

IT'S YOUR MONEY

A QUARTERLY NEWSLETTER FROM YOUR COUNTY AUDITOR 2006 ANNUAL FINANCIAL REPORT NOW AVAILABLE



CRAWFORD COUNTY COURTHOUSE

Special points of interest:

- 2006 Financial Report Available
- Interpreting Financial Statements
- General Fund Revenues vs Expenditures
- Tangible Personal Property Tax Distributions

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DEDICATED TO SERVING CRAWFORD COUNTY WITH ACCOUNTABILITY, INTEGRITY AND PROFESSIONALISM

OVERVIEW

The 2006 Comprehensive Annual Financial Report (CAFR) was audited and released during the 2nd quarter of 2007.

This report is prepared in accordance with generally accepted accounting principles (GAAP), as applicable to governmental entities.

This report provides the taxpayers of Crawford County with financial data that enables them to gain a true understanding of the County's financial affairs.

KEY FINANCIAL HIGHLIGHTS

The net assets of the County increased by \$3,034 thousand for governmental activities and \$654 thousand for business-type activities.

The financial statements of Crawford County provide a wealth of information to anyone with an interest in the County's economic and financial condition. However, understanding and interpreting the data presented can be challenging, especially if private sector analysis is used without applying an understanding for the difference in objectives between local government and the private sector.

The primary goal of a private sector business is economic. Basically, it is to make a profit. For the public sector the objectives are more about providing services and fulfilling the requirements of legally mandated programs.

In the private sector, generally, the principal measure of financial position is net assets. While the County does prepare a Statement of Net Assets, because of the difference in objectives between the public sector and private sector, this statement should be analyzed in conjunction with another statement, The Statement of Activities. Both of these statements provide a long-term view of the County's finances and report the net assets and changes in those assets. The change in net assets is important

The increase within the business-type activities (Sanitary Landfill) was generated from the leasing of the County's landfill to a private corporation that has provided sufficient cash to pay the outstanding general obligation bonds.

The increase in net assets of governmental activities is a result of a combination of factors including an increase in interest revenue, a reduction of expenses for Auto License and Gas Tax and a reduction in costs associated with a change in the operating focus at Fairway School from that of a school to facilitating aid to families.

The General Fund balance at December 31, 2006 was \$5,028,668 which represents a 2.6 percent decrease from the

2005 balance of \$5,163,067.

MAJOR COUNTY PROGRAMS

The major program expenses for the County are Human Services, Public Safety, Public Works and Health. These programs account for 96 percent of the total governmental costs of the County.

General government represents the County's Legislative and Executive and Judicial programs.

Funding for these major programs is from charges of services, operating grants, property and sales taxes.

For more information or to receive a copy of this report, please contact the Auditor's Office or visit the Auditor's website at www.crawford-co.org

INTERPRETING COUNTY FINANCIAL STATEMENTS

because, over time, it tells the reader whether the financial position of the County as a whole has increased or decreased. The Statement of Activities provides valuable information on the cost of government programs within the County and how they are financed.

Fund financial statements provide the next level of detail and tell how government services were financed in the short-term as well as what remains for future spending. Specifically, by comparing changes in fund balances with changes in net assets, the financial statement user can better appreciate the long-term economic impact of the short-term financing activities of the government.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives.

The third focus for readers of the County's financial statements should include a review of

the economic condition of the County.

Much of the information needed for assessing the County's economic condition can be found in the statistical section of the County's Comprehensive Annual Financial Report. This section provides a wealth of information for readers that involves both financial data and non-financial data.

This data is presented in a multiple year format so that readers can determine any significant trends that may effect the County's resources in the future.

In the end, by reviewing the government-wide financial statements in conjunction with the individual fund statements (changes in fund balances) and the statistical data, a reader will have a greater understanding of the County's financial position and whether this position is improving or deteriorating.

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 six months of 2007 were \$4,296,581.65 or 51.80% of the \$8,294,769.56 estimated by the County Budget Commission in January. Operating revenues collected for the same period last year were \$4,212,090.24.

When compared to the same period last year, operating revenue of the County General Fund is up by \$84,491.41. A review of the County's actual operating revenue for the period indicates that receipts are being collected as expected and within the amounts estimated. The variance in interest revenue is due to the timing of when receipts are actually posted (July) to the fund and are not an indication of any anticipated reduction.

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.

