

Lorain County

The Peoples Annual Financial Report



For the Year Ended December 31, 1999
Mark R. Stewart, Auditor

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About The Cover: The cover picture, courtesy of JoAnn Schmauch, is of the picturesque fountain of Ely Square which is located in the County seat of Elyria.

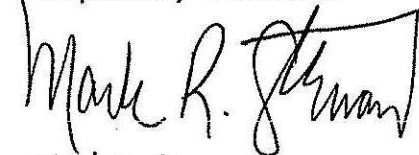
To the Citizens of Lorain County:

I am pleased to present the Lorain County Peoples Annual Financial Report (PAFR) for the year ended December 31, 1999. The report provides a brief analysis of Lorain County's revenue sources and where those dollars are spent. The basis for our information comes from our Comprehensive Annual Financial Report (CAFR) that is over 180 pages long. The CAFR contains detailed financial statements, notes, schedules, and reports. The CAFR was audited by the Auditor of State and received an unqualified (clean) opinion. This report is a condensed, easy to read version of the CAFR.

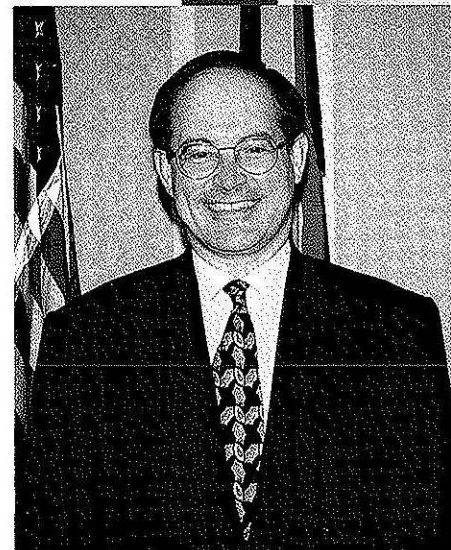
The report is designed to provide an easily understood financial analysis of the County's revenues and expenditures, and some general information about your County government. As the PAFR is a condensed version of the 1999 Comprehensive Annual Financial Report it does not conform to Generally Accepted Accounting Principles (GAAP) and related government standards. Our 1999 Comprehensive Annual Financial Report conforms to Generally Accepted Accounting Principles.

The Peoples Report is presented as a means of increasing public confidence in County government and its elected officials through an easier, more user friendly financial reporting. I thank you for having an interest in the operation of our County Government and taking time to review this report. As you review this year's report I invite you to share any questions, concerns or recommendations you may have. Do not hesitate to contact my office at (440) 329-5170 with your questions and suggestions for improvements or wish to obtain further information or review our Comprehensive Annual Financial Report. You may also visit our web site at <http://www.loraincounty.com/auditor>.

Respectfully submitted,



Mark R. Stewart
Lorain County Auditor



COUNTY AUDITOR'S OFFICE

GENERAL ACCOUNTING/TAX SETTLEMENT FISCAL OFFICER

The Lorain County Auditor is the watchdog of County funds. As the County's chief financial officer, it is the Auditor's responsibility to:

- Account for the millions of dollars received by the County each year.
- Issue payments for all County obligations - including the distribution of tax dollars to the townships, villages, cities, school districts, libraries, and other County agencies.
- Administer and distribute tax and license revenues including real estate taxes, personal property taxes, motor vehicle license fees, gasoline taxes, estate taxes, manufactured home taxes, and local government funds.
- Administer the County payroll.
- Produce the County's annual financial report as required by law.

WEIGHTS AND MEASURES

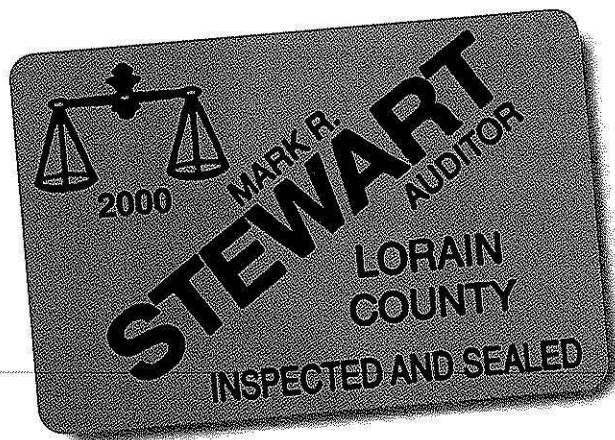
The Lorain County Auditor's Office helps protect County residents and businesses by ensuring that all commercial weighing and measuring devices are accurate. Gas pumps, price scanners, and meat and produce scales are checked regularly. Each year the Auditor's office inspects more than 2100 devices at 260 locations throughout the County.

REAL ESTATE TAXES AND RATES

The County Auditor cannot raise or lower property taxes. Tax rates are determined by the budgetary requests of each government unit, as authorized by the vote of the people. Rates are computed in strict accordance with procedures required by the Ohio Department of Taxation, Division of Tax Equalization.

Each year, 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 schools, townships, villages, and the County.

Under Ohio law, the amount of taxation without a vote of the people is limited to 10 mills (\$10 per \$1,000 of assessed valuation). County residents must vote any additional real estate taxes, for any purpose. Your "tax rate" is the total of all these levy and bond issues.



REAL ESTATE APPRAISAL AND ASSESSMENT

Lorain County has nearly 144,000 separate parcels of property. It is the job of the Auditor's office to ensure that every parcel of land and the buildings on it are fairly and uniformly assessed for tax purposes.

