



Dave Yost • Auditor of State

Scioto County

Fiscal Emergency Termination

Local Government Services Section

Scioto County

Fiscal Emergency Termination

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Appendix A
Scioto County Financial Forecast
For the Years Ending December 31, 2014 through December 31, 2018

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CERTIFICATION

Pursuant to a request sent to the Auditor of State by the Financial Planning and Supervision Commission of Scioto County, the Auditor of State performed an analysis of Scioto County to determine whether the Commission and its functions under Chapter 118 of the Ohio Revised Code should be terminated. Based on the analysis, the Auditor of State certifies, as required by Section 118.27 of the Revised Code, that Scioto County no longer meets the fiscal emergency conditions set forth in Section 118.03 of the Revised Code, that the objectives of the financial recovery plan are being met, that an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code has been implemented, and that Management has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State and an opinion has been rendered by the Auditor of State that the financial forecast is considered to be nonadverse. Therefore, the existence of the Financial Planning and Supervision Commission of Scioto County and its role in the operation of Scioto County is terminated as of June 30, 2014.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted to Mike Crabtree, Chairman of the Scioto County Commissioners; David Green, Scioto County Auditor; John Kasich, Governor; Timothy Keen, Director of the Office of Budget and Management; Josh Mandel, Treasurer of State; and Jon Husted, Secretary of State.

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

DAVE YOST
Auditor of State

June 30, 2014

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Scioto County

Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Report on the Termination of the Scioto County Financial Planning and Supervision Commission

At the request of the Financial Planning and Supervision Commission (the Commission) of Scioto County, Ohio, as provided by Section 118.27(B) of the Ohio Revised Code, the Auditor of State has performed an analysis in order to determine whether the Commission and its functions under Chapter 118 of the Revised Code should be terminated.

Guidelines for performing such an analysis are set forth in Section 118.27(A) of the Revised Code, which states that:

“A Financial Planning and Supervision Commission with respect to a municipality...and its functions under this chapter shall continue in existence until such time as a determination is made pursuant to division (B) of this section that the municipality...has done all of the following: (1) planned, and is in the process of good faith implementation of, an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code, and it is reasonably expected that such implementation will be completed within two years; (2) corrected and eliminated or has planned and is in the process of good faith implementation of correcting and eliminating all the fiscal emergency conditions determined pursuant to Section 118.04 of the Revised Code, and no new fiscal emergency conditions have occurred...; (3) met the objectives of the financial plan described in Section 118.06 of the Revised Code; and (4) the municipal corporation...prepares a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State...”.

Results of our work under Section 118.27(A) of the Revised Code are as follows:

Pages six through thirteen of the report indicate that the County has effectively implemented a financial accounting and reporting system in accordance with Section 118.10(A) of the Revised Code.

All fiscal emergency conditions have been corrected and eliminated and no new fiscal emergency conditions exist under Section 118.04 of the Revised Code. This analysis can be found beginning on page fourteen.

We have reviewed the objectives of the financial plan and determined that the County has met the objectives in accordance with Section 118.06 of the Revised Code. Specific conclusions can be found on page twenty-four.

We examined and issued a non-adverse report on the five-year forecast prepared by the County. The forecast and our report can be found in Appendix A.

Based on this analysis, the Auditor of State’s Office has determined that the Financial Planning and Supervision Commission and its functions may be terminated.

It is understood that this report’s determination is for the use of the Financial Planning and Supervision Commission of Scioto County, the Auditor of State of Ohio, the Governor of Ohio, the Commissioners of Scioto County, and others as designated by the Auditor of State and is not to be used for any other purpose. Our procedures and findings follow.

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Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Section 1 - Financial Accounting and Reporting System

When a County is placed in fiscal emergency, the Auditor of State is required to report on the effectiveness of the County's financial accounting and reporting system. The Auditor of State, in accordance with Section 118.10(A) of the Revised Code assessed the methods, accuracy, and legality of the accounts, records, files, and reports of Scioto County (the "County") and issued a Report on Accounting Methods, dated July 9, 2013. The report identified areas where the County's financial accounting and reporting system were not in compliance with Section 117.43 of the Revised Code and the requirements of the Auditor of State.

The criteria for termination of the Commission include a determination by the Auditor of State that an effective financial accounting and reporting system has been implemented, or is in the process of implementation, and is expected to be completed within two years. This determination is based on management providing a summary of the actions taken to address the issues identified in the Report on Accounting Methods. We confirmed whether the actions taken by management were sufficient to correct these issues identified in the Report on Accounting Methods. A summary of each area of noncompliance identified in the Report on Accounting Methods and the status of each corrective action is presented below:

Budgetary System

Auditor of State Comment from Report on Accounting Methods

The budget requests submitted by the departments accounted for in the General Fund often vary significantly from the original appropriations developed by the County Commissioners. The department heads should submit assumptions with their budget requests that support the amounts contained in the requests. These assumptions should be utilized by the County Commissioners in developing the budget. If the County Commissioners believe an assumption in a request is faulty, they should discuss it with the department head and appropriate changes made, if warranted.

Implemented

The County Commissioners receive budget requests from the departments along with additional information identifying details of specific budget line items (such as salary increase requests, listings of contractual commitments, potential equipment purchases along with the need for the equipment, potential new lease agreements, etc.). If additional departmental information is needed, the Commissioners request the information from the department and the information is provided. For 2014 appropriations, it was observed that this information was provided by the individual departments and was used in developing the appropriations. The information is kept on file in the Commissioner's Office.

Accounting Ledgers

Auditor of State Comment from Report on Accounting Methods

Although the County Auditor's office runs back-up tapes every day, only the back-up tape ran on Thursday is actually stored off-site each week. The remaining daily back-up tapes are stored in the County Auditor's computer room. The County Auditor's Office should consider storing the daily back-up tapes either off-site daily or in an environmentally safe and secure location on site.

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Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Implemented

The County Auditor's Office is now storing the daily back-ups both on-site daily and off-site weekly. The County Auditor's Office has purchased small, environmentally sound safes to secure their data.

- For the SSI server (which handles all of the receipts and disbursements data for the County), the County will continue to run backups nightly and store each back up tape in the environmentally secure safe. The safe will remain locked unless in use and will be located in the computer room in the Auditor's Office, which is also locked every evening. As an additional safety measure, one backup tape per week is sent offsite to the County's safe deposit box.
- For the Manatron server (which stores all of the property tax related data), the Auditor's Office now uses two external hard drives to back up information. Only one external hard drive is onsite at any time; the other is kept offsite in the County's safe deposit box as an additional safety measure. These hard drives are rotated once per week (the onsite hard drive is taken to the safe deposit box, and the offsite hard drive becomes the onsite hard drive for the next week.) The onsite hard drive is kept in a safe that is environmentally secure and large enough to store the external hard drive, but is also designed to allow the server to remain connected to the hard drive while it is stored in the safe. This safe will remain locked unless it is necessary to check the hard drive, and when the offsite and onsite hard drives are rotated once per week. It will remain in the computer room in the Auditor's Office, which is also locked every evening.

Auditor of State Comment from Report on Accounting Methods

While the County has a disaster recovery plan, this plan has not been updated since established in 1998. Since the plan has been in place, the County Auditor's Office has made changes to its software system and personnel. The County should review and update its disaster recovery plan annually. Without current and accurate documented business recovery procedures, critical resources and processing may not be restored in a timely and efficient manner.

Implemented

The County has completed an updated disaster recovery plan as of December 2013. It contains all of the information necessary to deal with a disaster and how to recover / secure data if a disaster should occur.

Revenue Activity

All County Offices / Departments

Auditor of State Comment from Report on Accounting Methods

In the absence of a policy allowing for the deposit of moneys beyond the next day as stated in Ohio Revised Code Section 9.38, the County needs to comply with Ohio Revised Code Section 9.38. The County should enact a policy that allows amounts not exceeding \$1,000 to be deposited within three business days of receipt.

Scioto County

Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Implemented

During 2013, the County Commissioners enacted a policy in accordance with Section 9.38 of the Ohio Revised Code allowing deposits not exceeding \$1,000 to be deposited within three business days of receipt.

County Treasurer's Office

Auditor of State Comment from Report on Accounting Methods

The County Treasurer currently posts interest earnings net of bank fees. The County should record its interest earnings at the gross amount, as well as post expenditures for any associated bank fees.

Implemented

The County posts its interest earnings at the gross amount, as well as posting expenditures for any associated bank fees.

Sheriff's Office

Auditor of State Comment from Report on Accounting Methods

The Sheriff's Office deposits moneys with the County Treasurer's Office "at least weekly". The Sheriff should follow Ohio Revised Code Section 9.38 by depositing all moneys received by the next day, or by enacting a policy that allows amounts under \$1,000 to be deposited within three business days.

Implemented

The Sheriff is depositing all moneys received either the same day or by the next day. The County Commissioners have enacted a policy in accordance with Section 9.38 of the Ohio Revised Code allowing deposits not exceeding \$1,000 to be deposited within three business days of receipt.

Purchasing Process

Auditor of State Comment from Report on Accounting Methods

The County's procedural manual should include the competitive bidding process as required by State law, as well as the requirements of the County.

Implemented

The County Auditor's Office procedural manual has been updated to include the competitive bidding process. The manual explains to department heads that if a contract, purchase, lease, etc. exceeds the requirements as set forth in Section 307.86 of the Ohio Revised Code, that contract must go through the competitive bidding process. Once determined, the department head is to notify the Clerk of the Board of Commissioners in order to start the process. Once notified, the Clerk has a step-by-step list that will be followed in order to determine who will be awarded the contract.

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Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

Not all County departments consistently utilize the Auditor of State Findings for Recovery Database when entering into all contracts. Section 9.24, Revised Code, prohibits a State agency or political subdivision from awarding a contract for goods, services, or construction paid for, in whole or in part with State funds, to any person against whom a finding for recovery has been issued by the Auditor of State, if that finding is unresolved. The County should verify vendors against the State's database of findings for recovery before entering into a contract for goods, services, or construction paid for in whole or in part with State funds.

Implemented

The County Auditor's Office has updated its procedural manual to include a requirement for checking the Auditor of State's finding for recovery database. Before entering into a contract for services with vendors, it is the responsibility of the department head to check the data base and verify the vendor has no outstanding findings against them. The result of the search is made available to the County Commissioners, the County Auditor, or any other individual or group requesting the verification.

Cash Disbursements

Auditor of State Comment from Report on Accounting Methods

The County Auditor should require a signature, or at least the initials of the department head or designee, on each invoice submitted for payment, indicating that the invoice or other documentation has been checked for accuracy and that the goods or services have been received.

