

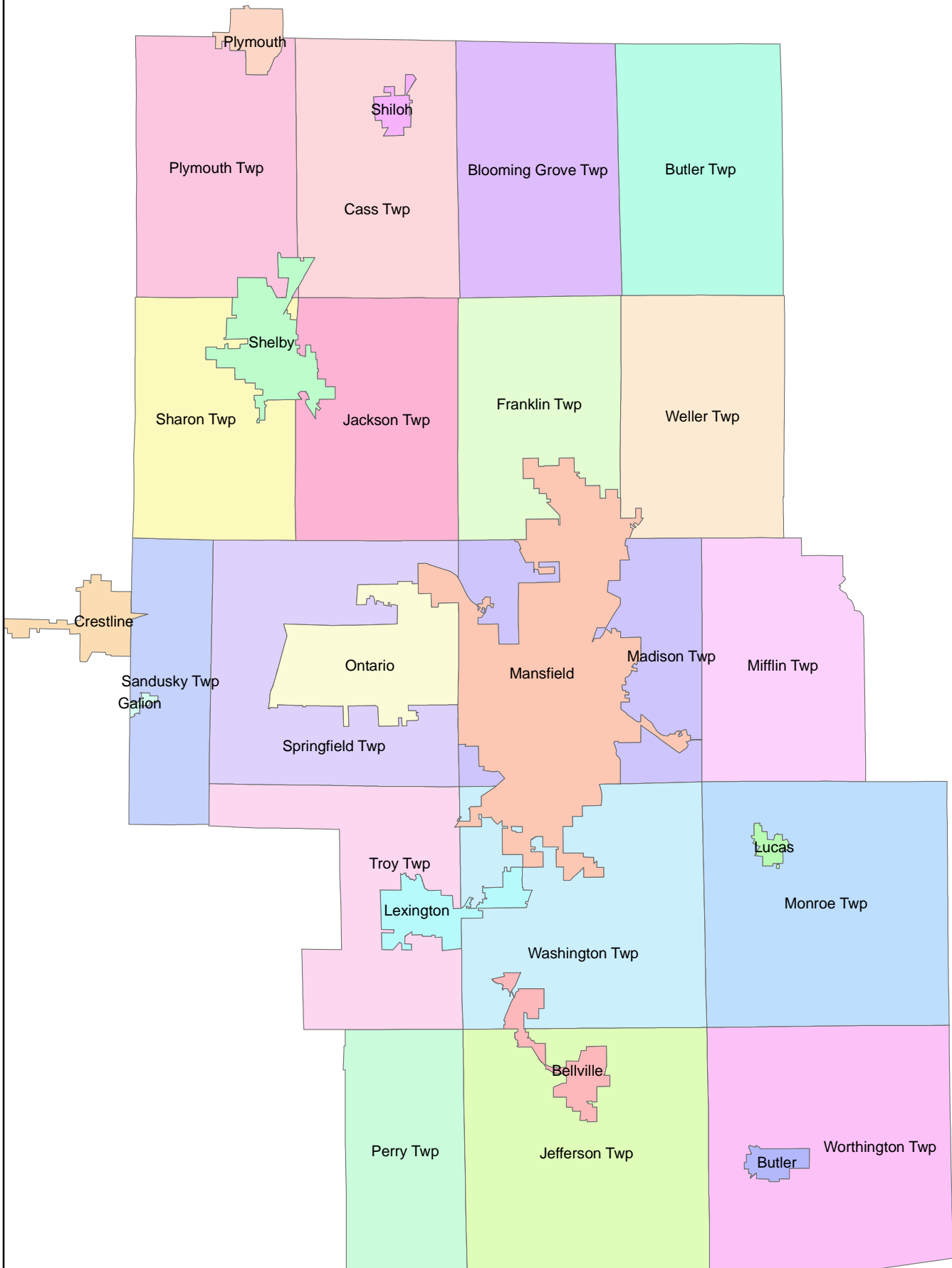
**Popular Annual Financial Report
For the Year Ending December 31, 2009
Patrick W. Dropsey, Auditor**

Table of Contents

Richland County Map	
Auditor's Report to Citizens	1
Richland County Government Organizational Chart	2
County Overview	3
Local Economy and Major County Initiatives	4-5
Financial Position	6-7
Revenues	8
Tax Revenues	9
Expenditures	10
Expenditures by Department	11
Tax Distribution to Schools	12
Tax Distribution to Cities and Villages	13
Capital Assets	14
Outstanding Debt	15
Elected Officials	16

This Report has been prepared within Richland County in the interest of an informed citizenry.

RICHLAND COUNTY, OHIO



PATRICK W. DROPSEY

RICHLAND COUNTY AUDITOR

50 PARK AVENUE EAST, MANSFIELD, OHIO 44902
TELEPHONE 419-774-5501



Citizens of Richland County:

I am pleased to present, as Chief Financial Officer for Richland County, the Popular Annual Financial Report, (PAFR) for the fiscal year ended December 31, 2009. This report provides a brief analysis of where the County revenues come from and where those dollars are spent, and an overview of local economic trends. Above all, it is designed to present an easily understandable financial report.

The information in this report is taken from the Richland County Comprehensive Annual Financial Report (CAFR). The CAFR is a detailed account of the County's financial statement, notes, schedules, and statistical tables, encompassing over 200 pages. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by the State Auditor's Office, receiving a qualified opinion. The CAFR is available in the Richland County Auditor's Office for review or on our web-site at www.richlandcountyauditor.org under the financial reports tab. To obtain a copy of the CAFR, please call (419) 774-5545.

