

Popular Annual Financial Report Ended December 31, 2017 Mahoning County, Ohio



Ralph T. Meacham, CPA
Mahoning County Auditor



Table of Contents

| | <u>Page</u> |
|--|-------------|
| To the Citizens of Mahoning County..... | 2 |
| Mahoning County..... | 3 |
| County Auditor Organizational Chart..... | 4 |
| Auditor’s Office..... | 5 |
| Industry, Commerce and Economic Development | 7 |
| Local Government Developments | 11 |
| Mahoning County – A great place to live, work and play!..... | 12 |
| Elected Officials..... | 15 |
| Economic Indicators..... | 16 |
| Financial Statement Activity | 17 |
| Revenues and Expenses..... | 20 |
| Financial Position Statement..... | 22 |
| Revenue Collections and Investments | 23 |
| Summary of Debt Instruments | 24 |

To the Citizens of Mahoning County



June 29, 2018,

As Mahoning County Auditor, I am pleased to present the Mahoning County Popular Annual Financial Report (PAFR) for the year ended December 31, 2017. This report provides a brief analysis of where the County revenues come from and where those dollars are spent. We also show an overview of trends in the local economy of Mahoning County. This report was created to be more reader friendly.



The information for this report was drawn from the 2017 Mahoning County Comprehensive Annual Financial Report (CAFR). The CAFR is comprised of detailed financial statements, notes, schedules and statistical information. The CAFR was prepared in accordance with General Accepted Accounting Principles (GAAP) and audited by the Ohio Auditor of State, receiving an unmodified opinion. An unmodified opinion is given when an auditor can state that the financial statements are accurately and fairly presented. The PAFR, however, is unaudited and presented on a GAAP basis. The PAFR is a summarized report that presents selected financial and statistical information for the primary government activities and business type activities. It does not include component units, as well as full disclosure of all material financial and non-financial events in the notes to the financial statements.

Mahoning County has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for 2015 and 2016, and has also been the recipient of the award for its PAFR for the same years as part of the PAFR Awards Program.

Readers desiring the more detailed financial statements and the full disclosure GAAP basis accounting information reported in the Comprehensive Annual Financial Report can obtain copies at the Mahoning County Auditor's office, or may view it online at www.mahoningcountyoh.gov/auditor.

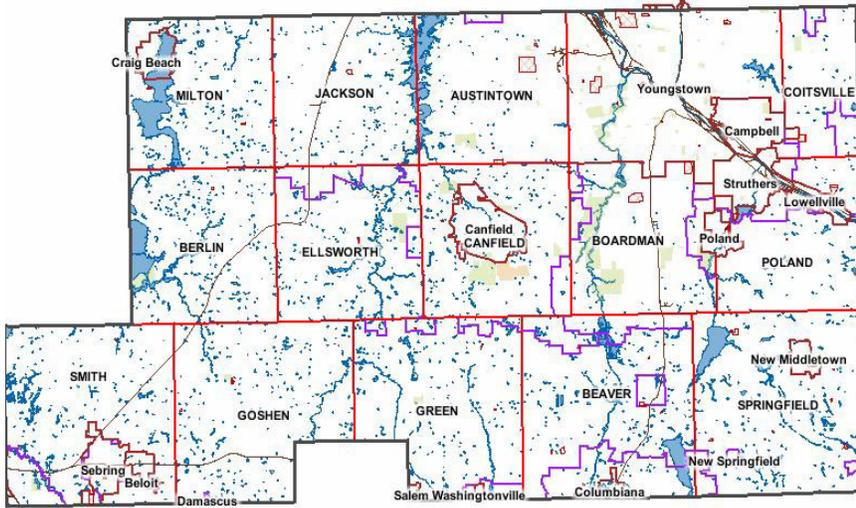
The PAFR is presented as a means of enhancing public confidence in County government and your elected officials through easier, friendlier information. As you review our PAFR for 2017, I invite you to share any comments, questions or recommendations you may have.

Very truly yours,

A handwritten signature in blue ink that reads "Ralph T. Meacham".

Ralph T. Meacham, CPA

Mahoning County

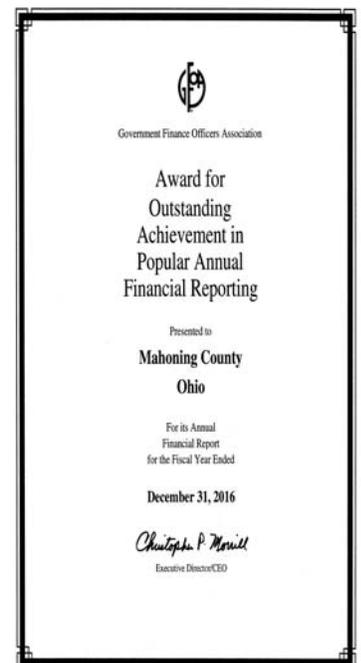


Mahoning County (The County), created in 1846, is located in northeast Ohio, on the southern border of Trumbull County, the eastern borders of Summit and Stark Counties, the northern border of Columbiana County and the western border of the State of Pennsylvania. The County is approximately 78 miles southeast of Cleveland and 62 miles northwest of Pittsburgh. The County encompasses 14 townships and 14 cities and villages, the largest of which is the City of Youngstown, the County seat. The County is in the Youngstown-

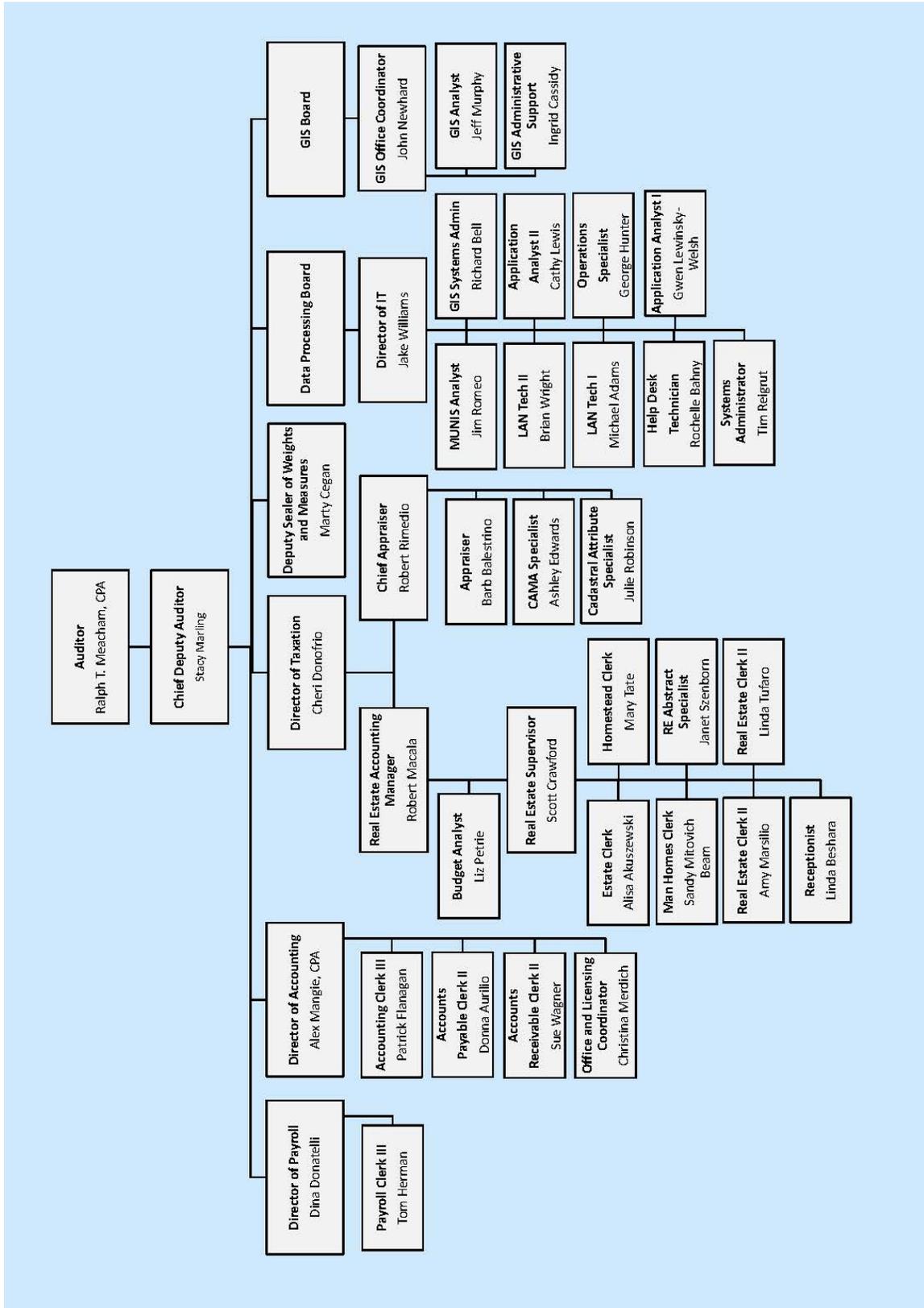
Warren Ohio Metropolitan Statistical Area (MSA) comprised of Columbiana, Mahoning and Trumbull Counties, the 54th largest of 264 MSA's in the United States.