Implemented

The County Auditor's Office now requires a signature or initials of each department head or designee on each invoice submitted for payment indicating the expenditure has been incurred, the goods or services have been provided accordingly, and the invoice is ready for payment.

Inventory of Capital Assets and Supplies Inventory

Auditor of State Comment from Report on Accounting Methods

The capital asset policy does not address the assigning of salvage values to assets. The policy should be updated to reflect how salvage values will be determined and who will make that determination.

Implemented

The County's capital asset policy has been updated and now addresses the assigning of salvage values to assets, how salvage values will be determined and who will make that determination.

Auditor of State Comment from Report on Accounting Methods

The County does not have written policies and procedures to account for consumable inventory. The County should prepare a policy for consumable inventory. The policy should include an annual year-end physical inventory. Procedures for performing the inventory should also be developed, documented and maintained by each department.

Scioto County

Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Implemented

The County has implemented a policy along with a standard form to account for consumable inventory. The policy states that an annual year-end physical inventory will be taken by each department and submitted to the County Auditor's Office. It describes the necessary information that should be accounted for (item, quantity, cost per item, total inventory cost). The policy also states that if a department determines it has less than \$500 in consumable inventory on hand at year-end, that department does not have to account for each inventory item, but should return information to the County Auditor's Office stating such.

Cash Management and Investing

County Treasurer's Office

Auditor of State Comment from Report on Accounting Methods

The County does not have a written policy or procedures as to which funds should be receiving interest revenue or as to how interest revenue is to be distributed. The County should develop a policy as to which funds should receive an allocation of interest along with a methodology as to how the allocation is to be calculated.

Implemented

The County Treasurer's Office has adopted a policy as to which funds receive an allocation of interest. The policy includes which funds are to receive interest revenue along with how the allocation is to be calculated.

Sheriff's Office – Commissary Fund

Auditor of State Comment from Report on Accounting Methods

A monthly report listing the inmates' current balances and amounts owed to vendors but not yet paid is not compiled and included with the reconciliation. The Deputy Clerk should print out a list of amounts in inmates' accounts and amounts owed to vendors to support the total cash book amount presented in the bank statement reconciliation.

Implemented

The Deputy Clerk prints out a list of amounts in inmates' accounts and amounts owed to vendors at the end of each month to support the total cash book amount presented in the bank statement reconciliation.

Sheriff's Office – Fees Collected Account

Auditor of State Comment from Report on Accounting Methods

The reconciliation process for the fees collected account is not documented and the information is not compiled into a reconciliation format. The Deputy Clerk should present the reconciled balance in a bank reconciliation format so that it is easily demonstrated and documented how the Fees Collected Report reconciles to the bank statement.

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Implemented

The Deputy Clerk is preparing monthly bank reconciliations to document how the Fees Collected Report reconciles to the monthly bank statement.

Auditor of State Comment from Report on Accounting Methods

There is one outstanding check on the account that has been carried for several years. The amount of the check is \$6.40. This amount should be paid into the unclaimed monies fund.

Implemented

On January 9, 2014, this amount was paid into the unclaimed monies fund.

Furtherance of Justice Account

Auditor of State Comment from Report on Accounting Methods

There is no written policy establishing the amount to be maintained in the petty cash fund or outlining the use of the fund. The Prosecutor should develop and adopt a policy establishing guidelines for the petty cash fund.

Implemented

The Prosecutor has developed and adopted a policy establishing guidelines for the petty cash fund.

Auditor of State Comment from Report on Accounting Methods

The Office Manager verifies the ending balance of the petty cash fund each month by comparing the receipts to the ledger amounts. However, the review is not documented. The Office Manager should document the reconciliation of the petty cash fund each month by printing out the cash ledger for the fund and documenting that the balance matches the cash count in the fund.

Implemented

The Office Manager is documenting the reconciliation of the petty cash fund each month. She keeps an Excel spreadsheet cash ledger and records all of the petty cash activity in this spreadsheet. At the end of each month, the Office Manager prints out the cash ledger for the fund and verifies that the balance matches the cash count in the petty cash fund.

Law Enforcement Trust Fund Account

Auditor of State Comment from Report on Accounting Methods

There is no indication on the reconciliations that the Prosecutor reviews the completed reconciliations. The Prosecutor should review the completed reconciliation and sign it acknowledging his/her review.

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Implemented

The Prosecutor is reviewing the completed reconciliation and signs it acknowledging his/her review.

Auditor of State Comment from Report on Accounting Methods

Although the paralegal who maintains the LETF account keeps a ledger of all deposits and disbursements, he/she does not maintain a list of all cases for which money is being held in the account. The paralegal should compile a list of all cases showing the total of the amounts held in the LETF account. The list should be included with the monthly bank statement reconciliation.

Implemented

The paralegal is compiling a list of all cases showing the total of the amounts held in the LETF account. The list is being included with the monthly bank statement reconciliation.

Recording Official Proceedings

Auditor of State Comment from Report on Accounting Methods

The County Commissioners clerk currently takes hand-written notes which are later typed into a word processing document. In addition, the County also records the proceedings of Board meetings with an i-Pad. The only copies that currently exist are the audio files on the i-Pad with no back-up files in place. The prior meetings are stored on CDs and micro cassettes. Reliance on media to fulfill recording official proceeding requirements can be sufficient but the media must be able to withstand time (i.e., to be retained permanently) and provide accurate detail (i.e., who is speaking). With no current back-ups to the i-Pad recordings, these recordings could be lost. The County should consider backing up and storing these audio recordings and making them part of the permanent minute records.

Implemented

The Commissioners have developed the steps they are going to take to make sure that the audio minutes from their bi-weekly meetings will be removed from the Administrative Assistant's iPad. Since the Commissioner's meet twice per week, the audio files are downloaded from the iPad to the Assistant's main computer no later than each Friday every week. After the files are saved in the main computer, they are then saved again onto a jump drive. The audio files remain saved on the computer as well as the jump drive. The jump drive is labeled and is stored in the Commissioner's office in an environmentally secured safe until it is needed. The safe remains locked unless in use. The safe is stored in the Commissioner's Office. The key to the safe is stored in the desk drawer of the Assistant in the Commissioner's Office which is also locked each night.

Auditor of State Comment from Report on Accounting Methods

The County does not have an active records commission according to Section 149.38, Revised Code. The County should establish a records commission that shall meet at least once every six months and upon call of the chairperson. The functions of the County records commission shall be to provide rules for retention and disposal of records of the County and to review applications for one-time disposal of obsolete records and schedules of records retention and disposition submitted by County offices.

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Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Implemented

The Records Committee was formed and the first meeting was February 13, 2014.

Audit Report and Management Letters

The County Commissioners and Officials receive a compliance and management letter at the conclusion of each annual audit. The letters that accompanied the December 31, 2011 audit (the latest available) identified a number of noncompliance issues and material weaknesses as well as recommendations for improving financial record keeping and reporting.

The noncompliance issues noted in the 2011 audit included the County issued Bond Anticipation Notes to pay for routine operating expenses, certain capital lease payments were not paid from the correct funds, the County charged the Scioto County Department of Jobs and Family Services unallowable rental costs, some revolving loan monies were used incorrectly for administrative services without prior approval, the County did not file the semi-annual report associated with the Revolving Loan fund in a timely manner, the County violated an agreement with the Ohio Department of Development by paying two governmental entities directly and those entities arranged the bidding process and payments to contractors for work completed on projects, the County did not develop or use a cash management system in accordance with the State of Ohio Department of Development when drawing down and disbursing monies, a copy of the County's Citizen Participation Plan was not provided to the United States Department of Housing and Urban Development (HUD) as required, the County Revolving Loan Fund Manager and the Scioto County Auditor's Office should correspond to review the discrepancies associated with the County's Revolving Loan Fund, not all County department receipts were deposited timely and there was no policy covering the depositing of receipts less than \$1,000, the Adult Probation Office did not enforce collection of delinquent fees or unpaid fees nor did they issue receipts to the offender or individual when fees were paid, the Sanitary Engineer did not separate grant monies appropriately, especially monies received as part of the American Reinvestment and Recovery Act (ARRA), and the Sanitary Engineer was unaware that the disbursements of OWDA loan monies were considered federal disbursements and did not report them properly.

In addition, the management letter made several recommendations for the County's consideration including Adult Probation developing a formal process for collecting unpaid fees and reconciling their reports to reports provided by the County Auditor, re-evaluating fully depreciated capital assets and useful lives, the CHIP Coordinator should submit required status reports to the Ohio Department of Development as required, develop IT disaster recovery plans for all necessary departments, the use and storage of back-up tapes, and reconciliation issues with one of the County's component units, STAR Inc.

The County has addressed some of these issues and is considering measures to address other recommendations. The County's resolution of these issues and/or recommendations outlined above will be addressed in the County's next audit. All issues that could have prevented termination of the Financial Planning and Supervision Commission have been addressed. The remaining issues will not prevent the termination of the Financial Planning and Supervision Commission.

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Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions

Under Section 118.27(A)(2) of the Revised Code, the County shall have corrected or eliminated or have planned and be in the process of good faith implementation of action to correct and eliminate all of the fiscal emergency conditions that existed when declared in fiscal emergency and no new fiscal emergency conditions may have occurred in order to be terminated from fiscal emergency. Our analysis of the six fiscal emergency conditions described in Section 118 of the Revised Code is presented below:

Condition One – Default on Any Debt Obligation

Section 118.03(A)(1) of the Revised Code, defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under section 118.04 of the Revised Code, of a default on any debt obligation for more than thirty days.

