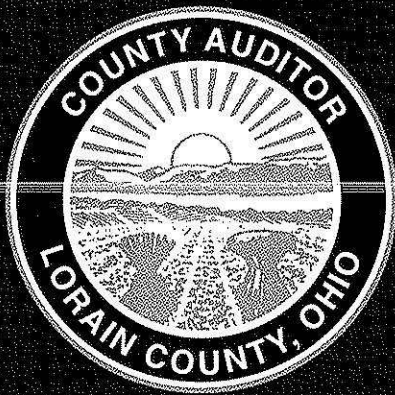


# Lorain County

*The Peoples Annual Financial Report*



*For the Year Ended December 31, 2000*

**Mark R. Stewart, Auditor**

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**About The Cover:** The cover picture, courtesy of David Kramer, is of the Lorain Lighthouse at night. The Lighthouse was built in 1917 and sits at the end of a long breakwall guarding the harbor. The lighthouse was decommissioned in 1965 and, after being saved from demolition it is now owned by the Port of Lorain Foundation, a nonprofit group which plans to restore the light and create a museum inside it.

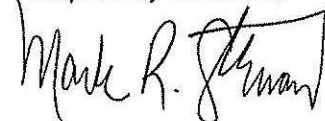
# To the Citizens of Lorain County:

I am pleased to present the Lorain County Peoples Annual Financial Report (PAFR) for the year ended December 31, 2000. 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 which was audited by Gary B. Fink and Associates, Inc. and received an unqualified (clean) opinion. This report is a condensed, easy to read version of the CAFR.

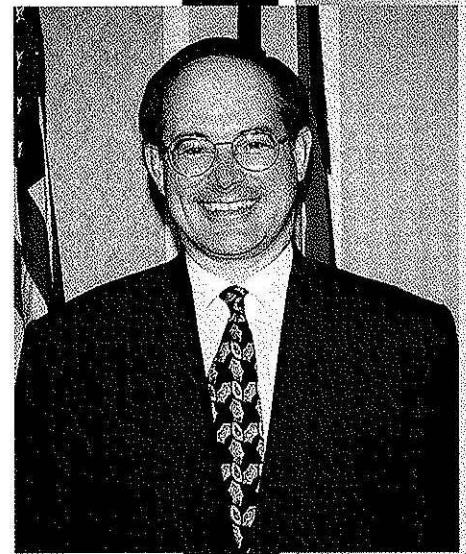
The report is designed to provide an easily understood financial analysis of the County's revenues and expenditures, and some general information about your County government. As the PAFR is a condensed version of the 2000 Comprehensive Annual Financial Report it does not conform to Generally Accepted Accounting Principles (GAAP) and related government standards. Our 2000 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



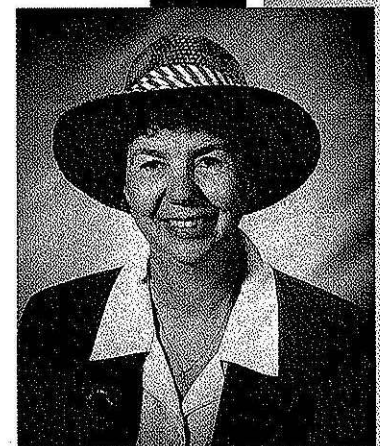
## Lorain County Finances

During the past ten years, Lorain County's finances have gone from beleaguered to a strong, financial picture - one that has been a teamwork approach for all involved with the county's income and spending.

In February of 1995, Lorain County's Bond Rating was increased from "Baal" to an "A" and subsequently to an "A-1" status. This upgrade reflects improved financial operations, a stabilizing economy and a favorable debt position.

Since hiring an Investment Advisor in October of 1995, significant increases in investment income have been realized for the County's General Fund, from \$4.6 Million in 1995 to \$5.4M in 1996; \$6M in 1997; almost \$7.09M in 1998; \$6.8M in 1999 and \$7.8M in 2000. This significant income has been achieved while protecting the principal, maintaining liquidity and generating competitive returns.

