

AUDITOR'S QUARTERLY NEWSLETTER

PUBLISHED : JANUARY 2012

2011 FINANCIAL HIGHLIGHTS

REVENUE:

Compare 2011 to 2010

Total Revenue received in 2011 was \$1,025,850 less than received in 2010.

Highlights include additional revenue of \$225,039 in Sales Tax Revenue, a decline of \$295,694 in Interest Revenue, a decline of \$453,563 Intergovernmental Revenue (funds received from the State of Ohio) and a decline of \$150,000 in one time money transferred from other funds.

2011 Budget vs. Actual

The 2011 revenue budget was \$23,837,071. The total revenue received in 2011 was \$24,040,535. In other words we received .85% more revenue than anticipated.

EXPENDITURES:

Compare 2011 to 2010

A total of \$88,094 more was spent in 2011 than in 2010. Details include a total of \$62,693 more spent in salaries and benefits, \$66,922 more spent in materials and supplies, and \$74,626 more spent in advance out to other funds and departments.

Highlights by Department

The total Legislative departments spent 19,137 more in 2011; The Judicial & Public Safety spent \$2,369 more; Health & Human Services/Public Works spent \$176,438 more. See page 4-5 for details

2011 Budget vs. Actual

The total 2011 expenditure budget approved by the county commissioners was \$25,725,954. In September

of 2011, the commissioners implemented furlough budget cuts and reduced the salary appropriations for departments by an additional \$33,084. This reduction and other adjustments reduced the 2011 budget to \$25,687,103. The total spent by all departments in 2011 was \$24,731,627. In other words, 3.72 % of appropriations were not spent that were appropriated in 2011.

FINANCIAL SUMMARY:

The beginning cash balance for 2011 was \$4,114,706; Revenue received: \$24,040,535.14; Expenses paid \$24,540,883.82. 12/31/2011 ending cash balance was \$3,614,358.

The following pages (2-5) present the financial condition at December 31, 2011 in detail. Pages 6 & 7, present the financial condition in graphs and charts.

RESERVE "RAINY DAY" FUND

In addition to the carry over balance of \$3,614,358, Allen County has a reserve "rainy day" fund with a balance of \$1,266,980.10. The Ohio Revised Code (ORC) allows commissioners to set aside money to be used in times of budget shortfalls. While the county has experienced declining revenue since 2009, the commissioners have chosen to make budget cuts therefore, this fund has been untouched. Due to the impending cuts in local government funds and declining interest income revenue for 2012, the commissioners could look at using this fund to lessen cuts in services in 2012.

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SPECIAL POINTS OF INTEREST:

- ◆ 4th Quarter Financial Statements Released.
- ◆ Sales Tax History
- ◆ Financial overview from 2008 to 2011

INSIDE THIS ISSUE:

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Allen County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Fund Balance
General Fund
For the Year Ended December 31, 2011 and 2010

	Actual 2011	Actual 2010	Variance 2011 less 2010
Revenues:			
County sales tax	13,742,576	\$13,517,537	225,039
Property taxes	2,559,822	2,607,135	(47,313)
Interest	546,955	842,650	(295,694)
Charges for services	3,513,925	3,593,658	(79,733)
Licenses	7,723	5,807	1,916
Fines, forfeitures, and court cost	148,526	183,377	(34,851)
Local government fund	1,593,864	1,631,766	(37,902)
Intergovernmental	884,003	1,337,566	(453,563)
Rent	704,979	774,255	(69,276)
Miscellaneous and reimbursements	70,244	56,388	13,856
Federal grants		0	0
Total General Fund revenue	\$23,772,618	\$24,550,139	(777,522)
Expenditures:			
Salaries and benefits	16,861,302.09	16,798,609	62,693
Materials and supplies	1,310,974.19	1,244,052	66,922
Contracts and services	4,863,822.04	4,917,480	(53,658)
Equipment	60,942.11	89,109	(28,166)
Miscellaneous	15,034.27	94,239	(79,205)
Total expenditures	23,112,075	23,143,488	(31,413)
Excess of revenues over expenditures	660,543	1,406,651	(746,108)
Other financing sources (uses):			
Sale of Fixed Assets	14,858	21	14,837
Other financing source	136,183	236,471	(100,288)
Transfer in	100,000	250,000	(150,000)
Transfer out	(1,252,643)	(1,207,762)	44,881
Advance in	16,876	29,754	(12,878)
Advance out	(176,166)	(101,540)	74,626
Total other financing sources (uses)	(1,160,892)	(793,055)	367,836
Excess of revenues and other financing sources over expenditures and other financing uses	(500,349)	613,596	(1,113,945)
			0
Beginning fund balance, January 1, 2011 and 2010	4,114,707	3,501,111	613,596
Ending fund balance, December 31, 2011 and 2010	3,614,358	4,114,707	(500,349)
Outstanding encumbrances	(190,743)	(116,006)	(74,737)
Unencumbered fund balance, December 31, 2011 and 2010	\$3,423,616	\$3,998,702	(575,086)

This is an unaudited financial statement.



