

IT'S YOUR MONEY

A QUARTERLY NEWSLETTER FROM YOUR COUNTY AUDITOR IMPORTANT FACTS ABOUT COUNTY FINANCIAL CONDITION AND CRIMINAL JUSTICE SERVICE LEVY



CRAWFORD COUNTY COURTHOUSE

Background

In 1994, voters approved a one-half of one percent tax on retail sales for a period of twenty-five years and for the purpose of constructing, equipping, furnishing, and operating a new correctional facility. Once the new Jail facility was opened, each municipality began transitioning all responsibilities for long-term housing of inmates to the County... ultimately closing all Jails within each city.

Special points of interest:

- Facts About Financial Condition and Criminal Justice Services Levy
- General Fund Revenues vs Expenditures
- 2009 Financial Report Highlights

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DEDICATED TO SERVING CRAWFORD COUNTY WITH ACCOUNTABILITY, INTEGRITY AND PROFESSIONALISM

The County General Fund and the Jail Operating Fund have seen declining sales tax receipts over the last two years, **but even more relevant, is the fact that sales tax receipts since 1994 have not kept pace in Crawford County with inflation.**

The Sheriff's Office has faced significant challenges in terms of our economy, rising crime rates, poverty and unemployment; and, changes in Ohio law which now requires the County to incarcerate individuals locally who once used to be sent to State prisons. This change in Ohio law puts an additional financial burden on local citizens in terms of cost and in terms of the County's ability to generate additional revenue by housing prisoners from other counties. As such, the Jail Operating Fund has received less revenue from the housing of prisoners from other counties and cities because Crawford County's Jail is filled nearly to capacity with local inmates.

Key Public Safety and Jail Statistics/Demographics:

- Since 1994, County Jail inmate population has increased from a daily average rate of 27 to a daily average rate of 115 in 2009. The County jail's bed capacity is 124.

- Loss of approximately \$200,000 in annual jail housing revenue from other counties due to jail being filled to capacity with local inmates.
- Drug related crimes have double since 2003; with the drug of choice in Crawford County now being heroin.
- Approximately one-third to one-half of the average daily jail population is addicted to heroin.
- Crawford County has consistently ranked in the top ten in the State of Ohio for the number of heroin related deaths.
- Thefts and burglaries have increased by 48% since 2003.
- Changes in Ohio law requiring the County to incarcerate more individuals have increased costs to the County.
- projected to decline another 2.12% in 2010.
- Conveyance fees charged on the sale of real property declined by 23.40% in 2009 and is projected to decline another 15.46% in 2010.
- Interest revenue is projected to decline by 65.35% in 2010.
- Revenue collections for the County General Fund and the County Jail Fund have not kept pace with inflation.
- Crime rates and drug activities are increasing, putting additional financial pressure on the criminal justice system within Crawford County.

Crawford County is experiencing significant economic decline and challenges. Some of these challenges are a result of the national recession and other challenges have been slowly occurring over the last forty years.

Key Financial Challenges Facing Both County Jail Fund and County General Fund:

- Sales tax revenue declined by 13% in 2009 and is projected to decline an additional 12% in 2010. This 25% decline in sales tax revenue since 2008 affects both the General Operating Fund and the Jail Operating Fund which is supported by sales tax revenue.
- Local government receipts from the State of Ohio declined by 14.54% in 2009 and are

Because of the significant economic decline and challenges that Crawford County has been experiencing, including increasing crime rates and unfunded State mandates, the County General Operating Fund has subsidized the County Jail operations by \$5,609,869 since 2000 even though voters approved a sales tax to provide funding in 1994.

All revenue streams of the County General Fund have been negatively impacted by the downturn of the economy which has caused the cash reserves of the General Fund to be severely depleted. As such, further subsidies to the Jail Fund are not possible.

What efforts have been made by Crawford County's elected leaders to maintain the cost of providing core government services prior to asking taxpayers to approve additional taxes?

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 2010 were \$3,943,899.08 or 47.00% of the \$8,391,073.06 estimated by the County Budget Commission in January. Operating revenues collected for the same period last year were \$4,931,061.42.