Betty Blair, 2001 President  
Lorain County Board of Commissioners and  
Chair, Lorain County Investment Advisory Committee



# 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**

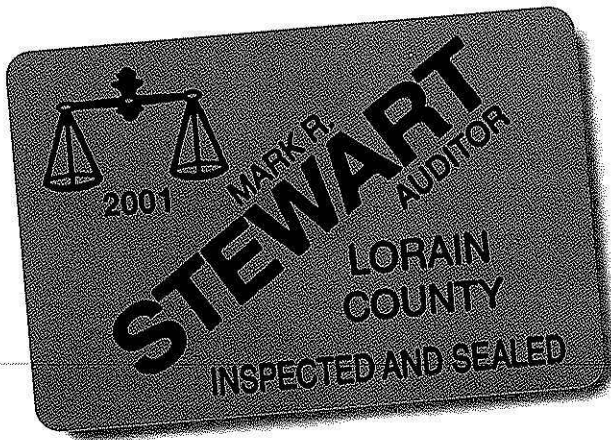
The Lorain County Auditor's Office helps protect County residents and businesses by ensuring that all commercial weighing and measuring devices are accurate. Gas pumps, price scanners, and meat and produce scales are checked regularly. Each year the Auditor's office inspects more than 2300 devices at 280 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 over 145,600 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.



**Tax Settlement Department**

(from left) Diane Schuster, Cheryl Litz, Maggie Barta, Carmella Phillips

## ***PERSONAL PROPERTY TAX***

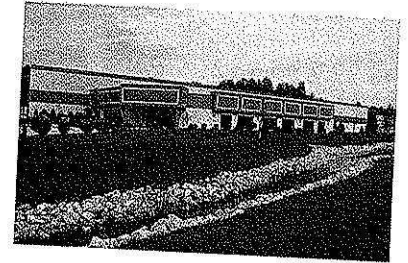
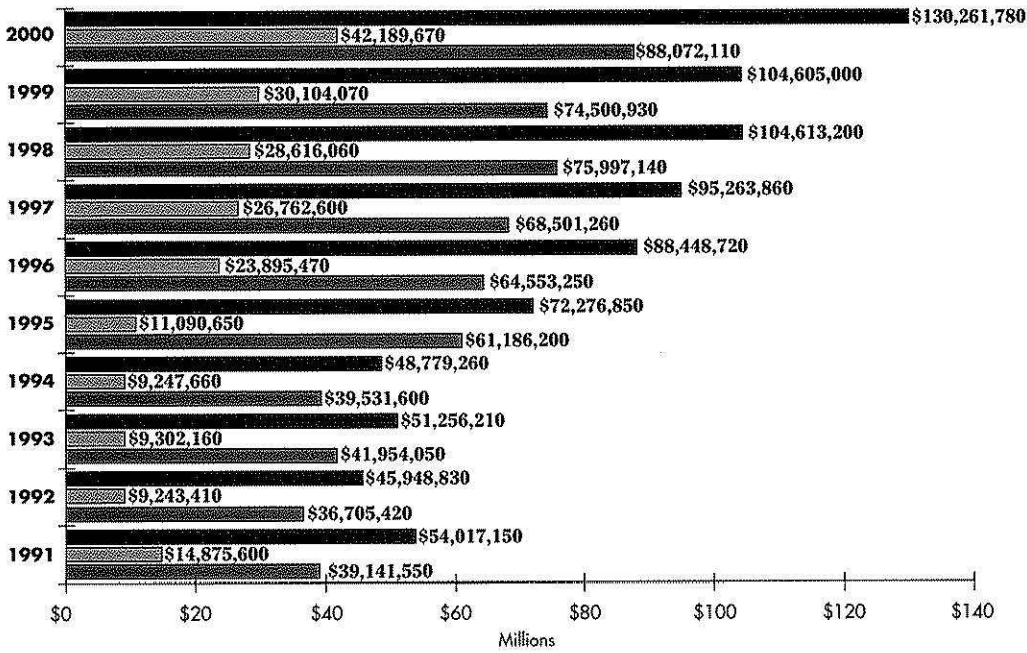
The Auditor's office also administers the state's tangible personal property tax laws. Generally speaking, anyone in business in Ohio is subject to tangible personal property tax on equipment, furniture, fixtures and inventory used in business. The tax is distributed back to the local tax districts like real estate taxes. The Auditor's office handles approximately 11,400 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 28,000 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.

