



Dave Yost • Auditor of State

Mahoning County, Ohio

Financial Forecast

For the Years Ending December 31, 2014 through December 31, 2016

Local Government Services Section

**Mahoning County, Ohio
Financial Forecast**

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Dave Yost • Auditor of State

Board of Commissioners
Mahoning County
20 West Federal Street
Youngstown, Ohio 44503

Independent Accountant's Report

We have examined the accompanying forecasted statement of revenues, expenditures and changes in fund balance of the general fund of Mahoning County for the years ending December 31, 2014 through December 31, 2016. Mahoning County's management is responsible for the forecast. Our responsibility is to express an opinion on the forecast based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants, and, accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by management and the preparation and presentation of the forecast. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the accompanying forecast is presented in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants and the underlying assumptions provide a reasonable basis for the Commissioner's forecast. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying statement of revenues, expenditures and changes in fund balance of the general fund of Mahoning County for the years ended December 31, 2014, 2015 and 2016 were compiled by us in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed this financial information, and, accordingly, do not express an opinion or any other form of assurance on it. Management has elected to omit substantially all of the disclosures associated with the historical financial statements; these disclosures might influence a user's conclusions regarding the County's results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST
Auditor of State

August 15, 2014

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Financial Forecast

Mahoning County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Years Ended December 31, 2011 through 2013 Actual; and
Ending December 31, 2014 through 2016, Forecasted
General Fund

	2011 Actual	2012 Actual	2013 Actual
<u>Revenues</u>			
Property Taxes	\$7,275,000	\$7,011,000	\$7,053,000
Permissive Sales Tax	29,436,000	30,406,000	31,637,000
Intergovernmental	7,342,000	7,019,000	6,677,000
Conveyance Fees	1,373,000	1,696,000	1,854,000
Investment Income	985,000	637,000	461,000
Fees, License and Permits	3,510,000	3,836,000	3,871,000
Fines and Forfeitures	1,745,000	1,778,000	1,743,000
Rentals and Royalties	1,052,000	895,000	2,050,000
Charges for Services	2,040,000	1,370,000	1,049,000
Other	930,000	602,000	332,000
Total Revenues	<u>55,688,000</u>	<u>55,250,000</u>	<u>56,727,000</u>
<u>Other Financing Sources</u>			
Transfers In	153,000	565,000	4,309,000
Advances In	0	0	0
General Obligation Bonds Issued	4,080,000	0	6,021,000
Sales Tax Anticipation Notes Issued	2,565,000	690,000	2,345,000
Premium on General Obligation Bonds	73,000	0	72,000
Premium on Sales Tax Anticipation Notes	34,000	10,000	53,000
Total Other Financing Sources	<u>6,905,000</u>	<u>1,265,000</u>	<u>12,800,000</u>
Total Revenues and Other Financing Sources	<u>62,593,000</u>	<u>56,515,000</u>	<u>69,527,000</u>
<u>Expenditures</u>			
Current:			
General Government			
Legislative and Executive			
Commissioners			
Personal Services	1,004,000	914,000	904,000
Materials and Supplies	18,000	11,000	16,000
Contractual Services	43,000	38,000	45,000
Capital Outlay	6,000	6,000	6,000
Total Commissioners	<u>1,071,000</u>	<u>969,000</u>	<u>971,000</u>
Microfilm			
Personal Services	187,000	180,000	186,000
Materials and Supplies	5,000	5,000	3,000
Contractual Services	8,000	14,000	13,000
Capital Outlay	0	9,000	1,000
Total Microfilm	<u>200,000</u>	<u>208,000</u>	<u>203,000</u>
Planning Commission			
Personal Services	187,000	192,000	168,000
Materials and Supplies	2,000	3,000	3,000
Contractual Services	30,000	36,000	20,000
Capital Outlay	5,000	0	0
Total Planning Commission	<u>224,000</u>	<u>231,000</u>	<u>191,000</u>
Facilities Management			
Personal Services	1,962,000	2,000,000	1,970,000
Materials and Supplies	66,000	106,000	172,000
Contractual Services	1,204,000	925,000	1,052,000
Capital Outlay	2,000	4,000	21,000
Total Facilities Management	<u>\$3,234,000</u>	<u>\$3,035,000</u>	<u>\$3,215,000</u>

2014 Forecasted	2015 Forecasted	2016 Forecasted
\$7,084,000	\$7,131,000	\$7,131,000
32,782,000	32,551,000	17,597,000
7,255,000	7,089,000	7,271,000
1,640,000	1,640,000	1,640,000
400,000	400,000	400,000
3,849,000	3,849,000	3,849,000
1,755,000	1,755,000	1,755,000
2,198,000	2,198,000	2,198,000
1,162,000	1,162,000	1,162,000
556,000	204,000	204,000
<u>58,681,000</u>	<u>57,979,000</u>	<u>43,207,000</u>
614,000	585,000	185,000
103,000	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>717,000</u>	<u>585,000</u>	<u>185,000</u>
<u>59,398,000</u>	<u>58,564,000</u>	<u>43,392,000</u>
921,000	950,000	959,000
15,000	15,000	15,000
44,000	44,000	44,000
6,000	6,000	6,000
<u>986,000</u>	<u>1,015,000</u>	<u>1,024,000</u>
187,000	192,000	195,000
5,000	5,000	5,000
13,000	13,000	13,000
45,000	1,000	1,000
<u>250,000</u>	<u>211,000</u>	<u>214,000</u>
187,000	197,000	200,000
3,000	3,000	3,000
31,000	31,000	31,000
13,000	0	0
<u>234,000</u>	<u>231,000</u>	<u>234,000</u>
1,904,000	1,956,000	1,981,000
153,000	139,000	139,000
1,193,000	1,127,000	1,151,000
22,000	21,000	21,000
<u>\$3,272,000</u>	<u>\$3,243,000</u>	<u>\$3,292,000</u>

