

IT'S YOUR MONEY

A QUARTERLY NEWSLETTER FROM YOUR COUNTY AUDITOR

STRATEGIC PLANNING...IS IT TIME?



CRAWFORD COUNTY COURTHOUSE

Special points of interest:

- Strategic Planning
- General Fund Revenues and Expenditures
- 2nd Half Real Property Tax Distributions

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DEDICATED TO SERVING CRAWFORD COUNTY WITH ACCOUNTABILITY, INTEGRITY AND PROFESSIONALISM

While opinions on the need for strategic planning and the types of strategic planning models can vary greatly, the goal of this article is to encourage government leaders and community stakeholders to consider whether now is the time to take a more strategic and collaborative approach to the way this County does business.

In today's environment of economic uncertainty, long-term financial planning cannot be done unless the goals, objectives and actions of a community have been identified through some sort of comprehensive or strategic planning process that involves both government leaders and community stakeholders (taxpayers).

According to James Penning, with the Ohio Auditor of State's Office, "A strategic plan can guide the effective allocation of resources. This is particularly important when resources are scarce and choices have to be made among competing priorities."

Strategic planning can be technically defined as the practice of identifying the goals that a community would like to achieve and then developing a process to best meet these goals.

Basically, strategic planning is the visionary process. This process should stimulate long-range thinking. One of the first steps in the strategic planning process is to set priorities that are based on

the needs and resources of the community. That is where long-term financial planning becomes an integral part of the strategic planning process.

Long-term financial planning brings perspective to the strategic planning process because decisions and priorities can be made based on relevant financial data and trends.

A long-term financial plan should begin with a trend analysis and a financial forecast. These two analyses are essential to understanding any government's financial situation.

Another essential component of both the long-term financial plan and the strategic plan is the identification of any critical financial issues facing the government or the community.

In the end, a useful strategic plan should have some basic characteristics such as:

- A set of priorities and goals.
- The plan should be measurable, achievable and attainable (including the available financial resources and assumptions).
- Flexible and responsive to changing conditions.
- Short, simple and specific.
- The plan should be for a three to five year period.

Once the priorities and goals of the community have been identified then funding or resource allocation can be made in accordance with the goals and priorities of the strategic plan; allowing for more informed decisions by government leaders and better stakeholder understanding.

Finally and probably the most important aspect of the strategic and long-term financial planning process is that the public needs to be engaged in the process. By working with stakeholders in developing and prioritizing the goals and strategies of our community, government processes should become more transparent and ultimately more accountable.

Citizens will also become better informed as to some of government's challenges.

Let's face it, in a county where resources are not increasing and in fact may actually be decreasing, and where the demand for services is increasing, it has become critical for a more coordinated and concerted effort by all governmental entities (county, municipalities, townships, villages and school districts) to effectively address both the short and long-term financial needs of our community.

Henry Kissinger probably said it best with the following comment, "If you do not know where you are going, every road will get you nowhere."

COUNTY SEEKS COLLABORATION GRANT

A first step in the strategic planning process was taken by the Crawford County Commissioners who, in coordination with the Crawford County Economic Development Partnership, Inc., applied for a local government services and regional collaboration grant from the State of Ohio. The purpose of this grant is to do a feasibility study that addresses whether, and in what manner, Crawford County could combine governmental services and collaborate with a wide variety of community partners both public and private with respect to economic development, community development and community service needs of the county. According to this application, "collaboration has the potential to conserve valuable fiscal and human resources and has the potential to more effectively meet the needs of the citizens of Crawford County." If approved, the County would receive this grant in 2009.

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 nine months of 2008 were \$7,275,268.28 or 83.62% of the \$8,700,067.56 estimated by the County Budget Commission in January. Operating revenues collected for the same period last year were \$7,098,979.16.

When compared to the same period last year, operating revenue of the County General Fund increased by \$176,289.12. 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. All revenue categories, with the exception of property taxes, licenses and permits, and interest revenue, have increased when compared to last year's revenues through September. A review of interest and property tax revenues indicates that any variances with revenue estimates are a result of when receipts are actually posted to the fund and are not an indication of any anticipated reduction. On the year, sales tax revenue has increased by \$91,831.59 when compared to the same period last year. In reviewing revenue reports provided from Ohio Department of Taxation, sales tax revenue increases can be attributed to taxable business purchases and motor vehicle sales. General retail sales and sales from establishments that have locations in multiple counties (such as Walmart) have remained constant when compared to 2007.