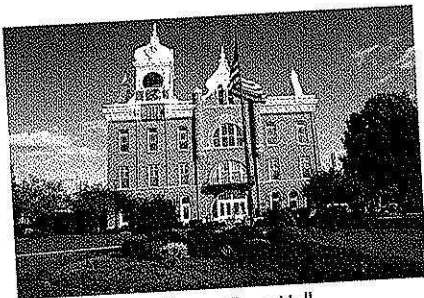
# Economic Outlook

## LORAIN COUNTY NEW CONSTRUCTION Last Ten Years



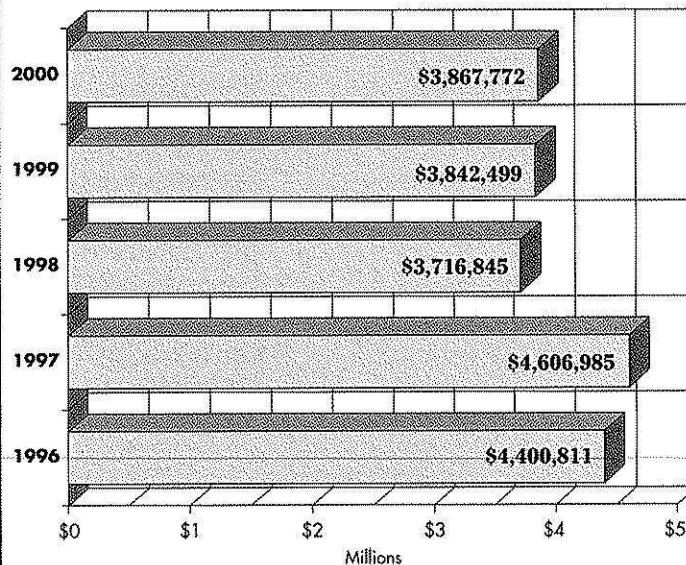
Maroon Inc.