A summary of the County's outstanding debt as of December 31, 2013, is as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Year Issued</u>	<u>Balance at 12/31/13</u>
<u>Bonds Payable</u>			
West Portsmouth Improvement FHA Bonds	5.00%	1993	\$599,000
Lucasville Phase II FHA Bonds	4.50%	1995	486,920
Lucasville Phase III FHA Bonds	3.86%	1996	647,744
Franklin Furnace Sewer Improvement Bonds	4.50%	1997	666,419
West Portsmouth Sewer System Refunding Bonds	4.50%	1999	815,000
West Portsmouth Phase VII FHA Bonds	4.50%	1999	679,080
Lucasville Phase IV FHA Bonds	4.75%	2001	284,300
Wheelersburg Wastewater Treatment Plant Bonds	4.50%	2004	1,062,230
County Jail Bonds	2.00% to 5.00%	2004	4,548,273
Various Purpose Refunding Bonds	4.00% to 4.25%	2006	1,935,000
Rigrish Sewer Bonds	4.50%	2006	297,874
Shelton Industries Refunding Bonds	0.55% to 5.05%	2013	1,815,000
<u>Notes Payable</u>			
Commercial Property Acquisition Bond Anticipation Note	3.00%	2013	112,000
<u>Loans Payable</u>			
OPWC	0.00%	2002	73,054
OPWC	0.00%	2004	89,146
OPWC	0.00%	2007	158,986
OPWC	0.00%	2007	6,401
OPWC	0.00%	2008	156,442
OPWC	0.00%	2009	136,125

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Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Debt Issue	Interest Rate	Year Issued	Balance at 12/31/13
<u>Loans Payable (continued)</u>			
OWDA Minford Area Wastewater	5.47%	2009	389,057
OWDA Wastewater Design for Minford, Clarktown, Muletown, and Rubyville	0.00%	2009	350,075
USDA Eden Park Extension Project	4.50%	2010	989,886
OWDA Wastewater System Design for Minford	4.56%	2011	806,113
Riverside Park Tractor	2.50%	2011	3,390
Riverside Park RTV	2.88%	2011	626
OPWC	0.00%	2012	97,868
OPWC	0.00%	2013	205,415
<u>Leases Payable:</u>			
Energy Conservation Equipment	4.46%	2006	435,214
Energy Conservation Equipment	4.09%	2006	386,760
Energy Conservation Equipment	4.25%	2008	232,485
Bus Garage	9.00%	2008	176,484
Board of DD Multiple Copiers	6.40%	2009	1,460
Xerox Copier	3.90%	2010	2,271
Courtroom Recording Equipment	8.90%	2010	1,913
Chevrolet Truck	11.25%	2010	2,452
Board of DD Multiple Copiers	8.90%	2010	9,690
Cannon Image Runner C5035 Copier	5.75%	2011	5,720
Cannon Image Runner 3245i Copier	5.75%	2011	6,165
Board of Elections Printers	5.00%	2011	24,698
Cannon Advance C5035 Copier	5.75%	2012	7,773
Cannon Image Runner 3245i Copier	5.75%	2012	12,022
Cannon Image Runner 5045 Copier	5.75%	2012	12,313
Xerox Work Center 5325 Copier	5.75%	2012	14,676
Cannon RBI IM3512 Copier	5.75%	2012	8,886
Cannon IR Advance Copier	5.75%	2012	6,880
Xerox Work Center EX7407277 Copier	5.00%	2013	14,269
Cannon C5235 Copier	5.00%	2013	7,188
Total Debt Outstanding			<u>\$18,780,743</u>

We reviewed the outstanding indebtedness as of December 31, 2013. The County had \$18,780,743 in outstanding debt at December 31, 2013 and had made all debt payments due as of that date.

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(1) of the Revised Code. No default on any obligation for more than thirty days existed at December 31, 2013.

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Condition Two – Payment of All Payroll

Section 118.03(A)(2) of the Revised Code, defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under section 118.04 of the Revised Code, of a failure for lack of cash in the funds to make payment of all payroll to employees of the municipal corporation in the amounts and at the times required by law, ordinances, resolutions, or agreements, which failure of payment has continued:

- (a) For more than 30 days after such time for payment, or
- (b) Beyond a period of extension, or beyond the expiration of 90 days from the original time for payment, whichever first occurs, if the time for payment has been extended for more than 30 days by the written consent of at least two-thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives.

We reviewed the payroll records of the County as of December 31, 2013. We had a discussion with the County's payroll clerk to determine the frequency of payroll and whether any extensions for the payment of payroll existed. We compared a sample of employees and their pay rates in the payroll register to documentation in the employees' personnel files and the salary schedules approved by the County Commissioners or in the bargaining agreements. We also verified with all department heads that all employees had been paid and at the correct pay rates as of December 31, 2013 to determine that employees had been paid within the time specified by Section 118.03(A)(2)(a) of the Ohio Revised Code. We determined that adequate cash was in the bank account and fund balances to cover payroll.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(2) of the Revised Code as of December 31, 2013. All employees had been paid in amounts and at the times required by ordinance.

Condition Three – Increase in Minimum Tax Levy

Section 118.03(A)(3) of the Revised Code, defines a fiscal emergency condition as:

An increase, by action of the county budget commission pursuant to division (D) of section 5705.31 of the Revised Code, in the minimum levy of the municipal corporation for the current or next fiscal year which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

We confirmed with the Scioto County Budget Commission whether there had been an increase, pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the County for 2013 or 2014, which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts. The confirmation received from the Scioto County Budget Commission indicated that the Commission had not taken any action for tax year 2013 or 2014 to increase the inside millage of the County.

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(3) of the Revised Code as of December 31, 2013.

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**Report on the Termination of the Scioto County
Financial Planning and Supervision Commission**

Condition Four – Past Due Accounts Payable from the General Fund and all Funds

Section 118.03(A)(4) of the Revised Code, defines a fiscal emergency condition as:

The existence of a condition in which all accounts that, at the end of its preceding fiscal year, were due and payable from the general fund and that either had been due and payable at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, including, but not limited to, final judgments, fringe benefit payments due and payable, and amounts due and payable to persons and other governmental entities and including any interest and penalties thereon, less the year-end balance in the general fund, exceeded one-sixth of the general fund budget for the year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation and that either had been due and payable for at least thirty days as at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year-end balance in the general fund and in respective special funds lawfully available to pay such accounts, exceeded one-sixth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable.

We prepared a schedule of accounts payable as of December 31, 2013, that were due and payable from the general fund, and that were due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2013, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties. From this amount, we subtracted the year-end fund balance available in the general fund to determine if the accounts payable in excess of the available fund balance exceeded one-sixth of the general fund budget for that year. Since the General Fund balance available exceeded the accounts payable, no further calculations were necessary.

Schedule I

General Fund Accounts Payable Over 30 Days Past Due
Ohio Revised Code Section 118.03(A)(4)
As of December 31, 2013

	Payables Over 30 Days Past Due	Fund Balance Available	Balance Available in Excess of Payables
General Fund	\$238,208	\$3,161,821	\$2,923,613

From the invoices provided to us, a schedule of accounts payable was prepared (as defined above) for all funds which were at least thirty days past due or to which a penalty was added as of December 31, 2013. From this amount, we subtracted the year-end fund balance available to pay such outstanding bills. Since the available fund balance exceeded the accounts payable, no further calculations were necessary.

Scioto County

Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Schedule II

Accounts Payable From All Funds Over 30 Days Past Due
Ohio Revised Code Section 118.03(A)(4)
As of December 31, 2013

Funds	Payables Over 30 Days Past Due	Fund Balance Available	Balance Available In Excess of Payables
General Fund	\$238,208	\$3,161,821	\$2,923,613
Real Estate Assessment Fund	9,953	891,401	881,448
Auditor Copy Fund	342	13,509	13,167
Childrens Services Fund	100,549	848,010	747,461
Certificate of Title Administration Fund	1,596	775,329	773,733
Dog and Kennel Fund	2,618	14,421	11,803
Probation Supervision Fund	1,272	41,635	40,363
Motor Vehicle Gas Tax Fund	45,025	896,277	851,252
Child Support Enforcement Agency Fund	28,773	1,939,163	1,910,390
Public Assistance Fund	95,564	1,721,220	1,625,656
Indigent Guardianship Fund	1,420	6,947	5,527
Special Projects-Probate and Juvenile Fund	4,774	68,421	63,647
Scioto County Residential Services Fund	11,830	314,881	303,051
Board of Developmental Disabilities Fund	195,668	1,307,126	1,111,458
Probate Court Conduct Business Fund	116	1,290	1,174
Recorder's Special Fund	1,950	16,833	14,883
Concealed Carry Fund	1,677	28,884	27,207
Inmate Improvement Fund	7,425	292,088	284,663
Web Check Fund	4,895	57,608	52,713
Policing Rotary Fund	7,686	509,924	502,238
T.B Levy	497	172,148	171,651
Mediation Program	125	215,483	215,358
Special Projects-Judge Harcha Fund	330	20,131	19,801
Wireless 911 Government Assistance	163	100,503	100,340
Special Projects Fund	225	13,591	13,366
Commercial-Industrial Building Department Fund	6,899	47,851	40,952
Law Library	2,289	92,754	90,465
Access Scioto County	1,887	88,480	86,593
State Community Development Grant	29,088	36,584	7,496
CHIP Program Fund	8,680	79,521	70,841
Recycling and Litter Prevention Fund	346	73,634	73,288
Felony Delinquent Care and Custody	2,935	286,460	283,525
Sewer Fund	166,669	1,320,223	1,153,554
Sewer Capital Improvements Fund	278,942	330,398	51,456
Justice Assistance Grant Fund	224	5,338	5,114

Scioto County

Report on the Termination of the Scioto County Financial Planning and Supervision Commission

Conclusion: Schedules I and II indicate that as of December 31, 2013, a fiscal emergency condition does not exist under section 118.03(A)(4) of the Revised Code.

Condition Five – Deficit Fund Balances

Section 118.03(A)(5) of the Revised Code, defines a fiscal emergency condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of its preceding fiscal year, less the total of any year-end balance in the general fund and in any special fund that may be transferred as provided in section 5705.14 of the Revised Code to meet such deficit, exceeded one-sixth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We computed the adjusted aggregate sum of all deficit funds at December 31, 2013, by subtracting all accounts payable and encumbrances from the year end cash fund balance of each fund. No further calculations were necessary because there were no deficit fund balances.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(5) of the Revised Code. There were no deficit fund balances at December 31, 2013.

Condition Six – Treasury Balances

Section 118.03(A)(6) of the Revised Code, defines a fiscal emergency condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation minus outstanding checks and warrants, were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet, and such deficiency exceeded one-sixth of the total amount received into the unsegregated treasury during the preceding fiscal year.

We verified the County's reconciled bank balance to its cash summary by fund for all funds as of December 31, 2013, which included subtracting reconciling factors to arrive at the treasury balance. We then determined the aggregate sum of all positive fund cash balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. No further calculations were necessary because the treasury balance equaled the sum of all fund cash balances.