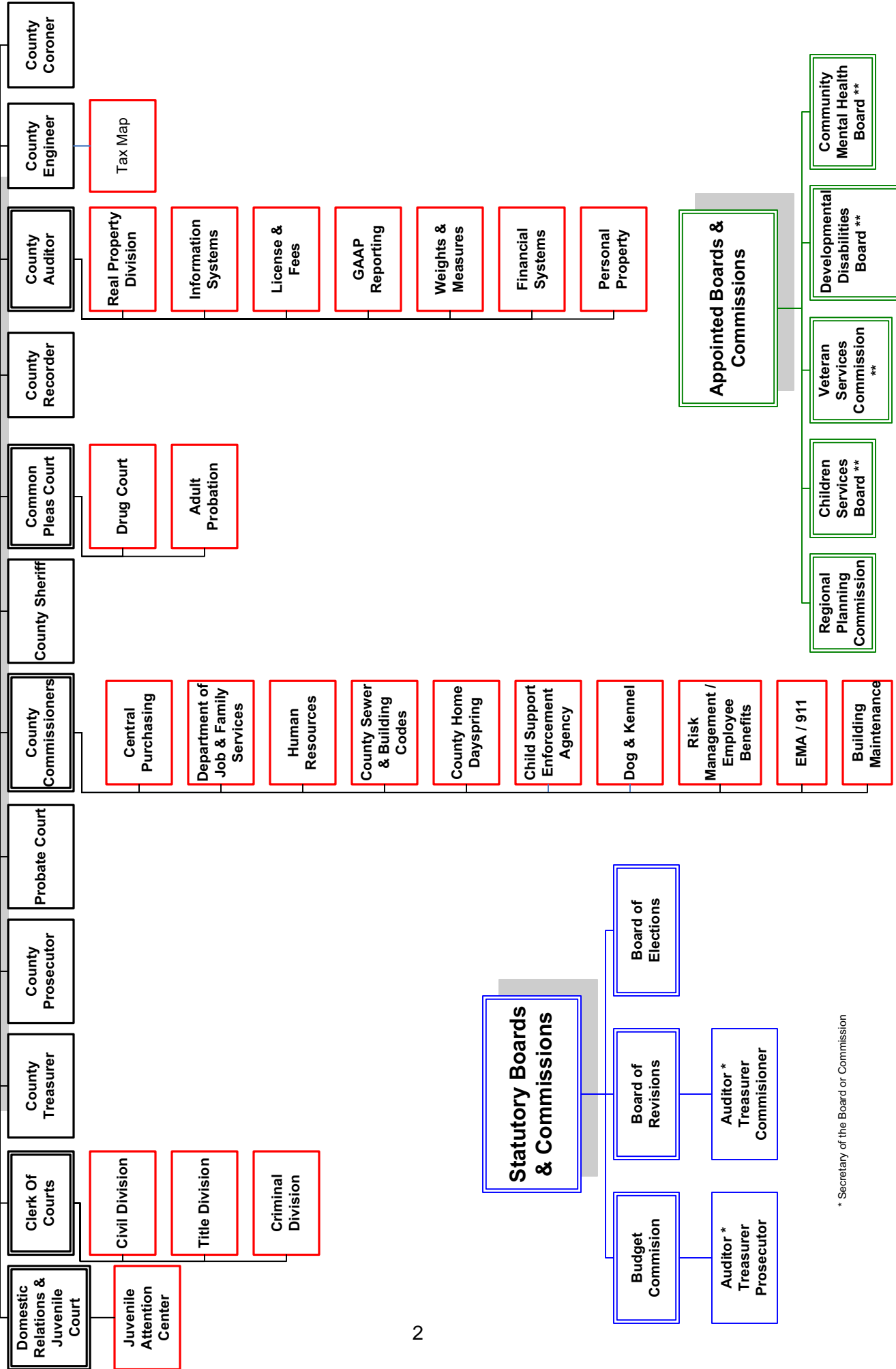
This is Richland County's thirteenth PAFR, and is formulated as an easy-to-read version of the County's Comprehensive Annual Financial Report (CAFR) that is published on a yearly basis. The PAFR is unaudited and presented on a GAAP basis. This is a summarized report that presents selected financial and statistical information for primary government activities. It does not include business-type and component unit information.

Thank you for your interest in Richland County Government and how it functions. Please feel free call the Richland County Auditor's Office with questions, comments or suggestions concerning this report.

Sincerely,

Patrick W. Dropsey
Richland County Auditor

Voters Of Richland County



* Secretary of the Board or Commission

** Either all or a portion of members appointed by County Commissioners

Profile of the County

Richland County was organized into a separate political entity in 1813. It encompasses nineteen townships, six villages, with Lexington being the largest, the City of Shelby, a small portion of the City of Crestline, the City of Ontario, and the City of Mansfield, which is the County seat. The County has an area of 449 square miles and has a population of 125,722, according to an estimate by the United States Census Bureau.

A three-member Board of Commissioners, thirteen other elected officials and various department heads govern the County. Elected officials and department heads manage the internal operations of their respective divisions. The chief administrator of the County is the Board of Commissioners which authorizes expenditures and serves as the budget and taxing authority and contracting body for County services.

The County Auditor is fiscal officer, assessor of real and personal property, administrator of the data processing center and sealer of weights and measures. The Auditor is also responsible for maintenance of financial records, establishment of subdivision tax rates, calculation of the tax list, and distribution of the revenues generated from the tax list.

The County Treasurer is custodian of all County funds and is responsible for the investment of those funds. The Treasurer also collects all revenues generated from the Auditor's tax list. Those remaining elected officials include the Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff, two Common Pleas Court Judges, a Juvenile Judge, a Domestic Relations Judge, and Probate Judge.

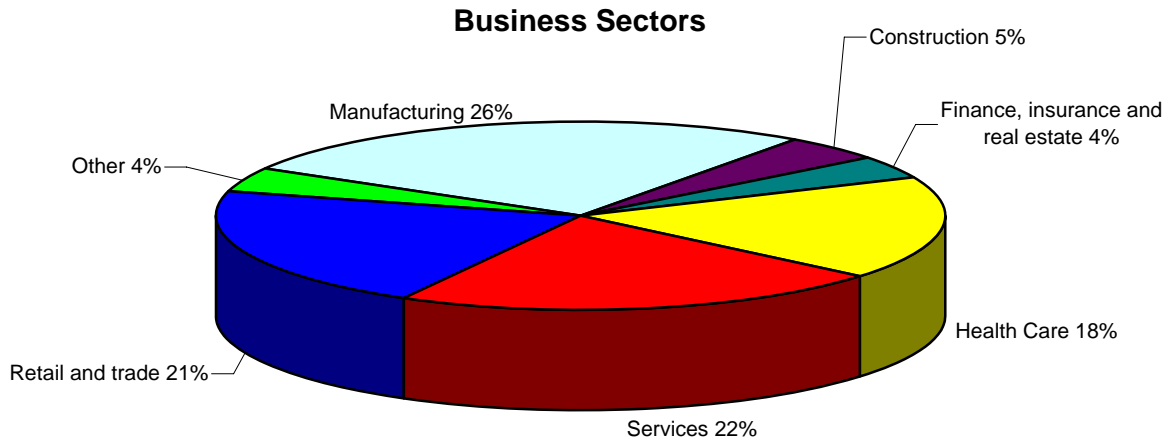
Richland County employs over 950 people who provide various services to benefit its citizens. These services include welfare and social services, justice system services, sewer services, road and bridge services, support services, police protection and other miscellaneous County services.

The County's reporting entity has been defined in accordance with principles established by the Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity." The reporting entity is comprised of the primary government and its component units. The primary government consists of all funds, departments, agencies, institutions, commissions, and organizations that are not legally separate from the County. For Richland County, the primary government includes the Children Services Board, the Board of Developmental Disabilities (DD), the Alcohol, Drug and Mental Health Board, the Job and Family Services Department, the Richland County Emergency Management Agency, and all departments and activities that are directly operated by the elected County officials. Component units are legally separate organizations that are fiscally dependent on the County or for which the County is financially accountable. Richland Newhope Industries, Inc. is a not-for-profit corporation subsidized by the County. It has been included as a discretely presented component unit of the County in this report because, in the opinion of the County, it would be misleading if its operations were excluded.