A general appraisal is conducted every six years and is updated every three years. The office maintains a detailed record of the appraisal of each parcel in the County. The records are open to the public. For taxation purposes, property owners are assessed at 35 percent of fair market value.

MOBILE HOME ASSESSMENT

The Auditor's office is also charged with assessing taxes on manufactured housing (mobile homes). Under Ohio law, mobile home owners must register their homes with the Auditor's office for tax purposes. The Auditor assesses each manufactured home annually and prepares a tax list. The manufactured home tax is distributed back to the local taxing districts (municipalities, townships and schools) in the same manner as real estate taxes.



Vicki Kosco (left) and Betti Pribanic of the license department watch as the County's Chief Appraiser, Steve Birch, fills out a dog license application.

PERSONAL PROPERTY TAX

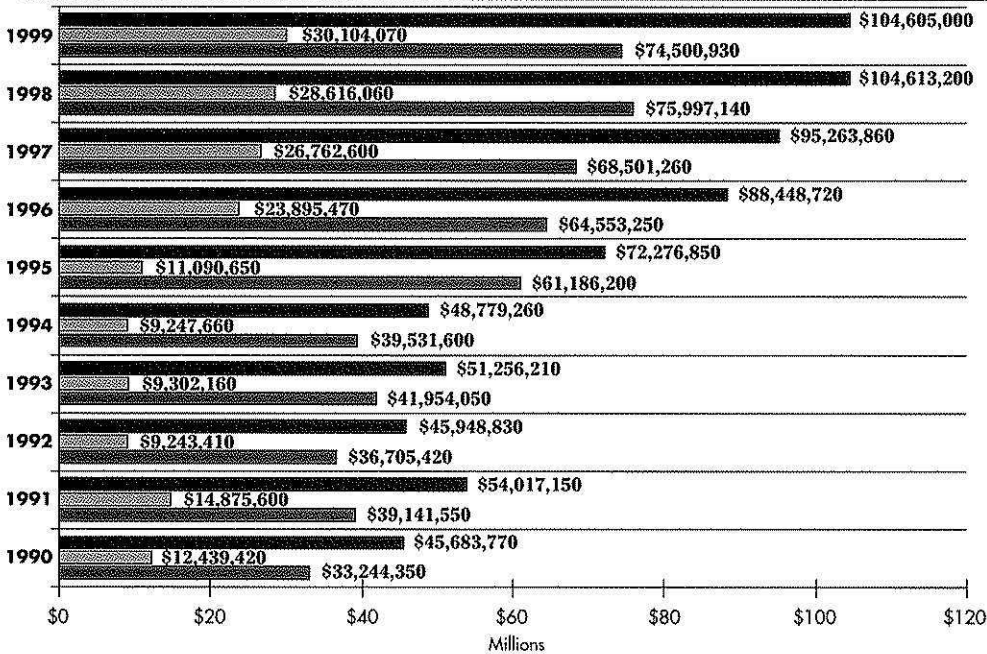
The Auditor's office also administers the state's tangible personal property tax laws. Generally speaking, anyone in business in Ohio is subject to tangible personal property tax on equipment, furniture, fixtures and inventory used in business. The tax is distributed back to the local tax districts like real estate taxes. The Auditor's office handles approximately 9,000 returns a year.

LICENSING

Licenses for dogs, kennels, vendors, and cigarettes are all issued by the Auditor's office. Lorain County annually issues more than 29,000 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 on the local level.