Scioto County

Report on the Termination of the Scioto County
Financial Planning and Supervision Commission

Schedule III

Treasury Balances
Revised Code Section 118.03(A)(6)
As of December 31, 2013

	<u>Amounts as of December 31, 2013</u>
Bank Cash Balance	
Us Bank	\$15,006,399
PNC	9,721,608
Fifth Third Bank	921,563
STARPlus	500,160
<i>Total Bank Cash</i>	<u>26,149,730</u>
<i>Adjustments For:</i>	
Reconciling Items	(90)
Outstanding Checks	(792,298)
Cash on Hand	192,280
Unrecorded Transactions	(128,586)
<i>Total Adjustments</i>	<u>(728,694)</u>
<i>Total Treasury Balance</i>	<u>25,421,036</u>
 <i>Less Positive Fund Balances:</i>	
General	3,161,821
Real Estate Assessment	891,401
Auditor Copy	13,509
Children Services	848,010
Common Pleas Court Computer	3,775
Clerk of Courts Computer	28,703
Certification of Title Administration	775,329
Dog and Kennel	14,421
UDAG	3,600
Revolving Loan	68,992
Green/Porter Township TIRC	9,563
HUD	11,288
Emergency Management	3,131
Probation Supervision	41,635
Motor Vehicle Gas Tax	896,277
GIS Mapping	4,522
Child Support Enforcement Agency	1,939,163
Public Assistance	1,721,220

Scioto County

Report on the Termination of the Scioto County
Financial Planning and Supervision Commission

Schedule III

Treasury Balances
Revised Code Section 118.03(A)(6)
As of December 31, 2013
(continued)

	<u>Amounts as of December 31, 2013</u>
DUI Enforcement and Education	\$10,113
Indigent Guardianship	6,947
Special Projects - Probate and Juvenile	68,421
Delinquency Prevention	4,481
Probate and Juvenile Courts Computer	35,903
Probate and Juvenile Courts Research	22,315
Board of Developmental Disabilities Trust	133,118
Reach	145,330
Medicaid Reserve	16,325
Scioto County Residential Services	314,881
Board of Developmental Disabilities	1,307,126
Probate Court Conduct Business	1,290
Drug Enforcement - Prosecutor	128,036
DRETAC - Prosecutor	164,795
Court of Appeals - Southern Ohio Correctional	1,337
Recorder's Special	16,833
Drug Enforcement - Sheriff	1,681
Concealed Carry	28,884
Indigent Drivers Alcohol Treatment	225
Inmate Improvement	292,088
Web Check	57,608
Law Enforcement - Sheriff	121,508
Policing Rotary	509,924
PMHA Foot Patrol Rotary	88
TB Levy	172,148
DRETAC - Treasurer	142,267
Scioto County Health Plan	18
Special Projects - Common Pleas Court	12,291
Mediation Program	215,483
Federal Forfeited Assets	690,209
Madison Township Senior Center	560
Special Projects - Judge Harcha	20,131

Scioto County

Report on the Termination of the Scioto County
Financial Planning and Supervision Commission

Schedule III

Treasury Balances
Revised Code Section 118.03(A)(6)
As of December 31, 2013
(continued)

	<u>Amounts as of December 31, 2013</u>
Special Projects - Judge Marshall	\$25,407
Mediation Program - Juvenile Court	100,703
Wireless 911 Government Assistance	100,503
Multi-County Meditation Program	23,199
Continuing Professional Training	8,097
Special Projects	13,591
Commercial - Industrial Building Department	47,851
Law Library	92,754
Juvenile Court Donations	307
Economic Development	64,559
County Engineer - Court	23,128
Indigent Drivers Alcohol Treatment	2,090
Federal Forfeitures/Prosecutor	125,539
Access Scioto County	88,480
Capital Reserve Grant	35,480
State Community Development Grant	36,584
Housing Revolving Loan	6,759
State Community Development Grant	8,379
CHIP Program	79,521
Recycling and Litter Prevention	73,634
Emergency Planning	16,664
Intensive Supervision Probation	10,530
Methamphetamine Workshop	125
Court Security - Common Pleas	283
FEMA - Engineer	1,129,618
Felony Delinquent Care and Custody	286,460
Juvenile Accountability Incentive	959
Victims of Crime	9,944
Marine Patrol	5,702
Curve Signe Upgrade Project	13
Moving Ohio Forward Grant	3,573
CASA- GAL Grant	657
Ohio Office of Criminal Justice	939
Highway Safety Program	23,311

Scioto County

Report on the Termination of the Scioto County
Financial Planning and Supervision Commission

Schedule III

Treasury Balances
Revised Code Section 118.03(A)(6)
As of December 31, 2013
(continued)

	<u>Amounts as of December 31, 2013</u>
CASA - GAL - Scioto Foundation	\$133
CASA - GAL - Voca	3,702
Prevention Through Family	2,960
Boys Council Program	655
National CASA Grant	2,631
Neighborhood Stabilization Program	17,198
ODRC Treatment Specialist	31,369
High Intensity Drug Drug Trafficking Area	19,066
AEP - Workforce Development Program	1,000
Common Pleas PSI Unit	19,927
Probation Improvement and Incentive	36,654
Commercial Building Acquisition	1,185
Human Services Building	40,967
Jail Construction Bond	17,580
MRDD Capital Improvements	107,595
Hayport Road Bridge Replacement Project	154,600
Commissioners Capital Improvement	100,000
Sewer Fund	1,320,223
Sewer Debt Service	561
Sewer Capital Improvements	330,398
Alcohol, Drug and Mental Health Board	2,576,583
Advance Payments - State	18,587
Undivided Cigarette License Tax	54
Undivided Estate Tax	93,877
Forfeited Land Sales	11,537
Undivided Income Tax Real Property	3,992
Local Government	214
Undivided Manufactured Home Tax	76,725
Overpayment of Tax	16,880
Undivided Real Estate	1,499,415
Unclaimed Monies	308,604
Board of Health	52,269
Food Services License	20,606
Home Health	48,182

Scioto County

Report on the Termination of the Scioto County
Financial Planning and Supervision Commission

Schedule III

Treasury Balances
Revised Code Section 118.03(A)(6)
As of December 31, 2013
(continued)

	<u>Amounts as of December 31, 2013</u>
Marina	\$63
Solid Waste	148
Swimming Pools	4,010
Trailer Park	25
Water Systems	524
Marriage License Special	5,316
Housing Trust	59,406
Soil and Water Conservation	53,068
Star Community Justice Center Operations	433,820
Indigent Application Fees	215
Sewage Systems	15,773
Smoke Free Workplace	2,219
Ohio Rural Recidivism Reduction	6,587
Lawrence-Scioto Solid Waste District	317,804
County Sign Upgrade	44,543
Probation Incentive	6,644
Justice Assistance Grant	5,338
Justice Assistance Grant	5,537
<i>Total Positive Cash Fund Balances</i>	<u>25,421,036</u>
<i>Treasury Deficit</i>	<u>\$0</u>

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(6) of the Revised Code as of December 31, 2013. The treasury balance less the positive fund cash balances as of December 31, 2013 did not exceed one-sixth of the treasury receipts for the year.

Section 3 - Financial Plan Objectives

We obtained a copy of the financial plan of the County and determined whether the objectives of the plan have been met. Those objects identified in the financial plan include the following:

1. Eliminate the fiscal emergency conditions which were determined by the Auditor of State, pursuant to Section 118.04 of the Revised Code;
2. Balance the budgets, avoid future deficits in any fund, and maintain current payment of all accounts;

Scioto County

Report on the Termination of the Scioto County Financial Planning and Supervision Commission

3. Develop an effective financial accounting and reporting system; and
4. Prepare a financial forecast in accordance with the standards issued by the Auditor of State.

All objects of the financial plan have been met.

Section 4 - Financial Forecast

Financial forecasting is an important management tool to assist the County in making sound financial decisions for avoiding a fiscal crisis in the future. A five-year forecast is required under Section 118.27(A)(4) of the Revised Code. After examining the financial forecast, the Auditor of State rendered a non-adverse report. The financial forecast is contained in Appendix A.

DISCLAIMER

Because the preceding procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported herein.

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APPENDIX A

Scioto County

Financial Forecast

For the Years Ending December 31, 2014 through December 31, 2018

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Scioto County

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Dave Yost • Auditor of State

Scioto County Commissioners
602 Seventh Street
Portsmouth, Ohio 45662

Based upon the requirement set forth in section 118.27(A)(4) of the Ohio Revised Code, the Local Government Services Section of the Auditor of State's Office has examined the accompanying forecasted statement of revenues, expenditures, and changes in fund balance of the General Fund of Scioto County, for the five years ending December 31, 2018. These statements are presented on the budget basis of accounting used by Scioto County rather than on generally accepted accounting principles. Scioto County's management is responsible for the forecast. Our responsibility is to determine whether the County has met the criteria that allows for the fiscal emergency to be terminated.

Based on our examination of the accompanying forecast, there is nothing in the forecast nor has anything come to our attention that indicates the fiscal emergency should not be terminated. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast and the variations may be material.

This report is intended solely for the use of Scioto County and the Financial Planning and Supervision Commission of Scioto County and should not be used for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

DAVE YOST
Auditor of State

May 9, 2014

Scioto County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011 Through 2013, Actual
and Ending December 31, 2014 Through 2018, Forecasted
General Fund

	2011 Actual	2012 Actual	2013 Actual
Revenues			
Property Taxes	\$1,632,000	\$1,701,000	\$1,739,000
Other Local Taxes	357,000	355,000	407,000
Sales Tax	10,271,000	10,879,000	11,126,000
Charges for Services	2,188,000	2,393,000	2,284,000
Licenses and Permits	5,000	4,000	5,000
Fines and Forfeitures	83,000	82,000	71,000
Intergovernmental	1,588,000	1,650,000	2,125,000
Interest	7,000	6,000	5,000
Rent	2,000	3,000	3,000
Miscellaneous	69,000	473,000	124,000
Total Revenues	16,202,000	17,546,000	17,889,000
Expenditures			
Current:			
General Government			
Legislative and Executive			
Commissioners:			
Personal Services	325,000	318,000	346,000
Fringe Benefits	53,000	52,000	55,000
Contractual Services	282,000	340,000	266,000
Materials and Supplies	149,000	149,000	147,000
Capital Outlay	0	12,000	0
Other	8,000	10,000	24,000
Total Commissioners	817,000	881,000	838,000
Maintenance:			
Personal Services	192,000	198,000	189,000
Fringe Benefits	29,000	31,000	28,000
Contractual Services	210,000	171,000	235,000
Materials and Supplies	17,000	16,000	43,000
Capital Outlay	18,000	0	0
Total Maintenance	466,000	416,000	495,000
Loss Control:			
Personal Services	32,000	15,000	7,000
Fringe Benefits	5,000	2,000	1,000
Total Loss Control	\$37,000	\$17,000	\$8,000