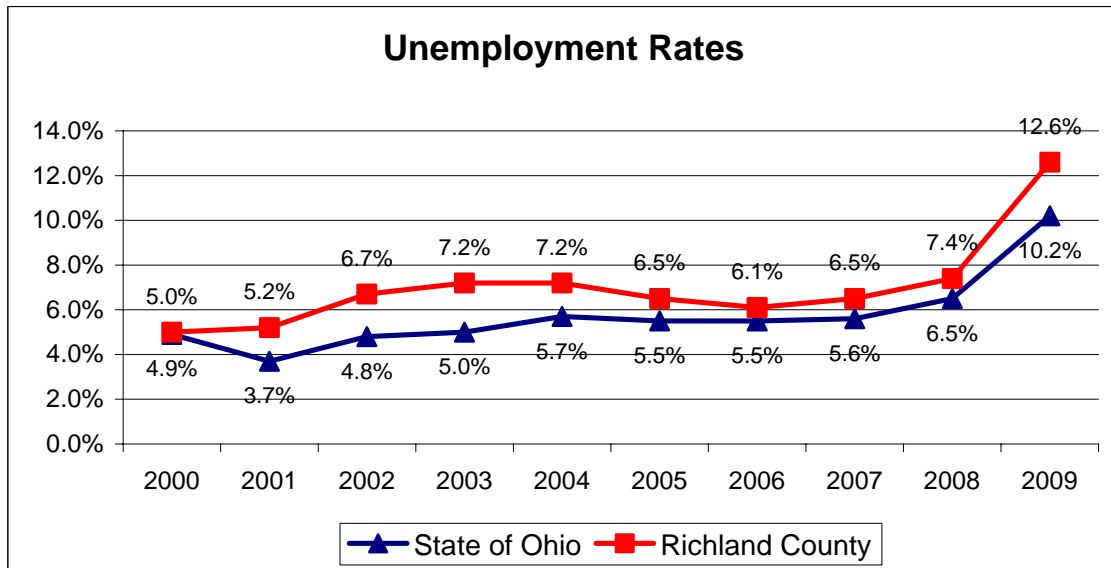
By statute, the annual appropriations adopted are by the Board of County Commissioners within the first quarter of the year. All disbursements and transfers of cash among funds require appropriation authority from the Board of Commissioners. Budgets are controlled at the object level for the general fund and at the fund level for all other funds. Purchase orders are submitted to the Auditor's Office by department heads; the funds are then encumbered prior to their release to vendors. Those purchase orders which exceed the available appropriations are rejected until additional resources are secured.

Local Economy

The County is located in north central Ohio, approximately halfway between the cities of Columbus and Cleveland. This centralized location has been a key factor in the County's growth and economic development. The economy is broad-based with no single industry dominating it. The County's largest employers include MedCentral Health Systems, General Motors, Richland County and Gorman-Rupp. The chart below shows the proportionate number of employees in the various industries (excluding government), as reported by the Ohio Department of Job and Family Services for 2008 (the latest information available).



Despite the diversity of the business sectors, the County has an unemployment rate of 12.6 percent, slightly higher than the state average of 10.2 percent. Although the unemployment rate is higher than the state average, the Gorman-Rupp Company and Stoneridge Incorporated are expanding current operations in Richland County.



Long-Term Financial Planning

Richland County has an ongoing one and one quarter percent permissive sales tax of which the initial half percent and two-thirds of the additional three quarter percent benefits the County's General Fund. The other one-third of the additional three quarter percent is given to the County's cities, villages and townships to be used for road improvements.

The County operates a jail that combines both Richland County and the City of Mansfield's jail facilities into one structure. The City of Mansfield leases 80 beds and pays the County for housing and medical costs of their inmates. The County acts as the central booking agent for both County and City prisoners and the City provides ambulatory services for the facility. The consolidation allows both entities to lower their costs and to more efficiently operate their correctional operations.

Relevant Financial Policies

The County's Budget Commission has developed a practice of establishing certificates of estimated revenues based on ninety percent of estimated revenues. This practice helps account for fluctuations in sales tax, local government monies, and other economic driven factors affecting the County's revenue sources. The County also has developed a policy to allocate permissive sales tax between the County's general fund and cities, villages and townships in the County.

Major Initiatives

During 2009, the County's sewer department started construction on three projects; Harprest sewer improvements, Harp abandonment, and the Lust and Country Meadow abandonment. The projects will be funded by loans from the Ohio Public Works Commission and American Recovery and Reinvestment Act monies.

The Richland County One-Stop Employment and Training Center continues to offer free employment services for businesses and job seekers. Employers can use the Training Center to seek out available applicants, while job seekers can use the facility for help with resume writing and locating available job opportunities. The Training Center also features a resource room furnished with seven computer stations, one of which offers software for people with physical and visual impairments. During 2009, the Training Center offered extended hours to better serve Richland County residents, as well as job fairs to help users find employment.

The County has been working with the Richland County Foreclosure Prevention Committee to create ways to reduce the growing number of home foreclosures in the County. Home foreclosures have increased at a record pace over the last five years. The Committee is working to educate borrowers through the loan process to ensure they do not get a mortgage they cannot afford. The Committee is also working to create a mediation process between lenders and borrowers to resolve foreclosure cases without the borrower losing their home.

County's Financial Position

The **Statement of net assets**, traditionally known by many as the balance sheet, is designed to provide a picture of the major components of the primary government's financial position at the end of the year. This report contains only information related to the County's governmental activities. Governmental activities are defined as activities financed through taxes, intergovernmental revenues, and other nonexchange revenues. Please refer to the County's 2009 CAFR for information on business-type activities and component units.

ASSETS provide financial benefits to the County.

Cash and investments consist of physical cash, and investments held by the County Treasurer or in outside banks accounts.

Receivables represent the amounts that are owed to the County and are expected to be paid over the course of the next twelve months.

Capital assets represent land, buildings and improvements, roads, bridges, equipment and construction in progress, and are shown as net of accumulated depreciation.

Other assets consist of materials and supplies inventory and prepaid items.

LIABILITIES place a financial burden on the County.

Accrued wages and benefits are those payments the County owes to employees for salaries, and associated benefits.

Payables consist of payments owed to companies and individuals that provide services or goods to the County.