Allen County, Ohio
Schedule of Budgeted and Actual Revenue
General Fund
For the Year Ended December 31, 2011

	Annual Budgeted Revenues	Total Receipt for 2011	Variance Better (less)	% Received To Date
Revenues:				
County sales tax	13,530,000.00	13,742,576	\$212,576	101.57%
Property taxes	2,517,000.00	2,559,822	\$42,822	101.70%
Interest	600,000.00	546,955	(\$53,045)	91.16%
Charges for services	3,361,520.00	3,513,925	\$152,405	104.53%
Licenses	6,030.00	7,723	\$1,693	128.08%
Fines, forfeitures, and court cost	220,000.00	148,526	(\$71,474)	67.51%
Local government fund	1,593,859.95	1,593,864	\$4	100.00%
Intergovernmental	901,203.19	884,003	(\$17,200)	98.09%
Rent	813,958.00	704,979	(\$108,979)	86.61%
Miscellaneous and reimbursements	56,000.00	70,244	\$14,244	125.44%
Sale of Fixed Assets	500	14,858	\$14,358	2971.65%
Other financing source	117,000	136,183	\$19,183	116.40%
Transfer In	100,000	100,000	\$0	0.00%
Advance In	20,000	16,876	(\$3,124)	0.00%
Total General Fund revenues	\$23,837,071	\$24,040,535	\$203,464	100.85%

This is an unaudited financial statement.

Allen County, Ohio
Schedule of Expenditures Compared to Appropriations
General Fund
For the Year Ended December 31, 2011

	Ending Year Appropriations	Total Expenditures and Encumbrances	Variance Favorable (Unfavorable)	% Spent To Date
Expenditures and budgeted appropriations:				
Salaries and benefits	\$17,367,570	\$16,861,302	\$506,268	97.08%
Materials and supplies	1,344,001	1,315,479	28,522	97.88%
Contracts and services	5,341,316	5,035,735	305,582	94.28%
Equipment	81,483	75,267	6,216	92.37%
Miscellaneous	31,000	15,034	15,966	48.50%
Transfers out	1,345,567	1,252,643	92,923	93.09%
Advances out	176,166	176,166	0	0.00%
Other miscellaneous	0	0	0	
Total expenditures	\$25,687,103	\$24,731,627	\$955,477	96.28%

This is an unaudited financial statement.



**Schedule of Expenditures By Department in the General Fund
For the Year Ended December 31, 2011, 2010, 2009, and 2008**