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

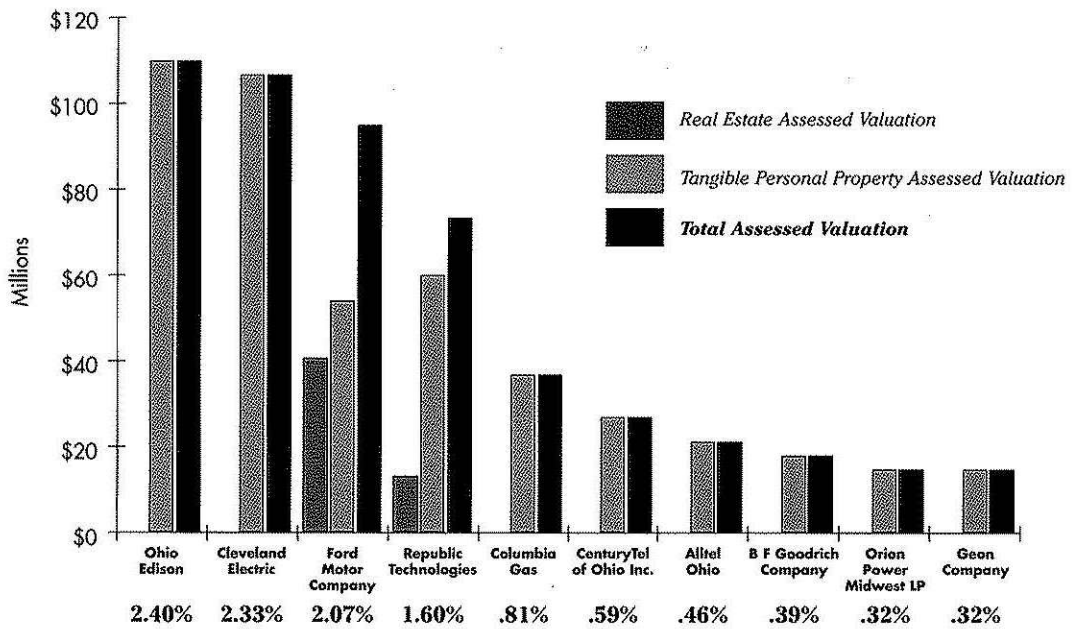


Wellington Town Hall

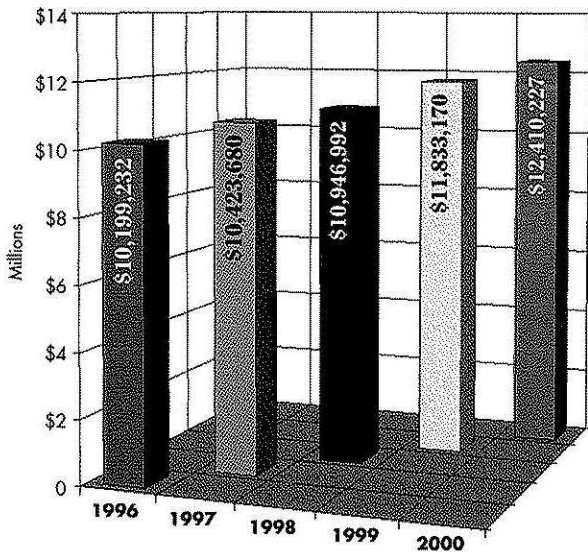
## LORAIN COUNTY TANGIBLE PERSONAL PROPERTY TAX (County's Portion) Last Five Years