Revenue collections for the first half of 2010 decreased by \$987,162.34 when compared to the same period last year. A review of the various revenue sources in the General Fund indicates that ALL revenue categories of the County General Fund have decreased when compared to the same period last year. The most significant decreases in revenue were realized in the Charge for Services category and is the result of a \$500,000 one-time receipt in the County General Fund for prior lease payments from the Solid Waste District in 2009. Sales tax revenue and Interest revenue also decreased when compared to the same period last year.

Operating expenditures for the first six months of 2010 totaled \$4,934,813.29 or 50.22% of the \$9,825,644.97 appropriated by the County Commissioners. Operating expenditures for the same period last year totaled \$5,446,780.17, indicating a decrease in expenditures of \$511,966.88.

For the first half of 2010, operating expenditures exceeded operating revenues by \$990,914.21. For the first two quarters of 2009, General Fund operating expenditures exceeded operating revenues by \$515,718.75. Since expenditures in the General Fund for the first six months of 2010 have actually decreased the increased gap between revenues and expenditures is entirely attributed to the fact that revenue collections have declined when compared to 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.

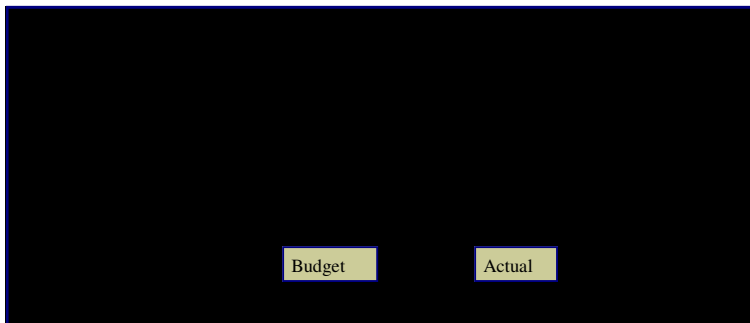
The cash balance of the General Fund at June 30, 2010 was \$472,006.60 as compared to \$1,259,045.94 at June 30, 2009. The decrease in cash position is due in part to the \$674,375.63 in outstanding loans that are owed to the General Fund at June 30, 2010 and because declining revenues caused cash reserves to be depleted for the day to day cost of core government services.

2010 GENERAL FUND BUDGET VS ACTUAL REVENUES

	2010 ESTIMATED REVENUE	2010 ACTUAL REVENUE JANUARY-JUNE	PERCENT COLLECTED
PROPERTY TAXES	\$ 1,218,842.94	\$ 683,425.45	56.07%
SALES TAXES	\$ 2,687,172.00	\$ 1,416,565.23	52.72%
CHARGES FOR SERVICES	\$ 2,296,665.75	\$ 921,538.12	40.13%
LICENSES AND PERMITS	\$ 2,310.00	\$ 1,755.00	75.97%
FINES AND FORFEITURES	\$ 197,982.83	\$ 83,890.69	42.37%
INTERGOVERNMENTAL	\$ 1,510,245.68	\$ 720,923.59	47.74%
INTEREST	\$ 360,000.00	\$ 28,549.62	7.93%
OTHER	\$ 117,853.86	\$ 87,251.38	74.03%
TOTAL OPERATING REVENUE	\$ 8,391,073.06	\$ 3,943,899.08	47.00%
Advance Repayment	\$ -	\$ 713,130.50	
Transfers In	\$ 445,386.00	\$ -	