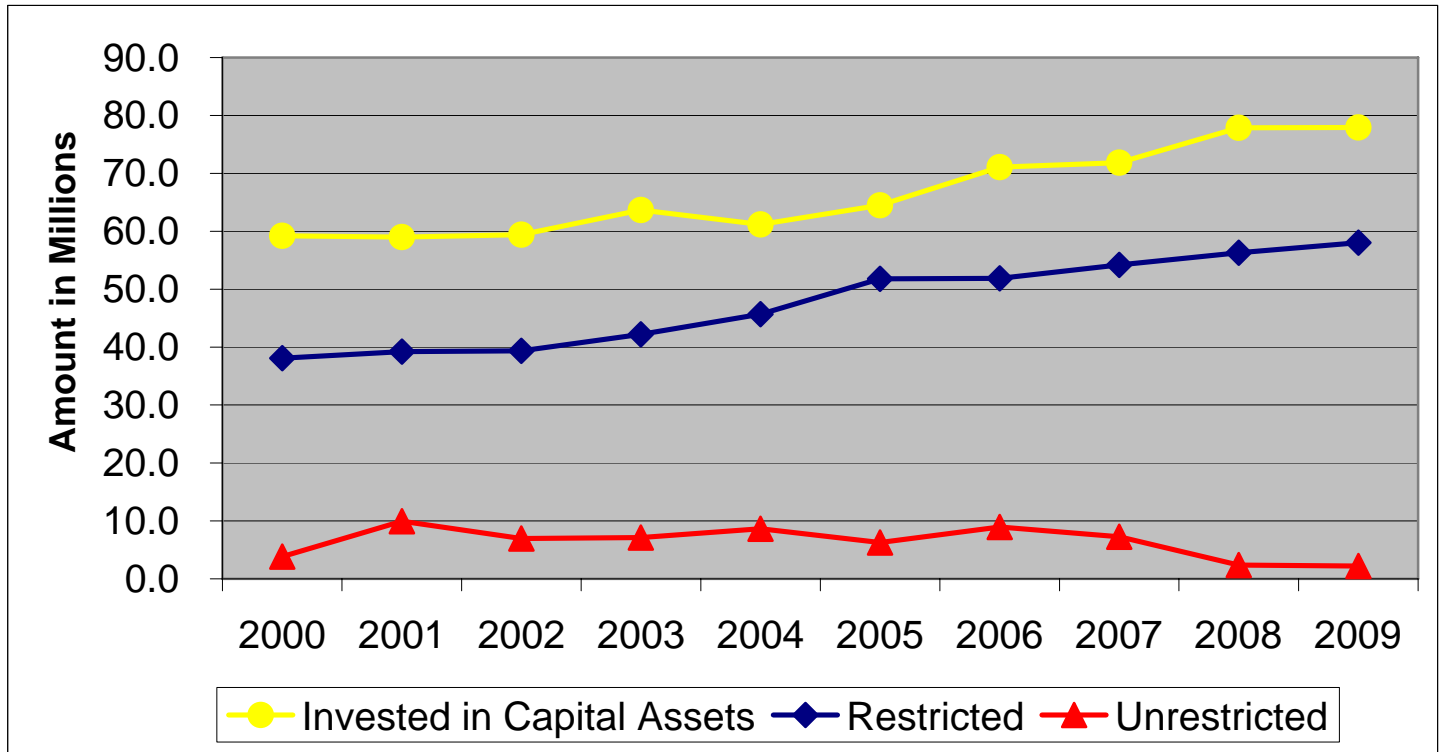
Due to other funds and governments primarily consist of amounts owed to other funds or entities of the County from property taxes. This amount also includes monies owed to other governments for goods and services provided by them to the County.

Notes, bonds, leases payable and compensated absences are amounts owed for debt issuance and compensated absences.

Deferred Revenues consist of property taxes levied to finance 2010 operations and grant monies received before eligibility requirements have been met.

Net Assets		
Governmental Activities		
	2009	2008
Assets		
Cash and investments	\$ 50,188,542	\$ 52,065,239
Receivables	45,843,825	45,629,107
Capital assets	114,933,237	115,368,059
Other Assets	1,574,681	1,498,468
Total Assets	<u>212,540,285</u>	<u>214,560,873</u>
Liabilities		
Accrued wages and benefits	2,541,103	2,538,186
Payables	6,530,809	5,774,260
Due to other funds and governments	1,625,551	2,185,747
Notes, bonds, leases payable and compensated absences	47,167,086	49,687,859
Deferred Revenues	16,495,088	17,827,365
Total Liabilities	<u>74,359,637</u>	<u>78,013,417</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	77,943,463	77,871,132
Restricted	58,038,384	56,304,790
Unrestricted	2,198,801	2,371,534
Total Net Assets	<u>\$ 138,180,648</u>	<u>\$ 136,547,456</u>

County's Financial Position



Net assets are the difference between assets and liabilities, and if reviewed over time can be used as an indicator of the County's financial position. Net assets are broken down into three major categories invested in capital assets, restricted and unrestricted net assets. The chart above represents the amount of net assets for each category for the last eight years.

Invested in capital assets, net of related debt this portion of net assets shows the amount invested in capital assets less accumulated depreciation and outstanding balance of any debt used for the construction or acquisition of the assets.

Restricted net assets this portion of net assets that have legal restrictions on how these resources may be used.

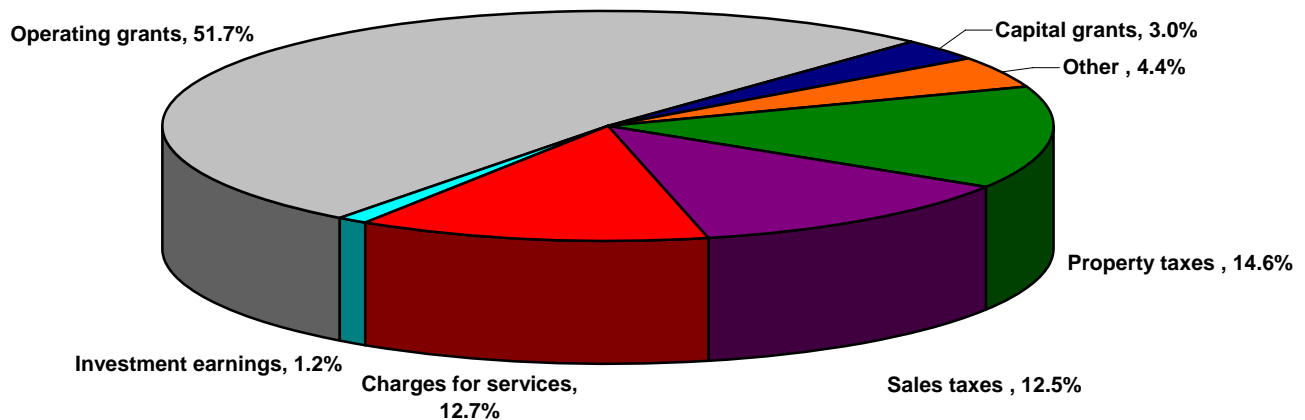
Unrestricted net assets this is the remaining portion of net assets that can be used to meet the County's ongoing obligation to citizens, employees and creditors.

Revenues

Revenues are monies the County receives from a variety of sources to pay for the services it provides.

The revenues presented here are reported as governmental activities in the 2009 CAFR's government-wide statement of activities. The table summarizes revenues by source and compares the last three years.