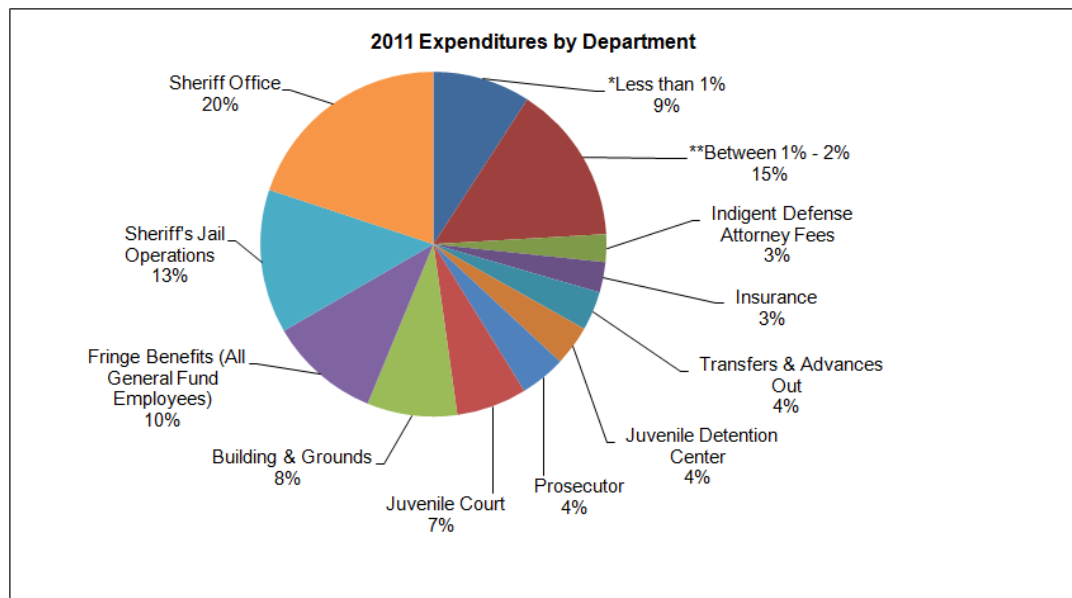
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Legislative & Executive				
Commissioners	343,362	342,080	360,490	453,805
Building & Grounds	2,073,744	2,071,433	2,240,382	2,680,163
Allen County Law Library	-	-	21,917	25,216
Auditor	326,424	309,480	325,867	397,398
Information Technology	230,678	282,829	337,943	431,063
Treasurer	202,825	203,030	203,781	250,162
Bureau of Inspection	89,661	65,018	61,424	51,271
Board of Elections - General	387,625	386,435	375,090	482,433
Board of Elections - Election Day Expense	213,458	203,140	141,947	233,718
Recorder	270,747	255,942	256,599	326,474
Total Legislative & Executive	<u>4,138,525</u>	<u>4,119,389</u>	<u>4,325,440</u>	<u>5,331,702</u>
Judicial & Public Safety				
Clerk of Courts	458,487	432,366	416,941	534,182
Common Pleas Court	362,332	351,590	362,471	423,870
Coroner	142,244	144,106	167,319	186,927
Court of Appeals	30,985	29,092	30,497	31,584
Domestic Relations Court	282,399	293,396	281,272	253,736
Indigent Defense Attorney Fees	635,931	791,967	832,596	788,799
Juvenile Court	1,622,925	1,589,310	1,502,979	1,790,334
Juvenile Detention Center	922,126	918,957	935,577	1,182,765
Municipal Court	151,619	153,939	167,030	206,494
Prisoners out of county Expenses	-	-	-	5,750
Probate Court	305,682	295,273	275,481	318,846
Prosecutor	1,048,704	1,012,909	992,880	1,159,644
Public Defender	172,751	-	-	-
Sheriff's Office	4,885,323	5,032,829	4,868,901	5,590,221
Sheriff Jail Operations	3,299,297	3,272,702	3,249,389	3,098,714
Total Judicial & Public Safety	<u>14,320,807</u>	<u>14,318,437</u>	<u>14,083,336</u>	<u>15,571,865</u>
Health/Human Services & Public Works				
Job & Family Services Mandate	533,048	357,655	524,941	547,573
Other Health	198,674	199,830	217,220	157,466
Tax Map Office	124,521	117,784	120,727	173,967
Tuberculosis Care	4,806	3,823	3,946	5,101
Veterans Services	392,995	398,514	414,568	404,986
Total Health & Public Works	<u>1,254,044</u>	<u>1,077,606</u>	<u>1,281,401</u>	<u>1,289,092</u>

