

IT'S YOUR MONEY

A QUARTERLY NEWSLETTER FROM YOUR COUNTY AUDITOR 2005 ANNUAL FINANCIAL REPORT NOW AVAILABLE



CRAWFORD COUNTY COURTHOUSE

Special points of interest:

- 2005 ANNUAL FINANCIAL REPORT
- 2006 PROPERTY REVALUATION
- GENERAL FUND REVENUES AND EXPENDITURES
- TANGIBLE PERSONAL PROPERTY TAX DISTRIBUTIONS

OVERVIEW

The 2005 Comprehensive Annual Financial Report (CAFR) was audited and released during the 2nd quarter of 2006.

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

The responsibility for both the accuracy of presented data and the completeness and fairness of the presentation rests with the County Auditor.

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 \$942 thousand.

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 repay a portion of the outstanding loans to the County's General Fund. The County's net assets have continued to remain constant during certain economic disruptions, such as the recent national recession.

The Sanitary Landfill's liabilities at year-end 2005 included long-term debt obligations of \$5,142,454 and a long-term advance of \$200,000 that is due the County General Fund.

The General Fund balance at December 31, 2005 was \$5,163,067 which was a decrease from the 2004 balance of

\$5,316,722. This decrease in fund balance can be largely attributed to increased utilities and health care costs.

2005 revenues increased slightly due to interest earnings.

MAJOR COUNTY PROGRAMS

The major program expenses for the County are Human Services, Public Safety, Public Works and Health. These programs account for 78 percent of the total governmental activity of the County.

Funding for these major programs is from charges for 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.

2006 PROPERTY REVALUATION IN FINAL STAGES

OVERVIEW

The reappraisal of Crawford County's 33,000 parcels is in the final stages of a process that began more than two years ago when the State Tax Commissioner ordered the County Auditor to reassess all real property in the County. Valuation changes will be seen on the first half real property tax bills in January, 2007.

Why a Reappraisal? Ohio law requires the County Auditor to reappraise all real property every six years. The primary purpose of a reappraisal is to equalize the value of each property as it compares to similar properties. This is very important because real property taxes are based on value. Crawford County's last reappraisal was in 2000 with an update being completed in 2003.

Since real estate taxes are assessed on a percentage (35% in Ohio) of your property value, it is important that these values be adjusted periodically to insure that everyone is paying their fair share of taxes.

What is market value? Ohio's Consti-

tution, laws and courts have determined that market value is the most probable price that a property would bring in a competitive and open market under all conditions requisite to a fair sale such as the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Since property values do not change uniformly, some values have gone up, some values have stayed the same, and some may have gone down.

How is Market Value Estimated? Individual property records are maintained for each parcel in the County. These records list your property's characteristics and the latest sales information.

During the past year, appraisers physically viewed each property from the outside in order to verify or update this information. Also, the Audi-

tor's Office mailed to each residential home owner, the current information on record, requesting verification of the data.

Appraisers utilized the updated information, along with an analysis of recent sales, current local building costs and other market data to establish current market value. Information used to estimate market value includes: recent sales, location of the property and physical characteristics such as age, condition, amenities and size.

Will I have a Chance to Discuss the Market Value of My Home Before I Get My New Tax Bill? Once the State of Ohio has approved the tentative values proposed by the County, each property owner will be notified of their new property values.

Before those new values become final, property owners will be given an opportunity to discuss their new property values with the County's appraisers.

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DEDICATED TO SERVING CRAWFORD COUNTY WITH ACCOUNTABILITY, INTEGRITY AND PROFESSIONALISM

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 2006 were \$4,212,090.24 or 52.01% of the \$8,098,999.56 estimated by the County Budget Commission in January. Operating revenues collected for the same period last year were \$4,239,324.78.

Overall, operating receipts of the County General Fund are down by \$27,234.54. A review of the County's actual operating revenue indicates that almost all categories of operating revenue have remained relatively constant when compared to the same period last year. Sales tax revenue is down slightly along with intergovernmental revenue; however, these decreases are offset with slight increases in property taxes, interest and charges for services revenue.