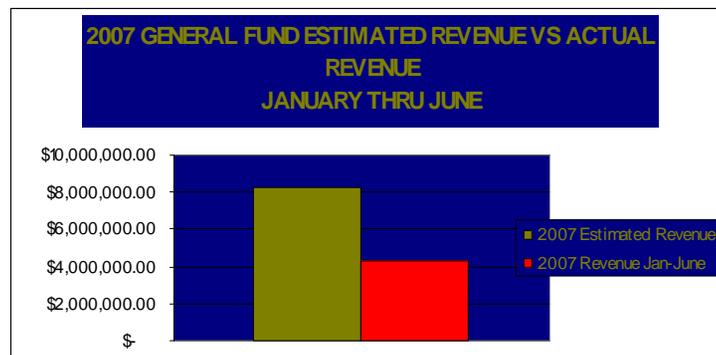
Operating expenditures totaled \$5,132,342.48 or 46.23% of the \$11,108,142.01 appropriated for 2007. Operating expenditures for the same period last year totaled \$5,062,744.61, indicating an overall increase of \$69,597.87 in expenditures. The increase in expenditures can be mostly attributed to a transfer from the General Fund to the Waterline Capital Projects Fund.

For the first half of 2007, General Fund operating expenditures exceeded operating revenues by \$835,760.83. This can be compared to the first half of 2006 where operating expenditures exceeded operating revenues by \$850,654.37. Certain financial transactions such as debt and property tax payments are made at particular times during the calendar year. As such, a more meaningful comparison between operating expenditures and operating revenues should be made on an annual basis.

The cash balance of the General Fund at June 30, 2007 was \$1,913,935.13 as compared to \$2,921,029.33 at June 30, 2006. The decrease in cash position can be attributed in large part to the fact that operating expenditures exceeded operating revenues during 2006 and the fact that some \$1,646,897 in loans to other grant funds were made during 2006 and have yet to be repaid.

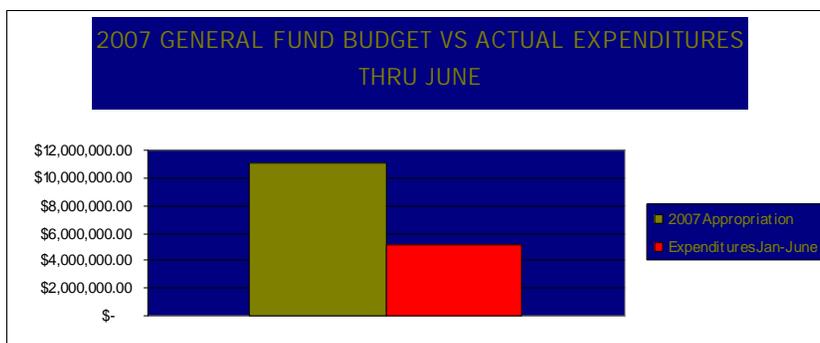
2007 GENERAL FUND BUDGET VS ACTUAL REVENUES

	2007 ESTIMATED REVENUE	2007 ACTUAL REVENUE JANUARY-JUNE	PERCENT COLLECTED
PROPERTY TAXES	\$ 1,375,000.00	\$ 723,430.26	52.61%
SALES TAXES	\$ 3,150,000.00	\$ 1,629,992.83	51.75%
CHARGES FOR SERVICES	\$ 1,631,550.00	\$ 913,433.43	55.99%
LICENSES AND PERMITS	\$ 3,410.00	\$ 4,832.89	141.73%
FINES AND FORFEITURES	\$ 148,000.00	\$ 92,462.99	62.47%
INTERGOVERNMENTAL	\$ 1,439,178.00	\$ 796,571.48	55.35%
INTEREST	\$ 425,000.00	\$ 73,119.16	17.20%
OTHER	\$ 122,631.56	\$ 62,738.61	51.16%
TOTAL OPERATING REVENUE	\$ 8,294,769.56	\$ 4,296,581.65	51.80%
ADVANCE REPAYMENT	\$-0-	\$-0-	
TRANSFERS IN	\$-0-	\$-0-	



