

**General Fund  
Long-Term Financial Forecast (2012 – 2016)  
Baseline Forecast**

The economic outlook for governments was gathered primarily from Moody’s Analytics (Moody’s) and the Congressional Budget Office (CBO). Moody’s and the CBO base their outlook on a variety of information sources, including the Department of Commerce, the Bureau of Economic Analysis, the Department of Labor, the Bureau of Labor Statistics and the Federal Reserve Board.

The primary inflationary assumptions utilized in the long-term forecast are the Consumer Price Index (CPI), Core CPI, and the Employment Cost Index (ECI). The estimates included in the forecast are:

	<b>CPI</b>	<b>Core CPI</b>	<b>ECI</b>
2014	2.7%	1.8%	3.0%
2015	2.7%	1.9%	3.2%
2016	2.6%	2.1%	3.3%
Source	Moody’s	CBO	Moody’s

**Revenues**

The forecast base is the 2013 approved budget amount, with the amounts for sales tax, conveyance fees, and general fees adjusted to reflect the growth over the 1<sup>st</sup> quarter of 2013. Revenues are inflated for the 2014 – 2016 period based on the revenue source. The base assumptions for the revenue forecast are:

- Sales Tax – 5.0% increase in 2014 and 5.8% increase in 2015, and 4.5% in 2016 (expected increase in retail sales within Franklin County; Source: Moody’s)
- Property Tax –no growth in 2014, 6.2% increase in 2015 (triennial update), and 2.2% increase in 2016
- General Fees, Housing of Prisoners, Permissive Transfer Taxes, Conveyance Fees, Service Fees and Charges, Public Defender Reimbursement, Miscellaneous Revenue and Interfund Revenue – CPI
- Board of Elections – Includes \$2.0 million in 2014 and 2016 related to the reimbursement received from municipalities for the prior year elections pursuant to statute
- Licenses and Permits, Assessment Fees, Fines and Forfeitures, Intergovernmental Revenue, Investment Earnings, Other Financing Sources – No growth

**Expenditures**

The forecast base is the 2013 approved budget amount less 2.8%, which is based on the average percentage of lapsed appropriations during the previous five years (2008 - 2012). Expenditures are inflated based on the type of expenditure. If significant non-recurring expenditures were included in the 2013 approved budget, the amounts for 2014 - 2016 were adjusted to reflect the reduction. Likewise, the amounts for 2014 – 2016 include significant items based on contractual obligations that are not reflected in the 2013 approved budget (such as \$1.5 million for the Prosecutor’s case management system). The base assumptions for the expenditure forecast are:

- Personnel Expenses – ECI
- Health Care Expenses and Employee Contribution – 8.0% annual increase
- Utilities – 0.4% increase in 2014, 0.5% increase in 2015, and 5.1% increase in 2016 (Source: EIA)
- Fuel – 0.8% decrease in 2014, no growth in 2015, and 1.5% increase in 2016 (Source: EIA)
- Materials, Services, and Capital Outlays – Core CPI
- Debt Service – Actual debt service obligations plus an estimate of \$1.9 million annually from 2014 – 2016 for the debt service requirements related to the rehabilitation and renovation of the Hall of Justice and \$0.3 million annually for the construction of the Sheriff’s Training Academy.
- Grants – No Growth, with adjustments for changes in long-term contractual obligations
- Interfund, Contingency – No Growth