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 \$5,062,744.61 or 47.87% of the \$10,575,108.43 appropriated for 2005. Operating expenditures for the same period last year totaled \$4,655,906.88, indicating an overall increase in expenditures of \$406,837.73. The increase in expenditures can be attributed to increases in various grants such as public assistance and agriculture, salary increases, and increases for utility costs and health insurance premiums.

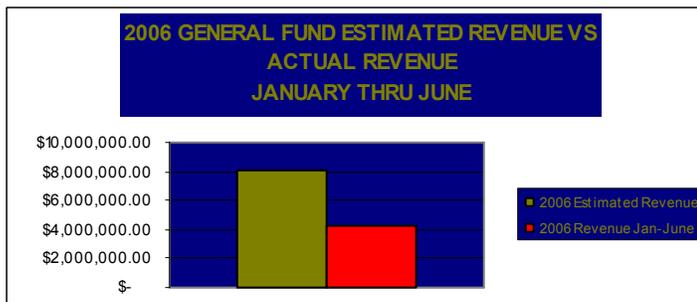
For the first half of 2006, General Fund operating expenditures exceeded operating revenues by \$850,654.37.

The cash balance of the General Fund at June 30, 2006 was \$2,921,029.33 as compared to \$3,204,248.20 at June 30, 2005. The \$283,218.87 decrease in cash position can be attributed in large part to increases in operating expenditures which have been offset by one-time transfers of cash from Auto License and Gas Tax and Municipal Court Capital Projects Funds and by advance repayments.

Operating expenditures continued to exceed operating revenues for the first half of 2006, indicating the same financial trend that has been in place since 2001.

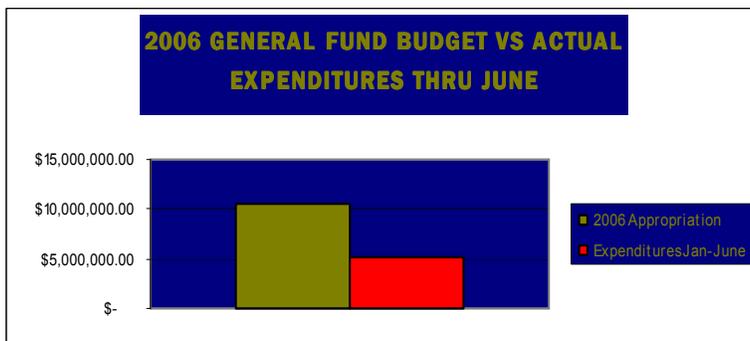
2006 GENERAL FUND BUDGET VS ACTUAL REVENUES

	2006 ESTIMATED	2006 ACTUAL REVENUE	PERCENT
	<u>REVENUE</u>	<u>JANUARY-JUNE</u>	<u>COLLECTED</u>
PROPERTY TAXES	\$ 1,275,000.00	\$ 683,288.95	53.59%
SALES TAXES	\$ 3,150,000.00	\$ 1,597,377.46	50.71%
CHARGES FOR SERVICES	\$ 1,651,600.00	\$ 969,106.15	58.68%
LICENSES AND PERMITS	\$ 3,410.00	\$ 2,011.81	59.00%
FINES AND FORFEITURES	\$ 150,000.00	\$ 88,567.12	59.04%
INTERGOVERNMENTAL	\$ 1,445,258.00	\$ 770,969.64	53.34%
INTEREST	\$ 300,000.00	\$ 31,226.06	10.41%
OTHER	\$ 123,731.56	\$ 69,543.05	56.20%
TOTAL OPERATING REVENUE	\$ 8,098,999.56	\$ 4,212,090.24	52.01%
ADVANCE REPAYMENT		\$ 98,586.12	
TRANSFERS IN		\$ 382,158.52	