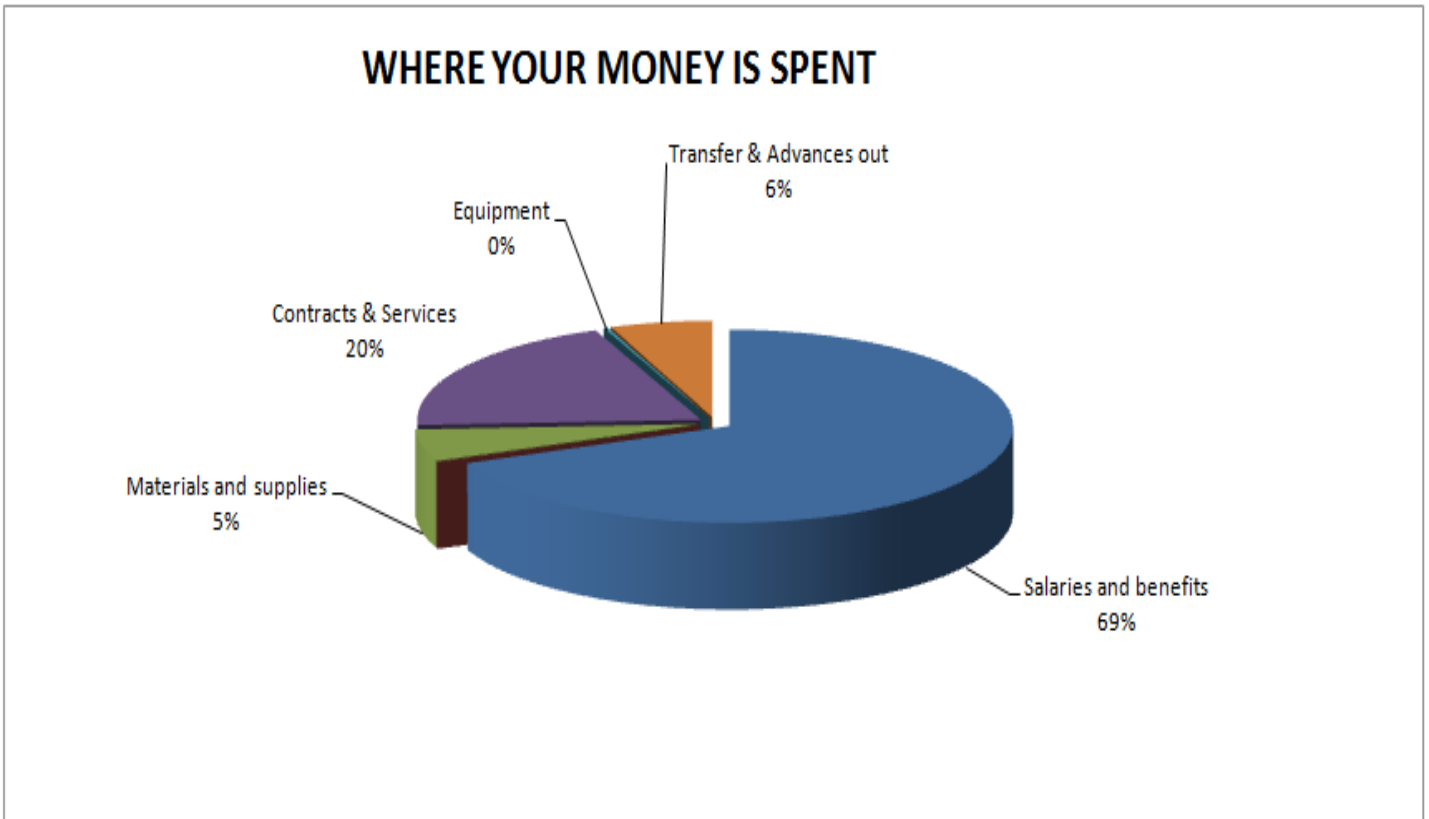
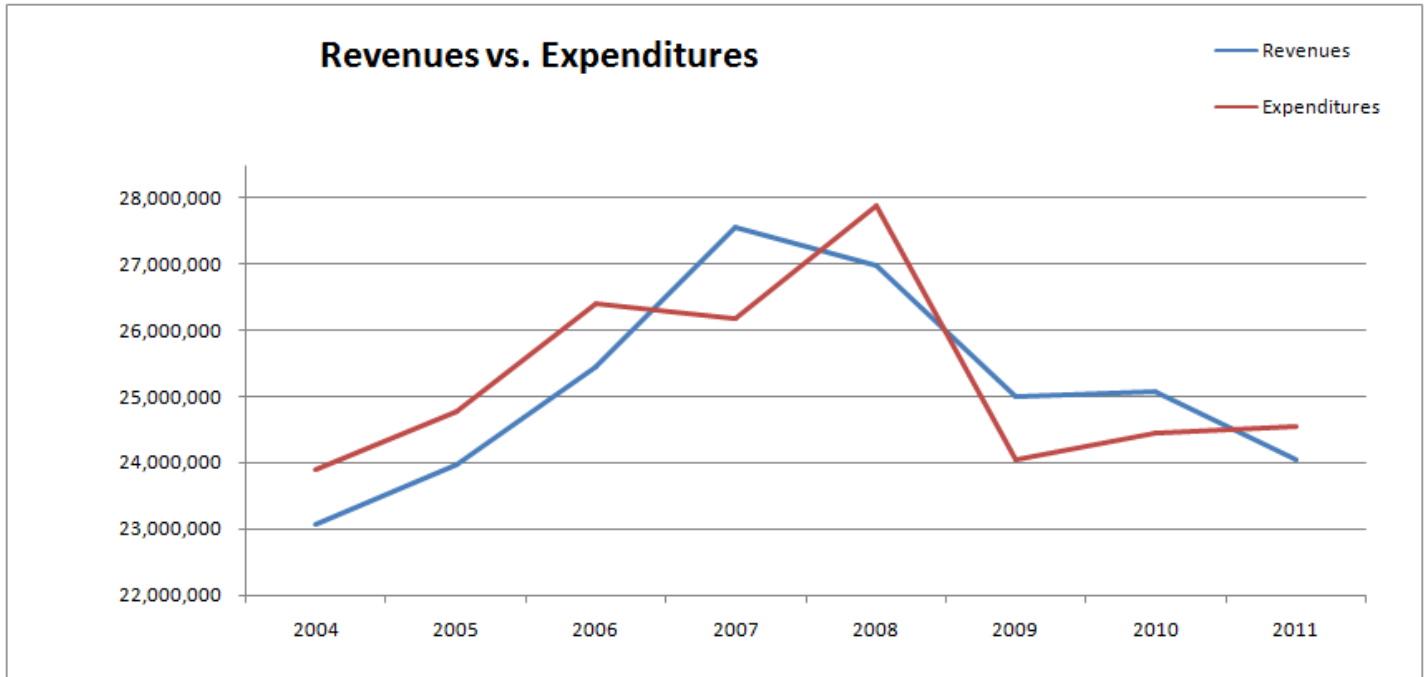