2010 GENERAL FUND BUDGET VS ACTUAL EXPENDITURES

	<u>2010 Appropriation</u>	<u>Expenditures Jan-June</u>	<u>Unexpended Balance</u>	<u>Percent Expended</u>
General Fund Operating Expenditures and Transfers	\$9,825,644.97	\$ 4,934,813.29	\$ 4,890,831.68	50.22%
Department Breakdown				
COUNTY COMMISSIONERS	\$ 315,394.40	\$ 165,485.30	\$ 149,909.10	52.47%
COUNTY AUDITOR	\$ 344,378.95	\$ 167,915.03	\$ 176,463.92	48.76%
COUNTY TREASURER	\$ 125,285.95	\$ 65,091.75	\$ 60,194.20	51.95%
PROSECUTING ATTORNEY	\$ 597,080.22	\$ 295,854.86	\$ 301,225.36	49.55%
AUDIT	\$ 77,050.00	\$ 41,468.93	\$ 35,581.07	53.82%
REGIONAL PLANNING	\$ 10,000.00	\$ 10,000.00	\$ -	100.00%
DATA PROCESSING	\$ 123,455.60	\$ 50,131.45	\$ 73,324.15	40.61%
COURT OF APPEALS	\$ 19,978.12	\$ 4,434.75	\$ 15,543.37	22.20%
COMMON PLEAS COURT	\$ 662,694.02	\$ 338,983.36	\$ 323,710.66	51.15%
JUVENILE COURT	\$ 641,656.08	\$ 311,018.58	\$ 330,637.50	48.47%
PROBATE COURT	\$ 122,222.00	\$ 60,392.33	\$ 61,829.67	49.41%
CLERK OF COURT	\$ 277,023.76	\$ 140,983.54	\$ 136,040.22	50.89%
CORONER	\$ 117,265.81	\$ 52,010.37	\$ 65,255.44	44.35%
MUNICIPAL COURT	\$ 488,277.84	\$ 241,668.64	\$ 246,609.20	49.49%
BOARD OF ELECTION	\$ 434,219.05	\$ 193,821.80	\$ 240,397.25	44.64%
COURT HOUSE/BLDG MAINT	\$ 813,833.05	\$ 428,318.08	\$ 385,514.97	52.63%
SHERIFF ROAD PATROL	\$2,025,307.72	\$ 1,006,958.54	\$ 1,018,349.18	49.72%
COUNTY RECORDER	\$ 170,762.35	\$ 76,689.79	\$ 94,072.56	44.91%
AGRICULTURE	\$ 203,418.34	\$ 147,800.34	\$ 55,618.00	72.66%
T.B. HOSPITAL	\$ 910.00	\$ -	\$ 910.00	0.00%
VITAL STATISTICS	\$ 1,000.00	\$ -	\$ 1,000.00	0.00%
OTHER HEALTH	\$ 71,271.79	\$ 38,022.76	\$ 33,249.03	53.35%
VETERANS SERVICES	\$ 349,045.17	\$ 159,057.12	\$ 189,988.05	45.57%
PUBLIC ASST - GRANT	\$ 184,400.00	\$ 91,566.84	\$ 92,833.16	49.66%
VICTIMS OF CRIME GRANT	\$ 12,000.00	\$ -	\$ 12,000.00	0.00%
SANITARY ENGINEER	\$ 38,214.77	\$ 19,546.60	\$ 18,668.17	51.15%
COUNTY ENGINEER	\$ 121,270.98	\$ 58,843.52	\$ 62,427.46	48.52%
LIABILITY INSURANCE	\$ 271,200.00	\$ -	\$ 271,200.00	0.00%
TRANSFER/MISCELLANEOUS	\$1,207,029.00	\$ 768,749.01	\$ 438,279.99	63.69%
TOTAL OPERATING EXP/TRANSFERS	\$9,825,644.97	\$ 4,934,813.29	\$ 4,890,831.68	50.22%
LOANS TO OTHER FUNDS		\$ 674,375.63		
TOTAL EXPENDITURES AND LOANS		\$ 5,609,188.92		



The 2010 appropriation includes all encumbrances carried forward from 2009 and any adjustments to the budget approved by the County Commissioners on January 1, 2010. 2009 encumbrances totaled \$256,693.66 and adjustments made to the 2010 budget during the first half of the year totaled \$7,050.00.