2006 GENERAL FUND BUDGET VS ACTUAL EXPENDITURES

	2006 <u>Appropriation</u>	Expenditures <u>Jan-June</u>	Unexpended <u>Balance</u>	Percent <u>Expended</u>
General Fund Operating Expenditures and Transfers	\$ 10,575,108.43	\$ 5,062,744.61	\$ 5,512,363.82	47.87%
Department Breakdown				
COUNTY COMMISSIONERS	\$ 350,602.02	\$ 166,273.26	\$ 184,328.76	47.43%
COUNTY AUDITOR	\$ 371,806.62	\$ 180,174.72	\$ 191,631.90	48.46%
COUNTY TREASURER	\$ 113,279.48	\$ 57,106.93	\$ 56,172.55	50.41%
PROSECUTING ATTORNEY	\$ 519,557.24	\$ 273,946.40	\$ 245,610.84	52.73%
BUDGET COMMISSION	\$ 500.00	\$ -	\$ 500.00	0.00%
BOARD OF REVISION	\$ 500.00	\$ -	\$ 500.00	0.00%
BUREAU OF EXAMINATION	\$ 67,900.00	\$ 29,892.40	\$ 38,007.60	44.02%
COUNTY PLANNING	\$ 35,000.00	\$ 10,000.00	\$ 25,000.00	28.57%
DATA PROCESSING	\$ 113,529.98	\$ 54,809.15	\$ 58,720.83	48.28%
COURT OF APPEALS	\$ 33,223.82	\$ 22,293.81	\$ 10,930.01	67.10%
COMMON PLEAS	\$ 654,027.11	\$ 316,842.74	\$ 337,184.37	48.44%
JUVENILE COURT	\$ 826,942.88	\$ 380,212.97	\$ 446,729.91	45.98%
PROBATE COURT	\$ 128,176.82	\$ 62,370.49	\$ 65,806.33	48.66%
CLERK OF COURTS	\$ 266,478.13	\$ 130,752.48	\$ 135,725.65	49.07%
CORONER	\$ 131,306.16	\$ 53,868.06	\$ 77,438.10	41.02%
MUNICIPAL COURT	\$ 545,121.64	\$ 251,439.77	\$ 293,681.87	46.13%
BOARD OF ELECTIONS	\$ 369,853.61	\$ 142,202.90	\$ 227,650.71	38.45%
CT HOUSE ADMIN/COMMISSIONERS	\$ 738,861.00	\$ 471,209.59	\$ 267,651.41	63.78%
SHERIFF ROAD PATROL ONLY	\$ 2,109,102.15	\$ 938,267.52	\$ 1,170,834.63	44.49%
COUNTY RECORDER	\$ 197,660.39	\$ 85,487.41	\$ 112,172.98	43.25%
EMERGENCY MANAGEMENT	\$ 75,000.00	\$ -	\$ 75,000.00	0.00%
AGRICULTURE	\$ 290,488.00	\$ 197,411.45	\$ 93,076.55	67.96%
T.B.HOSPITAL	\$ 500.00	\$ 374.82	\$ 125.18	74.96%
REGISTRATION VITAL STATISTICS	\$ 1,000.00	\$ 827.00	\$ 173.00	82.70%
OTHER HEALTH	\$ 70,735.02	\$ 10,531.35	\$ 60,203.67	14.89%
VETERANS SERVICES	\$ 347,640.43	\$ 164,898.89	\$ 182,741.54	47.43%
PUBLIC ASST - GRANT	\$ 275,252.00	\$ 190,252.00	\$ 85,000.00	69.12%
CHILD WELFARE GRANT	\$ 215,000.00	\$ -	\$ 215,000.00	0.00%
VICTIMS OF CRIME GRANT	\$ 11,695.00	\$ 11,695.00	\$ -	100.00%
SANITARY ENGINEER	\$ 10,846.00	\$ 4,945.40	\$ 5,900.60	45.60%
COUNTY ENGINEER	\$ 135,105.09	\$ 55,675.35	\$ 79,429.74	41.21%
LAW LIBRARY	\$ 62,724.84	\$ 21,193.09	\$ 41,531.75	33.79%
LIABILITY INSURANCE	\$ 385,500.00	\$ 50.00	\$ 385,450.00	0.01%
TRANSFERS/MISCELLANEOUS	\$ 1,120,193.00	\$ 777,739.66	\$ 342,453.34	69.43%
TOTAL OPERATING EXP/ TRANSFERS	\$ 10,575,108.43	\$ 5,062,744.61	\$ 5,512,363.82	47.87%
LOANS TO OTHER FUNDS	\$	\$ 200,000.00		
TOTAL EXPENDITURES AND LOANS	\$ 10,575,108.43	\$ 5,262,744.61		