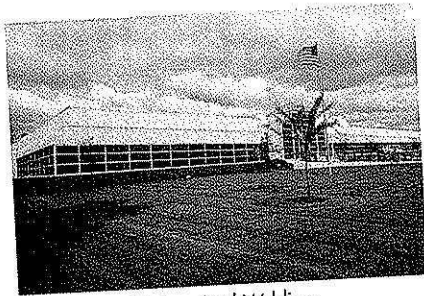
ECONOMIC OUTLOOK

LORAIN COUNTY NEW CONSTRUCTION Last Ten Years



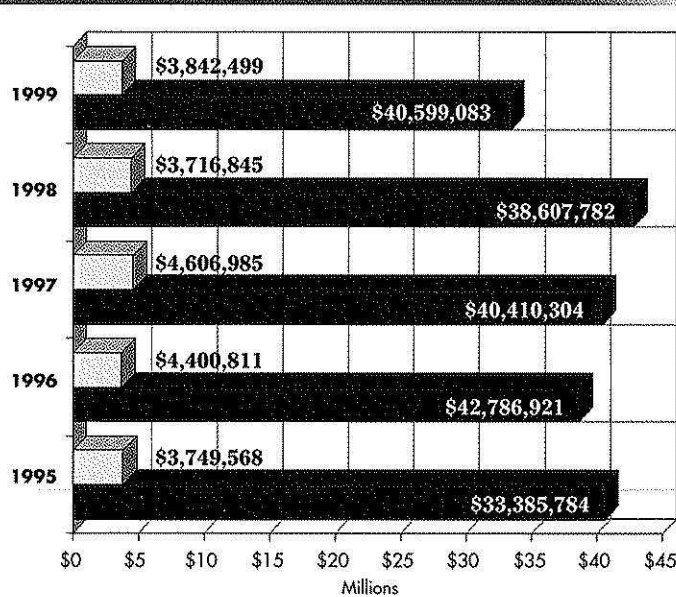
School Employee Credit Union

- Agricultural/Residential
- Commercial/Industrial
- Total New Construction



Nelson Stud Welding

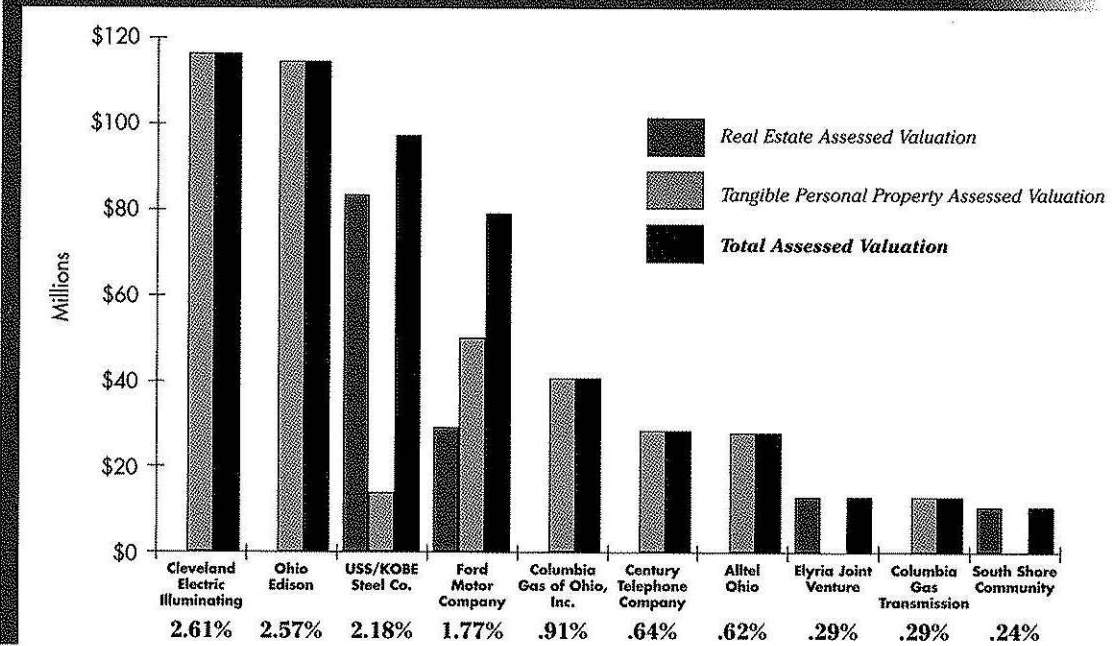
LORAIN COUNTY TANGIBLE PERSONAL PROPERTY TAX Last Five Years



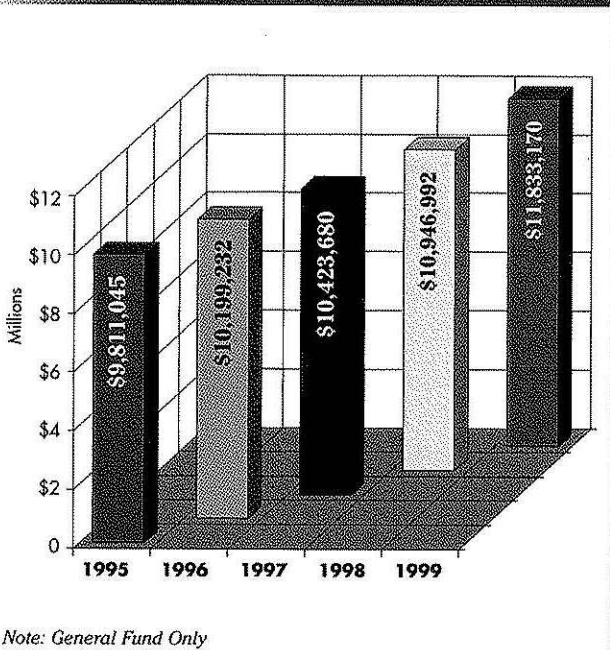
- Total Personal Property Tax Collected
- County's Portion of Collection (all funds)

Remaining portion is distributed to appropriate taxing districts (schools, cities, villages and townships)

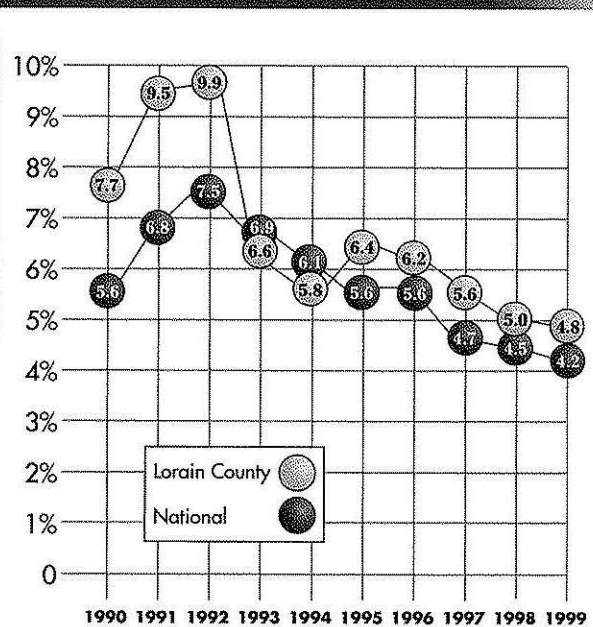
LORAIN COUNTY PRINCIPAL TAXPAYERS CHART
 Represents 12.49% of the Total County Assessed Valuation