(continued)

Mahoning County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Years Ended December 31, 2011 through 2013 Actual; and
Ending December 31, 2014 through 2016, Forecasted
General Fund (continued)

	2011 Actual	2012 Actual	2013 Actual
Auditor			
Personal Services	\$806,000	\$816,000	\$876,000
Materials and Supplies	33,000	36,000	33,000
Contractual Services	58,000	43,000	42,000
Capital Outlay	6,000	7,000	42,000
Total Auditor	903,000	902,000	993,000
Treasurer			
Personal Services	274,000	305,000	418,000
Materials and Supplies	11,000	42,000	8,000
Contractual Services	134,000	74,000	64,000
Total Treasurer	419,000	421,000	490,000
Prosecutor			
Personal Services	2,592,000	2,763,000	2,997,000
Materials and Supplies	22,000	25,000	27,000
Contractual Services	116,000	122,000	107,000
Capital Outlay	4,000	3,000	29,000
Other	58,000	58,000	58,000
Total Prosecutor	2,792,000	2,971,000	3,218,000
Recorder			
Personal Services	319,000	306,000	337,000
Materials and Supplies	7,000	2,000	2,000
Contractual Services	2,000	4,000	4,000
Total Recorder	328,000	312,000	343,000
Board of Elections			
Personal Services	1,312,000	1,517,000	1,402,000
Materials and Supplies	110,000	191,000	36,000
Contractual Services	149,000	428,000	238,000
Capital Outlay	18,000	39,000	162,000
Total Board of Elections	1,589,000	2,175,000	1,838,000
Data Processing			
Personal Services	697,000	689,000	723,000
Materials and Supplies	3,000	2,000	3,000
Contractual Services	84,000	328,000	392,000
Capital Outlay	64,000	44,000	49,000
Total Data Processing	848,000	1,063,000	1,167,000
Administrative Costs			
Personal Services	779,000	602,000	406,000
Contractual Services	912,000	699,000	738,000
Other	382,000	269,000	320,000
Total Administrative Costs	2,073,000	1,570,000	1,464,000
Total Legislative and Executive	\$13,681,000	\$13,857,000	\$14,093,000

2014 Forecasted	2015 Forecasted	2016 Forecasted
\$920,000	\$951,000	\$961,000
37,000	37,000	37,000
50,000	50,000	50,000
6,000	6,000	6,000
<u>1,013,000</u>	<u>1,044,000</u>	<u>1,054,000</u>
505,000	518,000	525,000
13,000	10,000	10,000
76,000	76,000	76,000
<u>594,000</u>	<u>604,000</u>	<u>611,000</u>
2,994,000	3,062,000	3,098,000
30,000	24,000	24,000
117,000	117,000	117,000
14,000	21,000	21,000
59,000	58,000	58,000
<u>3,214,000</u>	<u>3,282,000</u>	<u>3,318,000</u>
369,000	383,000	388,000
3,000	2,000	2,000
4,000	4,000	4,000
<u>376,000</u>	<u>389,000</u>	<u>394,000</u>
1,472,000	1,427,000	1,523,000
51,000	75,000	75,000
307,000	307,000	307,000
131,000	91,000	91,000
<u>1,961,000</u>	<u>1,900,000</u>	<u>1,996,000</u>
794,000	817,000	826,000
3,000	3,000	3,000
410,000	410,000	410,000
47,000	40,000	40,000
<u>1,254,000</u>	<u>1,270,000</u>	<u>1,279,000</u>
499,000	504,000	504,000
795,000	794,000	805,000
<u>1,106,000</u>	<u>360,000</u>	<u>360,000</u>
<u>2,400,000</u>	<u>1,658,000</u>	<u>1,669,000</u>
<u>\$15,554,000</u>	<u>\$14,847,000</u>	<u>\$15,085,000</u>

(continued)

Mahoning County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Years Ended December 31, 2011 through 2013 Actual; and
Ending December 31, 2014 through 2016, Forecasted
General Fund (continued)

	2011 Actual	2012 Actual	2013 Actual
Judicial			
Clerk of Courts			
Personal Services	\$1,286,000	\$1,250,000	\$1,472,000
Materials and Supplies	169,000	189,000	135,000
Contractual Services	11,000	11,000	7,000
Capital Outlay	0	0	5,000
Total Clerk of Courts	<u>1,466,000</u>	<u>1,450,000</u>	<u>1,619,000</u>
Common Pleas			
Personal Services	2,276,000	2,280,000	2,249,000
Contractual Services	2,311,000	2,263,000	2,147,000
Total Common Pleas	<u>4,587,000</u>	<u>4,543,000</u>	<u>4,396,000</u>
Domestic Relations			
Personal Services	886,000	883,000	832,000
Materials and Supplies	4,000	4,000	4,000
Contractual Services	16,000	10,000	16,000
Capital Outlay	1,000	0	0
Total Domestic Relations	<u>907,000</u>	<u>897,000</u>	<u>852,000</u>
Juvenile Court			
Personal Services	4,673,000	4,648,000	4,837,000
Materials and Supplies	283,000	266,000	266,000
Contractual Services	337,000	327,000	394,000
Capital Outlay	0	6,000	0
Other	6,000	19,000	0
Total Juvenile Court	<u>5,299,000</u>	<u>5,266,000</u>	<u>5,497,000</u>
Probate Court			
Personal Services	810,000	799,000	821,000
Materials and Supplies	8,000	9,000	9,000
Contractual Services	32,000	39,000	35,000
Capital Outlay	1,000	0	0
Total Probate Court	<u>851,000</u>	<u>847,000</u>	<u>865,000</u>
Municipal Courts			
Personal Services	336,000	347,000	321,000
Contractual Services	5,000	4,000	4,000
Total Municipal Courts	<u>341,000</u>	<u>351,000</u>	<u>325,000</u>
County Courts			
Personal Services	1,930,000	1,990,000	1,965,000
Materials and Supplies	93,000	79,000	55,000
Contractual Services	342,000	418,000	459,000
Capital Outlay	0	0	22,000
Total County Courts	<u>2,365,000</u>	<u>2,487,000</u>	<u>2,501,000</u>
Total Judicial	<u>15,816,000</u>	<u>15,841,000</u>	<u>16,055,000</u>
Total General Government	<u>\$29,497,000</u>	<u>\$29,698,000</u>	<u>\$30,148,000</u>