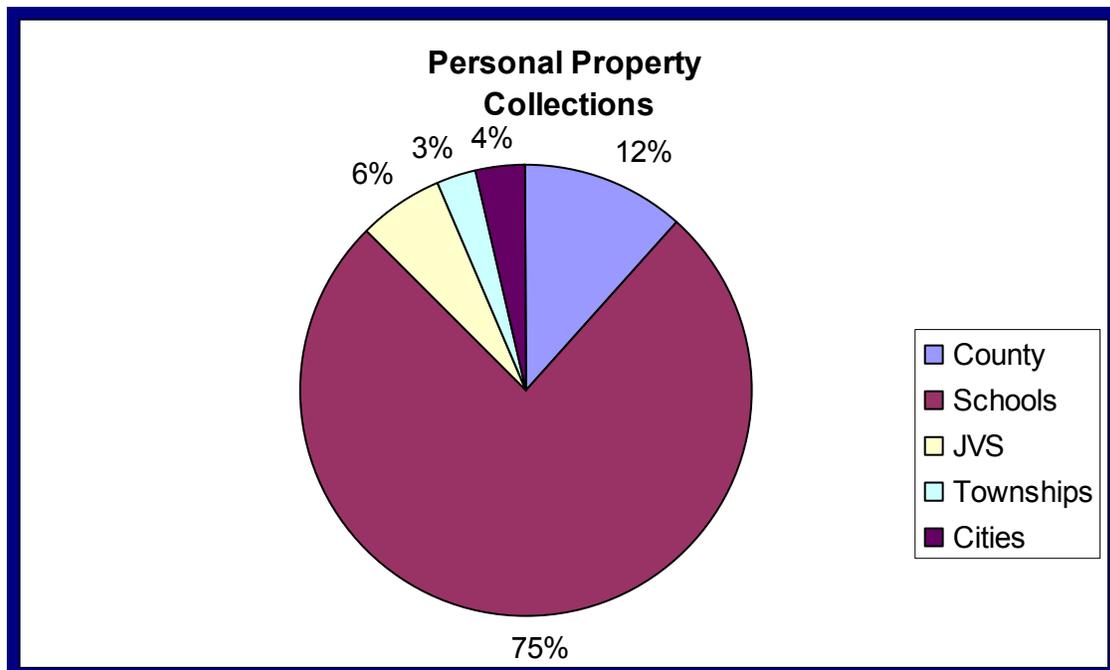


The 2006 appropriation includes all encumbrances carried forward from 2005 and any adjustments to the budget approved by the County Commissioners on January 1, 2006. 2005 encumbrances totaled \$76,212.90 and adjustments made to the 2006 budget during the year total \$26,679.23.

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 second half 2005 and first half 2006. 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 2006 and October 2005					
<u>District</u>		<u>May</u> <u>2006</u>	<u>October</u> <u>2005</u>	<u>Percentage</u> <u>of Total</u>	
County	\$	156,920.89	\$	794,625.05	11.70%
Schools	\$	943,299.20	\$	5,191,333.70	75.46%
JVS	\$	83,798.96	\$	424,377.31	6.25%
Townships	\$	9,993.36	\$	190,434.38	2.47%
Cities	\$	86,677.04	\$	248,508.52	4.12%
TOTAL \$		1,280,689.45	\$	6,849,278.96	100.00%



TANGIBLE PERSONAL PROPERTY TAX DISTRIBUTIONS, CONTINUED

The following table and graph illustrate how Crawford County's portion of your tangible personal property 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.

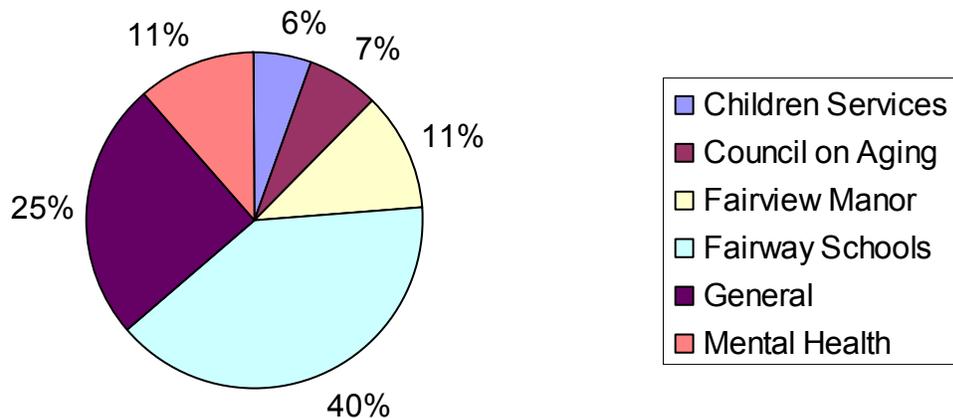
Tangible Personal Property Tax Distributions