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

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Mahoning County for its PAFR for the year ended December 31, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement a government entity must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting Requirements. And we are submitting it to the GFOA for review.



County Auditor Organizational Chart



Auditor's Office

Fiscal Services (Finance and Payroll)

The Mahoning County Auditor is the chief fiscal officer for the county. It is the auditor's responsibility to perform the following functions:

- Account for revenues received each year by the county
- Issue warrants (checks) in payment of all county obligations, including the distribution of tax dollars to townships, villages, cities, school districts and library systems as well as other County agencies.
- Serve as the paymaster for all 1,534 full time county employees.
- Administer and distribute motor vehicle license fees, gasoline taxes, estate taxes, fines and local government funds, in addition to real estate, personal property and manufactured home taxes.
- As required by law, prepare and produce the county's annual financial report. Mahoning County prepares a Comprehensive Annual Financial Report (CAFR) and a Popular Annual Financial Report (PAFR). The county has been awarded the Certificate of Achievement for Excellence in Financial Reporting and the award for Outstanding Achievement in Popular Annual Financial Reporting.

Real Estate Taxes and Rates

Under Ohio law, the county auditor cannot raise or lower property taxes. Tax-rates are determined by the budgetary requests of each governmental unit, as authorized by vote of the people and are computed in strict accordance with procedures required by the Division of Tax Equalization and the Ohio Department of Taxation. Annually, the auditor prepares the general tax list. Your tax bill is based on the tax rate multiplied by your valuation on this tax list. This is your proportional share of the cost of operating your local government including cities, villages, townships, schools and the County.



Ohio law limits the amount of taxation without vote of the people to what is known as the "10 mill limitation" (\$10.00 per \$1,000 of assessed valuation). County residents must vote any additional real estate taxes for any purpose. Your "tax rate" is an accumulation of all these levies and bond issues.

Real Estate Appraisal and Assessment

Mahoning County has more than 165,000 separate parcels of real estate property. It is the duty of the auditor to see that every parcel of land and buildings thereon are fairly and uniformly appraised and assessed for tax purposes. Ohio law mandates a general reappraisal every six years with an update at the three year midpoint. The office maintains a detailed record of the appraisal on each parcel in the County. These records are open for public inspection. For taxation purposes, owners are assessed at 35 percent of fair market value.

Real Estate Conveyance and CAUV

This department is in charge of transferring all real estate that changes ownership in the County and collecting fees on this activity. They maintain all ownership records, acreage changes, real estate splits and provide information for maintaining tax plat maps. The auditor is also in charge of administering the Current Agricultural Use Value (CAUV) program that allows farmland to be taxed based on soil values instead of market values. Agricultural districts and forest certification are other responsibilities of this department.

Auditor's Office

Owner Occupancy, Homestead Exemption and Non-Business Credits

Owner occupancy and Homestead exemption credits must be applied for with the County Auditor. These credits are available to home owners meeting certain qualifications which include age, income, and disability, depending on the credit. The homestead exemption is also available to disabled veterans and surviving spouses. The Rollback credit which reduces taxes on agricultural and residential property is now known as the Non-Business credit. This will no longer be a full 10% reduction since rollbacks will not apply to new levies that are enacted after the August 2013 election.

Licensing

The auditor's office is the focal point in the County for issuance of licenses for dogs, vendors and cigarette sales. Mahoning County annually issues more than 30,000 dog licenses. Vendor licenses authorize businesses to sell tangible property to the public and collect sales tax, a part of which is returned for use at the local level.



Data Processing (IT)

The Data Processing (I.T.) Department provides and maintains a reliable network infrastructure and has the knowledgeable staff necessary to support the information systems critical to the County's day-to-day operations. Additionally, the Data Processing Department provides proactive, cost effective solutions for County workflow processes and network environment. All county technology requests/purchases must be approved by the I.T Director, and if over \$1,000, must also be approved by the Data Board. Some specific functions of data processing are:



- Support and maintain OS software for 48 servers and 1,025 workstations, including application set.
- Support and maintain SQL database systems for Courts, Real Estate, GIS, Financials and HR/Payroll.
- Provide internet services, including e-mail, secure internet browsing, and Intranet services.
- Train employees by offering year round classes on critical county software applications.
- Support and maintain WAN and LAN, integrating Data and Voice technologies, as well as supporting all telephone services.

Sales Tax

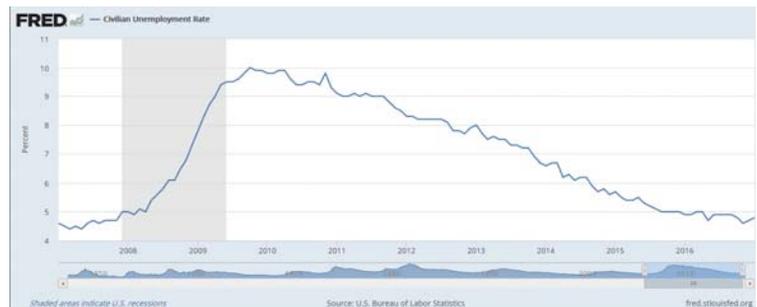
The County has levied a 1 percent sales tax which is collected by the State of Ohio and remitted to the County on a monthly basis. The Board of County Commissioners enacted this tax with two separate .5 percent taxes under the authority of the Ohio Revised Code.

In November of 2014, the voters passed by 51 percent of the vote, the renewal of the May 2010 .5 percent sales tax levy, along with a .25 percent sales tax commencing on April 1st, 2015. Both sales tax levies are for the purpose of providing criminal and administrative justice services of the Sheriff, Coroner, Prosecutor, and 9-1-1 for a five year period of time. In 2007, the Commissioners passed a resolution placing a continuous .5 percent sales tax on the May ballot. The voters passed this continuous sales tax with a 67 percent vote.