2014 Forecasted	2015 Forecasted	2016 Forecasted
\$1,501,000	\$1,559,000	\$1,584,000
164,000	164,000	164,000
8,000	8,000	8,000
13,000	0	0
<u>1,686,000</u>	<u>1,731,000</u>	<u>1,756,000</u>
2,177,000	2,268,000	2,303,000
<u>2,168,000</u>	<u>2,168,000</u>	<u>2,168,000</u>
<u>4,345,000</u>	<u>4,436,000</u>	<u>4,471,000</u>
832,000	860,000	870,000
5,000	4,000	4,000
15,000	15,000	15,000
1,000	1,000	1,000
<u>853,000</u>	<u>880,000</u>	<u>890,000</u>
5,364,000	5,564,000	5,656,000
298,000	289,000	289,000
383,000	388,000	395,000
13,000	0	0
2,000	2,000	2,000
<u>6,060,000</u>	<u>6,243,000</u>	<u>6,342,000</u>
803,000	825,000	838,000
9,000	9,000	9,000
57,000	57,000	57,000
4,000	0	0
<u>873,000</u>	<u>891,000</u>	<u>904,000</u>
326,000	330,000	334,000
4,000	4,000	4,000
<u>330,000</u>	<u>334,000</u>	<u>338,000</u>
1,981,000	2,063,000	2,097,000
83,000	80,000	80,000
460,000	469,000	478,000
31,000	3,000	3,000
<u>2,555,000</u>	<u>2,615,000</u>	<u>2,658,000</u>
<u>16,702,000</u>	<u>17,130,000</u>	<u>17,359,000</u>
<u>\$32,256,000</u>	<u>\$31,977,000</u>	<u>\$32,444,000</u>

(continued)

Mahoning County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Years Ended December 31, 2011 through 2013 Actual; and
Ending December 31, 2014 through 2016, Forecasted
General Fund (continued)

	2011 Actual	2012 Actual	2013 Actual
Public Safety			
Sheriff			
Personal Services	\$13,532,000	\$14,575,000	\$14,223,000
Materials and Supplies	999,000	968,000	943,000
Contractual Services	3,169,000	2,859,000	2,807,000
Capital Outlay	28,000	42,000	152,000
Other	46,000	62,000	55,000
Total Sheriff	<u>17,774,000</u>	<u>18,506,000</u>	<u>18,180,000</u>
Emergency 911 Dispatch			
Personal Services	779,000	801,000	812,000
Materials and Supplies	4,000	6,000	5,000
Contractual Services	133,000	109,000	63,000
Capital Outlay	11,000	0	7,000
Other	18,000	11,000	0
Total Emergency 911 Dispatch	<u>945,000</u>	<u>927,000</u>	<u>887,000</u>
Coroner			
Personal Services	479,000	477,000	505,000
Materials and Supplies	12,000	11,000	14,000
Contractual Services	177,000	156,000	183,000
Capital Outlay	0	19,000	25,000
Total Coroner	<u>668,000</u>	<u>663,000</u>	<u>727,000</u>
Total Public Safety	<u>19,387,000</u>	<u>20,096,000</u>	<u>19,794,000</u>
Human Services			
Veteran Services			
Personal Services	622,000	629,000	758,000
Materials and Supplies	87,000	87,000	94,000
Contractual Services	421,000	572,000	591,000
Capital Outlay	1,000	10,000	75,000
Total Human Services	<u>1,131,000</u>	<u>1,298,000</u>	<u>1,518,000</u>
Debt Service:			
Principal Retirement	9,088,000	4,011,000	7,271,000
Interest and Fiscal Charges	1,859,000	2,029,000	1,796,000
Issuance Costs	256,000	52,000	245,000
Total Debt Service	<u>11,203,000</u>	<u>6,092,000</u>	<u>9,312,000</u>
Total Expenditures	<u>61,218,000</u>	<u>57,184,000</u>	<u>60,772,000</u>
Other Financing Uses			
Payment to Refunded Bond Escrow	0	0	5,934,000
Transfer Out	0	31,000	50,000
Advance Out	0	0	103,000
Other Financing Uses - Matching/Local Share	1,714,000	1,757,000	1,684,000
Total Other Financing Uses	<u>1,714,000</u>	<u>1,788,000</u>	<u>7,771,000</u>
Total Expenditures and Other Financing Uses	<u>\$62,932,000</u>	<u>\$58,972,000</u>	<u>\$68,543,000</u>