General Fund  
Long-Term Financial Forecast (2012-2016)  
**Baseline Forecast**

<b>Summary of Revenues and Expenditures*</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total Revenue	\$282,549,887	\$278,617,656	\$289,342,552	\$299,806,986	\$311,341,329
Total Expenditures	\$296,301,444	\$295,470,489	\$307,691,051	\$315,057,479	\$324,680,004
<b>Utilization of Reserves</b>	<b>(\$13,751,557)</b>	<b>(\$16,852,833)</b>	<b>(\$18,348,499)</b>	<b>(\$15,250,492)</b>	<b>(\$13,338,676)</b>
 <b>Ending Cash Balance</b>					
General Fund – Unrestricted Cash	\$118,964,382	\$102,111,549	\$83,763,050	\$68,512,558	\$52,808,882
General Fund – Economic Stabilization	\$14,517,000	\$14,517,000	\$14,517,000	\$14,517,000	\$14,517,000
27th Pay Reserve Fund**	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Risk Management Fund	\$1,709,927	\$1,379,927	\$1,049,927	\$719,927	\$389,927
Stadium Pledge Fund	\$3,643,596	\$3,643,596	\$3,643,596	\$3,643,596	\$3,643,596
Hotel Pledge Fund	\$10,082,384	\$10,082,384	\$10,082,384	\$10,082,384	\$12,447,384
<b>TOTAL</b>	<b>\$149,517,289</b>	<b>\$132,334,456</b>	<b>\$113,655,957</b>	<b>\$98,075,465</b>	<b>\$84,406,789</b>

2016 Cash Balance:	\$84,406,789	
Target Cash Balance:	<u>\$116,560,122</u>	35.9% of Expenditures (S&P)
Difference:	<u><u>(\$32,153,332)</u></u>	

\*Expenditures exclude transfers to Hotel Pledge Fund in 2012 (\$10,082,384) and 2016 (\$2,365,000).

Revenues and Expenditures exclude amounts associated with the 1% sales tax administrative fee withheld by the State of Ohio in 2012 (\$1,462,220).

\*\*The next 27th pay for the County will occur in 2020.

**General Fund  
Long-Term Financial Forecast (2012 – 2016)  
Conservative Scenario**

The economic outlook for governments was gathered primarily from Moody’s Analytics (Moody’s) and the Congressional Budget Office (CBO). Moody’s and the CBO base their outlook on a variety of information sources, including the Department of Commerce, the Bureau of Economic Analysis, the Department of Labor, the Bureau of Labor Statistics and the Federal Reserve Board.

The primary inflationary assumptions utilized in the long-term forecast are the Consumer Price Index (CPI), Core CPI, and the Employment Cost Index (ECI). The estimates included in the forecast are:

	<u>CPI</u>	<u>Core CPI</u>	<u>ECI</u>
2014	2.7%	1.8%	3.0%
2015	2.7%	1.9%	3.2%
2016	2.6%	2.1%	3.3%
Source	Moody’s	CBO	Moody’s

**Revenues**

The forecast base is the 2013 approved budget amount. Revenues are inflated for the 2014 – 2016 period based on the revenue source. The base assumptions for the revenue forecast are:

- Sales Tax – 2.5% increase in 2014 and 2.9% increase in 2015, and 2.25% in 2016 (one-half of the expected increase in retail sales within Franklin County; Source: Moody’s)
- Property Tax –no growth in 2014, 6.2% increase in 2015 (triennial update), and 2.2% increase in 2016
- General Fees, Housing of Prisoners, Permissive Transfer Taxes, Conveyance Fees, Service Fees and Charges, Public Defender Reimbursement, Miscellaneous Revenue and Interfund Revenue – CPI
- Board of Elections – Includes \$2.0 million in 2014 and 2016 related to the reimbursement received from municipalities for the prior year elections pursuant to statute
- Licenses and Permits, Assessment Fees, Fines and Forfeitures, Intergovernmental Revenue, Investment Earnings, Other Financing Sources – No growth

**Expenditures**

The forecast base is the 2013 approved budget amount less 2.8%, which is based on the average percentage of lapsed appropriations during the previous five years (2008 - 2012). Expenditures are inflated based on the type of expenditure. If significant non-recurring expenditures were included in the 2013 approved budget, the amounts for 2014 - 2016 were adjusted to reflect the reduction. Likewise, the amounts for 2014 – 2016 include significant items based on contractual obligations that are not reflected in the 2013 approved budget. The base assumptions for the expenditure forecast are:

- Personnel Expenses – ECI
- Health Care Expenses and Employee Contribution – 8.0% annual increase
- Utilities – 0.4% increase in 2014, 0.5% increase in 2015, and 5.1% increase in 2016 (Source: EIA)
- Fuel – 0.8% decrease in 2014, no growth in 2015, and 1.5% increase in 2016 (Source: EIA)
- Materials, Services, and Capital Outlays – Core CPI
- Debt Service – Actual debt service obligations plus an estimate of \$1.9 million annually from 2014 – 2016 for the debt service requirements related to the rehabilitation and renovation of the Hall of Justice
- Grants – No Growth, with adjustments for changes in long-term contractual obligations
- Interfund, Contingency – No Growth

General Fund  
Long-Term Financial Forecast (2012-2016)  
**Conservative Forecast**

<b>Summary of Revenues and Expenditures*</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total Revenue	\$282,549,886	\$275,583,450	\$282,521,535	\$289,091,821	\$296,691,490
Total Expenditures	\$296,301,449	\$295,470,486	\$305,368,999	\$312,013,302	\$322,461,957
<b>Utilization of Reserves</b>	<b>(\$13,751,563)</b>	<b>(\$19,887,036)</b>	<b>(\$22,847,464)</b>	<b>(\$22,921,481)</b>	<b>(\$25,770,467)</b>
 <b>Ending Cash Balance</b>					
General Fund – Unrestricted Cash	\$118,964,382	\$99,077,346	\$76,229,882	\$53,308,401	\$25,172,934
General Fund – Economic Stabilization	\$14,517,000	\$14,517,000	\$14,517,000	\$14,517,000	\$14,517,000
27th Pay Reserve Fund**	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Risk Management Fund	\$1,709,927	\$1,379,927	\$1,049,927	\$719,927	\$389,927
Stadium Pledge Fund	\$3,643,596	\$3,643,596	\$3,643,596	\$3,643,596	\$3,643,596
Hotel Pledge Fund	\$10,082,384	\$10,082,384	\$10,082,384	\$10,082,384	\$12,447,384
<b>TOTAL</b>	<b>\$149,517,289</b>	<b>\$129,300,253</b>	<b>\$106,122,789</b>	<b>\$82,871,308</b>	<b>\$56,770,841</b>

2016 Cash Balance:	\$56,770,841	
Target Cash Balance:	<u>\$115,763,843</u>	35.9% of Expenditures (S&P)
Difference:	<u><u>(\$58,993,002)</u></u>	

\*Expenditures exclude transfers to Hotel Pledge Fund in 2012 (\$10,082,384) and 2016 (\$2,365,000).

Revenues and Expenditures exclude amounts associated with the 1% sales tax administrative fee withheld by the State of Ohio in 2012 (\$1,462,220).

\*\*The next 27th pay for the County will occur in 2020.

**General Fund  
Long-Term Financial Forecast (2012 – 2016)  
Rosy Scenario**

The economic outlook for governments was gathered primarily from Moody’s Analytics (Moody’s) and the Congressional Budget Office (CBO). Moody’s and the CBO base their outlook on a variety of information sources, including the Department of Commerce, the Bureau of Economic Analysis, the Department of Labor, the Bureau of Labor Statistics and the Federal Reserve Board.

The primary inflationary assumptions utilized in the long-term forecast are the Consumer Price Index (CPI), Core CPI, and the Employment Cost Index (ECI). The estimates included in the forecast are:

	<u>CPI</u>	<u>Core CPI</u>	<u>ECI</u>
2014	2.7%	1.8%	3.0%
2015	2.7%	1.9%	3.2%
2016	2.6%	2.1%	3.3%
Source	Moody’s	CBO	Moody’s

**Revenues**

The forecast base is the 2013 approved budget amount, with the amounts for sales tax, conveyance fees, and general fees adjusted to reflect the growth over the 1<sup>st</sup> quarter of 2013. Revenues are inflated for the 2014 – 2016 period based on the revenue source. The base assumptions for the revenue forecast are:

- Sales Tax – 6.5% increase in 2014 and 5.8% increase in 2015, and 4.5% in 2016 (year-over-year increase in sales tax collections from 2011 to 2012 used in 2014; and expected increase in retail sales within Franklin County in 2015 and 2016; Source: Moody’s)
- Property Tax –no growth in 2014, 6.2% increase in 2015 (triennial update), and 2.2% increase in 2016
- General Fees, Housing of Prisoners, Permissive Transfer Taxes, Conveyance Fees, Service Fees and Charges, Public Defender Reimbursement, Miscellaneous Revenue and Interfund Revenue – CPI
- Board of Elections – Includes \$2.0 million in 2014 and 2016 related to the reimbursement received from municipalities for the prior year elections pursuant to statute
- Licenses and Permits, Assessment Fees, Fines and Forfeitures, Intergovernmental Revenue, Investment Earnings, Other Financing Sources – No growth

**Expenditures**

The forecast base is the 2013 approved budget amount less 2.8%, which is based on the average percentage of lapsed appropriations during the previous five years (2008 - 2012). Expenditures are inflated based on the type of expenditure. If significant non-recurring expenditures were included in the 2013 approved budget, the amounts for 2014 - 2016 were adjusted to reflect the reduction. Likewise, the amounts for 2014 – 2016 include significant items based on contractual obligations that are not reflected in the 2013 approved budget (such as \$1.5 million for the Prosecutor’s case management system). The base assumptions for the expenditure forecast are:

- Personnel Expenses – ECI less one percentage point
- Health Care Expenses – 6.0% annual increase
- Employee Contribution – 8.0% annual increase
- Utilities – 0.4% increase in 2014, 0.5% increase in 2015, and 5.1% increase in 2016 (Source: EIA)
- Fuel – 0.8% decrease in 2014, no growth in 2015, and 1.5% increase in 2016 (Source: EIA)
- Materials, Services, and Capital Outlays – Core CPI
- Debt Service – Actual debt service obligations plus an estimate of \$1.9 million annually from 2014 – 2016 for the debt service requirements related to the rehabilitation and renovation of the Hall of Justice and \$0.3 million annually for the construction of the Sheriff’s Training Academy.
- Grants – No Growth, with adjustments for changes in long-term contractual obligations
- Interfund, Contingency – No Growth

General Fund  
Long-Term Financial Forecast (2012-2016)  
**Rosy Scenario**

<b>Summary of Revenues and Expenditures*</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total Revenue	\$282,549,887	\$278,617,656	\$291,554,725	\$302,147,466	\$313,787,129
Total Expenditures	\$296,301,444	\$295,470,489	\$305,474,166	\$310,445,827	\$317,475,909
<b>Utilization of Reserves</b>	<b>(\$13,751,557)</b>	<b>(\$16,852,833)</b>	<b>(\$13,919,441)</b>	<b>(\$8,298,362)</b>	<b>(\$3,688,779)</b>
 <b>Ending Cash Balance</b>					
General Fund – Unrestricted Cash	\$118,964,382	\$102,111,549	\$88,192,108	\$79,893,746	\$73,839,967
General Fund – Economic Stabilization	\$14,517,000	\$14,517,000	\$14,517,000	\$14,517,000	\$14,517,000
27th Pay Reserve Fund**	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Risk Management Fund	\$1,709,927	\$1,379,927	\$1,049,927	\$719,927	\$389,927
Stadium Pledge Fund	\$3,643,596	\$3,643,596	\$3,643,596	\$3,643,596	\$3,643,596
Hotel Pledge Fund	\$10,082,384	\$10,082,384	\$10,082,384	\$10,082,384	\$12,447,384
<b>TOTAL</b>	<b>\$149,517,289</b>	<b>\$132,334,456</b>	<b>\$118,085,015</b>	<b>\$109,456,653</b>	<b>\$105,437,874</b>

2016 Cash Balance:	\$105,437,874	
Target Cash Balance:	\$113,973,851	35.9% of Expenditures (S&P)
Difference:	<u><u>(\$8,535,977)</u></u>	

\*Expenditures exclude transfers to Hotel Pledge Fund in 2012 (\$10,082,384) and 2016 (\$2,365,000).

Revenues and Expenditures exclude amounts associated with the 1% sales tax administrative fee withheld by the State of Ohio in 2012 (\$1,462,220).

\*\*The next 27th pay for the County will occur in 2020.

# Annual Ending Cash Balance