Revenues – Governmental Activities \$110,143,383



Revenues	2009	2008	2007
Property taxes	\$16,052,679	\$17,995,912	\$19,088,719
Sales taxes	13,715,066	14,602,403	14,645,715
Charges for services	13,989,137	11,576,104	11,580,716
Investment earnings	1,330,781	2,664,617	3,631,802
Operating grants	56,911,888	50,779,358	49,283,941
Capital grants	3,257,875	3,362,423	2,074,036
Other	4,886,222	6,477,566	6,589,145
	<u>\$110,143,648</u>	<u>\$107,458,383</u>	<u>\$106,894,074</u>

During 2009, the County's revenues increased by \$2.7 million or 2.51%. This change was due to an increase of new grant monies from federal and state agencies and charges for services provided by the County to others increasing. These increases out paced reductions in other revenue sources that are affected by the economy such as investment earnings, and taxes.

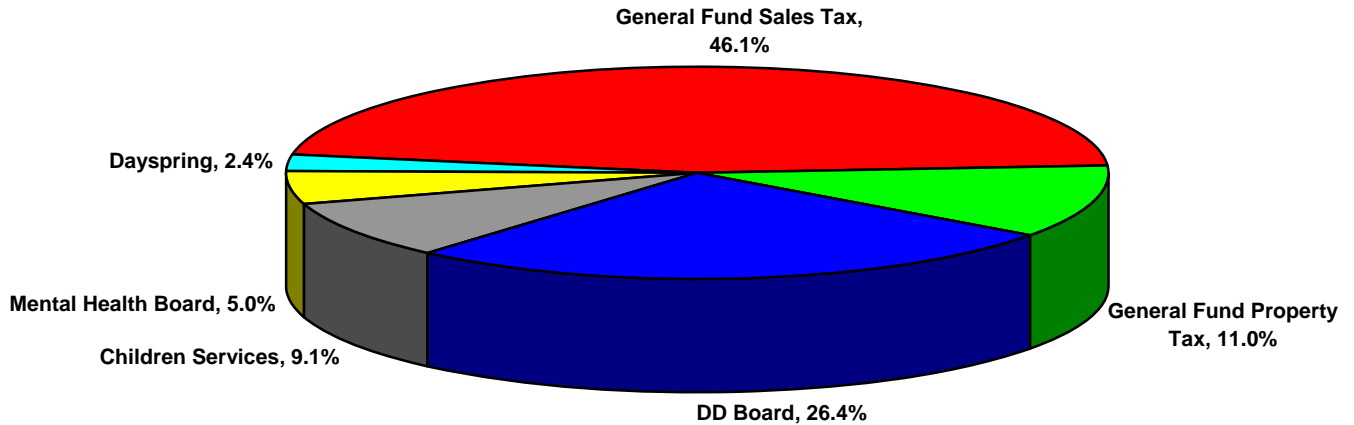
During 2008, the County's revenues increased by \$.5 million or .5% from 2007. This increase was due to the County receiving an additional \$2.7 million in operating and capital grant monies. The majority of this increase was offset by decreases in property tax revenues and interest earnings from the County's investments.

Taxes

During 2009, the General Fund and County agencies received \$29.8 million in tax revenues. The chart below shows the distribution of property and sales taxes to the various County agencies. Only the General Fund receives sales tax.

Real property, tangible personal property and public utility tax revenues account for \$16 million or 14.6% of total revenues for governmental activities.

Sales tax revenues account for 13.7 million or 12.5% of total revenues for governmental activities.



Real Estate taxes help finance cities, villages or townships, public libraries, health department, and various County services. Below is an example of how taxes are distributed, if a home or business with an appraised value of \$100,000, is located in the City of Mansfield and Mansfield City School District.

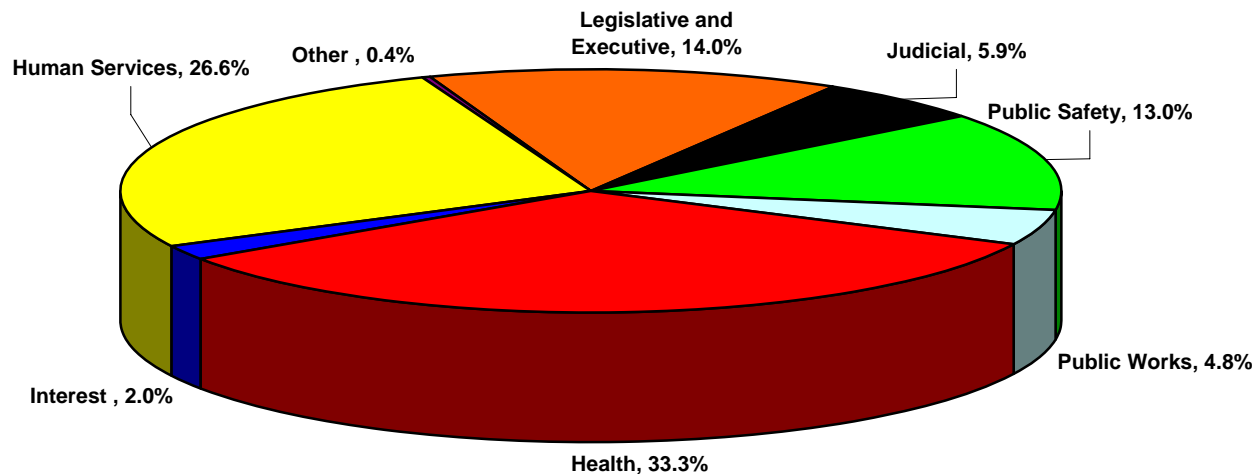
REAL ESTATE TAXES ON A \$100,000 OWNER-OCCUPIED HOME OR A BUSINESS City of Mansfield / Mansfield School District		
TAX RECIPIENT	HOME	BUSINESS
Mansfield City Schools	\$1,325.20	\$1,919.77
City of Mansfield	\$109.31	121.45
County General Fund	\$63.00	70.00
Board of DD	\$99.59	190.59
Children's Services	\$35.65	64.46
Mental Health Board	\$20.53	35.00
Dayspring County Home	\$11.27	14.00
Senior Citizens	\$31.50	35.00
Mansfield / Richland County Library	\$56.43	70.00
Mansfield Ontario Richland Co. Health Dept.	\$42.45	49.00
Mansfield Township	\$4.10	4.55
Total	\$1,799.03	\$2,573.83

Expenses

Expenses are the amounts the County spent to provide services to citizens.

The expenses presented here are reported as governmental activities in the 2009 CAFR's government-wide statement of activities. The table summarizes revenues by source and compares the last three years.

Expenses – Governmental Activities \$108,638,865



Expenses	2009	2008	2007
Legislative and Executive	\$15,259,556	\$12,490,084	\$11,194,300
Judicial	6,446,214	8,111,788	7,573,605
Public Safety	14,166,896	14,216,524	14,938,094
Public Works	5,241,905	8,346,930	7,016,519
Health	36,138,855	32,918,051	31,847,521
Interest	2,129,825	1,897,692	1,826,922
Human Services	28,858,855	29,667,456	29,884,718
Other	396,759	274,428	1,609,073
	<u>\$108,638,865</u>	<u>\$107,922,953</u>	<u>\$105,890,752</u>

During 2009, the County's expenses increased by .9 million from 2008. This change was mainly due to increases in legislative and executive and health related expenses.