2014 Forecasted	2015 Forecasted	2016 Forecasted
\$14,798,000	\$15,587,000	\$16,017,000
1,034,000	973,000	973,000
2,816,000	2,835,000	2,855,000
47,000	35,000	35,000
48,000	48,000	48,000
<u>18,743,000</u>	<u>19,478,000</u>	<u>19,928,000</u>
788,000	813,000	827,000
5,000	5,000	5,000
110,000	110,000	110,000
39,000	14,000	14,000
0	0	0
<u>942,000</u>	<u>942,000</u>	<u>956,000</u>
505,000	523,000	528,000
15,000	12,000	12,000
174,000	174,000	174,000
23,000	23,000	23,000
<u>717,000</u>	<u>732,000</u>	<u>737,000</u>
<u>20,402,000</u>	<u>21,152,000</u>	<u>21,621,000</u>
856,000	876,000	884,000
141,000	95,000	95,000
702,000	638,000	652,000
115,000	75,000	75,000
<u>1,814,000</u>	<u>1,684,000</u>	<u>1,706,000</u>
4,681,000	3,955,000	3,507,000
1,704,000	1,602,000	1,500,000
0	0	0
<u>6,385,000</u>	<u>5,557,000</u>	<u>5,007,000</u>
<u>60,857,000</u>	<u>60,370,000</u>	<u>60,778,000</u>
0	0	0
0	0	0
0	0	0
<u>1,491,000</u>	<u>1,956,000</u>	<u>1,956,000</u>
<u>1,491,000</u>	<u>1,956,000</u>	<u>1,956,000</u>
<u>\$62,348,000</u>	<u>\$62,326,000</u>	<u>\$62,734,000</u>

(continued)

Mahoning County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Years Ended December 31, 2011 through 2013 Actual; and
Ending December 31, 2014 through 2016, Forecasted
General Fund (continued)

	2011 Actual	2012 Actual	2013 Actual
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(\$339,000)	(\$2,457,000)	\$984,000
Cash Balance (Deficit), January 1	6,029,000	5,690,000	3,233,000
Cash Balance (Deficit), December 31	5,690,000	3,233,000	4,217,000
Encumbrances and Reserves of Fund Balance			
Actual/Estimated Encumbrances, December 31	(1,284,000)	(545,000)	(665,000)
Stabilization Reserve	0	(181,000)	(946,000)
Total Encumbrances and Reserves of Fund Balance	(1,284,000)	(726,000)	(1,611,000)
Unencumbered/Unreserved Fund Balance (Deficit), December 31	4,406,000	2,507,000	2,606,000
Additional Revenue from 0.75% Sales Tax Levy			
0.5% Renewal Permissive Sales Tax (May 2010 Expiring Levy)	0	0	0
0.25% Additional Permissive Sales Tax	0	0	0
Cumulative Balance of Renewal/Additional Levy	0	0	0
Unencumbered/Unreserved Fund Balance December 31 with Renewal/Additional Levies	\$4,406,000	\$2,507,000	\$2,606,000

2014 Forecasted	2015 Forecasted	2016 Forecasted
(\$2,950,000)	(\$3,762,000)	(\$19,342,000)
<u>4,217,000</u>	<u>1,267,000</u>	<u>(2,495,000)</u>
<u>1,267,000</u>	<u>(2,495,000)</u>	<u>(21,837,000)</u>
(605,000)	(605,000)	(605,000)
<u>0</u>	<u>0</u>	<u>0</u>
<u>(605,000)</u>	<u>(605,000)</u>	<u>(605,000)</u>
662,000	(3,100,000)	(22,442,000)
0	1,415,000	17,597,000
<u>0</u>	<u>4,953,000</u>	<u>8,799,000</u>
<u>0</u>	<u>6,368,000</u>	<u>26,396,000</u>
<u>\$662,000</u>	<u>\$3,268,000</u>	<u>\$10,322,000</u>

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

Note 1 – The County

Mahoning County, Ohio (The County) was created in 1846. The County operates as a political subdivision of the State of Ohio exercising only those powers conferred by the Ohio Legislature. The County voters elect a total of eleven legislative and administrative County Officials. The three member Board of Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer and tax assessor while the County Treasurer serves as the custodian of all County funds and as tax collector. In addition, there are six other elected administrative officials provided for by Ohio law, which include: the Clerk of Courts, Recorder, Coroner, Engineer, Prosecuting Attorney and Sheriff. The judicial branch of the County includes five Common Pleas Court Judges, four County (area) Judges, one Domestic Relations Judge, one Juvenile Court Judge and one Probation Judge. Although these elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the County, including each of these departments.

Note 2 – Nature of Presentation

The financial forecast presents, to the best of the knowledge and belief of the County Commissioners and those elected officials whose operations are financed by the general fund, the expected revenues, expenditures, and changes in fund balance of the general fund for the years ending December 31, 2014 through December 31, 2016. Accordingly, the forecast reflects the management's judgment of the expected conditions and its expected course of action as of August 15, 2014, the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

Note 3 – Summary of Significant Accounting Policies

Basis of Accounting

The financial forecast has been prepared on a basis of cash receipts and disbursements which is consistent with the basis (non-GAAP) of accounting used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the County is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

Fund Accounting

The County maintains its accounting records in accordance with the principals of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

Governmental Funds

General Fund – The general fund is the operating fund of the County and is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specified restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Fund – Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in the debt service funds.

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

Permanent Funds – Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other organizations.

Proprietary Funds

Enterprise Funds - Enterprise funds may be used to account for and report any activity for which a fee is charged to external users for goods or services.

Internal Service Funds – Internal service funds account for and report the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary funds account for assets held by the County in a trustee capacity or as an agency for individuals, private organizations, or other governmental units. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds.

Budget Process

Budget – A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the succeeding fiscal year.

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

Estimated Resources – The County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the Official Certificate of Estimated Resources which states the projected receipts of each fund. Prior to December 31, the County must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations – A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution fixes spending authority at the department level for the general fund. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

Encumbrances – The County uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation.

Note 4 – Significant Assumptions for Revenues and Other Financing Sources

Property Taxes

Property taxes consist of amounts levied against all real estate, public utility real and personal property in the County. The County Treasurer collects property taxes for all taxing districts in the County. The County Auditor periodically remits to the County its portion of the tax collected. Advances may be requested by the County Auditor as the tax is collected. When settlements are made, any amounts remaining to be distributed to the County are paid. Deductions for auditor and treasurer's fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenues.