**LORAIN COUNTY PRINCIPAL TAXPAYERS CHART**  
 Represents 11.29% of the Total County Assessed Valuation

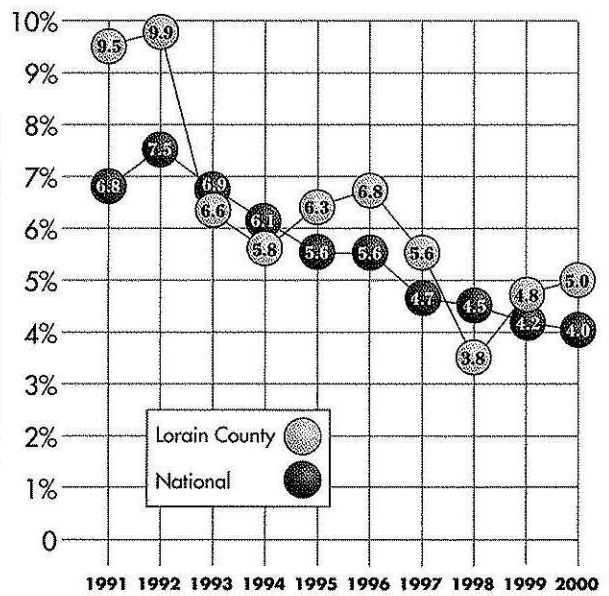


**LORAIN COUNTY REVENUES - SALES TAX**  
 Last Five Years



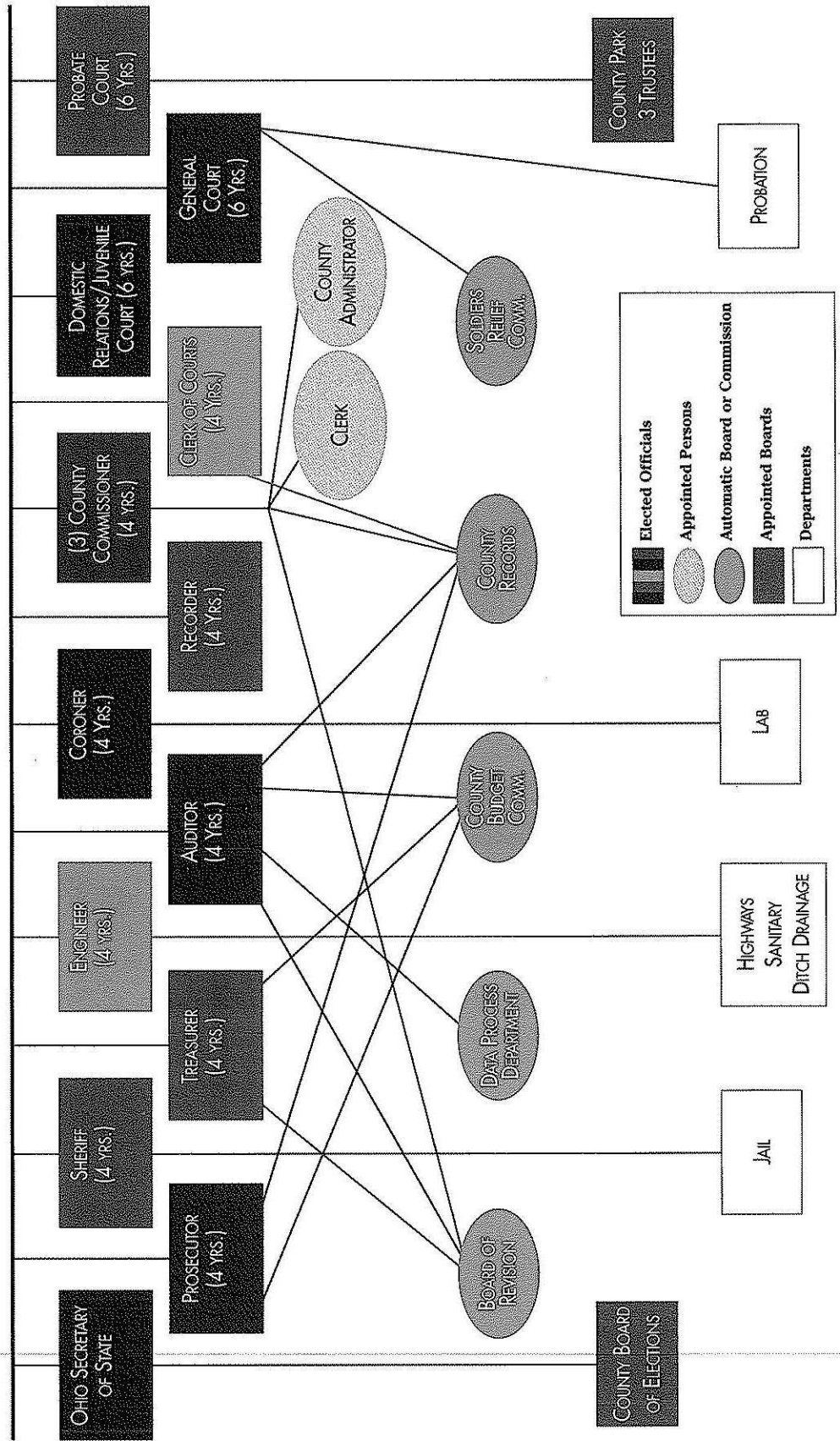
Note: General Fund Only

**LORAIN COUNTY UNEMPLOYMENT RATE**  
 Last Ten Years



# Lorain County Government Organizational Chart

REGISTERED VOTERS

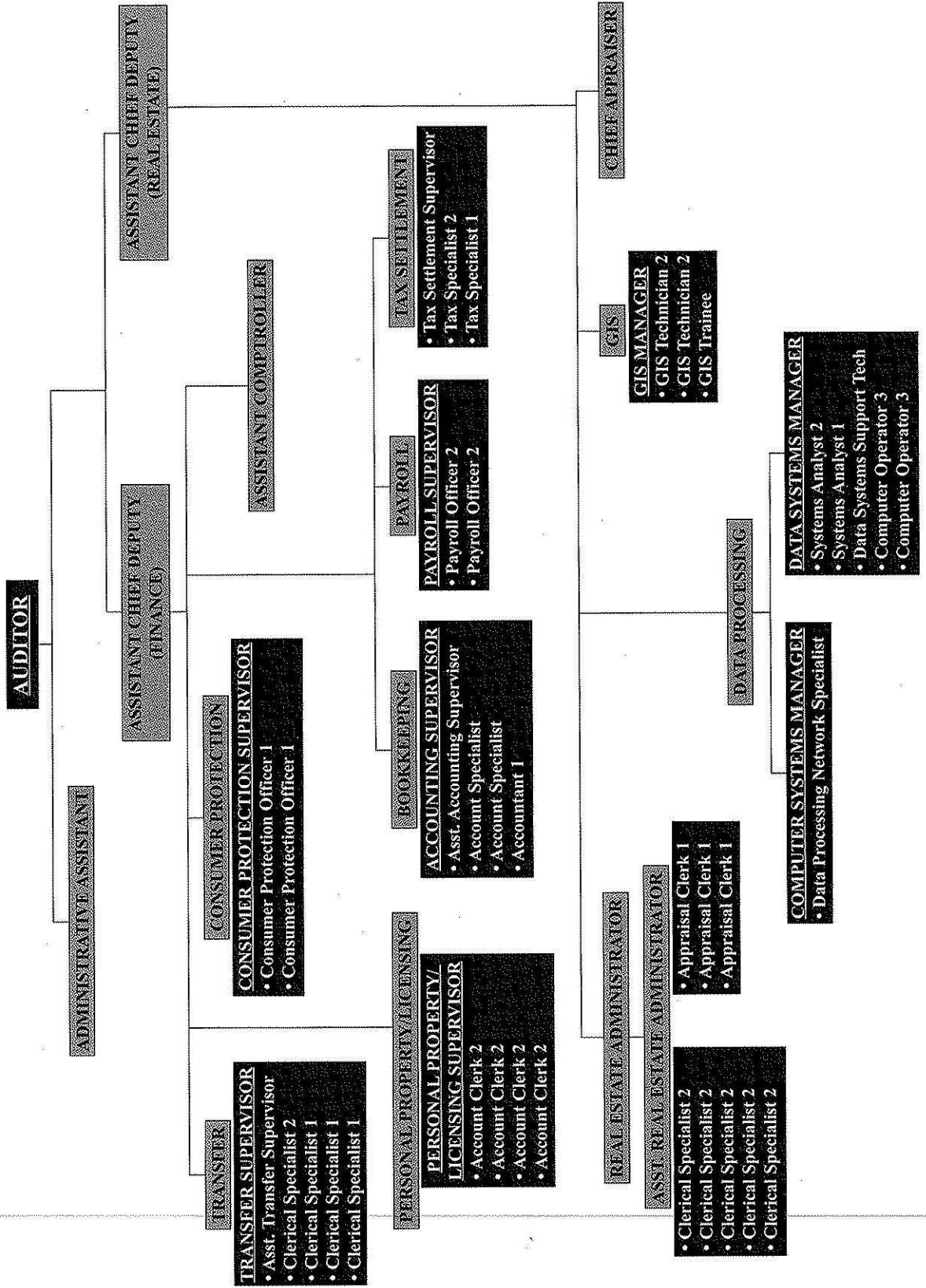


**Legend:**

- Elected Officials:** Vertical bar icon
- Appointed Persons:** Circle icon
- Automatic Board or Commission:** Oval icon
- Appointed Boards:** Shaded rectangle icon
- Departments:** White rectangle icon



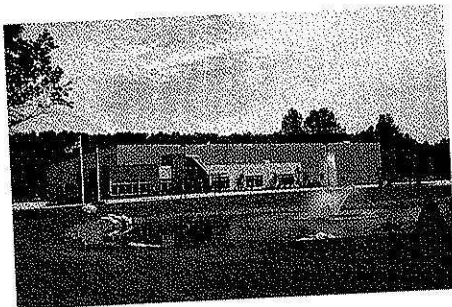
# LORAIN COUNTY AUDITOR'S ORGANIZATIONAL CHART



# CONTINUED GROWTH

## MAJOR INITIATIVES

The County has continued to reinvest its resources in upgrading its existing facilities along with new structures and roads to better serve the public. The County added approximately 1.8 million dollars in construction in progress in 2000. The majority of that investment was for architectural services rendered in the planning and design of a new 220,000 square foot County Justice Center. The total estimated cost of the seven-story structure has been set at 44 million dollars. The Justice Center is expected to house the offices of 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. This will consolidate these offices under one roof as they are currently spread out into numerous buildings within the county. The necessary land has



North Coast Bearings

been purchased and prepared for the eventual construction of the new facility. A groundbreaking ceremony should occur in either late 2001 or early 2002.