**Schedule of Expenditures By Department in the General Fund
For the Year Ended December 31, 2011, 2010, 2009, and 2008**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Grants & Recreation				
Agricultural Society	2,800	3,500	3,500	30,000
Airport Authority Grant	74,696	60,000	-	85,140
Allen County Citizens Review Board	2,325	-	-	-
Apiar Inspection	853	1,108	1,177	1,367
Civic Center Operating Grant	-	49,074	-	-
Community Connections	-	-	-	41,350
Co-Operative Extension	25,000	-	-	267,374
Crime Victims Services/CASA Grant	28,350	-	-	46,110
Farm Land Expense	-	5,618	-	-
Grants Sundry	-	-	-	500
Museum	224,899	227,092	235,844	296,694
Phase II Sw Coordinator	11,800	11,802	11,335	10,335
Reg Transit Authority Grant	-	-	-	75,000
Regional Planning Grant	94,107	97,409	75,931	76,250
Sex Offender Risk Reduct	-	-	16,667	-
Soil Conservation	24,000	24,000	40,000	126,000
Stormwater Coordinator	44,000	25,000	53,000	49,000
Total Grants & Recreation	<u>532,830</u>	<u>504,604</u>	<u>437,455</u>	<u>1,105,120</u>
Other Expenses				
Fringe Benefits (All General Fund Employees)	2,554,817	2,565,669	2,734,555	2,823,191
Insurance	694,531	733,344	763,311	704,653
Miscellaneous	149,569	182,094	165,200	235,148
Transfers Out & Advances Out	895,761	951,647	254,241	817,209
Total Other Expenses	<u>4,294,678</u>	<u>4,432,755</u>	<u>3,917,307</u>	<u>4,580,202</u>
Total General Fund Expenditures	<u>24,540,883</u>	<u>24,452,790</u>	<u>24,044,937</u>	<u>27,877,979</u>