State law allows for certain reductions in the form of rollbacks and homestead exemptions for residential real estate taxes. The State reimburses the County for all revenue lost due to these exemptions. The amount of the reimbursement is presented in the account "intergovernmental revenue".

All property tax revenues are based on property valuations and levy rates. The County is required to reappraise property every six years and update the valuations every three years between the reappraisals. The last reappraisal was completed in 2011 for taxes collected in 2012. The next triennial update will take place in 2014 for collection in 2015 with the next reappraisal scheduled for 2017. The County assessed values upon which property tax receipts were based for the last four years are as follows:

<u>Class of Property</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Real Estate				
Residential/Agricultural	\$3,042,073,350	\$3,045,991,020	\$2,841,978,460	\$2,851,153,750
Other Real Estate	934,003,690	930,024,920	906,241,690	916,921,610
Tangible Personal Property				
Public Utility	150,162,200	155,651,840	163,538,490	174,204,740
	<u>\$4,126,239,240</u>	<u>\$4,131,667,780</u>	<u>\$3,911,758,640</u>	<u>\$3,942,280,100</u>

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

The County's property tax revenues are generated from a share of the 10 mills authorized under State law. The County's portion, 2.1 mills, is allocated between the general fund for operations and the debt service fund for the payment of general obligation debt. The amount of millage allocated to the debt service fund varies depending on the debt obligation of the County from year to year. Inside millage allocated to debt service has been included in general fund revenues because it is used to make general obligation debt payments. Property taxes from inside millage are estimated to generate \$7,084,000 in 2014 and \$7,131,000 each year for 2015 and 2016. This amount represents gross property taxes less rollback and homestead exemptions. The forecasted amount for 2014 is based on first half settlement collections (actual to date) plus an amount for second half tax collections estimated at 97 percent of the first half settlement. The forecasted amounts for 2015 and 2016 increase slightly based on the County's projections allowing for new construction increases.

Permissive Sales Tax

The County has levied a 1 percent sales tax which is collected by the State of Ohio and remitted to the County on a monthly basis. The Board of County Commissioners enacted this tax with two separate ½ percent sales tax levies. One levy is continuous and the other is only for a 5 year period and expires October 1, 2015. Sales tax collections are two months behind; therefore the last full month of collections on the expiring ½ percent sales tax will be November 2015. The forecast reflects a decrease of \$1,415,000, one month of revenue, in 2015 and a decrease of \$17,597,000, a full year of revenue, in 2016 due to the expiring ½ percent sales tax levy.

Sales tax revenues are credited to the County's general fund and provide financing for current operating expenditures. The 2014 forecasted amount for sales tax is based on actuals for the first 6 months with the remaining months forecasted using the prior year monthly amounts times the monthly average growth increase of 3.66 percent so far during the year. Sales taxes for 2015 and 2016, including amounts to be generated upon passage of the proposed sales tax levy, are estimated based on the average yearly growth increase of 3.61 percent.

The County Commissioners have passed a resolution to place the renewal and continuation of the existing ½ percent sales tax for a period of five years and an additional ¼ percent for a period of five years on the November 4, 2014 ballot. If passed, collections on the ½ percent sales tax renewal will begin October 1, 2015 and expire September 30, 2020. The additional ¼ percent sales tax if approved will begin April 1, 2015 and expire March 31, 2020. The additional revenue for these levies was forecasted based on the same assumptions discussed above. Sales tax for 2015 includes 1 month of collections of the ½ percent sales tax levy and 7 months of collections of the ¼ percent sales tax levy. Full years of collections for both levies are forecasted for 2016. The results of prior ballot issues for the sales tax are presented below:

<u>Date</u>	<u>Type</u>	<u>Amount</u>	<u>Term</u>	<u>Election Results</u>
May 2004	Sales Tax	0.50%	5 years	Failed
November 2004	Sales Tax	0.50%	Continuing	Failed
May 2005	Sales Tax	0.50%	5 years	Passed
May 2007	Sales Tax	0.50%	Continuing	Passed
November 2009	Sales Tax	0.50%	Continuing	Failed
May 2010	Sales Tax	0.50%	5 years	Passed
May 2014	Sales Tax	0.50%	Continuing	Failed

Intergovernmental Revenues

Intergovernmental revenue includes local government funds, homestead and rollback, casino shared services revenue, prisoner housing, various federal and state receipts and reimbursements. The local government funds revenues for 2014 are based on 6 month of actuals and estimates from the State Department of Taxation for the remaining months of the year. Local government fund revenue is not anticipated to increase for 2015 and 2016.

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

State law grants tax relief in the form of a ten percent reduction in real property tax bills. In addition, a two and one-half percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the County for the loss of real property taxes as a result of the above (rollback and homestead).

Intergovernmental revenues for 2014 are forecasted at \$7,255,000, an increase of \$702,000. This increase is primarily due to an increase in prisoner housing reimbursement revenues. Intergovernmental revenues are estimated to drop slightly in 2015 due to lower anticipated reimbursements from political subdivisions for election fees collected through property tax settlements. Historically, the election fee collections vary from year to year. Odd years are typically lower than the even years due to the makeup of the election ballots. Election fee reimbursements are anticipated to return to the 2014 levels in 2016. Presented below is a comparison of the past three years and the forecast period for the principal items of intergovernmental revenue:

	Forecast 2014	Forecast 2015	Forecast 2016
Local Government Funds	\$2,497,000	\$2,497,000	\$2,497,000
Homestead and Rollback	1,099,000	1,118,000	1,118,000
Casino Revenue	1,400,000	1,400,000	1,400,000
Prisoner Housing	865,000	865,000	865,000
Miscellaneous	1,394,000	1,209,000	1,391,000
Total	<u>\$7,255,000</u>	<u>\$7,089,000</u>	<u>\$7,271,000</u>

Conveyance Fees

Conveyance fees represent fees for the transfer of title of property. These fees have increased as the real estate market has improved but can remain unpredictable. The forecasted amount for conveyance fees was based on the average for the last three years. This amount is forecast for all three years of the forecast period.