2007 GENERAL FUND BUDGET VS ACTUAL EXPENDITURES

	2007 <u>Appropriation</u>	Expenditures <u>Jan-June</u>	Unexpended <u>Balance</u>	Percent <u>Expended</u>
General Fund Operating Expenditures and Transfers	\$ 11,108,142.01	\$ 5,135,342.48	\$ 5,972,799.53	46.23%
Department Breakdown				
COUNTY COMMISSIONERS	\$ 355,788.80	\$ 179,657.06	\$ 176,131.74	50.50%
COUNTY AUDITOR	\$ 375,940.57	\$ 175,672.28	\$ 200,268.29	46.73%
COUNTY TREASURER	\$ 130,351.46	\$ 65,836.29	\$ 64,515.17	50.51%
PROSECUTING ATTORNEY	\$ 545,173.24	\$ 288,715.72	\$ 256,457.52	52.96%
BUDGET COMMISSION	\$ 500.00	\$ -	\$ 500.00	0.00%
BOARD OF REVISION	\$ 500.00	\$ -	\$ 500.00	0.00%
BUREAU OF EXAMINATION	\$ 68,000.00	\$ 61,710.01	\$ 6,289.99	90.75%
COUNTY PLANNING	\$ 35,000.00	\$ 10,000.00	\$ 25,000.00	28.57%
DATA PROCESSING	\$ 121,516.10	\$ 56,169.57	\$ 65,346.53	46.22%
COURT OF APPEALS	\$ 30,711.50	\$ 18,944.87	\$ 11,766.63	61.69%
COMMON PLEAS COURT	\$ 679,800.08	\$ 297,774.84	\$ 382,025.24	43.80%
JUVENILE COURT	\$ 869,273.94	\$ 355,928.80	\$ 513,345.14	40.95%
PROBATE COURT	\$ 130,416.21	\$ 63,522.33	\$ 66,893.88	48.71%
CLERK OF COURTS	\$ 264,494.91	\$ 131,396.39	\$ 133,098.52	49.68%
CORONER	\$ 135,081.00	\$ 54,152.49	\$ 80,928.51	40.09%
MUNICIPAL COURT	\$ 505,231.62	\$ 242,741.96	\$ 262,489.66	48.05%
BOARD OF ELECTION	\$ 351,329.33	\$ 149,543.80	\$ 201,785.53	42.57%
CT HOUSE ADMIN/COMMISSIONERS	\$ 798,607.51	\$ 426,825.22	\$ 371,782.29	53.45%
SHERIFF ROAD PATROL ONLY	\$ 2,213,761.06	\$ 970,692.73	\$ 1,243,068.33	43.85%
COUNTY RECORDER	\$ 198,243.30	\$ 88,741.41	\$ 109,501.89	44.76%
EMERGENCY MANAGEMENT	\$ 80,000.00	\$ -	\$ 80,000.00	0.00%
AGRICULTURE	\$ 305,720.00	\$ 210,899.20	\$ 94,820.80	68.98%
T.B. HOSPITAL	\$ 610.00	\$ 369.10	\$ 240.90	60.51%
VITAL STATISTICS	\$ 1,000.00	\$ 742.00	\$ 258.00	74.20%
OTHER HEALTH	\$ 79,431.53	\$ 44,089.59	\$ 35,341.94	55.51%
VETERANS SERVICES	\$ 393,838.20	\$ 158,707.41	\$ 235,130.79	40.30%
PUBLIC ASSIST GRANT	\$ 275,252.00	\$ 95,000.02	\$ 180,251.98	34.51%
CHILD WELFARE GRANT	\$ 215,000.00	\$ -	\$ 215,000.00	0.00%
VICTIMS OF CRIME GRANT	\$ 11,929.00	\$ 11,929.00	\$ -	100.00%
SANITARY ENGINEER	\$ 38,111.00	\$ 17,994.61	\$ 20,116.39	47.22%
COUNTY ENGINEER	\$ 138,256.73	\$ 60,513.91	\$ 77,742.82	43.77%
LAW LIBRARY	\$ 44,581.32	\$ 24,015.41	\$ 20,565.91	53.87%
LIABILITY/PROPERTY INSURANCE	\$ 385,500.00	\$ 671.00	\$ 384,829.00	0.17%
TRANSFERS/MISCELLANEOUS	\$ 1,329,191.60	\$ 872,385.46	\$ 456,806.21	65.63%
TOTAL OPERATING EXP/TRANSFERS	\$ 11,108,142.01	\$ 5,135,342.48	\$ 5,972,799.53	46.23%
LOANS TO OTHER FUNDS	\$ -	\$ 132,009.10	\$ -	-
TOTAL EXPENDITURES AND LOANS	\$ -	\$ 5,267,351.58	\$ -	-