May 2006 and October 2005

Crawford County Breakdown

<u>District</u>	<u>May</u> <u>2006</u>	<u>October</u> <u>2005</u>	<u>Percentage</u> <u>of Total</u>
Children Services	\$ 8,915.94	\$ 45,149.14	5.68%
Council on Aging	\$ 10,699.16	\$ 54,178.98	6.82%
Fairview Manor	\$ 17,831.93	\$ 90,298.30	11.36%
Fairway Schools	\$ 62,411.71	\$ 316,044.08	39.77%
General	\$ 39,230.22	\$ 198,656.25	25.00%
Mental Health	\$ 17,831.93	\$ 90,298.30	11.36%
TOTAL \$	156,920.89	\$ 794,625.05	100.00%

Crawford County Breakdown



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 46,966.

UPCOMING DATES TO REMEMBER

- July 1, 2006 - Monthly financial statements filed with County Commissioners.
- July 20, 2006 - 2007 County budget to be filed by County Commissioners with County Auditor for public inspection.
- July 31, 2006 - Last Day to pay 2nd half mobile home taxes without penalty.
- August 1, 2006 - Monthly financial statements filed with County Commissioners.
- August 10, 2006 - County Auditor required to make real property tax distribution to schools, townships, villages, and cities.
- September 1, 2006 - Monthly financial statements filed with County Commissioners.
- September 1, 2006 - Budget Commission to complete work relating to the setting of tax rates for calendar year 2007.
- September 20, 2006 - Last Day to pay 2nd half personal property taxes without penalty.

DEPARTMENT FOCUS

Over the past year, previous newsletters and informational letters have discussed the 2007 reappraisal. With the appraisal process almost complete, the Department Focus this quarter is being written from the mass appraiser's perspective.

Advalorem (mass) appraisal takes a more general scope in establishing a value estimate of a subject property than a typical fee appraisal made for lending or settlement purposes. Both types apply the same basic appraisal methodology but approach them in a different manor.

A fee appraisal generally consists of a walk-thru inspection with at least three sales of comparable property reflecting market activity. Adjustments are made reflecting the differences of the comparable and

the subject from the sale priceshods are analyzed with market adjustment factors assigned accordingly.

A mass appraisal is a drive-by inspection with the historical data of ownership and improvement of a subject property. A lot of the frame work is complete prior to inspection. Pricing manuals are developed for valuing the improvements based on local building cost and market activity.

Preliminary land values are set based on vacant land sales, the abstraction of the depreciated value of the improvements and/or the allocation based on a percentage of a perceived total value.

The county or municipality is divided into homogeneous areas (neighborhoods) and the sales within these neighbor-

hoods are analyzed with market adjustment factors assigned accordingly.

At this point an appraiser will view the sales within the neighborhood and then start the individual drive-by inspections. The appraiser will verify the record for accuracy, record any noted changes in characteristics and apply adjustments to reflect a market value.

The mass appraisal generalizes adjustments and are designed to make many more appraisals in a given day.

Both type appraisals are estimates of value based on what is occurring in the market place. The fee based appraisal has the advantage of a walk-thru inspection where a mass appraisal is reliant on

the recorded description and an exterior view which is sometimes obstructed.

Most discrepancies in a mass appraisal are a result of incorrect data either of the subject property or in the recording of sales used for market analysis. One advantage is that the appraiser has seen more sales over a longer time period to consider in mass appraisals.

When the county-wide appraisal is complete a tentative abstract of the values is sent to the State for approval. Once approved by the State a value notice is sent and property owners are given an opportunity to discuss the valuation informally and if necessary make an appointment for an inspection to correct any discrepancies.

Submitted by: Tom Zimmerman, Regional Manager, Manatron