Investment Income

Investment income represents interest received on the investments of the County. Interest is allocated to those funds required to receive interest under State law with the remaining balance recorded to the general fund. The forecasted amount for investment income is based on the amount received to date plus the average monthly amount collected times the remaining months in the forecast period. This amount is forecast for all three years of the forecast period.

Fees, Licenses and Permits

Fees, licenses and permits consist mainly of court/sheriff fees, recorder fees, property tax settlement fees, marriage licenses, inspection permits and various other fees, licenses and permits. The amount forecasted for 2014 is \$3,849,000, which represents a decrease of \$22,000 from 2013. This decrease is primarily due to a lower estimate in Sheriff Department fees. All other fees are anticipated to remain consistent throughout the forecast period. This amount is forecast for all three years of the forecast period.

Fines and Forfeitures

Fines and forfeitures are resources collected by the County Courts. The forecasted amount of \$1,755,000 is based on the average for the last three years and is forecast for all three years of the forecast period.

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

Rentals and Royalties

Rentals and royalties are forecasted consistent at \$2,198,000 through the forecast period. The amount forecasted represents an increase of \$148,000 from the amount for 2013 mainly due to higher estimated rental collections on various County owned buildings.

Charges for Services

Charges for services include magistrate fees, cost charge allocations to non-general departments, indigent defense charges and other various fees and charges collected by the various County departments. The forecasted amount of \$1,162,000 represents an increase of \$113,000 due mainly to higher estimated cost charge allocations to non-general departments than in 2013. The level of revenue is anticipated to remain consistent throughout the forecast period.

Other

Other revenue consists mainly of various refunds and reimbursements. Other revenue amounts were much higher in years 2011 and 2012 due to various Job and Family Services refunds that the County does not expect to collect during the forecast period. The amount forecasted for 2014 is \$352,000 higher than the forecast amounts for 2015 and 2016 due to a Bureau of Workers' Compensation refund of \$175,000 as well as the one-time collection of delinquent rent/reimbursement monies in the amount of \$177,000 from the Youngstown Community Improvement Corporation.

Transfers and Advances-In

Transfers in for 2013 were significantly higher than in prior years mainly due to approximately \$3,062,000 in unspent general obligation bond and sales tax anticipation note proceeds being transferred in from capital project funds as a result of previously planned capital projects being cancelled.

Transfers in for 2014 were forecasted based on the amount received to date as the County does not anticipate additional transfers in for the remainder of the year. The 2015 and 2016 forecasted amounts for transfers were based on the County's estimated transfers. In 2015, transfers are expected from the dog and kennel, probation and certificate of title funds. In 2016, transfers are expected from the dog and kennel and certificate of title funds.

Advances-in represents amounts lent to other funds to meet cash flow requirements. The advances are generally repaid in the same or subsequent year. During 2014, the general fund received the repayment of prior year advances made to the grants fund and an agency fund in the amounts of \$102,081 and \$519, respectively.

Note 5 – Significant Assumptions for Expenditures and Other Financing Uses

Personal Services

Salaries and wages include all compensation paid to County elected officials and employees. The annual compensation is set by State law for the elected officials, various negotiated agreements for bargaining unit members, and the County Commissioners for non-bargaining unit employees. All employees are compensated on a biweekly basis.

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

The forecasted salary expenditures are based on the current year spending levels and assume no change in the existing staff levels or hours per week. All existing contracts do not allow for base increases and the base increase, if any, that may come from current and future negotiations is unknown. Should the County agree to a base increase, each one percent increase would increase total salaries and benefits by approximately \$309,000 and decrease the cash balance by the same amount.

Only the deputy sheriff negotiated contract which covers the period from July 1, 2013 through June 30, 2016 allows for salary step increases. Step increases for deputy sheriffs are maxed out after ten years of service.

The County provides retirement, medical benefits, life insurance, medicare, workers' compensation, and unemployment compensation benefits for its employees. All benefits are charged to the department in which the employees' wages are recorded.

All County employees participate in the Public Employees Retirement System of Ohio (PERS). PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. Plan members, other than those engaged in law enforcement, are required to contribute 10 percent of their annual covered salary and the County is required to contribute 14 percent. For law enforcement employees, the employee contribution is 13 percent and the employer contribution is 18.1 percent.

The County participates in the State Workers' Compensation retrospective rating and payment system. Upon receiving notice of claims paid by the Bureau of Workers' Compensation, the County will reimburse the State for claims paid on the County's behalf. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage in addition to the actual claim costs for employees injured.

The County has elected to provide medical benefits through a self insured program. The maintenance of these benefits are accounted for in the self-funded hospitalization internal service fund. An excess coverage insurance (stop loss) policy covers annual claims in excess of \$150,000 per individual and \$1,000,000 for the County as a whole. A third-party administrator reviews and pays all claims on behalf of the County. The cost of healthcare claims increased in 2013 by 10 percent from 2012. Healthcare costs increased by another 6 percent in 2014. The County anticipates 6 percent annual healthcare rate increases in both 2015 and 2016 based on an estimate from the County's third party administrator.

The County gave two healthcare benefit holidays in 2013 and another two benefit holidays in 2014. During benefit holidays, the general fund was not charged for healthcare costs but instead the self insurance fund paid the healthcare costs from its reserve. For 2015 and 2016, the self insurance fund is not estimated to have available reserve monies and therefore the general fund will have to cover the full amount of healthcare costs.

