

IT'S YOUR MONEY

A QUARTERLY NEWSLETTER FROM YOUR COUNTY AUDITOR

2013 FINANCIAL FORECAST RELEASED



CRAWFORD COUNTY COURTHOUSE

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

OVERVIEW

The Financial Forecast for the Crawford County General Fund was released during the fourth quarter of 2013. The financial forecast represents the expected revenues, expenditures, and changes in fund balance of the General Fund for the years ending December 31, 2013, 2014, 2015, and 2016. The forecast is a compilation of historical and projected financial data for the County General Fund as of December 20, 2013, the date of this forecast.

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.

The first forecast was prepared in 2009 in conjunction with the Board of County Commissioners who have the legal authority for establishing the County's spending limits. In 2009, the County Auditor's Office agreed to work with the Board of County Commissioners in developing a forecasting model that would be utilized by the Board of County Commissioners as part of the annual budget process.

In 2013, the County Auditor's Office had the primary responsibility for compiling the financial forecast utilizing the relevant assumptions provided by the various County officials and the Board of County Commissioners and in conjunction with the

County Commissioners tax budget that was prepared in July 2013. Any significant deviations between the tax budget and the forecasted amounts provided by the departments are noted within the financial detail of that particular department or agency.

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 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 seven years; three years of actual revenues and expenditures and four years of projected revenues and expenditures.

KEY FINANCIAL HIGHLIGHTS

- Property tax revenue has declined 5.72% since 2010 and was projected at 2013's actual collections of \$1,160,094 for 2014-2016.
- Sales tax revenue has increased 19.64% since 2010 but was projected to decrease from 2013 actual collections due to a \$427,888.34 sales tax refund owed by the County to the State of Ohio.
- Intergovernmental revenue has declined on average by 4.62% since 2010 as a result of reductions in local

government revenue received from the State of Ohio and due to casino revenue estimates falling short of State projections.

- Intergovernmental revenue was projected for 2014-2016 at 2013 collection levels.
- Charge for services revenue has remained essentially static since 2010 and was projected to decline in large part due to reduced contract fees realized from the Sanitary Landfill.
- Interest revenue has declined by 76.39% since 2010 due to reduced investment rates and was projected at \$110,000 for 2014-2016 based on estimates from the County's investment advisor, the County Treasurer.
- General Fund operating expenditures are projected to increase over the next three years by an average of 4.87% annually.
- Projected salary increases were based on a 1.85% annual inflationary increase based on the average consumer price index for the years 2010-2013 plus any specific budgetary requests approved by the Board of County Commissioners.
- Projected health care costs are based in accordance with County policy that stipulates 77% of the premium be paid by the County and 23% of the premium be paid by the employee. For 2014, a 14% increase was projected and for 2015-2016 a 10% increase was projected based on published health industry standards.

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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 2013 were \$8,911,951.00 or 101.52% of the \$8,778,143.74 estimated by the County Budget Commission. Operating revenues collected for the same period last year were \$8,998,706.72.

Revenue collections remained relatively constant between 2012 and 2013. 2013 operating revenues decreased from 2012 by \$86,755.72. A review and comparison of the various revenue sources in the General Fund for 2012 and 2013 indicate that the most significant increase in revenue was realized in the Intergovernmental revenue category and is the result of the County receiving casino tax revenue from the State of Ohio for the first time. The Charges for Services revenue category realized the most significant decrease in revenue as compared to 2012 with a decrease of \$67,432.87, and is a result of the County collecting less property tax revenue and the statutory fees that are associated with those tax collections. Sales tax revenue collections also declined by \$40,739.58 when compared to 2012 and is the direct result of the State of Ohio issuing a large sales tax refund to a company located in Crawford County.

Operating expenditures for 2013 totaled \$7,979,392.85 or 87.79% of the \$9,089,637.36 appropriated by the County Commissioners. Operating expenditures for the same period last year totaled \$7,878,469.11, indicating an increase in General Fund operating expenditures of \$100,923.74 when compared to 2012.