The sales tax generates approximately \$43 million, with \$15.5 million going to the General Fund, \$1.5 million going to the General Obligation Bond Retirement Fund and \$26 million going to the Criminal and Administrative Justice Fund.

Industry, Commerce and Economic Development

Employment in the County and Metropolitan Statistical Area (MSA) is primarily in the areas of trade, manufacturing, and health services. The Ohio Department of Jobs and Family Services Labor Market Information Division report for the time period reflects that most job growth will be in healthcare/technical occupations and service producing industries.



Mahoning County has recovered from the economic dislocation that accompanied the downsizing of its steel industry in the late 1970's and early 1980's and achieved new records for economic activity. While the county's economy was once dependent on manufacturing, it is now more diversified and able to retain and attract jobs along a broad spectrum of the economy. The Ohio Office of Research county profile of 2015 shows that of the people employed in the county, 88.1 percent were private wage and salary workers and about 11.9 percent were federal, state, or local government workers. A number of large industry expansion and attraction projects in the region have fed this economic growth. Projected growth is expected to continue in the fracking, agriculture and mining industries as well as the aluminum and food processing industries.

The economic engine of the Youngstown-Warren and nearby Western Pennsylvania region has been reviving in recent years. In 2017, \$1.12 billion in construction sales occurred in the Mahoning Valley. Similarly \$216.5 million in agency and non-agency assisted projects were completed in the Valley. To promote the attraction and expansion of commercial and industrial projects, the county has taken advantage of State of Ohio programs such as the Enterprise Zone Programs which permits ad valorem property tax abatements for new real property and Community Reinvestment Area (CRA) abatements as well. The county presently has four Enterprise Zones and two CRA tax abatement zones. The Enterprise Zones cover all or part of the City of Youngstown, Campbell-Struthers-Lowellville-Poland, Austintown-Jackson Townships, and the Village of Sebring. The CRA's cover all or part of Jackson Township and the Village of Sebring.



Businesses favor locating to Mahoning County and the MSA due to the easy access to suppliers and customers. Regionally the Mahoning Valley is located in the heart of the Cleveland-Youngstown-Pittsburgh Tech Belt and is also home to NAMII and the Ohio Hub for Advanced Materials Commercialization and Software Development. NAMII will provide the innovation infrastructure needed to support new additive manufacturing technology and products in order to become a global center of excellence for additive manufacturing. Often referred to as 3D printing, it is a new way of making products and components from a digital model, and will have implications in a wide range of industries including defense, aerospace, automotive, and metal manufacturing.

The Youngstown/Warren Regional Chamber and the Ohio Small Business Development at Youngstown State University were the recipients of the Economic Development Silver Award in the category of Regionalism and Cross-Border Collaboration.

Industry, Commerce and Economic Development

Mahoning Valley Aluminum Industry:

- According to the U.S. Bureau of Labor Statistics, the Youngstown-Warren region ranks 3rd of all MSAs in the nation in alumina and aluminum production by number of establishments and total average employment, with 17 establishments employing 1,376 workers. In total the industry is responsible for \$755.5 million of economic output. When supplier and induced impacts are taken into account, the aluminum industry generates nearly \$1.02 billion in economic activity in the district.
- Matalco, a manufacturer of billets and logs for the aluminum extrusion manufacturing industry, has chosen Lordstown, Ohio to locate its \$100 million, 200,000 square-foot advanced manufacturing facility. The plant recently came online in 2016 and is expected to produce 350 million pounds of various series, high-quality aluminum billet at full capacity.



Mahoning Valley Food Processing Industry:

- Food processing has become a fledgling industry in the Valley. In the past three years, food-related industries have invested nearly \$50 million locally. This industry comprises almost 7.5 percent of the total manufacturing jobs in the area and growing with an average hourly wage of \$16.25 per hour.
- Joseph Company International has completed the first building in its \$20 million beverage and technology complex on Youngstown's East Side. The company will create the world's only self-chilling beverage can. The completed project will consist of four buildings and will also conduct research and development of other products. It is estimated to create over 200 jobs.



- Exal Corporation produces over 470 million containers annually for Anheuser-Busch, Coca-Cola, and GlaxoSmithKline.
- Pur Foods will begin the construction of a new manufacturing and processing plant in North Jackson. A home food delivery service that already has locations in Jackson and Austintown townships, the \$1.35 million expansion project is expected to be completed by early 2019.

Industry, Commerce and Economic Development

The following are additional projects in the region announced in 2017:

- In 2017, nearly \$106 million of new investment in 330 projects was realized in the Valley through economic development agencies, resulting in 706 new jobs and 2,254 retained jobs. The combined resources of these entities provided support and assistance with infrastructure development, tax incentives, loans, project coordination, grants oversight, technical advisement, property development and other services.

- Boardman Township has been working on updating its zoning plans and bringing in new commercial development. With the closing of K-Mart and Toys R Us, the township has been looking closely at how to bring in new business to replace these larger stores. The 19,700 square foot Tiffany Crossings plaza is expected to be completed in June 2018, not including a Dunkin' Donuts that is expected to be 2,400 square feet that will have a full working drive-thru.



- Fireline Inc. is in the process of undergoing a 102,000 square foot expansion project in two phases, the first of which is estimated at a cost of \$5.76 million. Due to an uptick in the aerospace industry, the company believes it will double in size within the next twenty years and requires a major expansion of its Andrews Avenue headquarters. The company is working with the City of Youngstown on rezoning the property and obtaining tax abatements.

- Youngstown State is in the process of building its next mixed retail and residential housing project along Lincoln and Wick Avenue. The Enclave is estimated to hold about 194 students and the project will offer single and multi-bedroom units equipped with washers and dryers and a kitchen. On site will be a fitness center, tanning beds, game room, computer lab, and other small retail stores and restaurants.



Industry, Commerce and Economic Development

- Several projects in Austintown Township have been underway to pave the way for new business development. National grocery chain Meijer purchased the old Austintown Middle School and is currently in site preparation of a new store to open in 2020. Nearby at the I-80 corridor, the four-story Home 2 Suites hotel was completed and a new Sheetz gas station is set for completion after the demolition of older and unutilized commercial buildings. On the other side of Austintown a new commercial plaza is in development near the corner of Route 46 and Mahoning Avenue.



- The U.S. Department of Economic Development awarded a \$2 million grant to Youngstown State University to help create the Mahoning Valley Innovation and Commercialization Center in downtown Youngstown. Housed at the former Mahoning County Jail, the center will be used for STEM projects, business, healthcare and other areas. It is one of 35 selected projects nationwide.
- The City of Youngstown has begun demolition and site preparation for its amphitheater project. The cost of the project is estimated to be around \$6 million, with the Youngstown Foundation contributing \$3 million to the project. The first phase of the project, with a completion date of late 2018, will seat 3,200 people and include a restroom facility, terraced seating, ticket box and expanded canopy. Future phases of the project will include a possible future water park facility, a dog park, a riverfront park, a community garden and bocce and basketball courts.

- Youngstown's historic Stambaugh Building is now home to the downtown's first hotel in 44 years, the DoubleTree by Hilton. Completed in early 2018, the hotel has 125 rooms and will feature two restaurants, a coffee shop, a 24 hour fitness center, and 5,300 square feet of meeting space. Within walking distance of Youngstown State University and the Covelli Center, the hotel is expected to boost further downtown development.