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 \$7,417,218.62 or 63.36% of the \$11,706,294.66 appropriated for 2008. Operating expenditures for the same period last year totaled \$7,597,493.28, indicating an overall decrease of \$180,274.66 in expenditures. The decrease in expenditures can be mostly attributed to a reduction in transfers from the County General Fund and a reduction of employer health insurance premiums that went into effect in April of this year.

For the first nine months of 2008, General Fund operating expenditures exceeded operating revenues by \$141,950.34. This can be compared to the first nine months of 2007 where operating expenditures exceeded operating revenues by \$498,514.12. However, 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 September 30, 2008 was \$2,833,635.14 as compared to \$2,152,081.84 at September 30, 2007. On the year, the cash balance of the General Fund has decreased by \$12,508.94. Loan repayments and transfers of cash have helped to offset a more significant decrease in cash position that would have resulted from expenditures exceeding revenues.

2008 GENERAL FUND BUDGET VS ACTUAL REVENUES

	2008 ESTIMATED <u>REVENUE</u>	2008 ACTUAL REVENUE <u>JANUARY-SEPT</u>	PERCENT <u>COLLECTED</u>
PROPERTY TAXES	\$ 1,375,000.00	\$ 1,236,756.89	89.95%
SALES TAXES	\$ 3,150,000.00	\$ 2,591,046.12	82.26%
CHARGES FOR SERVICES	\$ 1,866,750.00	\$ 1,512,787.14	81.04%
LICENSES AND PERMITS	\$ 3,410.00	\$ 2,127.59	62.39%
FINES AND FORFEITURES	\$ 180,282.00	\$ 174,925.55	97.03%
INTERGOVERNMENTAL	\$ 1,438,281.00	\$ 1,304,787.08	90.72%
INTEREST	\$ 600,000.00	\$ 335,089.52	55.85%
OTHER	\$ 86,344.56	\$ 117,748.39	136.37%
TOTAL OPERATING REVENUE	\$ 8,700,067.56	\$ 7,275,268.28	83.62%
ADVANCE REPAYMENT	\$-0-	\$ 467,815.67	
TRANSFERS IN	\$-0-	\$ 159,097.41	

2008 GENERAL FUND BUDGET VS ACTUAL EXPENDITURES

	2008 <u>Appropriation</u>	Expenditures <u>Jan-Sept</u>	Unexpended <u>Balance</u>	Percent <u>Expended</u>
General Fund Operating Expenditures and Transfers	\$ 11,706,294.66	\$ 7,417,218.62	\$ 4,289,076.04	63.36%
Department Breakdown				
COUNTY COMMISSIONERS	\$ 361,231.75	\$ 254,124.38	\$ 107,107.37	70.35%
COUNTY AUDITOR	\$ 404,901.20	\$ 276,157.30	\$ 128,743.90	68.20%
COUNTY TREASURER	\$ 130,965.48	\$ 94,773.04	\$ 36,192.44	72.36%
PROSECUTING ATTORNEY	\$ 562,613.71	\$ 414,105.51	\$ 148,508.20	73.60%
BUDGET COMMISSION	\$ 500.00	\$ -	\$ 500.00	0.00%
BOARD OF REVISION	\$ 500.00	\$ -	\$ 500.00	0.00%
BUREAU OF EXAMINATION	\$ 131,727.06	\$ 59,523.45	\$ 72,203.61	45.19%
COUNTY PLANNING	\$ 35,000.00	\$ 35,000.00	-	100.00%
DATA PROCESSING	\$ 111,802.00	\$ 83,340.72	\$ 28,461.28	74.54%
COURT OF APPEALS	\$ 31,979.65	\$ 22,048.02	\$ 9,931.63	68.94%
COMMON PLEAS COURT	\$ 676,052.64	\$ 482,192.68	\$ 193,859.96	71.32%
JUVENILE COURT	\$ 908,801.31	\$ 500,218.52	\$ 408,582.79	55.04%
PROBATE COURT	\$ 145,333.87	\$ 97,263.80	\$ 48,070.07	66.92%
CLERK OF COURTS	\$ 272,807.24	\$ 191,502.11	\$ 81,305.13	70.20%
CORONER	\$ 139,921.79	\$ 82,489.97	\$ 57,431.82	58.95%
MUNICIPAL COURT	\$ 603,555.00	\$ 388,401.79	\$ 215,153.21	64.35%
BOARD OF ELECTION	\$ 439,514.33	\$ 281,928.47	\$ 157,585.86	64.15%
COURT HOUSE AND JAIL	\$ 830,126.67	\$ 630,213.40	\$ 199,913.27	75.92%
SHERIFF ROAD PATROL ONLY	\$ 2,291,691.55	\$ 1,469,254.25	\$ 822,437.30	64.11%
COUNTY RECORDER	\$ 199,285.06	\$ 130,733.19	\$ 68,551.87	65.60%
EMERGENCY MANAGEMENT	\$ 75,000.00	\$ -	\$ 75,000.00	0.00%
AGRICULTURE	\$ 329,732.00	\$ 282,564.15	\$ 47,167.85	85.70%
T.B. HOSPITAL	\$ 960.00	\$ 787.02	\$ 172.98	81.98%
VITAL STATISTICS	\$ 1,000.00	\$ 738.00	\$ 262.00	73.80%
OTHER HEALTH	\$ 69,771.43	\$ 69,771.43	-	100.00%
VETERANS SERVICES	\$ 381,417.69	\$ 257,596.11	\$ 123,821.58	67.54%
PUBLIC ASSISTANCE GRANT	\$ 285,000.00	\$ 196,351.29	\$ 88,648.71	68.90%
CHILD WELFARE GRANT	\$ 215,000.00	\$ 161,250.03	\$ 53,749.97	75.00%
VICTIMS OF CRIME GRANT	\$ 12,671.00	\$ 12,671.00	-	100.00%
SANITARY ENGINEER	\$ 39,275.00	\$ 27,434.79	\$ 11,840.21	69.85%
COUNTY ENGINEER	\$ 159,130.02	\$ 103,255.91	\$ 55,874.11	64.89%
LAW LIBRARY	\$ 47,321.74	\$ 34,210.90	\$ 13,110.84	72.29%
LIABILITY INSURANCE	\$ 274,200.00	\$ 8,131.00	\$ 266,069.00	2.97%
TRANSFERS/MISCELLANEOUS	\$ 1,537,505.47	\$ 769,186.39	\$ 768,319.08	50.03%
TOTAL OPERATING EXP/TRANSFERS	\$ 11,706,294.66	\$ 7,417,218.62	\$ 4,289,076.04	63.36%
LOANS TO OTHER FUNDS	\$ -	\$ 497,471.68	-	-
TOTAL EXPENDITURES AND LOANS	\$ -	\$ 7,914,690.30	-	-