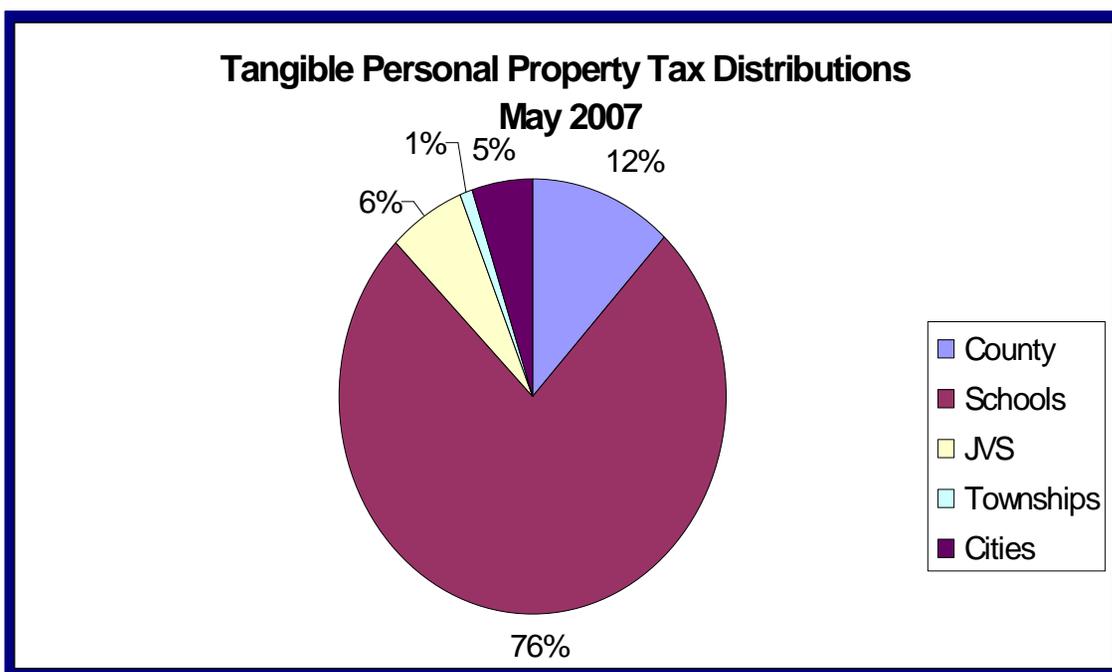
The 2007 appropriation includes all encumbrances carried forward from 2006 and any adjustments to the budget approved by the County Commissioners on January 1, 2007. 2006 encumbrances now total \$130,027.08 and adjustments made to the 2007 budget during the first two quarters total \$6,233.11 and were given to Data Processing of the County.

TANGIBLE PERSONAL PROPERTY TAX DISTRIBUTIONS

Ohio law requires the County Auditor to distribute many types of taxes collected by the County Treasurer. Currently, the two major types of property taxes are real estate and tangible personal. Shown below is the distribution of tangible personal property for the first half of 2007. Personal property distributions are made in May and October each year. A tax reform package was passed by the Ohio Legislature and signed into law effective July 1, 2005. This tax reform package essentially phases out the tangible personal property tax over the next four years, eliminating all local revenues from this tax by 2019.

Tangible Personal Property Tax Distributions
May 2007

<u>District</u>	<u>May 2007 Distributions</u>	<u>Percentage of Total</u>
County	\$ 86,100.26	11.99%
Schools	\$ 542,877.13	75.60%
JVS	\$ 45,985.41	6.40%
Townships	\$ 6,854.56	0.95%
Cities	\$ 36,330.45	5.06%
TOTAL	\$ 718,147.81	100.00%



TANGIBLE PERSONAL PROPERTY TAX DISTRIBUTIONS, CONTINUED

The following table and graph illustrate how Crawford County's portion of your tax bill is utilized. The following tax levies have been approved by the voters with the exception of the General Fund which represents your proportional share of the cost of operating local government. Ohio law limits the amount of taxation without the vote of the people. Each political subdivision such as a school district, township, village, city and county are allocated millage, not to exceed 10 collectively, for general operating purposes.