Local Government Developments

Public Library of Youngstown and Mahoning County

- The Michael Kusalaba Branch Library on Youngstown's West Side was completed in early 2018. The library has its own makerspace that comes fully equipped with a 3-D printer and laser engraver. Additionally the library has its own soundproof recording room and allows patrons to check out laptops that can be used throughout the library. Also unique to the library is its own digital transfer machine that can efficiently digitize old family photos.



Lowellville River and Commercial Improvements

- The Village of Lowellville is working diligently to improve its portion of the Mahoning River. The village has received grants for the removal of the Mahoning River dam, which is estimated to cost about \$2.4 million. Additionally the village plans on the installation of a canoe livery, a small parking area, and picnic area with wooden walkways. Also, Lowellville has received \$300,000 in grants that will be used for building improvements for fifteen downtown businesses.



Boardman Fire Station

- Boardman Fire Station #71 officially opened a little over a year after groundbreaking. The \$3.6 million facility is 18,000 square feet and in addition to the garage will also house a training facility and several offices. The new station replaces a 100-year old building and according to the fire chief, the new location will improve response times in every direction of the township, particularly the southern part of Boardman Township.



Canfield Township Water Tower

- A 500,000 gallon water tank is nearing completion in Canfield Township. Mahoning County Commissioners approved the \$1.87 million tower and line extension project to improve water pressure and improve fire safety along the Route 224 corridor between Raccoon and Tippecanoe roads. It is expected to be fully operational by summer of 2018.



Mahoning County ...A great place to live, work and play!

Living in Mahoning County



Central Square, Downtown Youngstown

Mahoning County offers a lifestyle that is affordable, exciting, and sophisticated. The combination of affordable living costs, good schools, a diversified workforce, a rejuvenated downtown and expanding university system makes the area optimal for families and job seekers. Mahoning County enjoys a health system comprised of Mercy Health, the Surgical Hospital at Southwoods, and Steward Health Care as well as Akron Children's Hospital which has greatly increased the level of pediatric care in the area. Entrepreneur and Site Selection Magazine have also recognized the Youngstown metro area as a great place to start a business, supported by a suitable workforce, low startup costs, and a location central to major markets within a few hours' drive.

Arts and Culture



*Snap the Whip, by Winslow Homer
Butler Museum of American Art*

Mahoning County is home to one of the most vibrant Arts and Culture districts in the nation. Whether you are enjoying a performance at the DeYor Performing Arts Center or taking in some of the country's finest art at the Butler Museum of American Art, you will never be lacking for something fun to see or do in Mahoning County. Youngstown has its own symphony orchestra which performs regularly at Powers Auditorium as well as its own opera company, Opera Western Reserve. Nearby is the Covelli Center which annually hosts major rock and country performers such as Motley Crue and Keith Urban. Other venues like the Youngstown Playhouse, Easy Street Productions, YSU's Bliss Hall, and the Victorian Players regularly host world class music and productions.

Dining & Nightlife



Hollywood Racetrack and Casino

Whether it is fine dining, casual pub fare, pizza or fast food, Mahoning County has a choice for you. Mahoning County has some of the best Italian fare around, complimented by an impressive variety of pizza options from local shops that have perfected their recipes over the course of generations. Fine dining is abundant throughout the Valley, as Greek, Hungarian, Lebanese, and Irish cuisine bolsters the local flavor for which the area is known. In the evenings, there is no shortage on things to do—bars, craft breweries, live bands, and night clubs are available throughout the county, and if you are feeling lucky, the Hollywood Gaming Racetrack and Casino in Austintown is open at all hours of the day.

Mahoning County...A great place to live, work and play!

Sports



Ursuline High School Football

The Mahoning Valley has a rich history of sports tradition. From football to hockey to baseball, the Valley is home to a vibrant sports culture. Rivalries forged over the course of decades have contributed to the excitement of high school football in the area, as many teams are in the championship hunt annually. Youngstown State University has a history of producing FCS Championship caliber teams, winning 4 and nearly winning another in 2017. For baseball fans, the Mahoning Valley Scrappers have been very successful at entertaining fans and made an impact in 2017 by winning their division and making the playoffs. The Mahoning Valley is also home to Youngstown Phantom hockey, played right downtown Youngstown at the Covelli Center.

Parks



Lake Milton State Park

Mahoning County is home to the 2nd largest metropolitan park in the country. Mill Creek Metro Parks is over 4,400 acres of diverse lands that offers an 11 mile bike trail, two 18-hole Donald Ross designed golf courses, a 400 acre working farm, wildlife areas, tennis courts, baseball fields, sled riding, concerts and even a horse park – literally something for everyone. Fellows Riverside Gardens is a 12 acre garden with an education and visitor's center. Another jewel of Mill Creek Park is Lanterman's Mill, built in 1845 and powered by Lanterman's Falls. County residents love to boat, waterski and fish at Lake Milton State Park and Berlin Reservoir. Nearly every township and city in the county has a park and holds family activities, concerts and festivals. Even dogs have two parks of their own in Mahoning County.

Golf



Reserve Run Golf Course

Travelers from all over the country come to play the most beautiful courses and greenest fairways between Cleveland and Pittsburgh. Many local hotels and the Mahoning County Visitor's Bureau offer golf packages for one or all of our courses. Choose from Mill Creek, Reserve Run, Kennsington, Flying Bee, Stambaugh, Pine Lake, Knoll Run, Bedford Trails, or Lakeside. The Mahoning Valley also boasts several country clubs including Tippecanoe Country Club and the Lake Club.

Mahoning County...A great place to live, work and play!

History



Youngstown—Federal Street

The Youngstown area has played a role through history in commerce, politics, and security. During war time, Youngstown supplied huge quantities of steel which further led to the boom of an industry that lasted the greater part of the 20th century. The Youngstown Historical Center of Industry and Labor have exhibits of the robust steel history of the Mahoning Valley, dedicated to the men and women who worked the mills. This museum is the perfect place to see Youngstown in its most lucrative era and learn how its residents adjusted to industry changes. Similarly, The Arms Family Museum houses a comprehensive collection of local history. Built in 1905, it is the mansion of Olive and Wilford Arms. The War Vets Museum, TP Auto Car Collection Museum, and the Mahoning Valley Historical Society also memorialize the Valley's diverse history.

Charity



St. Vincent de Paul, Youngstown

The Mahoning Valley is filled with charitable organizations and churches. Each township has organizations dedicated to the preservation of our community and world. Clubs such as Rotary International, Lions, Wolves, Masons, Kiwanis, Eagles and Moose are active all throughout Mahoning County. There are also a variety of ethnic and religious affiliations here in the Valley as well. Charitable groups such as the United Way, Catholic Charities, the Youngstown Area Jewish Federation, Rescue Mission, Second Harvest Food Bank, St. Vincent DePaul and the Salvation Army help people in their times of need. Angels for Animals, Friends of Fido, Legacy Dog Rescue and New Lease on Life are just a few of the groups dedicated to helping the four legged residents of the Valley.