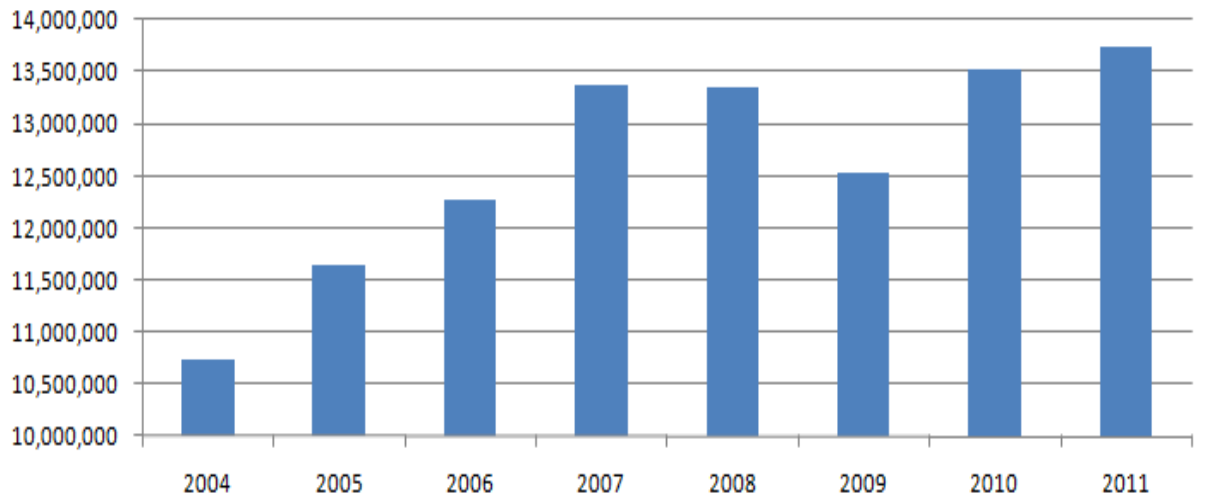
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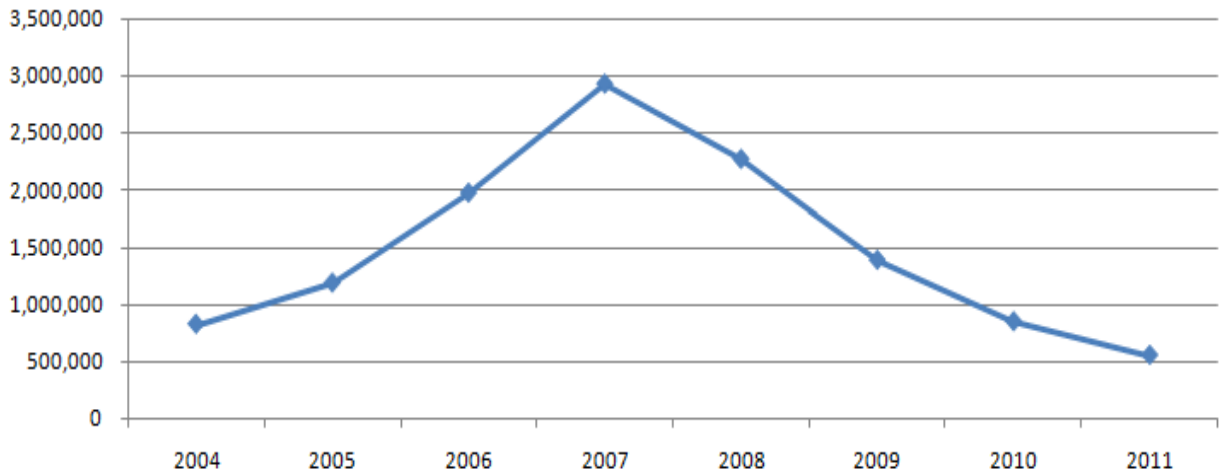




Sales Tax Revenue



Interest Income





SALES TAX REPORTS

Allen County Sales tax is 6.5%. Allen County receives 1% of the tax on sales within the county. Business owners forward the entire sales tax collected to the State of Ohio. Three months later, the State of Ohio forwards Allen County the 1%. Sales tax revenue is 50% of the total general fund revenue and can be difficult to estimate in the current economy. This revenue source is affected by market and non-economic conditions and is a primary indicator of business activity.

Commissioner's pass a resolution to direct where the sales tax will be posted. In Allen County we post \$26,868.85 to the 9-1-1 fund, \$37,500 to the capital improvement fund, and the remaining goes to the general fund for county operations. In 2011,

Year	Total Sales Tax Received
2007	14,741,296.85
2008	14,335,581.94
2009	13,057,024.77
2010	14,052,032.66
2011	14,515,002.18

we saw a 3.29% increase over 2010 in sales tax revenue. See the table below for the 2011 detail. The table to the left lists the total sales tax received from 2007 to 2011. In 2009, total sales tax dropped by 8.9%. We have seen constant increases since, and 2011 exceeded 2008 sales tax by \$180,000. See page 7 for a historical graph. Sales tax reports from 2007 to current can be found on the auditor's office website.

