

# **PREBLE COUNTY**

**BUDGET 2009**

**7/9/09**

# STATE OF OHIO

## -2009 BUDGET WOES-

- STRICKLAND RELEASES STATE CUT SCENARIOS; SPEAKER HOLDS FIRM ON REDUCTIONS VERSUS REVENUES TO FIX HOLE

- A glimpse into what severely reduced state government would look like was released late Wednesday by the Strickland administration, however key players in the budget deliberations continued to maintain that cuts alone would be pursued to close a \$3.2 billion shortfall.
- Released in spreadsheet formatting, the line item reports from state agencies were requested by the Office of Budget and Management based on the potential for additional cuts in the 10-30% range.

GONGWER OHIO, 6/17/2009

# “CONSTITUENCIES STUNNED AT BREADTH OF BUDGET CUTS”

## Among the governor's gravest hits:

- \$21.3 million (28%) from the Department of Alcohol and Drug Addiction Services' total, \$75.8 million biennium budget.
- \$51.2 million (16.5%) from the Department of Aging's total \$309.4 million in biennium appropriations approved by the Senate.
- \$214.2 million (4%) from the Board of Regents' \$5.43 billion.
- \$178.5 million (16.5%) from Mental Health's \$1.07 billion.
- \$45.6 million (6.7%) from the MR/DD's \$680 million.
- \$80.7 million (2.4%) out of Rehabilitation and Correction's \$3.24 billion.
- \$29 million (5.3%) out of Youth Services' \$541.3 million.
- \$1.14 billion (5%) out of Job and Family Services' \$22.37 billion.

GONGWER OHIO, 6/22/2009

**STATE OF OHIO  
-2009 GENERAL REVENUE FUND-**

**2006 – 19.6 Billion**

**2007 – 19.5 Billion**

**2008 – 19.4 Billion**

**2009 – 17.2 Billion\***

**~11% DROP GRF, 2008-2009**

\*GONGWER OHIO, 5/29/2009 Estimate

# LOCAL GOVERNMENTS

- Montgomery, Butler, Darke, Greene, Hamilton,  
etc....

2008

**REVENUES/EXPENDITURES**

\$10,813,193

- \$ 294,189(HEALTH INSURANCE)

\$10,519,004 REVENUE

-VS-

\$11,047,945 EXPENSES

\$ 528,941 DEFICIT

2008

# REVENUES/EXPENDITURES

- How could Preble County afford to run a deficit of \$528,941 in FY 2008?

FY2007“CARRYOVER” CASH BALANCE:	\$905,948
+ <u>HEALTH INS. TRANSFER TO G. FUND:</u>	<u>\$294,189</u>
	\$1,200,137

# CERT. REVENUE HISTORY

## 2009

- 01/01/2009 \$9,908,440
- 05/22/2009 \$9,704,928
- 06/06/2009 \$9,504,928

\*As actual revenue figures continue to come in, it is possible that further decreased amendments will be needed before the end of FY2009.



# SOURCES OF GENERAL FUND REVENUE

## “THE BIG FIVE....”

- SALES TAX
- LOCAL GOVERNMENT FUNDS(LGF)
- INTEREST INCOME ON COUNTY  
RESOURCES
- FEES AND CHARGES OF COUNTY OFFICES
- PROPERTY TAX

# REVENUE PERFORMANCE

## JAN-MAY 2009

	2009 BUDGET	JAN-MAY 2009	MONTHLY AVG	PROJECTION	DIFFERENCE	AMENDMENT
INTEREST	\$450,000	\$109,000	\$21,800	\$261,600	(\$188,400)	DOWN 200K
LGF	\$810,500	\$313,500	\$62,700	\$752,400	(\$58,100)	DOWN 100K
SALES TAX	\$4,265,000	\$1,657,912	\$331,582	\$3,978,989	(\$286,011)	DOWN 100K
FEES	\$1,366,550	\$553,592	\$110,718	\$1,328,616	(\$37,934)	NONE
TOTAL					(\$570,445)	DOWN \$400K

# RECENT HISTORY OF ANNUAL DEFICIT SPENDING

<u>YEAR</u>	<u>REVENUE</u>	<u>EXP.</u>	<u>DIFF.</u>
2003	\$9,088,392	\$9,015,321	\$73,071
2004	\$9,233,374	\$9,747,859	-\$514,485
2005	\$9,360,499	\$9,645,369	-\$284,870
2006	\$10,336,164	\$9,714,378	\$621,786
2007	\$10,180,842	\$10,478,948	-\$298,106
2008	\$10,519,004*	\$11,047,945	-\$528,941
2009	\$9,504,928**	\$10,030,865	-\$525,937

\*Excludes \$294,189 in Health Insurance transfer funds.