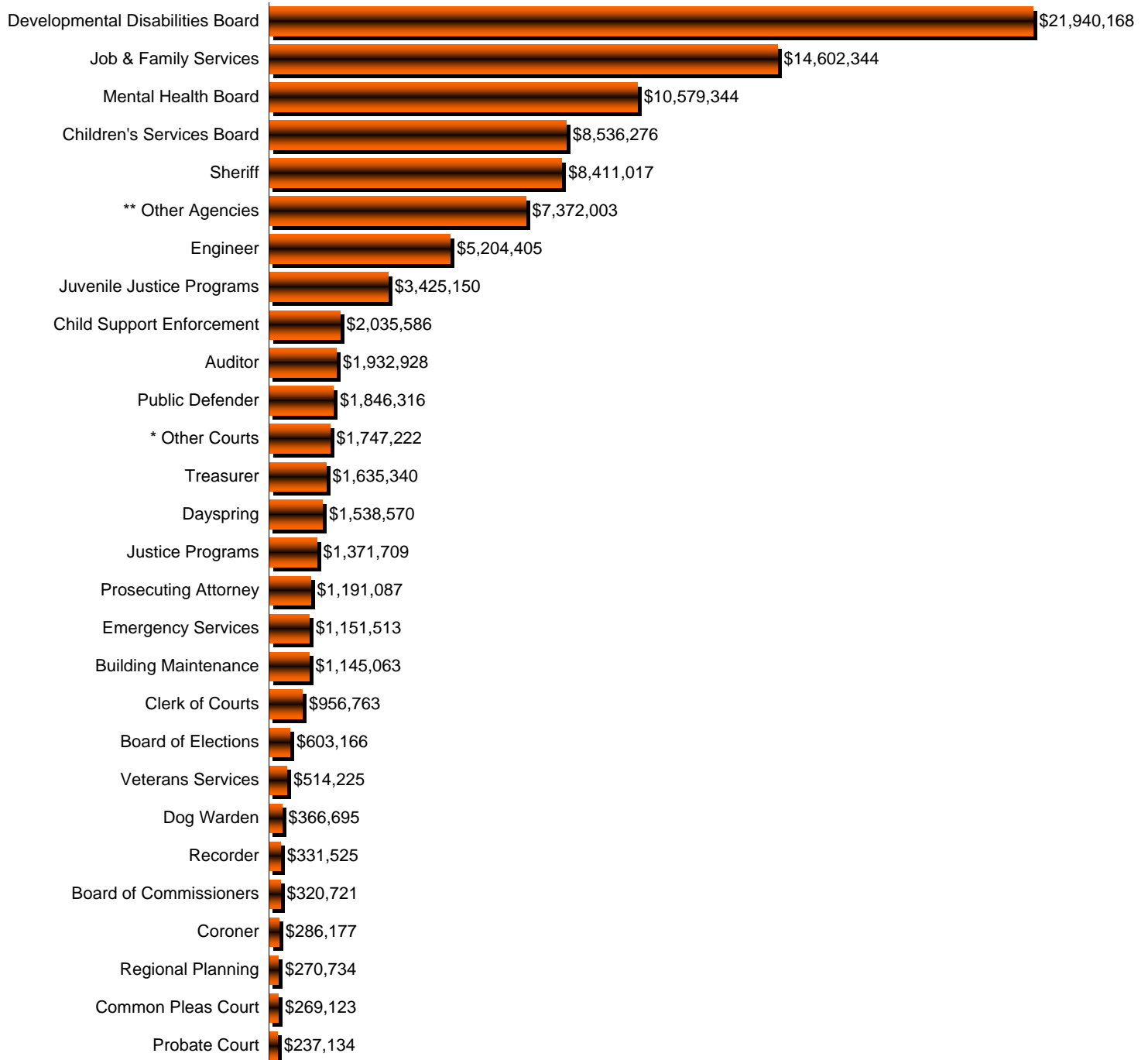
During 2008, the County's expenses increased by \$2.0 million from 2007. A slight increase in all departmental expenses accounted for the majority of this change. Other major changes in expenses are as follows.

Public Works expenses increased by \$1.3 million due to increases in purchases of equipment and construction costs for various projects.

Health expenses increased by \$1.0 million due to increases in personnel and service related expenses.

Spending by Department

This information was taken from the statements of revenues, expenditures, and changes in fund balance for the governmental funds as presented in the County's 2009 CAFR. The previous page showed how monies were spent by functional area. However, County government is organized into individual offices, agencies, boards and commissions. The chart below shows expenses incurred by each County unit for 2009.

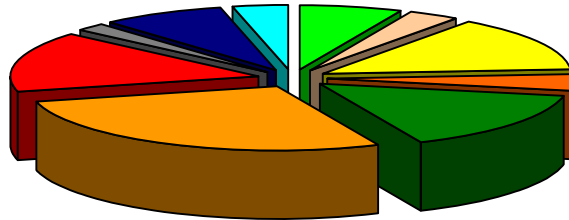
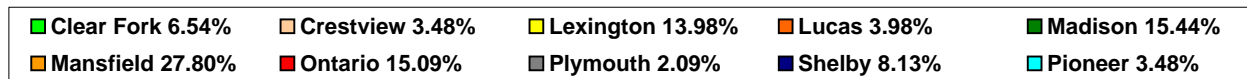


* Other Courts includes municipal, domestic courts, law library, and court information technology.

** Other Agencies includes purchasing, risk management, parks, health department, building codes, and retirement contributions for the general fund

Tax Distribution to School Districts

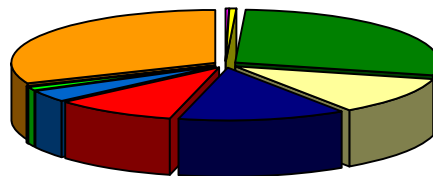
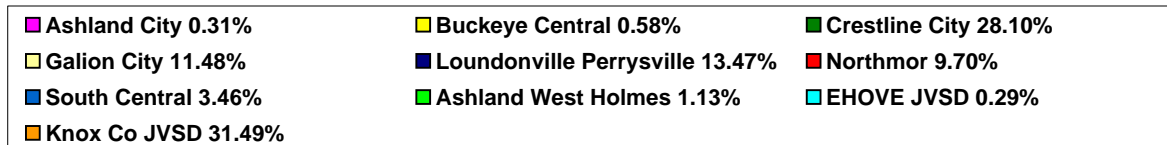
School Districts Primarily Located within Richland County