The 2008 appropriation includes all encumbrances carried forward from 2007 and any adjustments to the budget approved by the County Commissioners on January 1, 2008. 2007 encumbrances now total \$180,369.37.

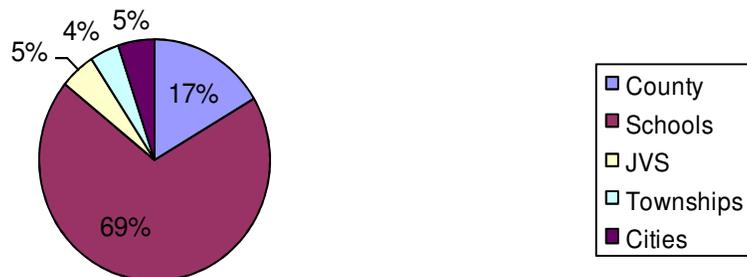
REAL ESTATE TAX DISTRIBUTIONS

Ohio law requires the County Auditor to distribute many types of taxes collected by the County Treasurer. The two major types of property taxes are real estate and tangible personal. Shown below is the distribution of real estate taxes for the second half of 2008. Personal property distributions are made in May and October each year. Real estate taxes are collected based on current tax rates applied to the taxable valuations assessed as of January 1, 2007.

2nd Half Real Estate Distributions Tax Year 2007/Payable 2008

<u>District</u>	<u>2nd Half Real Estate Distributions</u>	<u>Percentage of Total</u>
County	\$ 1,974,592.26	16.50%
Schools	\$ 8,299,388.21	69.34%
JVS	\$ 592,102.95	4.95%
Townships	\$ 490,083.11	4.09%
Cities	\$ 613,542.83	5.13%
TOTAL	\$ 11,969,709.36	100.00%