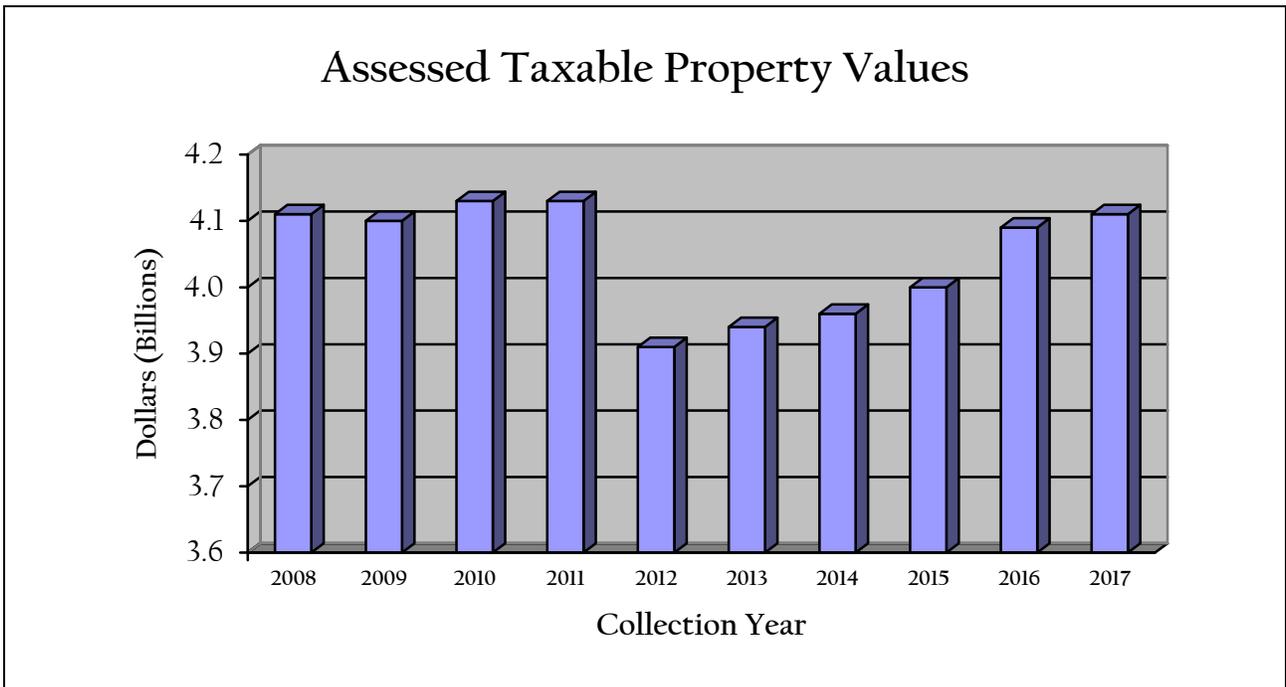
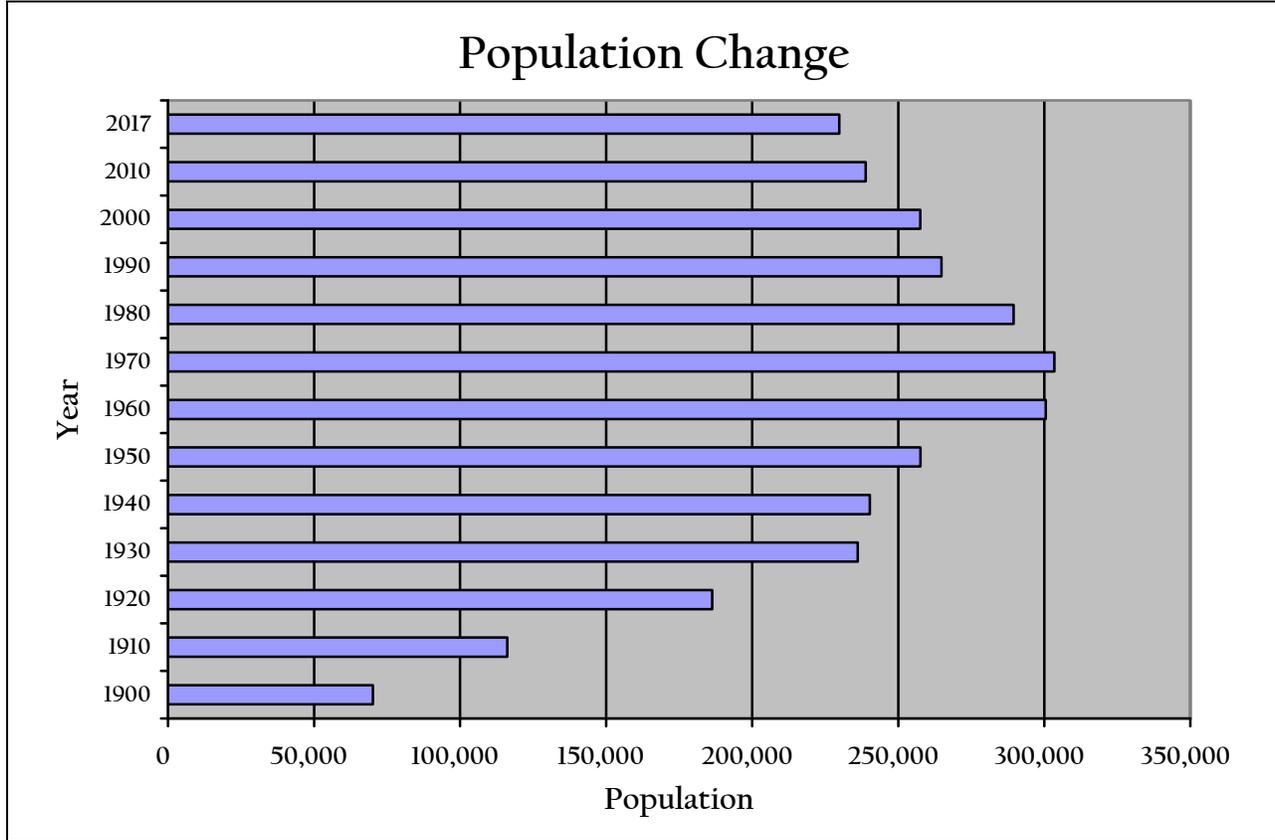
Family Fun & Much More!



Noah's Lost Ark, Berlin Center

Mahoning County has a variety of fun activities to participate in— boating, wake boarding, go-carts, batting cages, movies, roller skating, bowling, and laser tag can provide months of entertainment for families of all ages and sizes. In addition, the Canfield Fairgrounds is home to the state's largest county fair. Mahoning County also has Noah's Lost Ark, an exotic animal sanctuary where a large number of rescued lions, tigers, and bears (oh my) can be viewed living a better life than before. A 501(c)(3) nonprofit organization, it receives no government funding and runs purely on donations and admission fees. Within drive time of 20 minutes in any direction, there are shopping malls, wineries, fruit farms, and outlet malls. The Mahoning County Convention and Visitors Bureau's website has everything you could ever want to know about Mahoning County! Visit www.youngstownlive.com for upcoming events, directions and your free visitor's guide.

Economic Indicators



Financial Statement Activity

The Activity Statement reports the financial activities of the Mahoning County government as a whole. These activities are identified as either **Governmental** or **Business-Type**. Governmental Activities constitute the majority of the County's operations and are financed primarily by operating grants, taxes, charges for services, capital grants and other intergovernmental revenues. Business-type activities, on the other hand, rely on user fees and other charges to wholly, or to a large extent, fund their operations.

