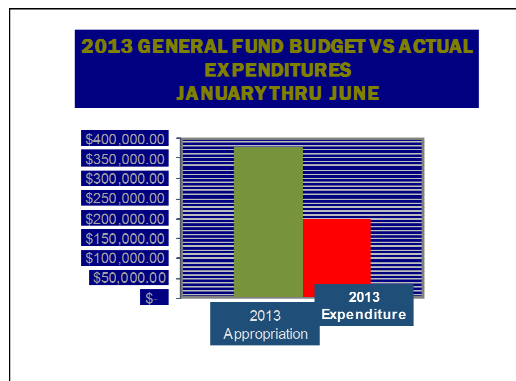
2013 GENERAL FUND BUDGET VS ACTUAL REVENUES

	2013 ESTIMATED REVENUE	2013 ACTUAL REVENUE JANUARY-JUNE	PERCENT COLLECTED
PROPERTY TAXES	\$ 1,124,973.00	\$ 663,272.05	58.96%
SALES TAXES	\$ 3,193,027.80	\$ 1,765,589.77	55.30%
CHARGES FOR SERVICES	\$ 2,354,543.00	\$ 1,163,353.89	49.41%
LICENSES AND PERMITS	\$ 2,310.00	\$ 1,948.04	84.33%
FINES AND FORFEITURES	\$ 172,500.00	\$ 85,242.83	49.42%
INTERGOVERNMENTAL	\$ 1,493,169.00	\$ 653,545.18	43.77%
INTEREST	\$ 160,000.00	\$ -	0.00%
OTHER	\$ 39,181.40	\$ 24,720.31	63.09%
TOTAL OPERATING REVENUE	\$ 8,539,704.20	\$ 4,357,672.07	51.03%
ADVANCE REPAYMENT		\$ 57,282.91	



2013 GENERAL FUND BUDGET VS ACTUAL EXPENDITURES

	2013 <u>Appropriation</u>	Expenditures <u>Jan-June</u>	Unexpended <u>Balance</u>	Percent <u>Expended</u>
General Fund Operating Expenditures and Transfers	\$ 9,021,370.79	\$ 4,178,047.20	\$ 4,843,323.59	46.31%
Department Breakdown				
COUNTY COMMISSIONERS	\$ 427,601.97	\$ 160,250.14	\$ 267,351.83	37.48%
COUNTY AUDITOR	\$ 377,804.65	\$ 197,227.38	\$ 180,577.27	52.20%
COUNTY TREASURER	\$ 145,580.00	\$ 71,595.03	\$ 73,984.97	49.18%
PROSECUTING ATTORNEY	\$ 550,268.13	\$ 288,863.62	\$ 261,404.51	52.50%
COUNTY AUDIT	\$ 81,600.00	\$ 55,210.60	\$ 26,389.40	67.66%
REGIONAL PLANNING	\$ 10,000.00	\$ -	\$ 10,000.00	0.00%
DATA PROCESSING	\$ 103,791.00	\$ 49,300.83	\$ 54,490.17	47.50%
COURT OF APPEALS	\$ 27,531.75	\$ 13,677.76	\$ 13,853.99	49.68%
COMMON PLEAS COURT	\$ 709,544.93	\$ 338,429.44	\$ 371,115.49	47.70%
JUVENILE COURT	\$ 703,695.25	\$ 317,610.21	\$ 386,085.04	45.13%
PROBATE COURT	\$ 119,639.78	\$ 59,593.62	\$ 60,046.16	49.81%
CLERK OF COURTS	\$ 272,694.66	\$ 98,466.82	\$ 174,227.84	36.11%
CORONER	\$ 108,909.87	\$ 50,338.77	\$ 58,571.10	46.22%
MUNICIPAL COURT	\$ 485,456.40	\$ 256,307.18	\$ 229,149.22	52.80%
BOARD OF ELECTION	\$ 498,752.10	\$ 144,441.27	\$ 354,310.83	28.96%
COURT HOUSE & JAIL MAINT	\$ 831,983.73	\$ 444,595.38	\$ 387,388.35	53.44%
COUNTY RECORDER	\$ 172,445.40	\$ 87,548.53	\$ 84,896.87	50.77%
EMERGENCY MANAGEMENT	\$ 60,000.00	\$ -	\$ 60,000.00	0.00%
AGRICULTURE	\$ 258,404.00	\$ 196,269.37	\$ 62,134.63	75.95%
T.B.HOSPITAL	\$ 1,389.07	\$ 216.00	\$ 1,173.07	15.55%
VITAL STATISTICS	\$ 1,000.00	\$ 842.00	\$ 158.00	84.20%
OTHER HEALTH	\$ 67,147.07	\$ 40,902.40	\$ 26,244.67	60.91%
VETERANS SERVICES	\$ 371,508.70	\$ 139,376.54	\$ 232,132.16	37.52%
PUBLIC ASST - GRANT	\$ 155,000.00	\$ 73,674.30	\$ 81,325.70	47.53%
VICTIMS OF CRIME GRANT	\$ 12,481.00	\$ -	\$ 12,481.00	0.00%
SANITARY ENGINEER	\$ 5,500.00	\$ 1,700.00	\$ 3,800.00	30.91%
COUNTY ENGINEER	\$ 118,725.83	\$ 53,903.07	\$ 64,822.76	45.40%
LIABILITY INSURANCE	\$ 256,740.00	\$ 256,740.00	\$ -	100.00%
TRANSFERS/MISCELLANEOUS	\$ 2,086,175.50	\$ 780,966.94	\$ 1,305,208.56	37.44%
TOTAL OPERATING EXPENSES/TRANSFERS	\$ 9,021,370.79	\$ 4,178,047.20	\$ 4,843,323.59	46.31%
LOANS TO OTHER FUNDS		\$ 594,258.04		
TOTAL EXPENDITURES AND LOANS		\$ 4,772,305.24		