\*\* Certified Revenue as of 6/24/09

# REVENUE PERFORMANCE

## JAN-MAY 2009

- PROPERTY TAXES – THE LONE BRIGHT SPOT?
  - 2009 BUDGET PROJECTION \$1,684,810
    - 1ST HALF 2009 PROJECTION \$926,646
    - 1ST HALF ACTUAL RECEIPTS \$1,027,375  
+\$100,729
  - 2<sup>ND</sup> HALF 2009 PROJECTION \$758,165

**NOTE:** 2<sup>ND</sup> HALF RECEIPTS ~17% LOWER THAN 1<sup>ST</sup> HALF  
BASED ON 5-YEAR DATA, 2004-2008

# ALTERNATIVE FORECASTING METHODS

ASSUMPTION: AS GOES THE STATE, SO  
GOES THE COUNTY....(11% REV  
DECREASE FROM 2008).

2008 REVENUE:	\$10,519,004
11% REDUCTION:	\$9,361,914

# ALTERNATIVE FORECASTING METHODS

ASSUMPTION: AS GO THE FIRST SIX  
MONTHS, SO GOES THE REMAINDER  
OF THE YEAR...

\$4,819,069 X 2 =	\$9,638,138
LANDFILL PAYBACK	- 74,400
2 <sup>nd</sup> 1/2 R.E. REDUCTION	- <u>174,654</u>
	\$9,389,084

# 2009 REVENUE ACTUAL vs BUDGET

JAN-JUNE 2009 REVENUE ACTUAL vs. BUDGET\*:

\$4,819,069\* vs. \$4,842,358 = \$23,289

\*Based on 9.5M certified revenue

\*Includes \$74,400 landfill payback

# CASH

- AS OF 06/30/2009, CASH BALANCE:

\$818,469

Can't we spend this to alleviate revenue shortfalls?



# PARTIAL 2008 CASH BALANCES

	<u>RECEIPT</u>	<u>EXP</u>	<u>BALANCE</u>
JAN	628,694	941,063	909,049
FEB	603,623	807,210	705,462
MRC	1,972,164	1,011,595	1,666,031
APL	710,703	1,033,378	1,343,355
MAY	700,480	1,043,806	1,000,030
JUN	590,438	877,822	712,645
JLY	612,600	736,615	588,631
AUG	1,553,394	866,146	1,275,878

# 2009 CASH BALANCES

	<u>RECEIPT</u>	<u>EXP</u>	<u>BALANCE</u>
JAN	446,550	962,058	471,158
FEB	650,761	653,085	468,834
MRC	1,893,854	824,736	1,537,952
APL	486,851	747,336	1,277,467
MAY	690,379	1,007,876	959,970
JUN	650,670	792,171	818,469
JUL*	43,361	228,278	633,552

\*AS OF JULY 9, 2009

# “RAINY DAY FUND”

“CERTIFICATED UNAPPROPRIATED  
FUND”(CUF)

AMT CERT. – AMT. APPR. (SPENT) = RDF

AMT. CERT. = EDUCATED GUESS

AMT. APPR. = VOLATILE CONCEPT

# CERT. REVENUE HISTORY

## 2009

- 01/01/2009 \$9,908,440
- 05/22/2009 \$9,704,928
- 06/06/2009 \$9,504,928

Within three weeks, cert. amount reduced ~\$400,000.  
RDF went from ~\$650,000 to \$250,000 without spending a dime of “real” money.

And then there are unanticipated expenses on the other side of the ledger....

# 2009 BUDGET HISTORY

## AS OF JAN 2009:

CERT. REV.: \$9,908,440

AMT. APPR.: \$10,570,447

## AS OF MARCH 2009:

CERT. REV.: \$9,908,440

AMT. APPR.: \$10,030,865 (CUT = \$561,553)

## AS OF JUNE 2009:

CERT. REV.: \$9,504,928

AMT. APPR.: \$10,030,865

PJ DEFICIT: \$525,937