2011 TOTAL SALES TAX REVENUES

AS OF DECEMBER 31, 2011

FOR ALLEN COUNTY, OHIO

Prepared by: Rhonda Eddy-Stienecker, Allen County Auditor

MONTH EARNED	MONTH RECEIVED	2011			2010			Variances	
		Total Sales Tax Received	Posted to G/F	Allocation to other funds*	Total Sales Tax Received	Posted to G/F	Posted to other funds	% over/-under 2010 by month	Dollar over (under) 2010 by month
October	January	1,152,770.63	1,088,401.78	64,368.85	1,075,438.80	1,032,624.80	42,814.00	7.19%	77,331.83
November	February	1,294,950.27	1,230,581.42	64,368.85	1,177,731.83	1,134,917.83	42,814.00	9.95%	117,218.44
December	March	1,580,065.67	1,515,696.82	64,368.85	1,499,319.74	1,456,505.74	42,814.00	5.39%	80,745.93
January	April	1,008,491.62	944,122.77	64,368.85	992,796.57	949,982.57	42,814.00	1.58%	15,695.05
February	May	1,048,861.52	984,492.67	64,368.85	997,712.72	954,898.72	42,814.00	5.13%	51,148.80
March	June	1,297,699.83	1,233,330.98	64,368.85	1,262,206.26	1,219,392.26	42,814.00	2.81%	35,493.57
April	July	1,080,896.90	1,016,528.05	64,368.85	1,060,607.97	1,017,793.97	42,814.00	1.91%	20,288.93
May	August	1,142,649.65	1,078,280.80	64,368.85	1,162,065.03	1,119,251.03	42,814.00	-1.67%	(19,415.38)
June	September	1,468,335.22	1,403,966.37	64,368.85	1,293,811.59	1,250,997.59	42,814.00	13.49%	174,523.63
July	October	1,146,853.99	1,082,485.14	64,368.85	1,103,607.67	1,053,217.94	50,389.73	3.92%	43,246.32
August	November	1,108,920.01	1,044,551.16	64,368.85	1,209,095.66	1,158,705.93	50,389.73	-8.29%	(100,175.65)
September	December	1,184,506.87	1,120,138.02	64,368.85	1,217,638.82	1,167,249.09	50,389.73	-2.72%	(33,131.95)
TOTALS		\$14,515,002.18	\$13,742,575.98	\$772,426.20	\$14,052,032.66	\$13,515,537.47	\$536,495.19		\$462,969.52

Allocation to other funds*	
Resolution Date	01/12/11
9-1-1	\$26,868.85
Capital Improv.	\$37,500.00
Reserve	\$0
	<u>\$64,368.85</u>

YTD Sales Tax Revenue between 2010 & 2011	
2011	\$14,515,002.18
2010	\$14,052,032.66
Increase over 2010	3.29%



Budget review from 2008 - 2011 by Rhonda Eddy-Stienecker

Since 2009 I, as the Chief Fiscal Officer of the County, have expressed my concerns with the need for budget cuts as the county has faced declining revenues. The county experienced a total of 11% decrease (2.9 million dollars) in revenue since 2008. Sales tax, which is 50% of the total general fund revenue, saw a 8.91% decline in sales tax revenue in 2009. Fortunately sales tax revenue rebounded in 2010 & 2011. Interest income has decreased 76% from 2008 going from 2.2 million down to \$547,000 in 2011. Property taxes decreased 11.4% and local government funds from the State of Ohio decreased 14.9% since 2008. This decline in revenue has resulted in substantial cuts in 2009 to general fund departments, followed by additional furlough cuts in 2010 & 2011. The county is facing additional cuts in local government funds from the State of Ohio in 2012 and 2013. While the revenue has decreased by 11% since 2008, the expenses have decreased by 12%. In other words the county general fund departments have reduced expenses by \$3,337,094 since 2008.

Throughout 2011, I publicly expressed my concern with the budget the Board of Commissioners passed. They appropriated 1.8 million dollars more than anticipated revenue. We began the year with a 4.1 million carryover and with the estimated revenues and appropriations, we could have ended the year with 2.2 million carryover. By the 3rd quarter of 2011, the county departments had spent 75% of appropriations and revenue was right on target. In addition, the county general fund needs a minimum of \$2.5 million carryover to start each year. At 12/31/2011, we ended the year with a strong 3.6 million carryover and 1.2 million still in the untouched rainy day fund. The questions now becomes, How did that happen? The answer is 2011 actual revenue was over by \$203,464 of anticipated. The actual expenses were \$1.1 million less than appropriated. I have also been asked the question, How is our carry over balance higher @ 12/31/2011 (\$3,614,358) than it was at 12/31/2008 (\$3,445,509)? This questions has two answers.