2nd Half Real Estate Collection



REAL ESTATE TAX DISTRIBUTIONS, CONTINUED

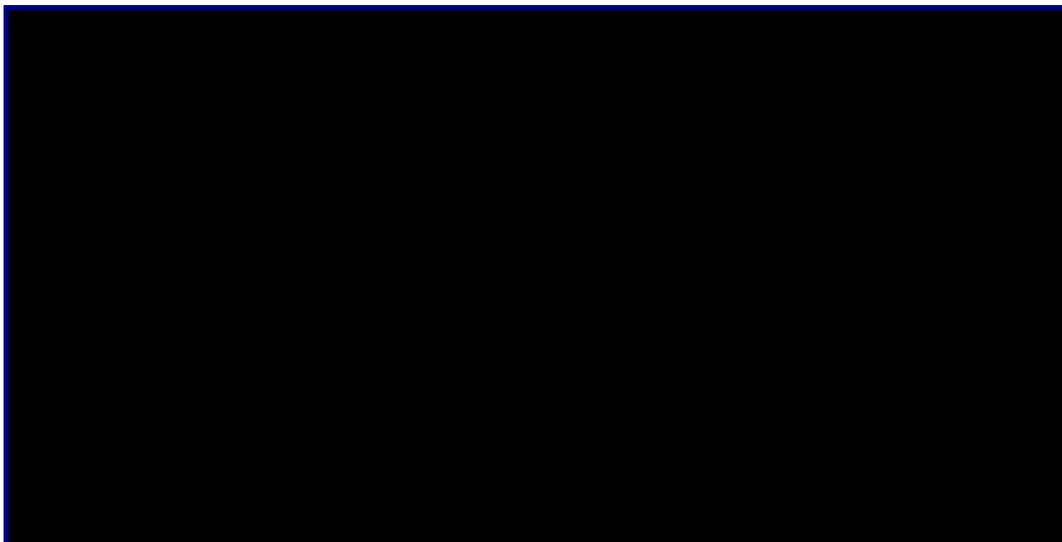
The following table and graph illustrate how Crawford County's portion of your tax bill is utilized. The following tax levies have been approved by the voters with the exception of the General Fund which represents your proportional share of the cost of operating local government. Ohio law limits the 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.

2nd Half Real Estate Distributions

Tax Year 2007/Payable 2008

Crawford County Breakdown

<u>District</u>	<u>2nd Half Real Estate Distributions</u>	<u>Percentage of Total</u>
Children Services	\$ 83,535.05	4.23%
Council on Aging	\$ 139,242.82	7.05%
Fairview Manor	\$ 232,071.40	11.75%
Fairway Schools	\$ 812,250.07	41.14%
General	\$ 557,901.53	28.25%
Mental Health	\$ 149,591.39	7.58%
TOTAL	\$ 1,974,592.26	100.00%



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 44,227.

UPCOMING DATES TO REMEMBER

October 1, 2008 - Monthly financial statements filed with County Commissioners.

October 1, 2008 on or before - County Auditor to make settlement with County Treasurer on general personal property tax collections.

November 1, 2008 - Monthly financial statements filed with County Commissioners.

November 1, 2008 - Ineligible Homestead recipients notified by State law.

About November 1, 2008 - Newly delinquent real estate parcels will be advertised in the local newspaper.

December 1, 2008 - Monthly financial statements filed with County Commissioners.

December 1, 2008 - 2009 dog licenses go on sale.

DEPARTMENT FOCUS

LEADERSHIP AND STRATEGIC PLANNING

The state of our economy continues to put pressure on all of us. Whether it be through the housing crisis, unemployment, losses in the stock market, property foreclosures or just having enough money to fill the car with gasoline and buy groceries; the financial pressure is on for most Americans. Because financial resources in this County have become so limited, the article on page 1 proposes a need to change the way this County does business. The page 1 article suggests that one way of initiating this change may be by incorporating strategic planning and collaboration between governments and the community. This quarter's "Department Focus" will be devoted to a discussion about leadership and its role in the strategic planning process.

To that end, this article suggests that leadership is an essential ingredient to the success of any collaboration and strategic planning within government and throughout our community. More now than ever, government leaders and the public must come together for the purpose of identifying and prioritizing the goals and objectives of this community. Through this process, leadership from both sides will be critical and civility and respect will be essential if success is to be realized.

So, what does leadership mean to you? Who has it and who doesn't? Does leadership matter more during tough economic times? To answer some of these questions, management visionary and business guru, Peter Drucker suggested in a 1996 article in Forbes Magazine, that effective leaders need to understand four simple things:

- The only definition of a leader is someone who has followers.
- An effective leader is not someone who is necessarily loved or admired. Leaders are people who do the right things. Popularity is not leadership, results are.
- Leaders are highly visible and therefore set examples.
- Leadership is not rank, privilege, title or money. It is responsibility.

Community leaders are needed to help make the fundamental changes that are necessary to stem some of the negative trends that have been realized over the last twenty plus years. So, in these tough economic times and with some significant challenges facing us as a community, please consider how strategic planning and leadership may affect our community's ability to positively work together towards building a better tomorrow.