All County general fund departments are anticipating increases in personal services throughout the forecast period due to an estimated 6 percent annual healthcare rate increases each year. Healthcare is forecasted to increase additionally from 2014 to 2015 due to the fact that the County gave two healthcare benefit holidays in 2014. Any remaining explanations for changes in personal services are addressed under the specific departments below.

General Government – Legislative and Executive

Board of County Commissioners (Board) - The Board of County Commissioners serve as the taxing authority, the contracting body and the chief administrators of public services for the County. The Board creates and adopts the annual operating budget and prepares the annual appropriations measure for the expenditures of all County funds.

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

The Commissioners are directly responsible for the operations of their office and various other departments and agencies within the County. Total department expenditures excluding personal services are expected to remain fairly consistent with 2013 throughout the forecast period.

Microfilm – The Microfilm Department preserves records including the Court of Common Pleas, criminal and civil records, divorce cases, deeds, mortgages, and tax records on microfilm. Materials and supplies expenditures were estimated to increase in 2014 due to the prior year being unusually low. Capital outlay expenditures were higher in 2014 due to a one-time fee for moving donated equipment.

Planning Commission – The Planning Commission assists citizens and developers by providing useful information regarding land use, subdivision and zoning. Contractual service expenditures were estimated to increase in 2014 due to the prior year being unusually low. Capital outlay expenditures were higher in 2014 due to the purchase of new computers. The Planning Commission does not anticipate capital outlay expenditures in 2015 and 2016.

Facilities Management – The Facilities Management department is responsible for identifying and implementing the most economical and functional preventive maintenance programs available for all County buildings. The department anticipates an increase in contractual services due to higher utility costs and an increase in the cost of annual maintenance agreements for 2014. Contractual services are anticipated to decrease in 2015 due to the uncertainty of contractual agreements continuing and an anticipated decrease in repairs and maintenance. The increase in 2016 can be attributed to anticipated increases in utility costs.

Auditor – The County Auditor serves as the chief fiscal officer for the County and is the tax assessor for all political subdivisions within the County. In addition, the County Auditor processes all County warrants for the payment of goods and services incurred by all departments and offices and processes all County payroll. The County Auditor is responsible for the operations of the Auditor's Office, as well as the personal property, weights and measures and data processing departments. Contractual services are expected to increase slightly from 2013 due to higher anticipated advertising costs. Capital outlay expenditures are expected to decrease in 2014 due to one-time equipment purchases in 2013.

Treasurer – The County Treasurer is the custodian of County funds. The Treasurer is responsible for the investment of idle County funds as specified by Ohio law. The Treasurer is also responsible for collecting all tax monies and applying those payments to the appropriate tax accounts. Contractual services are expected to increase slightly from 2013 due to higher anticipated professional service contracts.

Prosecutor – The County Prosecutor is responsible for all legal matters for the County and provides legal services to all townships and local school districts within the County. The County Prosecutor is required to prosecute all criminal felony and misdemeanor offenses in Mahoning County and have prosecutors assigned to the different courts. Total department expenditures excluding personal services are expected to remain consistent with 2013 throughout the forecast period.

Recorder – The County Recorder is responsible for recording and maintaining all deeds, mortgages, liens and veterans discharge records. Materials and supplies and contractual services expenditures are expected to remain consistent throughout the forecast period.

Board of Elections – The Board of Elections is responsible for overseeing all elections in the County. During the forecast period, personal services are expected to be higher in 2014 and 2016 due to those being election years, resulting in the need for additional poll workers. Contractual services were unusually high in 2012 due to significant printing costs. The Board of Elections expects contractual services to increase from 2013 amounts due to higher anticipated maintenance service agreements.

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

Data Processing – The Data Processing Department is responsible for maintaining a reliable network infrastructure to support the information systems critical to the County's day to day operations. Contractual services are expected to increase from 2013 due to higher telecommunication costs.

Administrative Costs – The Administrative Costs Department is anticipating increased contractual service expenditures in 2014 due to higher than expected medical assistance payments. Other expenditures were significantly higher in 2014 due to a \$700,000 lawsuit settlement payment.

General Government – Judicial

Clerk of Courts – The Clerk of Courts maintains and preserves all court documents, journals, records, books, and papers pertaining to the Court of Common Pleas, Domestic Relations Court, Court of Appeals and Area Courts. Additional responsibilities involve not only the filing, docketing, indexing, and preserving of all pleadings, but also arriving at decisions regarding the procedures required by law and the issuance of writs including summons and subpoenas. Materials and supplies expenditures throughout the forecast period are expected to be higher than the unusually low amount in 2013.

All Courts – The forecasted expenditures for all the courts are based on the current year spending levels and historical trends. Personal service expenditures increased significantly in 2014 due to the hiring of additional employees to work in the Juvenile Court as well as to increases in healthcare costs. Employee staff levels are expected to remain consistent throughout the forecast period.

Public Safety

Sheriff – The County Sheriff is the chief law enforcement officer of the County and provides certain specialized services. Personal services expenditures are expected to increase throughout the forecast period due to step increases for deputy sheriffs as well as annual increases in healthcare costs. Material and supplies are anticipated to increase over 2013 due to expected vehicle maintenance and part increases as well as gasoline price increases. Materials and supplies are expected to return to the 2013 levels for 2015 and 2016. Contractual services are anticipated to increase each year of the forecast due to anticipated utility and liability insurance costs. Capital outlay was higher in 2013 than in prior years due to the purchase of vehicles. These higher capital outlay expenditures are not anticipated throughout the forecast period.

Emergency 911 Dispatch – Emergency 911 Dispatch provides emergency response for the health, safety and welfare of residents. Contractual services are expected to increase from 2013 due to higher telecommunication costs. Capital outlay expenditures increased from 2013 due to the purchase of radio equipment in 2014.

Coroner – The County Coroner is responsible for ordering autopsies, investigating suspicious deaths and issuing death certifications. Contractual services decreased slightly from 2013 due to lower anticipated professional service contracts throughout the forecast period.