2009 ANNUAL FINANCIAL REPORT NOW AVAILABLE

The 2009 Comprehensive Annual Financial Report (CAFR) was completed and released during the 2nd quarter of 2010. This report is prepared in accordance with generally accepted accounting principles (GAAP), as applicable to government 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. For more information or to receive a copy of this report (now available in CD format), please contact the Auditor's Office or visit the Auditor's website at www.crawford-co.org

KEY FINANCIAL HIGHLIGHTS

Net assets for governmental activities have remained constant despite the impact of the national recession on the local economy. From 2008 to 2009 governmental activities of the County saw a 5 percent decrease in net assets which was primarily from the 36 percent decrease in unrestricted net assets from the County's use of cash reserves for general operations during 2009. After reporting deficit net assets for several years, business-type activities reported positive net assets. This result is due in large part to increased tonnage at the Sanitary Landfill thereby generating increased revenue.

Listed below is a table that provides a summary of the County's net assets for 2009 as compared to 2008.

	<u>Net Assets</u>					
	(In Thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and Other Assets	\$29,132	\$30,126	\$732	\$789	\$29,864	\$30,915
Capital Assets, Net	44,813	45,659	3,437	3,605	48,250	49,264
Total Assets	<u>73,945</u>	<u>75,785</u>	<u>4,169</u>	<u>4,394</u>	<u>78,114</u>	<u>80,179</u>
Liabilities:						
Current and Other						
Liabilities	7,981	6,695	18	17	7,999	6,712
Long-Term Liabilities	12,212	12,718	3,738	4,265	15,950	16,983
Total Liabilities	<u>20,193</u>	<u>19,413</u>	<u>3,756</u>	<u>4,282</u>	<u>23,949</u>	<u>23,695</u>
Net Assets:						
Invested in Capital						
Assets, Net of Related						
Debt	34,535	34,829	894	528	35,429	35,357
Restricted	15,547	15,961	0	0	15,547	15,961
Unrestricted (Deficit)	3,670	5,582	(481)	(416)	3,189	5,166
Total Net Assets	<u>\$53,752</u>	<u>\$56,372</u>	<u>\$413</u>	<u>\$112</u>	<u>\$54,165</u>	<u>\$56,484</u>

2008 ANNUAL FINANCIAL REPORT, CONTINUED

Budgetary Highlights

For 2009, actual revenues in the General Fund were higher than the final budget by about 3 percent. The County does not increase its estimated revenue unless actual revenues realized exceed original estimates AND additional spending authority is necessary.

Changes in appropriations for the General Fund were minimal and total expenditures were about 12 percent less than the final budget. Listed below is a table that provides a summary of the County General Fund's revenues, expenditures and changes in cash balance for year-end 2009.

Crawford County, Ohio				
<i>Statement of Revenues, Expenditures, and Changes in Fund Balance</i>				
<i>Budget (Non-GAAP Basis) and Actual</i>				
<i>General Fund</i>				
<i>For the Year Ended December 31, 2009</i>				
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Property Taxes	\$1,245,000	\$1,245,000	\$1,234,364	(\$10,636)
Sales Taxes	3,000,000	3,000,000	2,989,027	(10,973)
Charges for Services	2,833,500	2,833,500	2,536,351	(297,149)
Licenses and Permits	3,410	3,410	2,415	(995)
Fines and Forfeitures	194,000	194,000	196,588	2,588
Intergovernmental	1,543,671	1,543,671	1,549,607	5,936
Interest	500,000	500,000	1,038,884	538,884
Rent	17,345	17,345	17,345	0
Other	<u>33,282</u>	<u>33,282</u>	<u>117,596</u>	<u>84,314</u>
Total Revenues	<u>9,370,208</u>	<u>9,370,208</u>	<u>9,682,177</u>	<u>311,969</u>
Expenditures				
Current:				
General Government				
Legislative and Executive	3,628,259	3,608,004	3,232,177	375,827
Judicial	2,277,279	2,275,249	1,946,932	328,317
Public Safety	3,181,676	3,158,314	2,662,285	496,029
Public Works	173,747	175,079	170,301	4,778
Health	401,965	414,765	383,063	31,702
Human Services	<u>373,721</u>	<u>373,564</u>	<u>360,381</u>	<u>13,183</u>
Total Expenditures	<u>10,036,647</u>	<u>10,004,975</u>	<u>8,755,139</u>	<u>1,249,836</u>
Excess of Revenues Over (Under) Expenditures	<u>(666,439)</u>	<u>(634,767)</u>	<u>927,038</u>	<u>1,561,805</u>
Other Financing Sources (Uses)				
Advances In	0	0	188,069	188,069
Advances Out	0	0	(334,228)	(334,228)
Transfers Out	<u>(1,917,870)</u>	<u>(1,887,239)</u>	<u>(1,808,548)</u>	<u>78,691</u>
Total Other Financing Sources (Uses)	<u>(1,917,870)</u>	<u>(1,887,239)</u>	<u>(1,954,707)</u>	<u>(67,468)</u>
Net Changes in Fund Balance	<u>(2,584,309)</u>	<u>(2,522,006)</u>	<u>(1,027,669)</u>	<u>1,494,337</u>
Fund Balance Beginning of Year	2,051,313	2,051,313	2,051,313	0
Prior Year Outstanding Advances	401,216	401,216	0	(401,216)
Prior Year Encumbrances Appropriated	<u>255,233</u>	<u>255,233</u>	<u>255,233</u>	<u>0</u>
Fund Balance End of Year	<u>\$123,453</u>	<u>\$185,756</u>	<u>\$1,278,877</u>	<u>\$1,093,121</u>