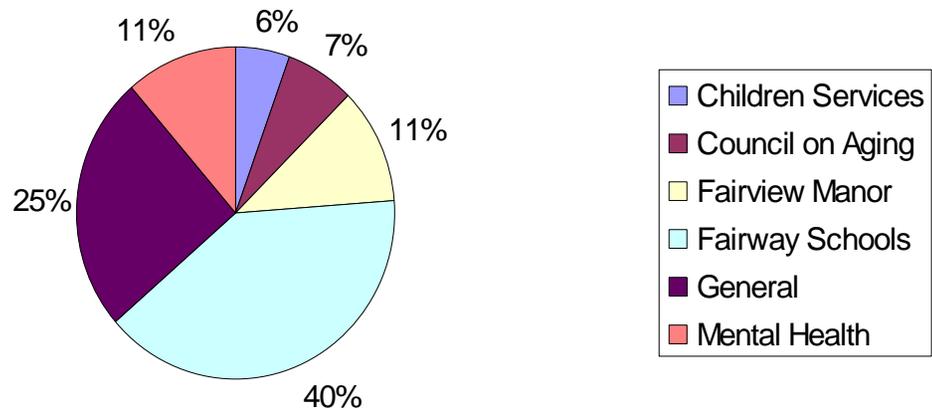
Tangible Personal Property Tax Distributions

May 2007

Crawford County Breakdown

<u>District</u>	<u>May 2007 Distributions</u>	<u>Percentage of Total</u>
Children Services	\$ 4,892.06	5.68%
Council on Aging	\$ 5,870.47	6.82%
Fairview Manor	\$ 9,784.13	11.36%
Fairway Schools	\$ 34,244.41	39.78%
General	\$ 21,525.06	25.00%
Mental Health	\$ 9,784.13	11.36%
TOTAL	\$ 86,100.26	100.00%

Crawford County Breakdown



A QUARTERLY NEWSLETTER FROM YOUR COUNTY AUDITOR

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UPCOMING DATES TO REMEMBER

July 1, 2007 - Monthly financial statements filed with County Commissioners.

July 20, 2007 - 2008 County budget to be filed by County Commissioners with County Auditor for public inspection.

July 31, 2007 - Last Day to pay 2nd half mobile home taxes without penalty.

August 1, 2007 - Monthly financial statements filed with County Commissioners.

August 10, 2007 - County Auditor required to make real property tax distribution to schools, townships, villages, and cities.

September 1, 2007 - Monthly financial statements filed with County Commissioners.

September 1, 2007 - Budget Commission to complete work relating to the setting of tax rates for calendar year 2008.

September 20, 2007 - Last Day to pay 2nd half personal property 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

The final stage of any reappraisal is considered the complaint phase. The County Board of Revision is a quasi-judicial body that is established by Ohio law for the purpose of hearing any complaints relating to the valuation or assessment of real property.

The complaint process can actually be broken down into two phases. The first phase is an informal process in which property owners are notified by regular mail of their new property values and are provided a period of time in which they can informally review and discuss the new values with the County's appraiser.

During this phase, property values can be changed if there is evidence to indicate the value assigned by the County's appraiser is wrong. However, once property values become

final with the State of Ohio (about November 1st), property owners are required by Ohio law to file a formal complaint with the Board of Revision, if they believe the fair market value assigned by the County to be wrong. These complaints are required by law to be filed with the Secretary of the Board of Revision (County Auditor), by March 31st each year.

The Board of Revision's primary responsibility is to ensure that property is appraised and assessed fairly, equitably, and at its fair market value as defined by Ohio law.

Once a complaint is filed by a property owner, it is the complainant's responsibility to provide evidence or documentation to demonstrate why the County's values are inaccurate or inequitable.

A hearing before the County Board of Revision is the property owner's first step in the process of appealing the fair market value of their property.

If a property owner is dissatisfied with the Board's decision, they can then appeal the decision to either the Ohio Board of Tax Appeals (BTA) or to the County's Court of Common Pleas. From there, cases can be appealed to the Court of Appeals and then to the Ohio Supreme Court.

The County Board of Revision is composed of three elected officials as required by Ohio law. These officials are: The County Treasurer, County Auditor and the President of the Board of County Commissioners. Because the Board of Revision is a quasi-judicial body, it has the power to administer oaths, to take sworn testimony, to

summon individuals who are knowledgeable about a particular property to appear and testify before the Board, and to issue subpoenas eliciting first-hand information about the property. Also, because of its quasi-judicial status, the Board must be knowledgeable of, and follow, the Rules of Evidence.

It is incumbent upon the complainant to prove to the Board's satisfaction that the property value assigned does not represent the fair market value for the area. It is not up to the Board to defend the value the County Auditor has placed on the property in question.

During the second quarter of 2007, the County Board of Revision heard about 213 property complaints (out of 33,000 parcels of property) for tax year 2006.