LORAIN COUNTY REVENUES - SALES TAX
 Last Five Years

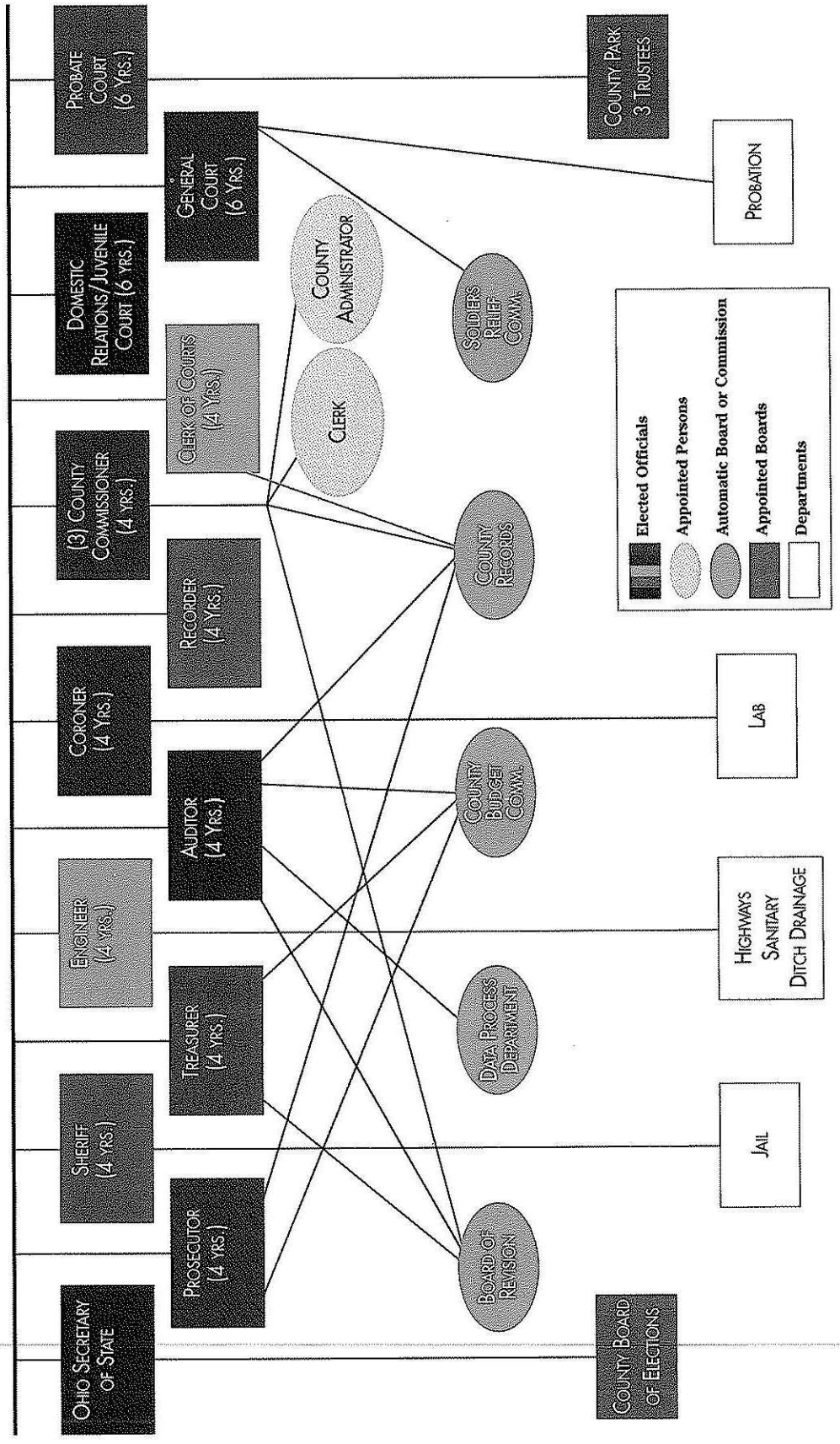


LORAIN COUNTY UNEMPLOYMENT RATE
 Last Ten Years



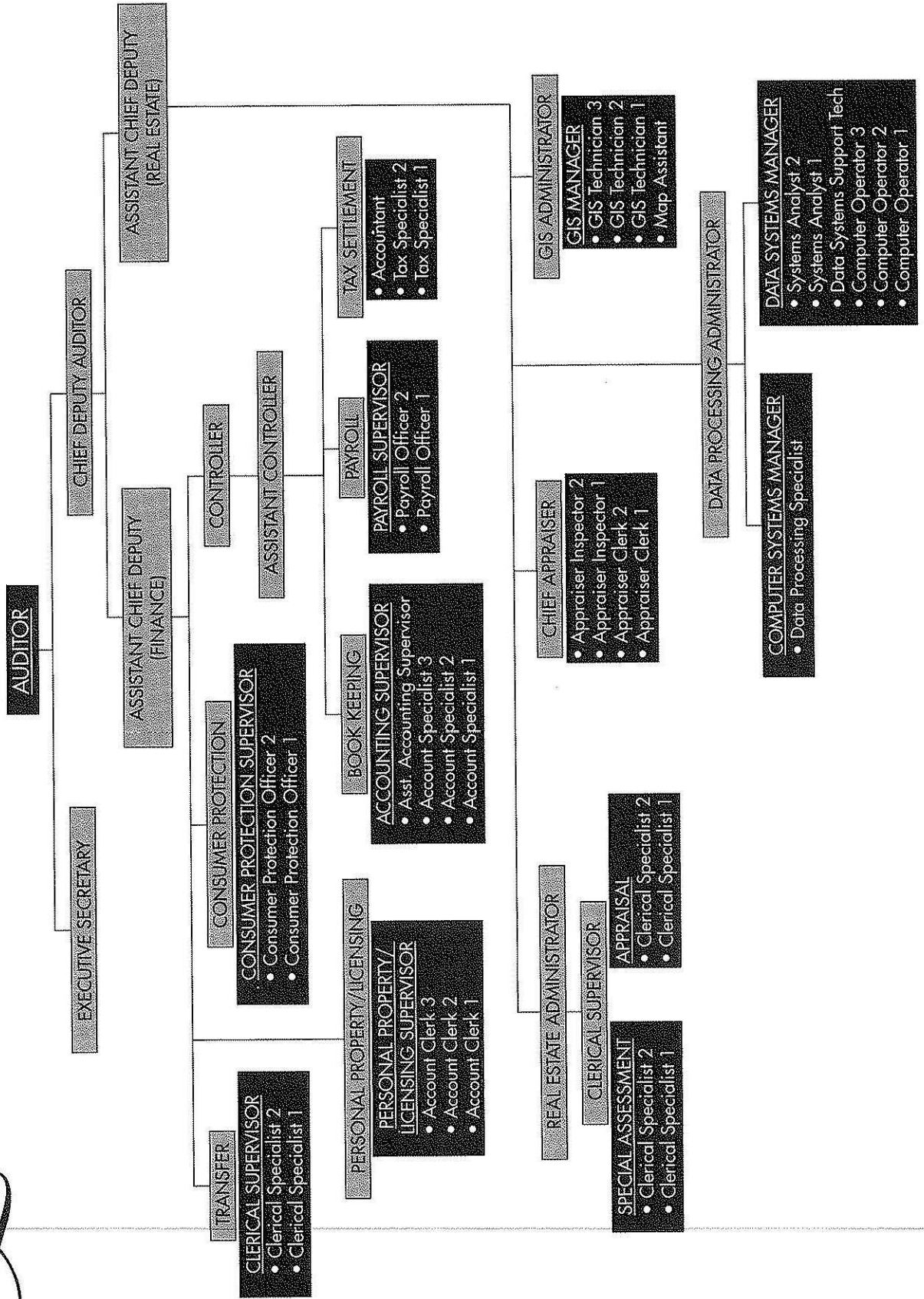
Lorain County Government Organizational Chart

REGISTERED VOTERS



	Elected Officials
	Appointed Persons
	Automatic Board or Commission
	Appointed Boards
	Departments

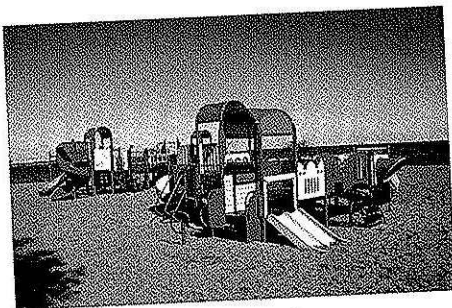
LORAIN COUNTY AUDITOR'S ORGANIZATIONAL CHART



CONTINUED GROWTH

MAJOR INITIATIVES

The County experienced another banner year in terms of growth. As one project would come to a conclusion, two more would be on the horizon. In early 1999, the County approved and executed an agreement to purchase the business operations of the Lorain County Regional Airport for approximately \$1.8 million. The Regional Airport is currently shown as a component unit of Lorain County, which excludes the business portion. The acquisition has been reflected as an addition in the County's General Fixed Assets. A seven-member board has been created by the County Commissioner's to oversee the operations along with the appointment of an Executive Director to oversee the daily functions as well as to create a long-term plan. The County anticipates on expanding its air services that will provide another tool available for economic growth and development. The County did not limit itself to air travel as it also invested heavily in ground transportation. The County Commissioners have made a



Lake View Beach

commitment of approximately \$2 million to the Lorain County Transit Authority for the year 2000. With this investment, the County hopes to provide the citizens of Lorain County greater accessibility to employment opportunities as well as local shopping and business venues, not to mention another economic tool.

Another major project that has been discussed and anticipated for a number of years has finally come to fruition with the hiring of architectural firms and a construction manager to design and build a new County Justice Center. The approximate cost of the project is estimated to be between \$49 and \$50 million dollars and is expected to be completed sometime in 2002. Project managers and architects have been meeting regularly