The cuts implemented by the county commissioners in 2009 were necessary and has allowed the county to maintain a healthy carry over balance as well as not touching the rainy day fund. In addition to the cuts, all the departments have reduced cost by reducing staff, implementing furloughs, holding off on projects and reducing or eliminating staff training. Departments have also made efforts to consolidate resources when possible. The unfortunate reality of these cuts is the reduction and or delay in services to the general public

The second reason for the shift in the financial forecast and the final ending numbers is the differences between the revenue and expenses budgeted and actual received. While the budget and actual revenue have been realistically close, the budget vs. actual expenses have seen larger differences. The bar graphs on page 10 gives a nice picture of the difference between actual and budget from 2008 to 2011. The commissioners, in addition to appropriating to the various general fund departments, also appropriate to the building and grounds, indigent defense, health insurance, and liability insurance. These areas have not realized the expenses that have been appropriated over the last four years. The table below list the difference between budget and actual for each year.

I hope you enjoyed reading the 4th quarter newsletter and it has answered your questions concerning the Allen County General Fund Budget. Each quarter we publish financial statements and newsletters to educate the public. They also can be found on our website @ www.allencountyohio.com/aud

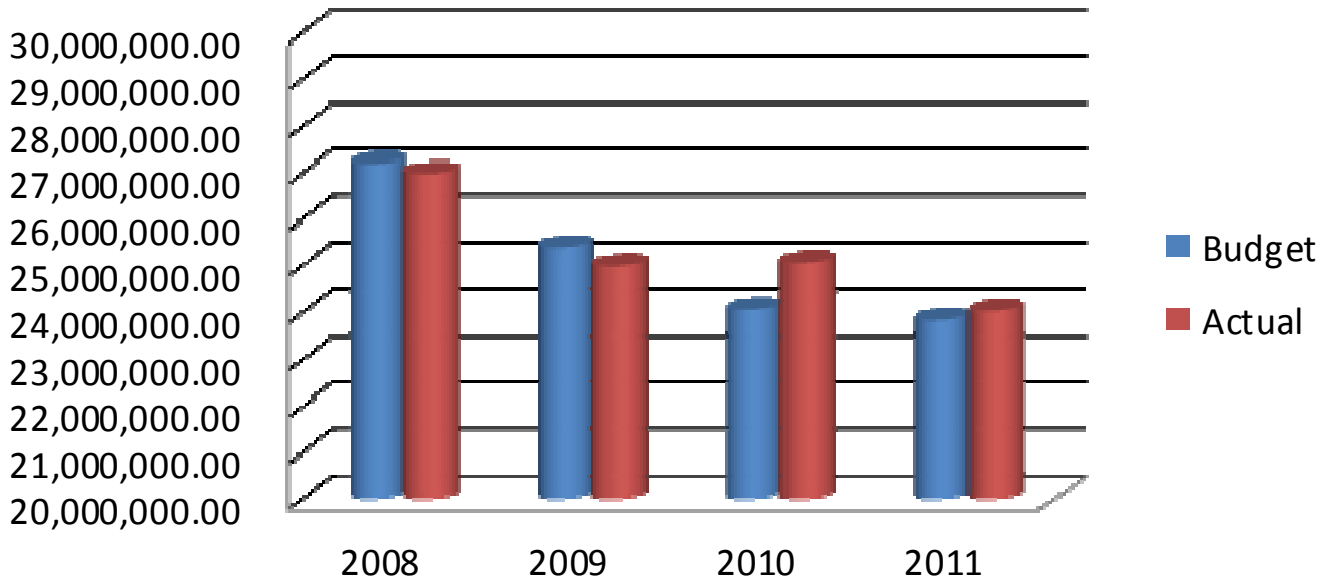
Sincerely,
Rhonda Eddy-Stienecker
Allen County Auditor

EXPENSES	2008	2009	2010	2011
Budget	28,877,213.00	25,340,484.00	26,062,617.00	25,687,103.00
Actual	27,877,978.00	24,044,938.00	24,452,791.00	24,540,884.00

REVENUE	2008	2009	2010	2011
Budget	27,202,900.00	25,403,387.10	24,068,976.75	23,837,071.14
Actual	26,989,857.59	24,988,661.36	25,066,385.69	24,040,535.14

REVENUE

Budget vs. Actual



EXPENSES

Budget vs. Actual