2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$1,730,000	\$1,730,000	\$1,730,000	\$1,730,000	\$1,730,000
365,000	365,000	365,000	365,000	365,000
10,600,000	10,600,000	10,600,000	10,600,000	10,600,000
2,178,000	2,106,000	2,171,000	2,106,000	2,171,000
4,000	4,000	4,000	4,000	4,000
67,000	67,000	67,000	67,000	67,000
1,889,000	1,889,000	1,889,000	1,889,000	1,889,000
6,000	6,000	6,000	6,000	6,000
2,000	2,000	2,000	2,000	2,000
23,000	23,000	23,000	23,000	23,000
<u>16,864,000</u>	<u>16,792,000</u>	<u>16,857,000</u>	<u>16,792,000</u>	<u>16,857,000</u>
337,000	340,000	343,000	346,000	349,000
59,000	55,000	55,000	56,000	56,000
240,000	255,000	259,000	263,000	266,000
172,000	157,000	160,000	163,000	166,000
0	0	0	0	0
9,000	9,000	9,000	9,000	9,000
<u>817,000</u>	<u>816,000</u>	<u>826,000</u>	<u>837,000</u>	<u>846,000</u>
255,000	260,000	265,000	269,000	273,000
43,000	40,000	41,000	41,000	42,000
203,000	188,000	196,000	205,000	213,000
26,000	18,000	18,000	18,000	19,000
0	0	0	0	0
<u>527,000</u>	<u>506,000</u>	<u>520,000</u>	<u>533,000</u>	<u>547,000</u>
15,000	15,000	15,000	15,000	16,000
2,000	2,000	2,000	2,000	2,000
<u>\$17,000</u>	<u>\$17,000</u>	<u>\$17,000</u>	<u>\$17,000</u>	<u>\$18,000</u>

(continued)

Scioto County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011 Through 2013, Actual
and Ending December 31, 2014 Through 2018, Forecasted
General Fund
(continued)

	2011 Actual	2012 Actual	2013 Actual
Auditor:			
Personal Services	\$224,000	\$223,000	\$256,000
Fringe Benefits	36,000	37,000	40,000
Contractual Services	157,000	162,000	124,000
Materials and Supplies	3,000	3,000	2,000
Other	0	0	0
Total Auditor	420,000	425,000	422,000
Data Processing:			
Contractual Services	19,000	19,000	20,000
Materials and Supplies	11,000	11,000	7,000
Other	1,000	0	2,000
Total Data Processing	31,000	30,000	29,000
Personal Property:			
Personal Services	74,000	76,000	76,000
Fringe Benefits	11,000	12,000	12,000
Materials and Supplies	1,000	0	0
Total Personal Property	86,000	88,000	88,000
Real Estate:			
Personal Services	33,000	34,000	36,000
Fringe Benefits	5,000	5,000	6,000
Materials and Supplies	0	0	0
Total Real Estate	38,000	39,000	42,000
Recorder:			
Personal Services	220,000	203,000	183,000
Fringe Benefits	31,000	30,000	28,000
Contractual Services	0	2,000	3,000
Materials and Supplies	3,000	4,000	10,000
Total Recorder	254,000	239,000	224,000
Treasurer:			
Personal Services	160,000	160,000	162,000
Fringe Benefits	24,000	26,000	24,000
Contractual Services	11,000	11,000	11,000
Materials and Supplies	5,000	7,000	6,000
Total Treasurer	\$200,000	\$204,000	\$203,000

2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$269,000	\$298,000	\$277,000	\$280,000	\$283,000
47,000	44,000	45,000	45,000	46,000
215,000	144,000	169,000	175,000	180,000
3,000	3,000	3,000	3,000	3,000
1,000	1,000	1,000	1,000	1,000
<u>535,000</u>	<u>490,000</u>	<u>495,000</u>	<u>504,000</u>	<u>513,000</u>
23,000	24,000	26,000	28,000	30,000
14,000	12,000	12,000	12,000	12,000
1,000	1,000	1,000	1,000	1,000
<u>38,000</u>	<u>37,000</u>	<u>39,000</u>	<u>41,000</u>	<u>43,000</u>
78,000	79,000	81,000	82,000	83,000
13,000	12,000	12,000	13,000	13,000
0	1,000	1,000	1,000	1,000
<u>91,000</u>	<u>92,000</u>	<u>94,000</u>	<u>96,000</u>	<u>97,000</u>
37,000	38,000	38,000	39,000	40,000
6,000	6,000	6,000	6,000	6,000
1,000	1,000	1,000	1,000	1,000
<u>44,000</u>	<u>45,000</u>	<u>45,000</u>	<u>46,000</u>	<u>47,000</u>
182,000	184,000	187,000	189,000	191,000
33,000	31,000	32,000	32,000	32,000
2,000	2,000	2,000	2,000	2,000
4,000	4,000	4,000	4,000	4,000
<u>221,000</u>	<u>221,000</u>	<u>225,000</u>	<u>227,000</u>	<u>229,000</u>
164,000	166,000	169,000	170,000	172,000
28,000	27,000	27,000	28,000	28,000
12,000	12,000	12,000	12,000	12,000
7,000	7,000	7,000	8,000	8,000
<u>\$211,000</u>	<u>\$212,000</u>	<u>\$215,000</u>	<u>\$218,000</u>	<u>\$220,000</u>

(continued)

Scioto County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011 Through 2013, Actual
and Ending December 31, 2014 Through 2018, Forecasted
General Fund
(continued)

	2011 Actual	2012 Actual	2013 Actual
Board of Elections:			
Personal Services	\$202,000	\$218,000	\$209,000
Fringe Benefits	36,000	36,000	40,000
Contractual Services	196,000	159,000	135,000
Materials and Supplies	31,000	62,000	21,000
Capital Outlay	27,000	0	0
Total Board of Elections	492,000	475,000	405,000
Prosecutor:			
Personal Services	640,000	640,000	689,000
Fringe Benefits	95,000	100,000	100,000
Contractual Services	10,000	7,000	71,000
Materials and Supplies	4,000	3,000	4,000
Capital Outlay	0	0	0
Other	58,000	58,000	58,000
Total Prosecutor	807,000	808,000	922,000
Airport Authority:			
Personal Services	6,000	7,000	7,000
Fringe Benefits	1,000	1,000	1,000
Contractual Services	50,000	46,000	42,000
Other	2,000	0	0
Total Airport Authority	59,000	54,000	50,000
Commissioners - Insurance:			
Personal Services			
Fringe Benefits	2,139,000	2,258,000	2,326,000
Contractual Services	851,000	834,000	850,000
Other	11,000	13,000	0
Total Commissioners Insurance	3,001,000	3,105,000	3,176,000
Auditor / Property Tax Collection Fees:			
Other	0	51,000	51,000
Total Legislative and Executive	\$6,708,000	\$6,832,000	\$6,953,000

2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$229,000	\$233,000	\$237,000	\$240,000	\$243,000
39,000	40,000	40,000	41,000	41,000
154,000	98,000	125,000	100,000	126,000
35,000	33,000	66,000	33,000	66,000
0	0	0	0	0
<u>457,000</u>	<u>404,000</u>	<u>468,000</u>	<u>414,000</u>	<u>476,000</u>
720,000	700,000	711,000	720,000	729,000
113,000	107,000	109,000	110,000	112,000
86,000	99,000	100,000	106,000	107,000
3,000	3,000	3,000	3,000	3,000
80,000	0	0	0	50,000
58,000	58,000	58,000	58,000	58,000
<u>1,060,000</u>	<u>967,000</u>	<u>981,000</u>	<u>997,000</u>	<u>1,059,000</u>
7,000	7,000	7,000	7,000	8,000
1,000	1,000	1,000	1,000	1,000
47,000	45,000	45,000	45,000	45,000
0	0	0	0	0
<u>55,000</u>	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>	<u>54,000</u>
2,218,000	2,375,000	2,452,000	2,548,000	2,648,000
934,000	951,000	986,000	1,024,000	1,065,000
0	0	0	0	0
<u>3,152,000</u>	<u>3,326,000</u>	<u>3,438,000</u>	<u>3,572,000</u>	<u>3,713,000</u>
55,000	58,000	61,000	64,000	67,000
<u>\$7,280,000</u>	<u>\$7,244,000</u>	<u>\$7,477,000</u>	<u>\$7,619,000</u>	<u>\$7,929,000</u>

(continued)

Scioto County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011 Through 2013, Actual
and Ending December 31, 2014 Through 2018, Forecasted
General Fund
(continued)

	2011 Actual	2012 Actual	2013 Actual
Judicial			
Clerk of Courts:			
Personal Services	\$153,000	\$153,000	\$164,000
Fringe Benefits	22,000	23,000	24,000
Contractual Services	39,000	49,000	155,000
Materials and Supplies	18,000	19,000	44,000
Capital Outlay	0	18,000	0
Total Clerk of Courts	232,000	262,000	387,000
Common Pleas Court:			
Personal Services	171,000	161,000	187,000
Fringe Benefits	29,000	28,000	26,000
Contractual Services	61,000	41,000	61,000
Materials and Supplies	9,000	6,000	4,000
Total Common Pleas Court	270,000	236,000	278,000
Common Pleas Court:			
Personal Services	178,000	184,000	189,000
Fringe Benefits	28,000	30,000	30,000
Contractual Services	56,000	46,000	56,000
Materials and Supplies	13,000	7,000	5,000
Capital Outlay	0	18,000	0
Total Common Pleas Court	275,000	285,000	280,000
Jury Commission:			
Personal Services	4,000	5,000	5,000
Fringe Benefits	1,000	1,000	1,000
Materials and Supplies	1,000	0	0
Total Jury Commission	6,000	6,000	6,000
Domestic Relations:			
Personal Services	278,000	317,000	292,000
Fringe Benefits	43,000	46,000	46,000
Contractual Services	6,000	7,000	9,000
Materials and Supplies	2,000	2,000	5,000
Capital Outlay	0	0	0
Total Domestic Relations	\$329,000	\$372,000	\$352,000

2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$162,000	\$164,000	\$166,000	\$168,000	\$170,000
26,000	25,000	25,000	25,000	25,000
44,000	44,000	45,000	46,000	47,000
23,000	19,000	20,000	20,000	20,000
0	0	0	0	0
<u>255,000</u>	<u>252,000</u>	<u>256,000</u>	<u>259,000</u>	<u>262,000</u>
170,000	173,000	176,000	179,000	181,000
31,000	30,000	30,000	30,000	31,000
67,000	59,000	59,000	59,000	59,000
8,000	7,000	9,000	8,000	9,000
<u>276,000</u>	<u>269,000</u>	<u>274,000</u>	<u>276,000</u>	<u>280,000</u>
192,000	195,000	199,000	202,000	205,000
33,000	32,000	32,000	33,000	33,000
59,000	56,000	56,000	56,000	57,000
11,000	10,000	11,000	10,000	11,000
0	0	0	0	0
<u>295,000</u>	<u>293,000</u>	<u>298,000</u>	<u>301,000</u>	<u>306,000</u>
5,000	5,000	5,000	5,000	5,000
1,000	1,000	1,000	1,000	1,000
0	0	0	0	0
<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
299,000	305,000	310,000	315,000	319,000
51,000	49,000	50,000	50,000	51,000
19,000	6,000	6,000	6,000	6,000
8,000	4,000	5,000	5,000	5,000
5,000	0	0	0	0
<u>\$382,000</u>	<u>\$364,000</u>	<u>\$371,000</u>	<u>\$376,000</u>	<u>\$381,000</u>