with County officials to finalize the layout and design of the new courthouse along with the construction details. The Justice Center is expected to house the five General Division judges, three Domestic Relations judges, the Probate Court judge, the County Prosecutor and the County Clerk of Court, and their respective staffs. These offices are currently located in a number of different buildings and will consolidate them under one roof and bring the entire county court system to a central location.

During 1999 the County place heavy emphasis on its communications and computer networking systems. Approximately \$2 million was spent on a new countywide network and telephone system. This should greatly assist the County linking the various departments and agencies together

on the computer system that was impossible to do prior to the implementation. The new telephone system will help in this capacity along with providing Internet access capabilities for County departments. Another 1999 project was the construction of a new County Dog Pound facility at a cost of approximately \$350,000. This facility should help provide a centralized location to assist and monitor the approximately 28,000 licensed dogs of Lorain County.

The County entered into a number of joint venture projects with communities located in Lorain County. During 1999 the County gave committed up to \$1 million to the city of Lorain towards a riverfront project the city and the Lorain Port Authority have been developing. With this grant, another piece of the puzzle has been provided for the project to move forward. The Entire County should benefit with the development of the waterfront and become a useful economic tool to economic development with the completion and success of this project. In late 1999, early 2000, the County Commissioners committed \$500,000 to the city of Oberlin towards the construction of a regional Family Aquatic Center for Lorain County. This is a joint effort between the City of Oberlin, Lorain County Metroparks, the County and the generosity of philanthropist Eric Nord. Once completed, the citizens of Lorain County will have another wonderful place to congregate and enjoy the amenities Lorain County has to offer.