Human Services

Veteran Services – The Veteran Service Commission assists veterans of the armed forces of the United States, their spouses, children, parents, and dependents of veterans in presenting claims and obtaining rights and/or benefits from the Department of Veterans Affairs of the State of Ohio. Personal service expenditures increased in 2014 due to pay raises and increasing healthcare costs. In 2014, the Veteran Service Commission is anticipating purchasing more supplies, higher contractual service agreements and higher capital outlay due to equipment purchases. Contractual services are anticipated to increase in 2015 and 2016 each year due to anticipated increases each for public assistance costs.

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

Note 6 – Debt Service

The County's general fund debt service expenditures required for 2014 through 2016 include general obligation internal service and various purpose bonds, sales tax anticipation notes, bond anticipation notes, a west branch reservoir note and voting equipment capital lease payments. These debt payments will be made with general fund revenues.

The principal and interest payments due in 2014, 2015 and 2016 for the debt issues are as follows:

	2014		2015		2016	
	Principal	Interest	Principal	Interest	Principal	Interest
Internal Service Bonds	\$150,000	\$179,000	\$155,000	\$175,000	\$160,000	\$172,000
Various Purpose Bonds	2,748,000	1,341,000	2,529,000	1,285,000	2,274,000	1,215,000
Sales Tax Anticipation Notes	1,245,000	164,000	1,225,000	138,000	1,025,000	110,000
Sheriff Bond Anticipation Note	180,000	3,000	0	0	0	0
West Branch Reservoir Note	45,000	5,000	46,000	4,000	48,000	3,000
Voting Equipment Capital Lease	313,000	12,000	0	0	0	0
Total	<u>\$4,681,000</u>	<u>\$1,704,000</u>	<u>\$3,955,000</u>	<u>\$1,602,000</u>	<u>\$3,507,000</u>	<u>\$1,500,000</u>

Note 7 – Other Financing Uses

Payment to Refunded Bond Escrow

In 2013, the County issued general obligation bonds to refund bonds previously issued in 2004 for various capital projects. Net proceeds of \$5,934,000 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds.

Transfers-Out

During 2012, the general fund made transfers of \$25,000 and \$5,631 to the economic development fund and the grants fund, respectively. The transfers to the economic development fund and the grants fund were made to provide funding for programs.

During 2013, the general fund transferred \$50,000 to the economic development fund to provide funding for economic development programs.

The County does not anticipate any transfers being made from the general fund during 2014 through 2016.

Advances-Out

During 2013, the general fund advanced \$102,081 to the grants fund due to the timing of the receipt of grant monies. The general fund also advanced \$519 to an agency fund. The advances were repaid to the general fund in 2014.

Other Financing Uses – Matching/Local Share

The County pays a matching/local share to Ohio Job and Family Services and the Child Support Enforcement Agency for its share of program costs. The 2014 forecasted amount for the matching/local share is based on the most recent budget information the County has for local match expenditures. The local match amounts for 2015 and 2016 are being budgeted at fully funded amounts representing an increase of \$465,000 from 2014.

Mahoning County, Ohio

Summary of Significant Forecast Assumptions and Accounting Policies For the Years Ending December 31, 2014, 2015 and 2016

Note 8 – Permissive Sales Tax Levy

The County has placed a $\frac{3}{4}$ percent sales tax levy for the renewal and continuation of the existing $\frac{1}{2}$ percent sales tax (expiring October 1, 2015 with final collection in November 2015) and an additional $\frac{1}{4}$ percent for a period of five years on the November 4, 2014 ballot. If passed, the renewal of the $\frac{1}{2}$ percent sales tax would replace the existing $\frac{1}{2}$ percent expiring on October 1, 2015. The first month of collections will begin June 2015 for the $\frac{1}{4}$ percent sales tax levy generating \$4,953,000 and December 2015 for the $\frac{1}{2}$ percent sales tax levy generating \$1,415,000. The combined levy is estimated to generate \$26,396,000 in revenues for 2016.

Note 9 – Pending Litigation

The County is a party to various legal proceedings. Management of the County is of the opinion that settlement, if any, during the forecast period would not result in any expenditure from the general fund.

Note 10 – Other Funds

The County has numerous other funds on the books that are restricted for specific purposes; however, certain funds have balances that may be available to the general fund. Other funds that may be available to the general fund are as follows:

Self-Insurance Fund – The self-insurance fund accounts for the employee health care program. The cost of healthcare claims has been consistently increasing each year. The third party administrator who manages the County's account has indicated that the County needs to maintain a reserve balance of \$1,158,030 as of December 31, 2013. The County currently meets this minimum reserve balance. The County gave two benefit holidays in 2013 and another two benefit holidays in 2014. During benefit holidays, the general fund was not charged for healthcare costs but instead the self insurance fund paid the healthcare costs from its reserve. For 2015 and 2016, the self insurance fund is not estimated to have an excess reserve balance and therefore the general fund will have to cover the full amount of healthcare costs.

Debt Service Fund – The debt service fund accounts for restricted debt proceeds and the payment of debt obligations. In 2012, the debt service fund received over \$3 million in transfers from capital project funds. These transfers represent unspent general obligation bond and sales tax anticipation note proceeds due to previously planned capital projects being cancelled. In 2012 and 2013, monies were available in the debt service fund and were transferred to the general fund. These transfers were used to pay general obligation debt. The amount of debt service reserve funds available, if any, for the forecast period has not been determined and therefore no transfer in to the general fund has been forecasted.

Note 11 – Property, Plant and Equipment

Capital assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these capital assets as the purpose of the financial statements for the general governmental services is to report the expenditure of resources, not costs.



Dave Yost • Auditor of State

MAHONING COUNTY FINANCIAL FORECAST

MAHONING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 16, 2014