(continued)

Scioto County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011 Through 2013, Actual
and Ending December 31, 2014 Through 2018, Forecasted
General Fund
(continued)

	2011 Actual	2012 Actual	2013 Actual
Juvenile Court:			
Personal Services	\$291,000	\$298,000	\$307,000
Fringe Benefits	49,000	53,000	50,000
Contractual Services	23,000	16,000	11,000
Materials and Supplies	27,000	20,000	9,000
Capital Outlay	0	25,000	0
Total Juvenile Court	390,000	412,000	377,000
Probate Court:			
Personal Services	137,000	148,000	181,000
Fringe Benefits	22,000	25,000	27,000
Contractual Services	1,000	0	1,000
Materials and Supplies	14,000	8,000	7,000
Total Probate Court	174,000	181,000	216,000
Municipal Court:			
Personal Services	105,000	106,000	104,000
Fringe Benefits	16,000	16,000	16,000
Contractual Services	1,000	0	0
Total Municipal Court	122,000	122,000	120,000
Court of Appeals:			
Fringe Benefits	0	1,000	1,000
Contractual Services	8,000	9,000	12,000
Materials and Supplies	4,000	1,000	6,000
Other	1,000	0	0
Total Court of Appeals	13,000	11,000	19,000
Court of Appeals:			
Fringe Benefits	0	0	1,000
Contractual Services	0	0	16,000
Materials and Supplies	0	0	13,000
Total Court of Appeals	0	0	30,000
Total Judicial	1,811,000	1,887,000	2,065,000
Total General Government	\$8,519,000	\$8,719,000	\$9,018,000

2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$362,000	\$309,000	\$315,000	\$319,000	\$324,000
55,000	53,000	54,000	55,000	56,000
24,000	20,000	21,000	21,000	21,000
17,000	17,000	17,000	18,000	18,000
17,000	0	0	0	0
<u>475,000</u>	<u>399,000</u>	<u>407,000</u>	<u>413,000</u>	<u>419,000</u>
222,000	175,000	179,000	181,000	184,000
30,000	29,000	29,000	30,000	30,000
1,000	1,000	1,000	1,000	1,000
10,000	11,000	11,000	11,000	11,000
<u>263,000</u>	<u>216,000</u>	<u>220,000</u>	<u>223,000</u>	<u>226,000</u>
104,000	105,000	106,000	107,000	108,000
16,000	16,000	16,000	17,000	17,000
0	0	0	0	0
<u>120,000</u>	<u>121,000</u>	<u>122,000</u>	<u>124,000</u>	<u>125,000</u>
1,000	1,000	1,000	1,000	1,000
12,000	12,000	12,000	12,000	13,000
3,000	22,000	1,000	2,000	1,000
0	0	0	0	0
<u>16,000</u>	<u>35,000</u>	<u>14,000</u>	<u>15,000</u>	<u>15,000</u>
3,000	3,000	3,000	3,000	3,000
11,000	10,000	10,000	11,000	11,000
6,000	2,000	2,000	2,000	2,000
<u>20,000</u>	<u>15,000</u>	<u>15,000</u>	<u>16,000</u>	<u>16,000</u>
<u>2,108,000</u>	<u>1,970,000</u>	<u>1,983,000</u>	<u>2,009,000</u>	<u>2,036,000</u>
<u>\$9,388,000</u>	<u>\$9,214,000</u>	<u>\$9,460,000</u>	<u>\$9,628,000</u>	<u>\$9,965,000</u>

(continued)

Scioto County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011 Through 2013, Actual
and Ending December 31, 2014 Through 2018, Forecasted
General Fund
(continued)

	2011 Actual	2012 Actual	2013 Actual
Economic Development			
Economic Development:			
Personal Services	\$56,000	\$61,000	\$97,000
Fringe Benefits	5,000	9,000	14,000
Materials and Supplies	1,000	0	0
Total Economic Development	62,000	70,000	111,000
Conservation and Recreation			
Parks and Recreation:			
Personal Services	104,000	104,000	100,000
Fringe Benefits	17,000	17,000	16,000
Contractual Services	28,000	20,000	14,000
Materials and Supplies	23,000	20,000	20,000
Capital Outlay	8,000	9,000	8,000
Total Conservation and Recreation	180,000	170,000	158,000
Health			
Agriculture:			
Other	344,000	321,000	350,000
Registration of Vital Statistics:			
Other	2,000	2,000	2,000
Other Health:			
Other	1,000	0	2,000
Total Health	347,000	323,000	354,000
Human Services			
Veterans Services:			
Personal Services	173,000	209,000	176,000
Fringe Benefits	40,000	40,000	36,000
Contractual Services	64,000	52,000	57,000
Materials and Supplies	61,000	85,000	97,000
Other	81,000	39,000	29,000
Total Human Services	419,000	425,000	395,000
Public Safety			
Flood Plain Management:			
Personal Services	27,000	27,000	18,000
Fringe Benefits	4,000	5,000	3,000
Total Flood Plain Management	\$31,000	\$32,000	\$21,000

2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$79,000	\$81,000	\$83,000	\$84,000	\$85,000
14,000	13,000	13,000	13,000	13,000
0	1,000	1,000	1,000	1,000
<u>93,000</u>	<u>95,000</u>	<u>97,000</u>	<u>98,000</u>	<u>99,000</u>
115,000	117,000	119,000	121,000	123,000
20,000	19,000	19,000	20,000	20,000
30,000	25,000	26,000	27,000	29,000
25,000	25,000	27,000	28,000	30,000
10,000	10,000	10,000	10,000	10,000
<u>200,000</u>	<u>196,000</u>	<u>201,000</u>	<u>206,000</u>	<u>212,000</u>
346,000	348,000	349,000	350,000	351,000
2,000	2,000	2,000	2,000	2,000
1,000	1,000	1,000	1,000	1,000
<u>349,000</u>	<u>351,000</u>	<u>352,000</u>	<u>353,000</u>	<u>354,000</u>
225,000	178,000	178,000	178,000	178,000
47,000	44,000	44,000	44,000	44,000
64,000	68,000	68,000	68,000	68,000
88,000	98,000	98,000	98,000	98,000
46,000	58,000	58,000	58,000	58,000
<u>470,000</u>	<u>446,000</u>	<u>446,000</u>	<u>446,000</u>	<u>446,000</u>
15,000	15,000	15,000	15,000	16,000
2,000	2,000	2,000	2,000	2,000
<u>\$17,000</u>	<u>\$17,000</u>	<u>\$17,000</u>	<u>\$17,000</u>	<u>\$18,000</u>

(continued)

Scioto County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011 Through 2013, Actual
and Ending December 31, 2014 Through 2018, Forecasted
General Fund
(continued)

	2011 Actual	2012 Actual	2013 Actual
Adult Probation:			
Personal Services	\$28,000	\$28,000	\$29,000
Fringe Benefits	5,000	6,000	6,000
Total Adult Probation	<u>33,000</u>	<u>34,000</u>	<u>35,000</u>
Adult Probation:			
Personal Services	44,000	42,000	43,000
Fringe Benefits	7,000	7,000	7,000
Total Adult Probation	<u>51,000</u>	<u>49,000</u>	<u>50,000</u>
Juvenile Probation:			
Personal Services	146,000	151,000	178,000
Fringe Benefits	22,000	25,000	23,000
Materials and Supplies	6,000	1,000	1,000
Total Juvenile Probation	<u>174,000</u>	<u>177,000</u>	<u>202,000</u>
Sheriff - Civilian			
Personal Services	398,000	377,000	387,000
Fringe Benefits	61,000	63,000	61,000
Contractual Services	6,000	17,000	16,000
Materials and Supplies	3,000	8,000	6,000
Capital Outlay	0	32,000	7,000
Other	37,000	37,000	31,000
Total Sheriff - Civilian	<u>505,000</u>	<u>534,000</u>	<u>508,000</u>
Sheriff - Jail Operations			
Personal Services	841,000	885,000	972,000
Fringe Benefits	156,000	167,000	173,000
Contractual Services	287,000	312,000	296,000
Materials and Supplies	271,000	305,000	338,000
Other	193,000	149,000	167,000
Total Sheriff - Jail Operations	<u>1,748,000</u>	<u>1,818,000</u>	<u>1,946,000</u>
Sheriff - Road Patrol			
Personal Services	738,000	807,000	878,000
Fringe Benefits	150,000	169,000	172,000
Contractual Services	133,000	110,000	115,000
Materials and Supplies	175,000	173,000	137,000
Capital Outlay	0	41,000	0
Total Sheriff - Road Patrol	<u>\$1,196,000</u>	<u>\$1,300,000</u>	<u>\$1,302,000</u>

2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$29,000	\$30,000	\$30,000	\$31,000	\$31,000
6,000	6,000	6,000	6,000	6,000
<u>35,000</u>	<u>36,000</u>	<u>36,000</u>	<u>37,000</u>	<u>37,000</u>
44,000	44,000	45,000	46,000	47,000
7,000	7,000	7,000	7,000	7,000
<u>51,000</u>	<u>51,000</u>	<u>52,000</u>	<u>53,000</u>	<u>54,000</u>
163,000	166,000	169,000	172,000	175,000
28,000	26,000	26,000	27,000	27,000
0	1,000	1,000	1,000	1,000
<u>191,000</u>	<u>193,000</u>	<u>196,000</u>	<u>200,000</u>	<u>203,000</u>
398,000	404,000	411,000	416,000	422,000
68,000	65,000	66,000	66,000	67,000
17,000	17,000	18,000	18,000	18,000
8,000	8,000	8,000	8,000	8,000
48,000	48,000	48,000	8,000	8,000
37,000	37,000	37,000	37,000	37,000
<u>576,000</u>	<u>579,000</u>	<u>588,000</u>	<u>553,000</u>	<u>560,000</u>
951,000	970,000	990,000	1,005,000	1,021,000
207,000	198,000	201,000	205,000	208,000
339,000	326,000	336,000	346,000	356,000
371,000	336,000	345,000	355,000	364,000
198,000	202,000	208,000	214,000	220,000
<u>2,066,000</u>	<u>2,032,000</u>	<u>2,080,000</u>	<u>2,125,000</u>	<u>2,169,000</u>
905,000	873,000	891,000	905,000	919,000
188,000	179,000	182,000	185,000	188,000
50,000	50,000	130,000	130,000	130,000
194,000	194,000	199,000	204,000	210,000
0	0	0	0	0
<u>\$1,337,000</u>	<u>\$1,296,000</u>	<u>\$1,402,000</u>	<u>\$1,424,000</u>	<u>\$1,447,000</u>