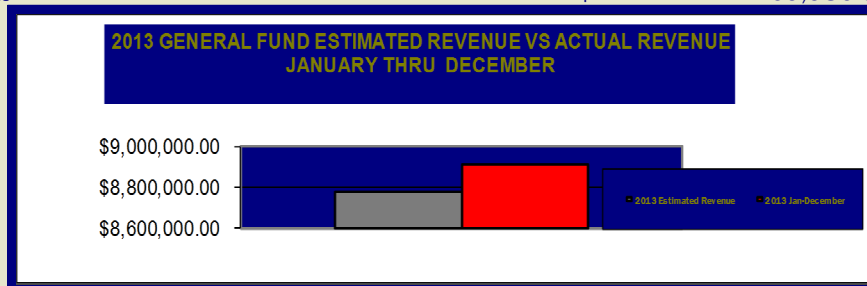
For 2013, operating revenues exceeded operating expenditures by \$932,558.15 as compared to \$1,120,237.61 for the same time period last year.

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 December 31, 2013 was \$5,043,194.38 as compared to \$3,958,619.82 at December 31, 2012.

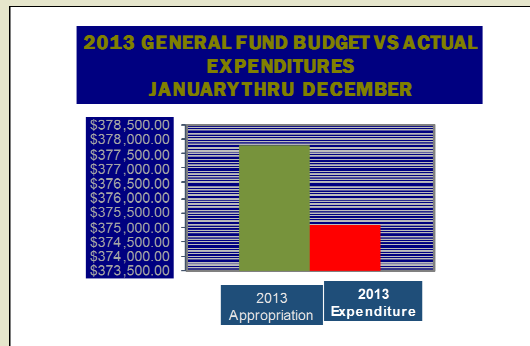
2013 GENERAL FUND BUDGET VS ACTUAL REVENUES

	2013 <u>Estimated Revenue</u>	2013 <u>Jan-December</u>	Percent <u>Collected</u>
General Fund Operating Revenues	\$ 8,778,143.74	\$ 8,911,951.00	101.52%
Property Taxes	\$ 1,160,093.75	\$ 1,160,093.75	100.00%
Sales Taxes	\$ 3,487,121.52	\$ 3,515,648.50	100.82%
Charges for Services	\$ 2,406,798.22	\$ 2,510,263.22	104.30%
Licenses and Permits	\$ 2,547.17	\$ 2,652.32	104.13%
Fines and Forfeitures	\$ 173,550.00	\$ 162,011.90	93.35%
Intergovernmental	\$ 1,363,964.35	\$ 1,368,131.95	100.31%
Interest	\$ 120,000.00	\$ 121,938.21	101.62%
Other	\$ 64,068.73	\$ 71,211.15	111.15%
Total Operating Revenue	\$ 8,778,143.74	\$ 8,911,951.00	101.52%
Advance Repayments		\$ 769,986.86	