Other projects started in 2000 that added to the construction in progress were for renovations to existing structures that will accommodate for the growing demands on various departments and to help better serve the constituents of Lorain County. Approximately \$1.7 million will be spent over the next two years to expand the 911 and Emergency Management facility. A small fraction was expended in 2000 for architectural services. This renovation project will add 11,724 square feet to the existing structure along with the repaving of the entire 50,000 square foot parking area.

Another renovation project started in late 2000 was for the expansion and remodeling of the County Engineers offices which should be completed in late 2001. The joint effort between the County Commissioners and County Engineer on this project will provide much needed office space along with areas for the road equipment and trucks used in maintaining the County roads. These renovations will certainly assist operations, add efficiency and are critical in helping to meet the needs of an expanding County. There were numerous resurfacing projects in 2000 and

many more slated for 2001 and beyond. This expansion project should help add to the success of those endeavors.

As a number of projects continued and new ones started in 2000, there were many projects completed. The County Administration building which was built in 1971 underwent a \$380,000 facelift to restore its brick and mortar facade. This project will extend the life of the building by restoring the structural integrity and add to the aesthetics of the downtown area. Another project that was started in late 1999 and finished in October 2000 was a \$372,000 addition and renovation project of the Lorain County Agricultural Center. A very large project started late in 1999 also came to completion in 2000 was the construction of the Mentally Ill/Chemically Abusing (MICA) Residential Facility. A joint project between the Lorain County Commissioners and the County Mental Health Board for approximately \$750,000 will help meet the demands placed on the department and upgrade the services to the citizens for many years to come.

As the County continues to develop and the population increases so will the demands on the County agencies. These projects will attest that County's management team is attempting to address these needs and concerns in preparation for the future.

## ***DEPARTMENT FOCUS***

The featured department for this year's CAFR and PAFR is the Lorain County Clerk of Courts office. The Clerk of the Court of Common Pleas is Ron Nabakowski who is assisted by 54 full-time, and two part time deputy clerks, in carrying out more than one thousand specific duties mandated by the Ohio Revised Code.

Duties of this office fall into two main categories: court-related responsibilities of the Legal Division and duties concerning certificates of title for automobiles, motor homes, watercraft and various types of motorized vehicles. The clerk's Legal division is further divided by case type: Civil, Criminal, and Domestic Relations.

The Civil Division of the Clerk's office processes paperwork for civil cases, including personal injury lawsuits, foreclosures, malpractice suits, monetary judgements and other civil disputes. The Clerk's office creates and numbers a file for each case, serves notice (summons) on those being sued, files the answers from all parties and the orders (journal entries) of the Judge.

The Criminal Division creates a unique file for each criminal case and maintains a docket (or history) of journal entries comprising each case. The docket records subpoenas, warrants, commitments and sentencing. The Clerk office also reports all convictions to the Ohio Bureau of Criminal Identification & Investigation on a system that was developed under a special federal grant for this purpose. Finally, the Clerk and his deputies issue all orders for the arrest of criminal

defendants and administer oaths and affirmations as required and authorized by Ohio law.