(continued)

Scioto County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2011 Through 2013, Actual
and Ending December 31, 2014 Through 2018, Forecasted
General Fund
(continued)

	2011 Actual	2012 Actual	2013 Actual
Coroner:			
Personal Services	\$91,000	\$97,000	\$99,000
Fringe Benefits	14,000	15,000	15,000
Contractual Services	85,000	110,000	98,000
Materials and Supplies	2,000	3,000	1,000
Other	0	0	0
Total Coroner	<u>192,000</u>	<u>225,000</u>	<u>213,000</u>
Total Public Safety	<u>3,930,000</u>	<u>4,169,000</u>	<u>4,277,000</u>
Capital Outlay			
Capital Outlay	<u>0</u>	<u>0</u>	<u>123,000</u>
Total Expenditures	<u>13,457,000</u>	<u>13,876,000</u>	<u>14,436,000</u>
Revenues Over Expenditures	<u>2,745,000</u>	<u>3,670,000</u>	<u>3,453,000</u>
Other Financing Sources (Uses):			
Transfers In	27,000	38,000	175,000
Transfers Out	(1,517,000)	(2,548,000)	(1,989,000)
Total Other Financing Sources (Uses)	<u>(1,490,000)</u>	<u>(2,510,000)</u>	<u>(1,814,000)</u>
Net Change in Fund Balance	1,255,000	1,160,000	1,639,000
Fund Balance (Deficit) at Beginning of Year	(894,000)	361,000	1,521,000
Fund Balance at End of Year	<u><u>\$361,000</u></u>	<u><u>\$1,521,000</u></u>	<u><u>\$3,160,000</u></u>

2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted	2018 Forecasted
\$101,000	\$113,000	\$103,000	\$104,000	\$105,000
18,000	17,000	17,000	17,000	17,000
123,000	110,000	110,000	110,000	110,000
3,000	3,000	3,000	3,000	3,000
6,000	4,000	4,000	1,000	0
<u>251,000</u>	<u>247,000</u>	<u>237,000</u>	<u>235,000</u>	<u>235,000</u>
<u>4,524,000</u>	<u>4,451,000</u>	<u>4,608,000</u>	<u>4,644,000</u>	<u>4,723,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>15,024,000</u>	<u>14,753,000</u>	<u>15,164,000</u>	<u>15,375,000</u>	<u>15,799,000</u>
<u>1,840,000</u>	<u>2,039,000</u>	<u>1,693,000</u>	<u>1,417,000</u>	<u>1,058,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(1,499,000)</u>	<u>(1,455,000)</u>	<u>(1,460,000)</u>	<u>(1,403,000)</u>	<u>(1,409,000)</u>
<u>(1,499,000)</u>	<u>(1,455,000)</u>	<u>(1,460,000)</u>	<u>(1,403,000)</u>	<u>(1,409,000)</u>
341,000	584,000	233,000	14,000	(351,000)
3,160,000	3,501,000	4,085,000	4,318,000	4,332,000
<u>\$3,501,000</u>	<u>\$4,085,000</u>	<u>\$4,318,000</u>	<u>\$4,332,000</u>	<u>\$3,981,000</u>

Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2014 through 2018

Note 1 – The County

Scioto County, Ohio (the County), is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, a Probate/Juvenile and Domestic Relations Court Judge, and a Municipal County Court Judge.

Although the 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 entire County.

On August 19, 2009, the Auditor of State's office declared Scioto County to be in a state of fiscal emergency in accordance with Section 118.03, Ohio Revised Code. The declaration resulted in the establishment of a Financial Planning and Supervision Commission. The Commission is comprised of the Chairman of the Scioto County Commissioners, Scioto County Auditor, three individuals whose residency or principal place of business is within the County, and a designee from both the State Treasurer's Office and the Office of Budget and Management. This Commission is required to adopt a financial recovery plan for the County. Once the plan has been adopted, the County's discretion is limited in that all financial activity of the County must be in accordance with the plan.

Scioto County provides general governmental services, including sheriff protection services and sewer services. The County's departments include Commissioners, Auditor, Treasurer, Recorder, Board of Elections, Engineer, Sanitary Engineer, Clerk of Courts, Common Pleas Courts, Board of Health, Juvenile Court, Probate Court, Domestic Relations Court, Coroner, Law Library, Department of Jobs and Family Services, Dog and Kennel, Intensive Probation, Children Services, Board of Developmental Disabilities, Economic Development, Emergency Management, Sheriff, Soil and Water Conservation, ADAMHS Board, Coordinated Transportation, Parks and Recreation, Veterans Services, T.B. Clinic, the Airport Authority and the Prosecutor. The operation of each of these activities is either directly controlled by the County Commissioners through the budgetary process or by individually elected or appointed departmental boards. The administration includes the County Auditor and County Treasurer.

Note 2 – Nature of Presentation

This financial forecast presents, to the best of the County's knowledge and belief, the expected revenues and expenditures and changes in fund balances for the forecast period. Accordingly, the forecast reflects the County's judgment, as of May 9, 2014, the date of the forecast, the expected conditions, and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results because events and circumstances do not occur as expected and those differences may be material.

The forecast presents the funds that are significant to the operations of the County. For Scioto County, this consists of the General Fund.

General Fund – To account for and report all financial resources except those required to be accounted for 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.

Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2014 through 2018

Note 3 – Summary of Significant Accounting Policies

A. Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements and encumbrances, which is consistent with the budget basis (non-GAAP) of accounting used to prepare the historical financial statements. Under this basis of accounting, certain revenues 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.

B. Fund Accounting

The County maintains its accounting records in accordance with the principles 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 that stands separate from the activities reported in other funds. The restrictions associated with each fund are as follows:

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 in another fund. The General Fund balance is available to the County for any purpose provided it is disbursed or transferred in accordance with Ohio law.

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 disbursement for specified purposes, other than for debt service or capital projects.

Debt Service Funds – Debt service funds are used to account for and report resources that are restricted for payment of principal and interest and fiscal charges for all debt obligations.

Capital Projects Funds – Capital projects funds are to account for and report resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets (other than those financed by enterprise funds).

Proprietary Funds

Enterprise Funds – An enterprise fund may be used to account for and report any activity for which a fee is charged to external users for goods or services. The following is the County’s only enterprise fund:

Sewer Fund – To account for and report the provision of sanitary sewer services to the residents and businesses of the County.

Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2014 through 2018

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's only fiduciary funds are agency funds. The County's agency funds are primarily established to account for the collection and distribution to other governments of various taxes, receipts and fees and to account for funds of various agencies for which the County serves as fiscal agent.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of the budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Estimated Resources - On or about September 1, the County Budget Commission issues an official certificate of estimated resources to the County, which states the projected receipts of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. Prior to December 31, the County must revise its budget so that total contemplated expenditures from any funds during the ensuing 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 measure to control cash disbursements may be passed on or about January 1 of each year if the annual appropriation for the full year is not ready for approval by the County Commissioners. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. By March 31, an annual appropriation ordinance must be legally enacted by the County Commissioners. The appropriation measure may be amended or supplemented during the year as new information becomes available.

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

D. Property, Plant and Equipment

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

Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2014 through 2018

Note 4 – General Revenue Assumptions – General Fund

A. Property Taxes

Property tax revenues consist of real property, public utility real and personal property, and prior to 2011, tangible personal property taxes. Deductions for auditor and treasurer 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. A triennial update was completed in 2013 for taxes collected in 2014. A reappraisal will be completed in 2016 for taxes collected in 2017. The County’s assessed values upon which property tax receipts were based for the last four years are as follows:

Class of Property	2010	2011	2012	2013
Real Property				
Residential and Agricultural	\$668,122,970	\$716,953,770	\$718,158,670	\$719,451,040
Commercial / Industrial / Public Utility	149,178,940	147,211,490	144,188,750	143,099,620
Public Utility Real	12,232,390	12,049,940	12,570,250	14,214,080
Public Utility Personal	73,570,800	76,223,900	78,251,210	79,864,530
General Business Personal	1,439,860	0	0	0
Total Assessed Value	<u>\$904,544,960</u>	<u>\$952,439,100</u>	<u>\$953,168,880</u>	<u>\$956,629,270</u>

The property tax revenues are generated from inside and voted millage receipted into the General Fund, the Children Services Fund, the Board of Developmental Disabilities Fund, the T. B. Levy Fund, and Senior Citizens Agency Fund.

The levies being collected by fund, the year approved, and the full tax rate are as follows:

Fund	Levy Type	Year Renewed	First Year of Collection	Last Year of Collection	Full Tax Rate (Per \$1,000 of Assessed Valuation)
General	Inside Millage	n/a	n/a	n/a	\$2.08
Children Services	Operating	2005	2007	2016	1.00
Board of Developmental Disabilities	Operating	1981	1982	n/a	0.30
Board of Developmental Disabilities	Operating	1981	1982	n/a	0.50
Board of Developmental Disabilities	Operating	2005	2006	n/a	3.30
Board of Developmental Disabilities	Operating	2011	2012	n/a	1.00
T. B. Levy	Operating	2008	2010	2014	0.30
Senior Citizens	Operating	2009	2010	2014	0.30
Senior Citizens	Operating	2011	2012	2016	0.20
Total					<u>\$8.98</u>

Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
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Public utility real and personal property taxes are collected and settled by the County with real estate taxes and are recorded as general property taxes. Beginning in 2001, the Ohio General Assembly reduced the assessment rate for certain tangible personal property of electric and gas utilities from 88 percent to 25 percent. Starting in tax year 2005, the assessment rate for personal property owned by telephone utilities prior to 1995 was being phased down from 88 percent to 25 percent (in tax year 2007) over a three-year period. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out of the tangible personal property tax on local and inter-exchange telephone companies.

Real Property – Property values are expected to remain stagnant throughout the forecast period despite an appraisal update completed during 2013 and collected in 2014. Based on current economic conditions, the County anticipates its real property assessed valuation and subsequent revenue collections to remain approximately the same as 2013.

B. Other Local Taxes

These monies consist of manufactured homes and real estate conveyance revenues. Since this is a tax imposed on the transfer of property, this amount varies from year to year depending on the amount and size of the properties being transferred. An average of the past six years collections was used as an estimate and is expected to remain consistent during the forecast period.

C. Sales Tax

The County receives sales tax monies based on monthly sales of goods that are collected by businesses located within the County. The County's current total sales tax rate is 7.25 percent (5.75 percent State and 1.50 percent Scioto County). From 2011 to 2013, sales tax revenues continued to increase. However, 2013 was the highest sales tax collections ever recorded by the County. Therefore, based on historical trends and a conservative approach due to the County's current economic conditions, sales tax is estimated to remain constant throughout the forecast period.