DEPARTMENT FOCUS

The featured department for this year's CAFR is the Lorain County Prosecuting Attorney's Office. Gregory A. White has organized the 25 attorneys and staff of the Lorain County Prosecuting Attorney's office into four operating sections:

Criminal, Civil, Domestic Relations and the Victim/Witness divisions.

It is the responsibility of the Criminal Division to prosecute all adults who commit serious crimes in Lorain County. Prosecution begins by presenting the case to the Grand Jury for indictment. The assistant prosecuting attorneys in the criminal division handle the indictment, trial, post conviction and appeal phases of the criminal cases processed each year. The number of criminal cases processed to final conviction and sentence in the Lorain County Court of Common Pleas in fiscal year ended August, 1999 totaled 1,858.

The Civil Division is charged with the legal representation of all County Officials, (Clerk of Courts, Auditor, Commissioners, Coroner, Engineer, Recorder, Sheriff, Treasurer, and Judges) as well as county agencies and departments. In addition, the prosecutor's office represents numerous non-city school boards, the Lorain County Board of Education and officials in unincorporated areas.

Representation includes appearances in civil suits and answering opinion requests regarding legal matters. The Civil Division also collects delinquent real estate and personal property tax monies for the county on behalf of the Lorain County Treasurer.

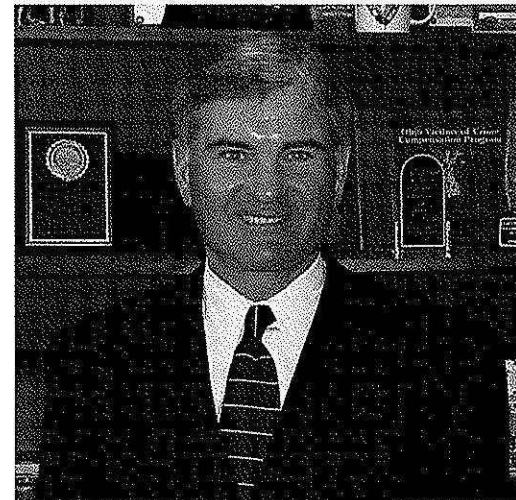
The Domestic Relations division operates in three distinctly different types of legal areas: juvenile prosecutions; protective custody cases; and child support enforcement proceedings. Juvenile prosecutions focus on unruly and delinquent behavior that can range from truancy to homicide. The primary emphasis of these cases is on insuring the safety of the community and holding the offenders accountable for their actions. Serious offenders require separation from the community in facilities such as the Lorain County Detention Home or institutions of the Ohio Department of Youth Services.

Protective custody cases involve legal proceedings to secure the safety and welfare of abused, neglected and dependent children. While working in conjunction with Lorain County Children Services these children can be given a full range of services, from medical attention to foster care, while receiving the protection of the Court. The Domestic Relations Division also seeks permanent legal custody of children, frequently with the consent of the natural parents, so that they can be placed for adoption.

The Child Support Enforcement Unit of the division pursues a wide range of legal actions to establish paternity and enforce the parental obligation of support. The work of this unit is instrumental in the collection of millions of dollars in child support annually. Efforts are also directed at causing non-paying parents to pay child support that is then used to reimburse the Department of Human Services for financial assistance given to needy children.

The Victim/Witness Division is the Prosecuting Attorney's assistance branch to the citizens of Lorain County who have found themselves involved in the criminal process whether as a victim of or a witness to criminal activity. This Division further assists victims in making application for Ohio funds available to victims of criminal activity.

The Lorain County prosecutor's office is also heavily involved in crime prevention. Money recovered from criminal activities is used to fund programs that benefit youth in Lorain County. The Safe Schools Program, drawing community leaders, law enforcement personnel, school administrators and judges together in a successful effort and forum to address school violence is one important example of the manner in which such funds were utilized. Most recently, the Prosecuting Attorney's office sponsored a conference for students



Gregory A. White

from the various county High Schools. The conference was attended by well over 300 area students who worked toward establishing plans to enhance student safety for their particular schools. The prosecutor's office intends to sponsor additional conferences in the fall. Other programs and initiatives sponsored by the prosecutor's office include assistance in the funding of the purchase of a colposcope for an area sexual assault nurse examiner ("S.A.N.E.") program, the contribution to a Boy Scouts of America juvenile diversion program and the funding of other and varied Lorain County-based community youth programs that foster a respect for self and others and promote law enforcement purposes.

Gregory A. White also established a web site in 1998 at www.loraincounty.com/prosecutor which further describes the duties and responsibilities of the Lorain County Prosecuting Attorney's Office, details each functional area of the office and contact information for each department, as well as providing a web-based means of communicating with the Prosecuting Attorney's office at LCProsecutor@alltel.net.

FINANCIAL ACTIVITY STATEMENT

SUMMARY

The Financial Activity Statement, known in accounting terms as the "Income Statement," provides a record of the money received and spent during the year. Explanations of specific Resources and Services are provided on the following pages.