Uses and Expenses are the monies spent to provide services to citizens:

Governmental Activities:

| | |
|-----------------------------|--|
| General Government | Includes expenses incurred to operate the administrative offices of the Commissioners, Auditor, Treasurer, Prosecutor, Recorder, Department of Development, Information Services, Board of Elections, Maintenance Department and Records Center. This amount also includes the operating costs of the Mahoning County Courts Judicial System: Common Pleas, Clerk of Courts, County Court, Court of Appeals, Domestic Relations, Drug Court, Juvenile Court and Municipal Court. |
| Public Safety | Includes the costs of the Sheriff's Department, Drug Law Enforcement, Coroner, Indigent Drivers Alcohol Treatment Program, Hazardous Materials Response, 911 Service and Emergency Management System. |
| Public Works | Expenses associated with maintaining roads, bridges and culverts and other community block grant programs. |
| Health | Combined expenses for services to maintain public health including the County Board of Developmental Disabilities, the Dog Warden, Solid Waste Management and the County Board of Mental Health. |
| Human Services | Expenses to provide various forms of services and assistance to individuals, children and families, including services provided or funded by the Senior Services Levy, Veterans Services Board, Children Services Board, Child Support Enforcement Agency and the Department of Job and Family Services. |
| Interest and Fiscal Charges | The cost of debt financing for capital projects of the County. |

Business-type Activities:

| | |
|--------------------------|--|
| Business/Utility Service | Operating expenses for the Department of Sanitary Engineers which supplies water and sewer to residents. |
|--------------------------|--|

Financial Statement Activity

Sources of Revenues are the monies received by the County from a variety of sources used to fund all services provided.

| | |
|---|---|
| Charges for Services | <i>Monies received from departments and agencies for fees paid by the public.</i> |
| Operating Grants and Contributions | <i>Monies to be used for restricted program operations and improvements.</i> |
| Capital Grants and Contributions | <i>Monies to be used for capital acquisitions.</i> |
| Taxes | <i>Revenue from sales tax, real estate tax, personal property tax and other smaller taxes.</i> |
| Intergovernmental Revenues | <i>Revenue from grants and pass-through monies administered by the State of Ohio and Federal government.</i> |
| Interest | <i>Monies earned through the County Treasurer's investments of cash on hand not needed for current period services.</i> |

| RESOURCES RECEIVED | Governmental Activities | | | Business-Type Activities | | |
|---|-------------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|
| | 2017 | 2016 | 2015 | 2017 | 2016 | 2015 |
| <i>Program Revenues:</i> | | | | | | |
| Charges for Services | \$23,580,291 | \$23,689,318 | \$24,647,315 | \$27,030,184 | \$25,686,884 | \$24,257,857 |
| Operating Grants and Contributions | 68,592,436 | 65,366,347 | 65,156,016 | 0 | 0 | 0 |
| Capital Grants and Contributions | 4,275,718 | 2,639,816 | 4,985,488 | 843,234 | 1,006,059 | 1,326,036 |
| <i>General Revenues:</i> | | | | | | |
| Property Taxes | 38,077,846 | 35,371,487 | 32,060,564 | 0 | 0 | 0 |
| Sales Taxes | 43,095,827 | 44,233,763 | 41,429,228 | 0 | 0 | 0 |
| Grants and Entitlements | 7,444,594 | 5,612,066 | 5,751,011 | 0 | 0 | 0 |
| Conveyance Taxes | 2,329,412 | 1,902,728 | 1,940,022 | 0 | 0 | 0 |
| Interest | 863,839 | 457,598 | 977,013 | 69,813 | 74,087 | 50,311 |
| Gain on the Sale of Capital Assets | 82,550 | 30,377 | 0 | 717 | 0 | 0 |
| Payment in Lieu of Taxes | 629,585 | 609,135 | 0 | 0 | 0 | 0 |
| Miscellaneous | 2,926,900 | 3,394,278 | 3,085,506 | 97,994 | 200,684 | 254,045 |
| TOTAL RESOURCES RECEIVED | 191,898,998 | 183,306,913 | 180,032,163 | 28,041,942 | 26,967,714 | 25,888,249 |
| SERVICES RENDERED | | | | | | |
| General Government | 50,997,940 | 48,301,167 | 46,125,626 | 0 | 0 | 0 |
| Public Safety | 38,448,697 | 34,381,681 | 31,088,021 | 0 | 0 | 0 |
| Public Works | 13,985,860 | 15,480,125 | 14,205,410 | 0 | 0 | 0 |
| Health | 39,310,148 | 38,370,842 | 37,031,027 | 0 | 0 | 0 |
| Human Services | 45,416,756 | 41,123,931 | 39,850,859 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 1,462,654 | 1,423,096 | 1,899,467 | 0 | 0 | 0 |
| Water | 0 | 0 | 0 | 1,484,665 | 1,496,075 | 1,621,113 |
| Sewer | 0 | 0 | 0 | 27,230,508 | 25,717,354 | 24,440,240 |
| TOTAL SERVICES RENDERED | 189,622,055 | 179,080,842 | 170,200,410 | 28,715,173 | 27,213,429 | 26,061,353 |
| <i>Excess of Resources Over (Under)</i> | | | | | | |
| <i>Services Rendered</i> | <u>\$2,276,943</u> | <u>\$4,226,071</u> | <u>\$9,831,753</u> | <u>(\$673,231)</u> | <u>(\$245,715)</u> | <u>(\$173,104)</u> |

Financial Statement Activity

The Financial Statements provide a record of revenues and expenses summarized on a GAAP basis. A detailed version of this Statement of Activities is published in the 2017 CAFR.

EXPLANATION OF SIGNIFICANT DIFFERENCES

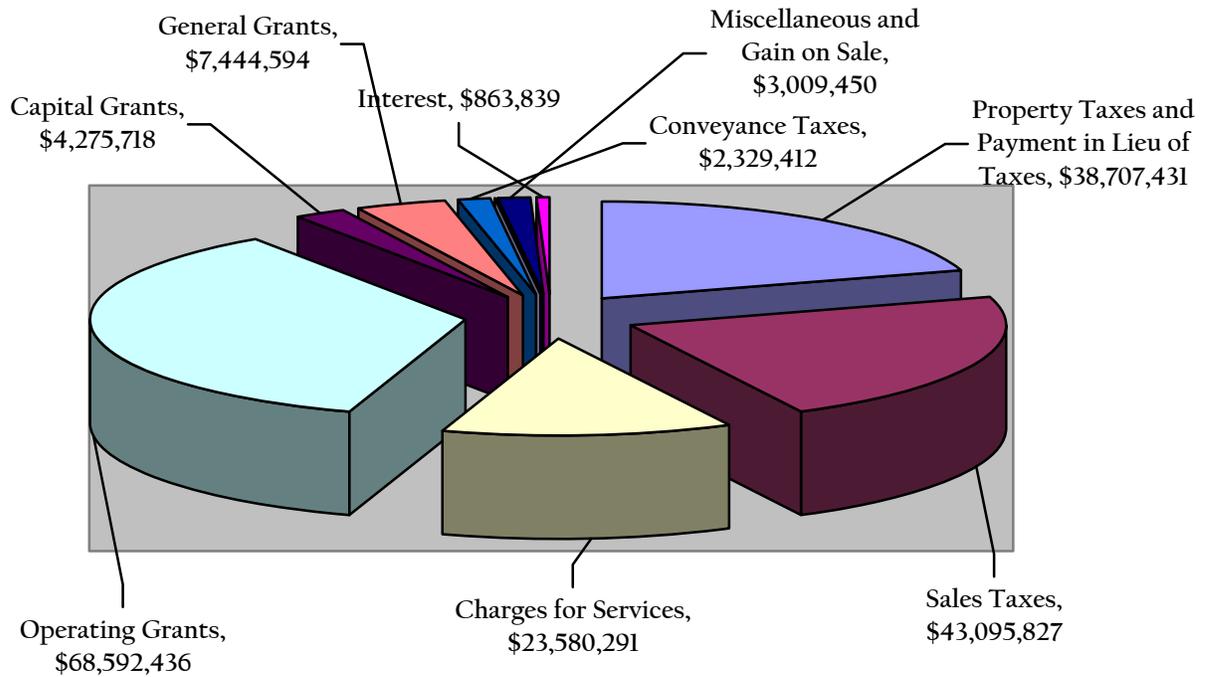
Property tax revenues increased due to collections from the new senior citizens levy. Operating grants program revenues as well as grants and entitlements increased due to the receipt of Medicaid sales tax transitional aid monies. Capital grants and contributions program revenues increased due to an increase in grants from the Ohio Department of Transportation and the Ohio Public Works Commission. Expenses increased due to increases in wages, increases in the net pension liability and an increase in continued project related expenses.