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 43,696.

UPCOMING DATES TO REMEMBER

July 1, 2010 - Monthly financial statements filed with County Commissioners.

July 20, 2010 - 2011 County budget to be filed with County Auditor.

July 31, 2010 - Last day to pay 2nd half mobile home taxes without penalty.

August 1, 2010 - Monthly financial statements filed with County Commissioners.

August 10, 2010 - County Auditor required to make real property tax distribution to schools, townships, villages and cities.

September 1, 2010 - Monthly financial statements filed with County Commissioners.

September 1, 2010 - Budget Commission to complete work relating to the setting of tax rates for calendar year 2010.

IMPORTANT FACTS ABOUT COUNTY FINANCIAL CONDITION AND CRIMINAL JUSTICE SERVICE LEVY, continued

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Since 2006, the actual cost of providing core government services has **only increased by 2.9%**. **The following financial reductions and changes have been made so far:**

- Total budgetary requests were reduced by the Board of County Commissioners by 20% with the final appropriation for 2010 approved 17% lower than actual expenditures made in the General Operating Fund for 2009.
- Elected official salaries were frozen at 2008 pay levels.
- Salaries of all employees were frozen at 2009 pay levels.
- Current employment levels of the County are 12% lower than employment levels in 2000.
- All non-mandated travel eliminated.
- All equipment, capital improvements and facility maintenance budgets were reduced and/or deferred.
- Reduced non-mandated revenue support dollars provided to OSU Extension, Soil and Water, Regional Planning and Economic Development, and Fair Board by more than 48%.
- Employer contributions for health insurance were frozen at 2009 expenditure levels.
- Employee contributions for health insurance were increased in 2010 and are projected to increase again in 2011 and 2012.
- Higher deductibles for health care were imposed in 2010 and will be reviewed again in 2011 and 2012.
- A spousal surcharge was imposed for all spouses electing health coverage from the County where other coverage is available.

What happens if the Criminal Justice Services Levy doesn't pass?

Because government agencies are so interrelated, any further reductions in budgets or workforce will result in significant delays in providing government services from ALL COUNTY GENERAL AND JAIL FUND DEPARTMENTS AND AGENCIES, INCLUDING ALL COURT SYSTEMS, THE COUNTY AUDITOR, CLERK OF COURTS, COUNTY COMMISSIONERS, COUNTY PROSECUTOR, COUNTY RECORDER, COUNTY SHERIFF, COUNTY TREASURER.

- Significant reduction in inmate housing.
- Significant reduction in workforce.
- Delays in emergency response times...most serious calls first.
- Inability to conduct long-term investigations (i.e. drug related offenses)
- Delays in court related services (i.e. issuing of subpoenas , protection orders and warrants)