LORAIN COUNTY 1999 FINANCIAL ACTIVITY STATEMENT

Resources Received	1999	1998
Property & other Taxes	\$ 29,962,680	\$ 26,043,983
Sales Tax	17,691,695	16,382,436
Charges for Services	8,822,146	18,541,206
Licenses, Permits & Fees	10,855,227	2,825,793
Fines & Forfeitures	1,643,655	1,349,686
Intergovernmental Revenue	79,873,393	71,639,326
Special Assessments	242,747	452,283
Interest	6,004,281	7,815,292
Other	1,448,027	436,878
Total Resources Received	\$156,543,851	\$145,486,883
Services Rendered		
Legislative and Executive	\$ 19,131,218	\$ 19,641,201
Judicial	10,108,125	9,223,612
Public Safety	10,153,261	11,098,810
Public Works	11,089,675	9,481,551
Health & Human Services	88,202,759	78,742,444
Economic Development and Assistance	546,629	626,177
Capital Outlay	6,436,363	7,870,964
Intergovernmental	2,133,858	1,867,566
Debt Service	8,293,922	3,575,842
Total Services Rendered	\$156,095,810	\$142,128,167
Resources Received over (under) Services Rendered	\$448,041	\$ 3,358,716

RESOURCES RECEIVED

Resources received are monies the County receives from a variety of sources in order to pay for the Services it provides.

Taxes are resources that include sales tax, real estate tax, personal property tax, and a variety of other smaller taxes.

Charges for Services are resources from various County departments and agencies for fees paid to them by the public such as court costs and fees for recording deeds and transferring property.

Licenses & Permits are revenues from the selling of vendor licenses, dog licenses and other items.

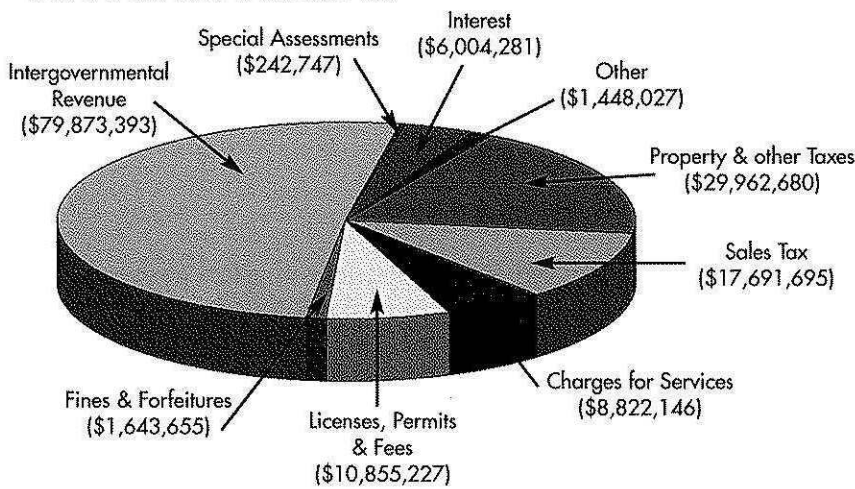
Fines and Forfeitures are the resources derived from fines levied in the Courts and the money received from a variety of forfeitures, including drug arrests and seized property.

Intergovernmental Revenues are resources received from direct grants and funding from the State of Ohio and Federal Government.

Special Assessments are amounts levied on real estate tax bills by the County and other local governments for providing improvements such as ditches, water and sewer service, curbs, and lighting.

The County earns interest on various investments made by the Lorain County Treasurer.

RESOURCES RECEIVED



Lorain County Metro Park

SERVICES RENDERED

Services rendered are the funds spent to provide services to citizens.

Legislative and Executive expenditures are the expenses incurred for administrative offices including the Auditor, Commissioners, Prosecutor, Recorder, and Treasurer.

Judicial expenditures are the costs of administering justice through the Lorain County Courts, which include the Courts of Common Pleas, Juvenile, Domestic Relations.

Public Safety expenditures are the costs of the Coroner, Probation, and Sheriff Departments.

Public Works expenditures are the costs incurred to maintain County roads and bridges, along with costs of operating the County water and sewers.

Health Expenditures include services provided by the Board of Mental Retardation/Developmental Disabilities and the Lorain County Mental Health Board to maintain public health.

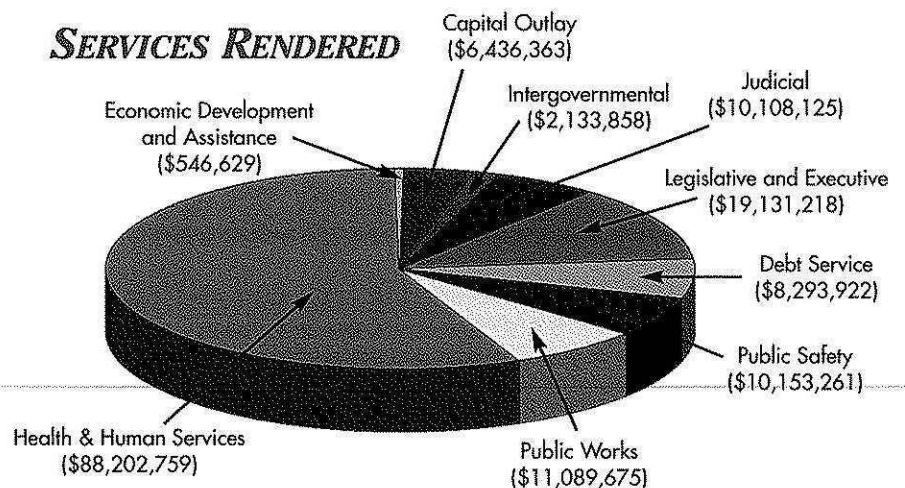
Human Services expenses is the costs of the Human Services Department and Children Services Board.

Economic Development expenses are costs associated with financial assistance in developing community housing and business projects.