Revenues and Expenses

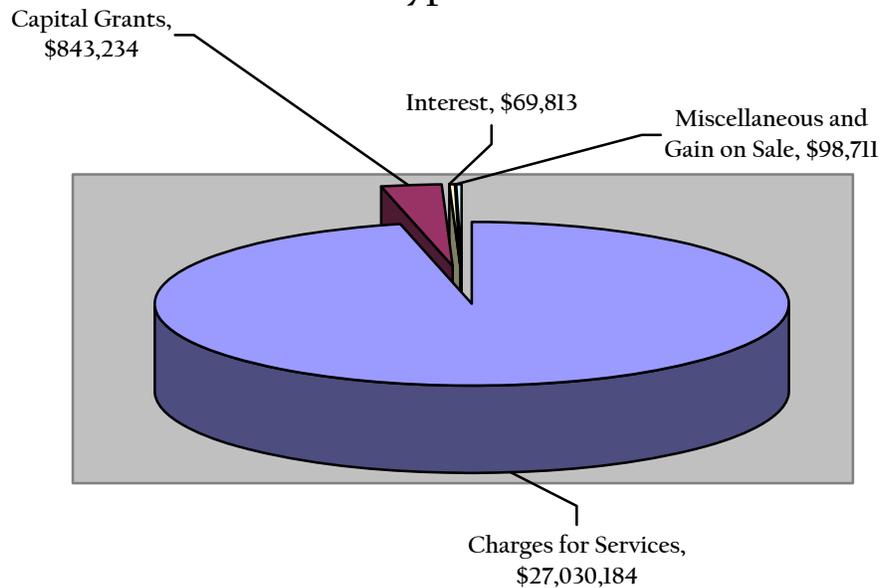
Where the money comes from:

Governmental Activities



Total Governmental Revenues \$191,898,998

Business-type Activities

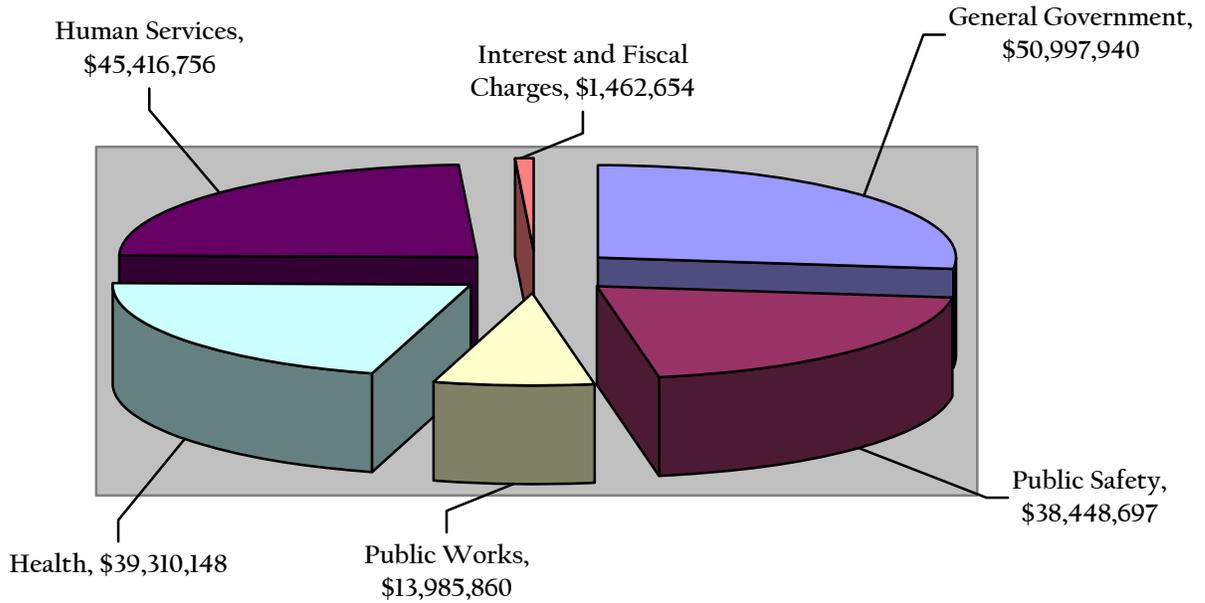


Total Business-type Revenues \$28,041,942

Revenues and Expenses

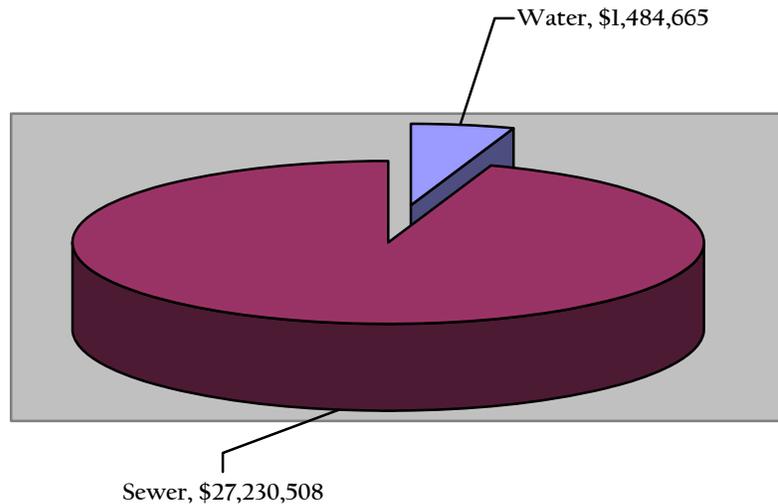
Where the money goes:

Governmental Activities



Total Governmental Expenses \$189,622,055

Business-type Activities



Total Business-type Expenses \$28,715,173

Financial Position Statement

December 31, 2017 and 2016 – Mahoning County

Summary

The Financial Position Statement, known in accounting terms as the “Balance Sheet”, is designed to provide a picture of the County’s financial position as of the end of the year. Explanations of specific accounts are as follows by where they appear in the financial position statement.

Assets and Deferred Outflows

Cash is the amount of physical cash held by the County in checking accounts and on hand for purposes of paying expenses.

Receivables represent the amounts that are owed to the County at December 31, 2017.

Property & Equipment represents the furniture, equipment, vehicles, land, buildings, infrastructure and water and sewer plants and mains which provide an economic benefit of greater than one year.

Deferred Outflows of Resources represent the difference between the carrying value of refunded debt and its reacquisition price as well as a portion of the calculation of the net pension liability.

Liabilities and Deferred Inflows

Amounts owed to Employees and Vendors are those items which the County owes to individuals and companies who supply a service or good, and are expected to be paid within twelve months.

Deferred Inflows of Resources represent an acquisition of resources that apply to a future period and will not be recognized as revenue until that time as well as a portion of the calculation of the net pension liability. Making this up are property taxes, payments in lieu of taxes, grants, permissive sale tax, special assessments and pension.