2013 GENERAL FUND BUDGET VS ACTUAL EXPENDITURES

	2013 <u>Appropriation</u>	Expenditures <u>Jan-December</u>	Unexpended <u>Balance</u>	Percent <u>Expended</u>
General Fund Operating				
Expenditures and Transfers	\$ 9,089,637.36	\$ 7,979,392.85	1,110,244.51	87.79%
Department Breakdown				
COUNTY COMMISSIONERS	\$ 427,601.97	\$ 291,784.56	\$ 135,817.41	68.24%
COUNTY AUDITOR	\$ 377,804.65	\$ 375,050.59	\$ 2,754.06	99.27%
COUNTY TREASURER	\$ 145,580.00	\$ 139,887.41	\$ 5,692.59	96.09%
PROSECUTING ATTORNEY	\$ 558,492.67	\$ 532,486.22	\$ 26,006.45	95.34%
COUNTY AUDIT	\$ 81,600.00	\$ 81,065.20	\$ 534.80	99.34%
REGIONAL PLANNING GRANT	\$ 10,000.00	\$ 10,000.00	-	100.00%
INFORMATION TECHNOLOGY	\$ 103,791.00	\$ 91,288.11	\$ 12,502.89	87.95%
COURT OF APPEALS	\$ 25,031.75	\$ 15,726.01	\$ 9,305.74	62.82%
COMMON PLEAS COURT	\$ 708,623.22	\$ 679,057.78	\$ 29,565.44	95.83%
JUVENILE COURT	\$ 686,519.29	\$ 626,240.81	\$ 60,278.48	91.22%
PROBATE COURT	\$ 139,815.74	\$ 137,143.53	\$ 2,672.21	98.09%
CLERK OF COURTS	\$ 272,598.86	\$ 204,520.35	\$ 68,078.51	75.03%
CORONER	\$ 116,211.87	\$ 107,207.47	\$ 9,004.40	92.25%
MUNICIPAL COURT	\$ 495,385.66	\$ 467,847.60	\$ 27,538.06	94.44%
BOARD OF ELECTIONS	\$ 498,752.10	\$ 365,761.42	\$ 132,990.68	73.34%
COURT HOUSE & BLDG MAINT	\$ 865,714.90	\$ 785,704.94	\$ 80,009.96	90.76%
COUNTY RECORDER	\$ 172,445.40	\$ 167,775.69	\$ 4,669.71	97.29%
EMA	\$ 60,000.00	\$ 60,000.00	-	100.00%
AGRICULTURE	\$ 267,709.00	\$ 264,407.61	\$ 3,301.39	98.77%
T.B. HOSPITAL	\$ 1,016.00	\$ 740.55	\$ 275.45	72.89%
VITAL STATISTICS	\$ 1,000.00	\$ 842.00	\$ 158.00	84.20%
OTHER HEALTH	\$ 67,147.07	\$ 67,147.07	-	100.00%
VETERANS SERVICES	\$ 371,493.02	\$ 297,464.23	\$ 74,028.79	80.07%
PUBLIC ASST - GRANT	\$ 155,000.00	\$ 141,558.36	\$ 13,441.64	91.33%
VICTIMS OF CRIME GRANT	\$ 12,481.00	\$ 12,481.00	-	100.00%
SANITARY ENGINEER	\$ 5,500.00	\$ 2,800.00	\$ 2,700.00	50.91%
COUNTY ENGINEER	\$ 118,660.69	\$ 115,497.97	\$ 3,162.72	97.33%
LIABILITY INSURANCE	\$ 257,486.00	\$ 257,486.00	-	100.00%
TRANSFERS/MISCELLANEOUS	\$ 2,086,175.50	\$ 1,680,420.37	\$ 405,755.13	80.55%
TOTAL OPERATING EXP/TRANSFERS	\$ 9,089,637.36	\$ 7,979,392.85	\$ 1,110,244.51	87.79%
LOANS TO OTHER FUNDS	\$	\$ 617,970.45		
TOTAL EXPENDITURES AND LOANS	\$	\$ 8,597,363.30		



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 December 31, 2013 totaled \$292,570.71

**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

ABOUT YOUR COUNTY

With 12 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.

UPCOMING DATES TO REMEMBER

- January 1, 2014 - Monthly financial statements filed with County Commissioners.
- January 1, 2014 - Fiscal year begins for County, Townships, Villages and Municipalities.
- January 1, 2014 - or about, County Budget Commission certifies amended certificates of estimated resources for all political subdivisions and as filed with and prepared by the County Auditor.
- January 31, 2014 - Last day to purchase dog license without penalty.
- February 1, 2014 - Monthly financial statements filed with County Commissioners.
- February 6, 2014 - Last day to pay 1st half real estate taxes without penalty.
- March 1, 2014 - Monthly financial statements filed with County Commissioners.

2013 FINANCIAL FORECAST RELEASED, (continued from Page 1)

- Operating transfers are not included in the total expenditures and are projected to increase by approximately 123% over the next three years due in large part to identified building maintenance projects outlined by the Board of Commissioners and operating subsidies to the Sheriff's Office.

Because the projected operating transfers from the General Fund are a significant reason for the projected deficits by 2016, listed below is a table that will provide readers with some perspective as to the type of subsidies being made by the Board of County Commissioners.

Fund	2013	2014	2015	2016
County Building Projects	\$0	\$122,260	\$50,000	\$275,000
County Roof Project	\$100,549	\$1,200,000	\$460,000	\$0
Debt Service:				
Administration Building	\$300,863	\$302,762	\$303,313	\$298,313
Courthouse Renovation	\$263,515	\$258,515	\$262,565	\$261,127
Economic Development	\$132,720	\$0	\$0	\$0
Emergency Management	\$60,000	\$60,000	\$60,000	\$60,000
Jail Operating Levy	\$724,542	\$994,330	\$1,048,181	\$1,108,731
Job and Family Services	\$141,558	\$155,000	\$155,000	\$155,000
Criminal Justice Levy	\$212,035	\$437,364	\$744,543	\$954,437
Victims of Crime	\$12,481	\$12,481	\$12,481	\$12,481
Total	\$1,948,263	\$3,542,712	\$3,096,083	\$3,125,089

The entire 2013 Financial Forecast of the County General Fund is available on the County Auditor's website at: http://www.crawfordauditor.info/forms_publications/forms_publications.html.