Schools	General Property Tax	Personal Property Tax	Trailer Tax	TOTALS
Clear Fork	4,553,365	1,704	26,319	4,581,388
Crestview	2,429,069	170	9,485	2,438,724
Lexington	9,780,086	1,457	9,225	9,790,768
Lucas	2,781,248	4,934	1,289	2,787,471
Madison	10,721,274	39,032	54,932	10,815,238
Mansfield	19,379,085	64,667	28,240	19,471,992
Ontario	10,511,163	43,339	15,629	10,570,131
Plymouth	1,447,450	0	15,663	1,463,113
Shelby	5,652,393	30,691	11,869	5,694,953
Pioneer CTC	2,413,946	21,981	4,186	2,440,113

70,053,891

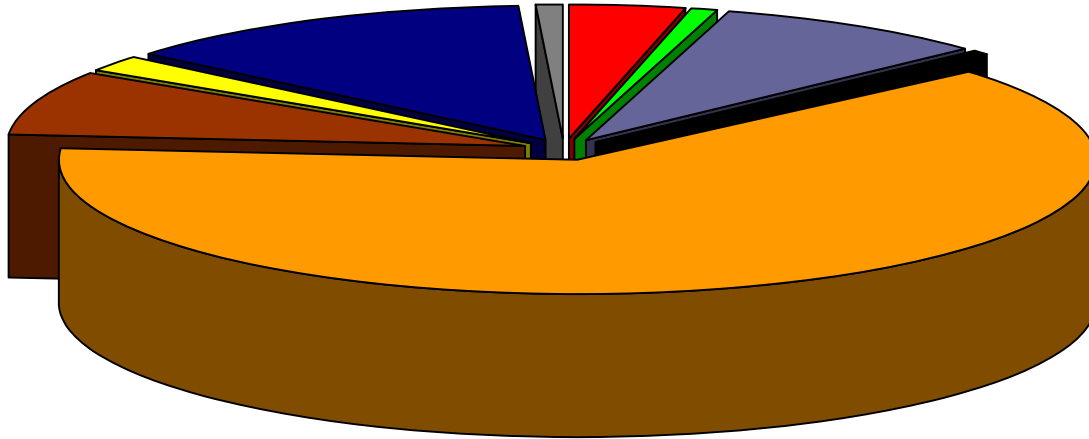
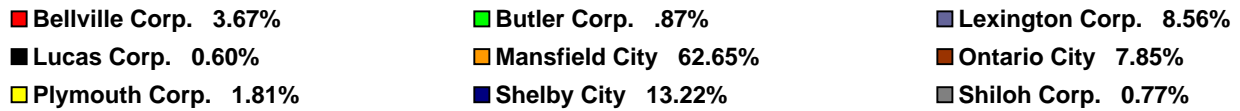
Schools Districts Partially located in Richland County



Schools	General Property Tax	Personal Property Tax	Trailer Tax	TOTALS
Ashland City	4,691	0	0	4,691
Buckeye Central	8,482	0	291	8,773
Crestline City	423,156	2,290	7	425,453
Galion City	173,663	0	145	173,808
Loudonville Perrysville	203,953	0	0	203,953
Northmor	146,631	0	185	146,816
South Central	52,239	0	126	52,365
Ashland Co West Holmes JVS	17,152	0	0	17,152
EHOVE JVSD	4,442	0	11	4,453
Knox County JVSD	474,097	217	2,509	476,823

1,514,287

Tax Distribution to Cities and Villages

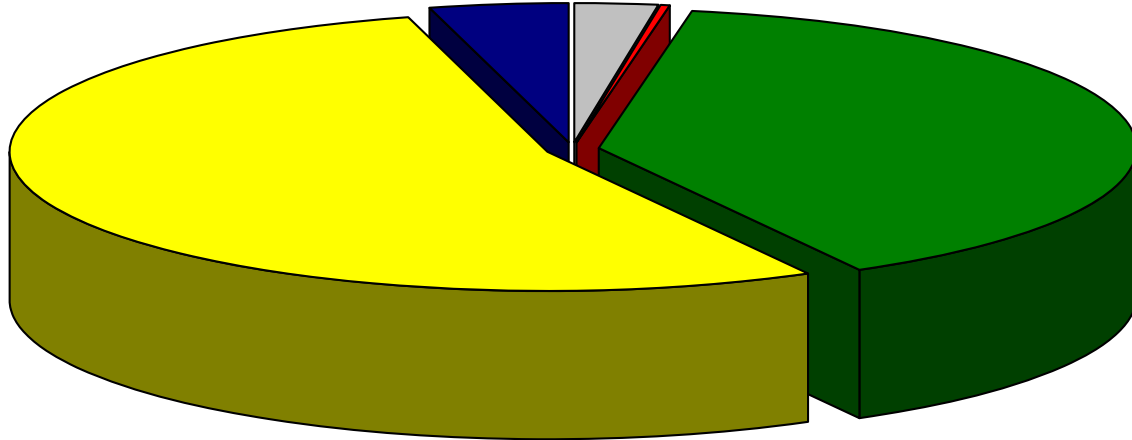


CORPORATIONS	Inheritance Tax	General Property Tax	Personal Property Tax	MVL Tax	Trailer Tax	Permissive Sales Tax	Income Tax Local Govt.	TOTALS
Bellville Corp.	3,104	292,329	40	16,015	40	29,170	36,546	377,244
Butler Corp.	0	31,281	0	7,856	41	19,389	30,455	89,022
Lexington Corp.	0	723,498	0	39,018	0	56,136	60,910	879,562
Lucas Corp.	0	13,784	18	5,131	3	12,429	30,455	61,820
Mansfield City	737,611	2,116,989	6,109	395,002	3,312	896,662	2,282,859	6,438,544
Ontario City	35,589	481,343	1,783	57,522	30	168,586	62,187	807,040
Plymouth Corp.	0	125,848	0	6,178	1,186	22,045	30,455	185,712
Shelby City	97,540	790,811	2,003	69,432	2,463	128,330	268,005	1,358,584
Shiloh Corp.	0	30,180	0	5,151	256	12,888	30,455	78,930
TOTALS	873,844	4,606,063	9,953	601,305	7,331	1,345,635	2,832,327	10,276,458

- Inheritance Tax- In accordance with the laws of the State of Ohio, this is a tax paid by an individual estate upon filing of the prescribed probate forms.
- General Property Tax- Revenues collected from the property owners of Class I property (residential and agricultural), Class II property (Industrial/Commercial) and Public Utilities.
- Personal Property Tax- Revenues collected from the business owners in the County on inventory, equipment, furniture and fixtures values.
- M.V.L. Tax- Revenues received from the State of Ohio for taxes paid on motor vehicle licenses sold in the County.
- Manufactured Home- Revenues collected from the owners of manufactured homes.
- Permissive Sales Tax- Revenues received from the State of Ohio on taxable items sold within Richland C
- Income Tax Local Govt.- Revenues distributed by the State of Ohio from the State's General Fund.

Summary of Capital Assets

Capital Assets are defined as Property & Equipment owned by the County and purchased by each department as needed. This summary is the total dollar amount of assets (net of depreciation) held by the county as of December 31, 2009.



■ LAND \$2,788,652 - the amount shown is the total amount of land purchased and owned by the County.