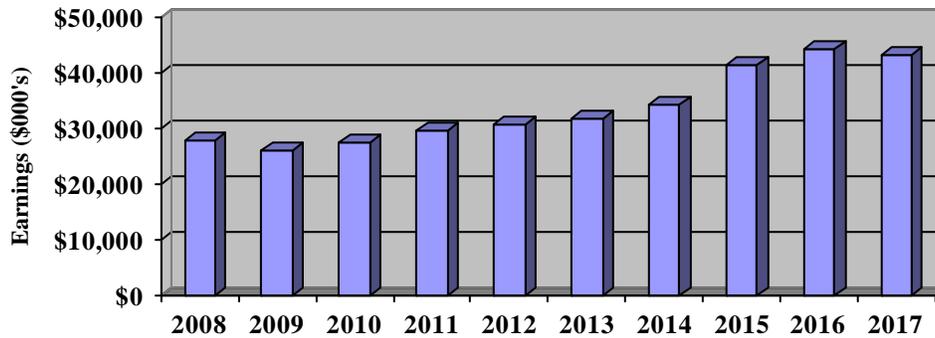
Other Liabilities consist of accrued interest and claims payable along with compensated absences and the most significant item, the net pension liability which is a part of GASBs 68 and 71, implemented in 2015 for reporting as of 2014 and establishes standards for measuring and recognizing pension liabilities.

| | 2017 | 2016 | 2015 |
|-----------------------------|----------------------|----------------------|----------------------|
| Assets: | | | |
| Cash | \$143,980,546 | \$122,745,113 | \$116,089,283 |
| Receivables | 87,122,916 | 77,074,551 | 73,742,413 |
| Property & Equipment | 239,056,936 | 235,328,988 | 237,048,391 |
| <i>Total Assets</i> | <u>470,160,398</u> | <u>435,148,652</u> | <u>426,880,087</u> |
| Deferred Outflows | <u>48,699,079</u> | <u>37,889,446</u> | <u>11,868,709</u> |
| Liabilities: | | | |
| Owed to Employees & Vendors | 9,760,848 | 10,144,044 | 10,173,630 |
| Short Term Debt | 20,456,845 | 15,959,390 | 10,319,017 |
| Long Term Debt | 72,823,665 | 63,918,125 | 70,161,117 |
| Other Liabilities | 138,809,523 | 111,778,873 | 81,793,622 |
| <i>Total Liabilities</i> | <u>241,850,881</u> | <u>201,800,432</u> | <u>172,447,386</u> |
| Deferred Inflows | <u>41,033,586</u> | <u>36,866,368</u> | <u>35,910,468</u> |
| <i>Net Position</i> | <u>\$235,975,010</u> | <u>\$234,371,298</u> | <u>\$230,390,942</u> |

As can be seen from the above table, the County had an increase in net financial position in both 2016 and 2017. This is attributed mainly to an increase in cash resulting from increases in property tax revenues in both 2016 and 2017 and sales tax revenue in 2016. Revenues exceeded expenditures in both 2016 and 2017 and the County continued to provide the services expected by County residents.

Revenue Collections & Investments

Sale Tax Collections History

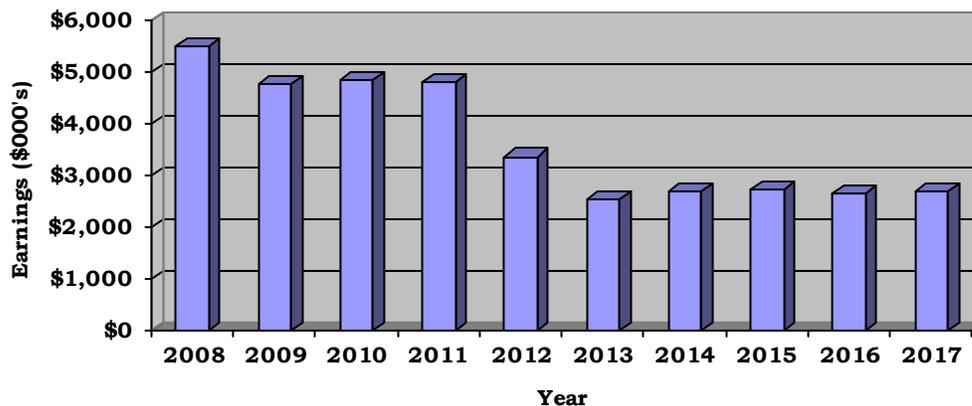


Investment Detail

| Investment | Fair Value | Average Maturity | Percent of Total Investment |
|--|---------------------|----------------------|-----------------------------|
| Federal National Mortgage Association Bonds | \$28,760,349 | Less than five years | 30.18% |
| Federal Home Loan Mortgage Corporation Bonds | 20,013,219 | Less than five years | 21.00% |
| Federal Farm Credit Bonds | 14,377,584 | Less than five years | 15.09% |
| Federal Home Loan Bank Bonds | 16,775,048 | Less than five years | 17.61% |
| Commercial Paper | 8,717,368 | Less than one year | 9.15% |
| STAR Ohio | 1,041,923 | 52.1 days | 1.09% |
| United States Treasury Notes | 5,600,007 | Less than five years | 5.88% |
| Total Portfolio | \$95,285,498 | | 100.00% |

Local Government Collections History

The chart below presents Local Government Fund (LGF) distributions from the State which are received into the County's General fund.



Summary of Debt Instruments

The County employs the use of several different types of short and long-term financing. They are as follows:

| General Obligation Bonds | Revenue Bonds | Bond Anticipation Notes | Special Assessment Bonds | Other Loans |
|---|--|---|---|--|
| General Obligation Bonds are long-term debt instruments which are repaid from the County's general revenue sources. | Revenue Bonds are long-term debt instruments issued to pay for the projects of Water and Sewer improvements, and are fully repaid from the revenues of the department. | Bond Anticipation Notes are instruments due in one year or less and are issued to raise money for projects of the County. These Notes are usually turned into bonds after a short period of time. | Special Assessment Bonds are issued to pay for improvements benefiting property owners, and the owners pay the County over a period of ten years for the debt | Other loans are comprised of Ohio Public Works Commission (OPWC), Ohio Water Development Authority (OWDA) funding, which provide low-interest loans for infrastructure. Additionally, loans from other sources are included. |

| | Balance 12/31/2016 | Additions | Deletions | Balance 12/31/2017 |
|--------------------------|-----------------------|---------------------|-----------------------|-----------------------|
| General Obligation Bonds | \$38,095,279 | \$8,648,352 | (\$10,601,542) | \$36,142,089 |
| Revenue Bonds | 18,726,781 | 20,591,873 | (9,481,181) | 29,837,473 |
| Bond Anticipation Notes | 15,959,390 | 9,832,704 | (5,335,249) | 20,456,845 |
| Special Assessments | 34,054 | 50,000 | (34,054) | 50,000 |
| Other Loans | 7,062,011 | 462,906 | (730,814) | 6,794,103 |
| Total Debt | \$79,877,515 | \$39,585,835 | (\$26,182,840) | \$93,280,510 |

This report is issued by:
The Mahoning County Auditor's Office
for the Fiscal Year ending December 31, 2017

Ralph T. Meacham, CPA



Mahoning County Auditor's Office 2018

Questions, comments or suggestions regarding this report can be directed to the County Auditor's office at 330-740-2010. This report and a variety of other information, as well as e-mail capabilities, can be found on the Auditor's Website at:

<http://www.mahoningcountyoh.gov>