Capital Outlay are expenditures for the purchase, acquisition and construction of improvements to County buildings, land, equipment, and vehicles.

Debt Service expenditures are the costs of paying interest and principal on County debt.

SERVICES RENDERED



FINANCIAL POSITION STATEMENT

SUMMARY

The Financial Position Statement, known in accounting terms as the "Balance Sheet," Provides a picture of the County's Financial Position at the end of the year. Explanations of specific accounts follow:

LORAIN COUNTY 1999 FINANCIAL POSITION STATEMENT		
	1999	1998
Financial Benefits		
Cash & Cash Equivalents	\$ 126,457,994	\$ 123,210,704
Taxes Receivables	274,694,893	266,164,134
Other Receivables	44,823,336	40,611,622
Property & Equipment	77,659,844	74,166,605
Inventory	941,965	933,784
Other Assets	18,008,695	25,067,752
Total Financial Benefits	\$542,586,727	\$530,154,601
Financial Burdens		
Accrued Payroll, Accounts Payable & Other	\$ 14,177,228	\$ 12,190,406
Compensated Absences Payable	6,033,194	5,574,229
Deferred Revenue	31,554,081	30,710,453
Short Term Debt	5,384,000	--
Long Term Debt	10,175,284	17,609,709
Other Financial Burdens	253,499,929	283,807,924
Total Financial Burdens	\$358,617,752	\$349,892,721
Benefits over Burdens	\$183,968,975	\$180,261,880

Readers of the Condensed Balance Sheet should keep in mind that the statement is presented on a non-GAAP basis, and those desiring to review GAAP basis reports should refer to the County's 1999 Comprehensive Annual Financial Report.

BENEFITS

Cash is the amount of physical cash held by the County in checking accounts and on hand to pay expenses. Investments with an original maturity of three months or less and cash and investments of the cash management pool are considered to be cash equivalents.

Investments are funds not needed to pay current expenses that the Treasurer invests in a variety of securities like U.S. Treasury Notes and U.S. Treasury Bills. This allows the County to earn interest on its surplus cash.

Receivables are amounts owed to the County which are expected to be paid over the next twelve months. This would include real estate taxes and special assessments.

Property and Equipment represent the water and sewer plants, land, buildings, vehicles, furniture, and equipment that provide an economic benefit of greater than one year.

Inventories of all funds are stated at cost which is determined on a first in, first out basis and includes expendable supplies held for consumption.

BURDENS

Amounts Owed to Employees and Vendors are funds the County owes individuals and companies who supply goods or services and the expected payment is to be made within twelve months.

Compensated Absences Payable include accrued vacation and sick benefits earned by employees.

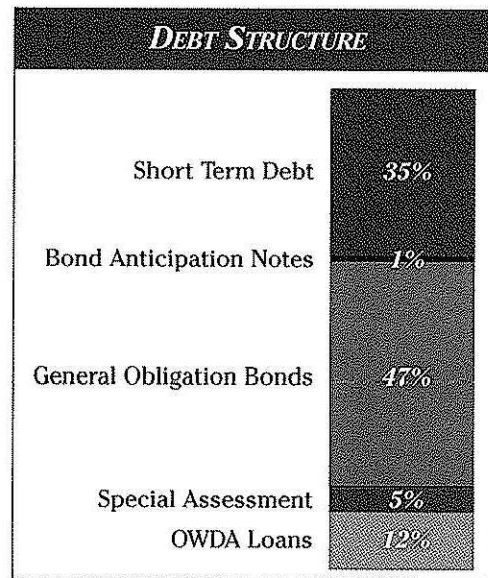
Deferred Revenue includes special assessments property taxes and intergovernmental revenues to be received in subsequent years.

Short Term Debt represents the amounts borrowed by the County that must be repaid within one year.

Long Term Debt represents the amount of bonds the County has issued and still owes. Bonds do not have to be paid off in one year. The County makes yearly debt payments on these amounts.

BENEFITS OVER BURDENS

This amount represents the difference between the financial benefits of the County and the burdens that it must pay. The amount provides the net worth of the County.



	Balance as of 01/01/99	Additions	Deletions	Balance as of 12/31/99
Short Term Debt	\$ - 0 -	\$ 5,384,000	\$ - 0 -	\$ 5,384,000
Bond Anticipation Notes	6,665,000	--	6,489,000	176,000
General Obligation Bonds	8,082,937	--	732,937	7,350,000
Special Assessment	935,478	--	124,418	811,060
OWDA Loans	1,926,294	--	88,070	1,838,224
Total	\$ 17,609,709	\$ 5,384,000	\$ 7,434,425	\$ 15,559,284

Lorain County

Elected Officials

As of December 31, 1999

BOARD OF COMMISSIONERS

Elizabeth C. Blair
Mary Jo Vasi
Michael A. Ross

COUNTY AUDITOR

Mark R. Stewart

COUNTY TREASURER

Daniel J. Talarek

PROSECUTING ATTORNEY

Gregory A. White

CLERK OF COURTS

Donald J. Rothgery
Ron Nabakowski
Effective 1-10-00

CORONER

Paul M. Matus

COMMON PLEAS COURT JUDGES

Kosma Glavas
Edward M. Zaleski
Lynett M. McGough
Thomas W. Janas
Mark A. Betleski

PROBATE COURT JUDGE

Frank J. Horvath

DOMESTIC RELATIONS JUDGES

David A. Basinski
Paulette Lilly
Debra Boros

ENGINEER

Kenneth P. Carney

RECORDER

Mary Ann Jamison

SHERIFF

Martin J. Mahony