D. Charges for Services

County departments charge several different types of fees for performing many different types of services. These services include, but are not limited to, housing of prisoners which is billed to both other governments and prisoners, auditor and treasurer fees mostly related to the collection and distribution of tax monies, recorder fees related to the recording records (such as land deeds), clerk of court fines, fees, and court costs, and election charges to other governments to help cover costs associated with primary, general, and special elections held within the County. These fees fluctuate from year to year depending on many factors; therefore, an average of each fee type was calculated based on prior year collections and that average was used for the forecast period with only minor fluctuations every other year, mostly due to election charges which are expected to be higher during 2014, 2016, and 2018.

E. Licenses and Permits

These monies include licenses for vendors and cigarette dealers. A conservative average of prior year receipts was used during the forecast period for these revenues.

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F. Fines and Forfeitures

These monies include juvenile and municipal fines that individuals are assessed as part of their court cases. A conservative average of prior year revenues was used during the forecast period.

G. Intergovernmental Revenue

Intergovernmental revenues include local government monies, property tax allocations for rollback, homestead, and tangible personal property loss reimbursements, casino monies, indigent defense reimbursements, and stumpage allocations. The local government funds are distributed monthly by the State to the County. The property tax allocations for rollback, homestead, and tangible personal property are received from the State and are based on information provided by the County Auditor.

Beginning in 2006, the State reimbursed the County for lost revenue due to the phase-out of tangible personal property tax. In the first five years, the County was fully reimbursed relative to prior law for revenue lost due to the taxable value reductions prescribed by House Bill 66. Over the next seven years, the reimbursements are phased-out. The reimbursement will be for the difference between the assessed values under prior law and the assessed values under House Bill 66. This means the County is only reimbursed for the difference between the amounts that would have been received under the prior law and amounts actually received as the phase-outs in House Bill 66 are implemented.

In 2011, HB153 accelerates the phase-out of the tangible personal property tax reimbursements by two percentage points per year based on the entity's 2010 tax year reimbursements. The last reimbursement received by County occurred during 2011.

State law grants tax relief in the form of a 10 percent reduction in residential real property tax bills. In addition, a 2.5 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 caused by the homestead and rollback tax relief programs.

In tax collection year 2008, the State granted an additional homestead exemption for the first \$25,000 in market value. This exemption increases property tax allocation receipts and decreases general property tax receipts by an equal amount.

Local government monies are based on the amount received during 2013 and are anticipated to remain at that level during the forecast period. Since homestead and rollback reimbursement are associated with property tax collections, they too are expected to remain constant throughout the forecast period.

In 2009, the voters approved operating four casino facilities in Ohio. In association with the passage, a thirty-three percent tax is levied and collected by the State of Ohio on all gross casino revenue received by each casino operator. Fifty-one percent of the tax collections are distributed among all eighty-eight counties in proportion to such counties' respective populations at the time of such distribution. During 2012, Scioto County received a portion of these casino monies with a much larger portion being received during 2013. Due to the unpredictable nature of these funds, a conservative estimate was used based on the 2013 collections and was estimated to remain constant throughout the forecast period.

Scioto County
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The County receives reimbursements for a portion of the costs it incurs for providing defense attorneys to people deemed unable to afford legal representation. These reimbursements can vary significantly from year to year; therefore, a conservative estimate using one of the County's lowest reimbursement years was used during the forecast period. Also, due to its close proximity to Shawnee State Forest, the County receives reimbursements whenever tree clearings occur within the forecast. These monies also vary significantly from year to year with a conservative estimate being used during the forecast period.

H. Interest and Rent

These monies include interest earned on County deposits and rental of County facilities such as park shelters. A conservative average of prior year receipts was used during the forecast period for these revenues.

I. Miscellaneous

These are monies received by the County each year that cannot be classified into any other category. These can include reimbursements from individuals, insurance agencies, government agencies or businesses, etc. During 2012, the County received money from the sale of land, thus the large variance in the amount shown during 2012. Due to the unpredictable nature of these revenues, a conservative estimate was used during the forecast period.

Note 5 – General Expenditure Assumptions – General Fund

A. Personal Services

Personal Services include the salaries and wages paid to the employees and elected officials of the County. Elected officials salaries are established by the State of Ohio and are based on County size and office. Only employees employed by the Sheriff's office operate under a labor agreement. The remaining employees are not governed by contractual obligations regarding salaries or wages. The negotiated agreement is between the Scioto County Sheriff's Office and the Fraternal Order of Police, Ohio Labor Council, Inc. All full and part-time employees receive their compensation on a bi-weekly or monthly basis depending on department.

For all non-elected employees, the forecast projects a two percent raise during 2014 based on 2013 hourly rates / salaries. The forecast also calls for a two percent raise each year for 2015 and 2016. For 2017 and 2018, the forecast projects a one and one-half percent increase each year. No increases are currently forecasted for elected officials during the forecast period. Earnings are based on 2013 amounts established by the State of Ohio.

Many general fund employees are also paid from other funds. These allocations are determined by the amount of work they perform in association with each particular program, the availability of funds, and program stipulations. These allocations are expected to continue throughout the forecast period as funding for these programs is also expected to continue. Should changes occur and funding is no longer available to support these allocations, this will have an impact on the forecast.

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B. Fringe Benefits

Fringe benefits include employer contributions to the State pension systems, insurance benefits (that include health, vision, life and dental), workers' compensation retrospective rating plan, liability insurance, and Medicare. For some departments, benefits also include uniforms, travel and mileage reimbursements, and training expenses.

The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS provides basic retirement, disability, and death benefits to plan members and beneficiaries. Benefits for OPERS are established by Chapter 145 of the Ohio Revised Code. Employees are required to contribute 10 percent (the maximum) of their annual covered wages and the County is required to contribute 14.0 percent, except for those plan members in law enforcement or public safety, for whom the County is required to contribute 18.10 percent of covered payroll.

The County offers all full time employees health care, in which the premium year runs from January through December. The County currently pays 85 percent of health care premiums for all employees. The County has seen five and four percent increase in premiums for 2012 and 2013. However, for 2014, the County switched insurance carriers as well as changes to the employees share paid for coverage. The 2014 estimated cost was provided by the new insurance carrier. During 2015 and 2016, the County expects a three and one-quarter percent increase in premiums each year. For 2017 and 2018, a four percent increase in premiums is anticipated. The forecasted increases were provided by the new insurance carrier based on a range of historical premium increases associated with the County's new plan.

The County also offers dental, vision, and life insurance coverage to all full time employees. The County currently pays 100 percent of the dental, vision, and life insurance premiums with one exception. For employees that enroll in a family plan for dental and vision coverage, the employee is required to pay \$20 per month in addition to the County-paid premium. These benefits are expected to increase six percent each year during the forecast period.

Workers' compensation coverage is provided by the State of Ohio. The County participates in the Ohio Bureau of Workers' Compensation (the "Bureau") Retrospective Rating Program. Under the retrospective rating program, the County assumes a portion of the risk in return for a reduction in current premiums. Due to workers compensation refunds received during 2013 along with the County participating in programs to help minimize the premium, the County expects the workers compensation liability to remain relatively consistent during the forecast period barring any significant claims that cannot be predicted.

C. Contractual Services

Contractual services include professional services related to advertising, leasing of equipment, publications and subscriptions, memberships, cell phone service, auditing and accounting services, rent for office space, jury fees, transcripts, jury and witness fees, security, autopsies, repairs and maintenance of buildings, equipment and vehicles, computer system support, property and liability insurance, utility charges, and indigent attorney fees.

Indigent attorney fees have varied greatly in prior years. However, since 2011, these fees have decreased slightly each year. Despite trying to monitor costs, these expenditures are unpredictable. Therefore, the forecast anticipates costs to remain consistent throughout the forecast period.

Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
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Liability insurance has consistently increased for the County. Based on the payment history, a six percent increase is anticipated to occur each year during the forecast period.

Utilities are anticipated to increase between three and five percent each year depending on location and based on historical trends.

All other contractual services were analyzed as part of each department and assumptions were made based on the information related to each department such as historical trends, estimated increases provided by vendors, or cost-cutting measures made by the departments.

D. Supplies and Materials

Supplies and materials expenditures include office supplies, voting supplies for the Board of Elections, vehicle fuel and oil, tires, equipment under \$5,000, and miscellaneous small items to be used for minor maintenance and repairs. Supplies and materials were analyzed as part of each department and assumptions were made based on the information related to each department such as historical trends, estimated increases provided by vendors, or cost-cutting measures made by the departments.

E. Capital Outlay

The capital needs of each department are reflected within each departments section of the forecast. The capital needs of the departments include phone system and office upgrades and computers and server upgrades for the prosecutor, office and equipment upgrades for domestic relations, maintenance, upgrades, and additions of park equipment and shelter houses, and normal maintenance and repairs along with 911 system upgrades at the Scioto County jail.

F. Other

These are expenditures that really do not fit into any other category previously listed. The most significant amounts include Futherance of Justice monies provided to both the Prosecutor and the Sheriff and support for the local Ohio State University extension office which provides support for four major program areas: family and consumer sciences, 4-H youth development, community development, and agriculture and natural resources. They also provide support for an apiary inspector, crippled children, the Alcohol, Drug Addiction, and Mental Health Services (ADAMHS) Board, registration of vital statistics and mental health hearings. Veterans Services has other expenditures associated with clothing, burial services, and other assistance for veterans as well as the Memorial Day parade. The Sheriff also has other expenditures associated with the medical needs of inmates.

G. Transfers Out

The transfers out from the general fund are mostly associated with amounts being transferred to debt service funds, required support of other County agencies such as Jobs and Family services, or transfers that have been known to occur in prior years to help support other departments or programs such as Dog and Kennel and Victims of Crime. The amounts presented for the forecast period have been based on future debt service requirements, known future contributions, or historical trends.

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Note 6 – Other Funds

Juvenile Detention Center Fund

When declared in fiscal emergency, the juvenile detention center Fund also had a deficit fund balance. Operations of the detention center ceased during 2009. During 2012, transfers of \$827,611 were made from the general fund to eliminate the deficit. No activity has occurred in the fund since operations ceased and the County does not anticipate any activity in this fund during the forecast period.

The County has several other funds that account for resources that are restricted for specific purposes. These funds are anticipated to have sufficient resources to meet their obligations during the forecasted period.

Note 7 – Pending Litigation

The County is party to legal proceedings. However, no liability has been forecasted since the ultimate disposition of these claims and legal proceedings has yet to be determined and the amount of liability, if any, is not measurable.

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Dave Yost • Auditor of State

SCIOTO COUNTY

SCIOTO 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
JUNE 30, 2014