The 2013 appropriation includes all encumbrances carried forward from 2012 and any adjustments to the budget approved by the County Commissioners on January 1, 2013. 2012 encumbrances totaled \$135,706.96 and adjustments made to the 2013 budget through June 30, 2013 totaled \$204,984.68

**A QUARTERLY NEWSLETTER FROM YOUR COUNTY
AUDITOR**

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UPCOMING DATES TO REMEMBER

July 1, 2013 - Monthly financial statements filed with County Commissioners.

On or before July 20, 2013 - County Commissioners are required to file 2014 budget with County Auditor...budget available for public inspection.

August 1, 2013 - Monthly financial statements filed with County Commissioners.

August 1, 2013 - Last day to pay 2nd half mobile home taxes without penalty.

On or before August 20, 2013 - County Auditor required to make real property tax distribution to schools, townships, villages and cities.

September 1, 2013 - Monthly financial statements filed with County Commissioners.

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 43,403.

**STATE BUDGET AUTHORIZES ONE YEAR, THREE YEAR, PERMANENT
DOG LICENSES**

The recently passed State budget bill included language that will allow individuals to now register a dog for a period of one year, three years, or to register the dog permanently. Current law requires an individual to register their dog annually.

Dog registration fees are established each year by the Board of County Commissioners based on the cost of administering Ohio's dog laws. Current law includes a base fee requirement of \$2 for each dog registration and \$10 for each kennel registration. Board's of County Commissioners are then authorized by Ohio law to increase those base dog and kennel registration fees to cover the cost of administration and enforcement of Ohio's dog laws in their respective counties.

The new law, similar to the current law, establishes ratios by which dog registration fees can be increased. Under the new law, any increase in fees must be in the ratio of \$2 for each year of registration and \$20 for a permanent registration fee. The county's annual registration fee is now required to include a ratio of 3:1 for a three year registration and 10:1 for a permanent registration. To illustrate this change further, the following table is being provided using the current \$16 registration fee in Crawford County. This table is for illustration purposes only and could change depending on the registration fee that will be established by the Board of County Commissioners by August 31, 2013.

<u>Registration Period</u>	<u>Current Law</u>	<u>New Law</u>
One Year	\$16	\$16
Three Year		\$48 (\$16x3)
Permanent		\$160 (\$16x10)

The new law is effective December 1, 2013 but the Board of County Commissioners is required to pass the necessary resolutions establishing the cost of the dog registration fees by August 31, 2013 for the upcoming registration cycle (December 1, 2013-January 31, 2014)