■ LAND IMPROVEMENTS \$261,140 - represents the amount of money spent on clearing and improving the land so it can be used for its intended use.

■ BUILDINGS \$45,232,290 - represents amount of the cost of the buildings purchased or the cost of the building construction.

■ INFRASTRUCTURE \$61,742,431 - includes the cost of roads and the county bridges including those on State Routes within the County.

■ MACHINERY & EQUIPMENT \$4,908,724 - includes the cost of all machinery, vehicles, office furniture, business machines, etc. that each department maintains and is responsible for.

Balance 01/01/09	115,368,059
Purchased	6,107,880
Disposed	1,067,716
Depreciation	5,474,986
Balance 12/31/09	114,933,237

Outstanding Debt

	Balance as of 1/1/2009	Additions	Reductions	Balance as of 12/31/2009
General Obligation Bonds	22,822,276	0	1,589,060	21,233,216
Special Assessment Bonds	5,480,000	0	910,000	4,570,000
Long Term Notes	12,283,649	12,285,966	12,337,296	12,232,319
Short Term Notes	1,072,554	900,855	1,073,034	900,375
Loans Payable	1,458,375	318,034	244,511	1,531,898
Capital Leases	1,830,072	0	39,368	1,790,704
Total	44,946,926	13,504,855	16,193,269	42,258,512

Debt Structure

GENERAL OBLIGATION BONDS - are debts that will be repaid from rental charges by County Departments who occupy the facilities and from tax revenues.

SPECIAL ASSESSMENT BONDS - are debts that will be repaid from the proceeds of special assessments levied against benefited property owners.

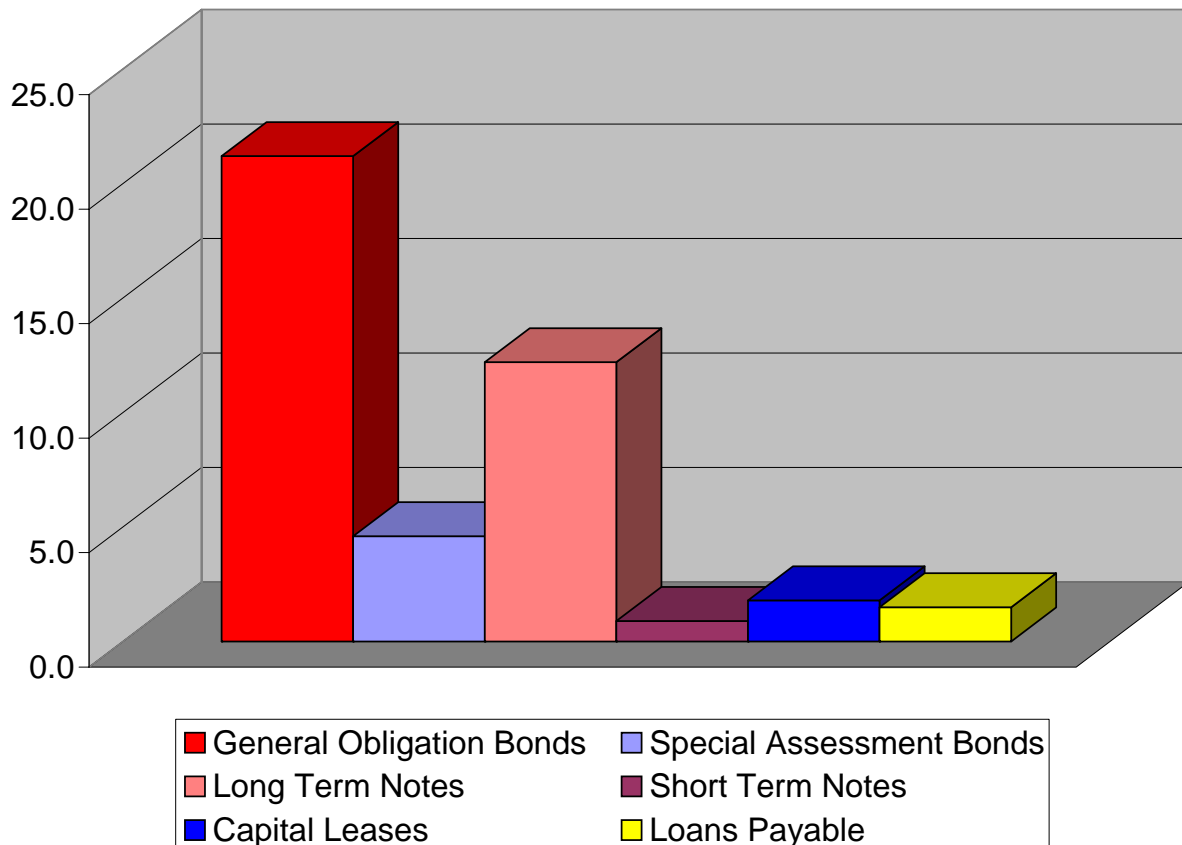
LONG-TERM NOTES - these notes are bond anticipation notes that will mature in more than one year.

SHORT-TERM NOTES - these notes are bond anticipation notes that will mature within one year.

LOANS PAYABLE - are debt issues related to assets and projects for the County.

CAPITAL LEASES - are leases for capital assets where the County retains ownership of the asset at lease end.

Debt by Category (\$ in millions)



Elected Officials**Address****Phone Number (419)****Board of Commissioners**

Gary Utt
Edward Olson
Timothy Wert

50 Park Avenue East
Mansfield, Ohio 44902

774-5550

Treasurer

Bart Hamilton

50 Park Avenue East
Mansfield, Ohio 44902

774-5622

Recorder

Sarah Davis

50 Park Avenue East
Mansfield, Ohio 44902

774-5599

Clerk of Courts

Linda Frary

50 Park Avenue East
Mansfield, Ohio 44902

774-5549

Coroner

Dr. Stewart Ryckman M.D.

597 Park Avenue East
Mansfield, Ohio 44905

774-5868

Engineer

Thomas Beck

77 N Mulberry Street
Mansfield, Ohio 44902

774-5591

Prosecutor

James Mayer, Jr.

38 South Park Street
Mansfield, Ohio 44902

774-5676

Sheriff

J. Steven Sheldon

597 Park Avenue East
Mansfield, Ohio 44905

774-5881

Court of Common Pleas #1

Judge James DeWeese

50 Park Avenue East
Mansfield, Ohio 44902

774-5567

Court of Common Pleas #2

Judge James Henson

50 Park Avenue East
Mansfield, Ohio 44902

774-5570

Probate Court

Judge Philip Alan B. Mayer

50 Park Avenue East
Mansfield, Ohio 44902

774-5583

Domestic Relations Court

Judge Robert Konstam

50 Park Avenue East
Mansfield, Ohio 44902

774-5573

Juvenile Court

Judge Ron Spon

411 South Diamond Street
Mansfield, Ohio 44902

774-5578

Auditor

Patrick W. Dropsey

50 Park Avenue East
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