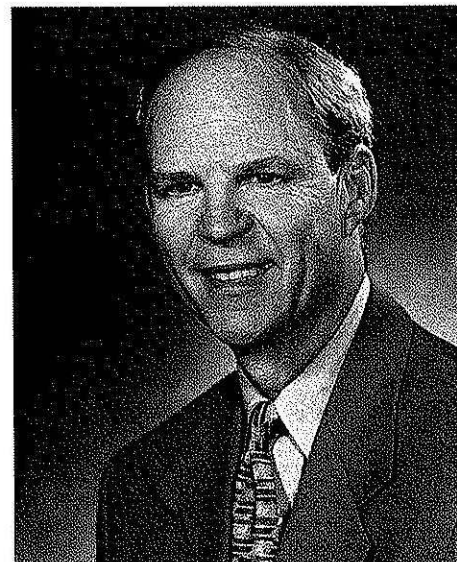
The Domestic Relations processes and records all paperwork for divorce, dissolutions, annulment and domestic violence civil protection cases.

Ron Nabakowski is also the Clerk of the Court of Appeals, Ninth Appellate District for Lorain County cases. His office handles all filings for cases appealed to the Appeals Court from any Lorain County court, including Municipal Courts.

The paperwork for all cases is processed and entered into a computerized case management system to produce an electronic docket showing all activity for each case. The system maintains an alphabetical index to permit easy retrieval of this information.

The Clerk's Records Center maintains case files, including microfilming and imaging cases from all Legal divisions. This office has case records dating back to the inception of the Court in 1824. The computerized case records since 1987 are available for viewing indices and dockets, as well as Judges schedules on the Internet at [www.loraincounty.com/clerk](http://www.loraincounty.com/clerk).

In the early 1900's, when automobiles were proliferating on Ohio's roads, the Ohio General Assembly realized the need to provide secure proof of ownership for motor vehicles. The Legislature chose the Clerk of Court of Common Pleas as the official to maintain these records. The process now uses an automated system linked throughout the State to provide Certificates of Title to automobiles and watercraft.



Ron Nabakowski

Ron Nabakowski has three title offices serving Lorain County citizens. The main title office located in the County Administration Building, houses all title records. The Lorain Title Office is at 2158 Broadway in Lorain and a "One Stop Shop" office is at 229 Broad Street in Elyria. The "One Stop Shop" was opened in 1989 with cooperation from the Ohio Bureau of Motor Vehicles Licensing Division and the Ohio State Highway Patrol Drivers Testing Division. This office allows citizens to go to one location for driver's licenses, license plates and certificates of title.

Lorain County's Clerk of Courts collects more than \$25,000,000 sales and use taxes from purchases of automobiles, in addition to revenues from court costs, bonds, fines and forfeitures. The office received and disburses millions of dollars for various accounts of the county and state.

# 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 2000 FINANCIAL ACTIVITY STATEMENT

Resources Received	2000	1999
Property & other Taxes	\$ 30,516,832	\$ 29,962,680
Sales Tax*	18,596,540	17,691,695
Charges for Services	7,581,462	8,822,146
Licenses, Permits & Fees	10,307,088	10,855,227
Fines & Forfeitures	2,896,740	1,643,655
Intergovernmental Revenue	89,904,738	79,873,393
Special Assessments	206,555	242,747
Interest	11,084,658	6,004,281
Other	2,794,205	1,448,027
<b>Total Resources Received</b>	<b>\$173,888,818</b>	<b>\$156,543,851</b>
<b>Services Rendered</b>		
Legislative and Executive	\$ 22,382,012	\$ 19,131,218
Judicial	10,783,418	10,108,125
Public Safety	17,959,664	10,153,261
Public Works	6,953,343	11,089,675
Health & Human Services	90,231,207	88,202,759
Economic Development and Assistance	502,503	546,629
Capital Outlay	7,543,559	6,436,363
Intergovernmental	5,678,789	2,133,858
Debt Service	6,389,810	8,293,922
<b>Total Services Rendered</b>	<b>\$168,424,305</b>	<b>\$156,095,810</b>
<b>Resources Received over Services Rendered</b>	<b>\$5,464,513</b>	<b>\$448,041</b>

\*Does not reflect states share of sales tax

## 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 Property and other taxes, real estate tax, personal property tax, and a variety of other smaller taxes.

Sales tax is levied at 5.75%; with the 5% earmarked for the State of Ohio, .5% of the sales and use tax is dedicated to the general fund and a .25% of the sales and use tax is for the construction and operation of the county correctional facilities.

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.

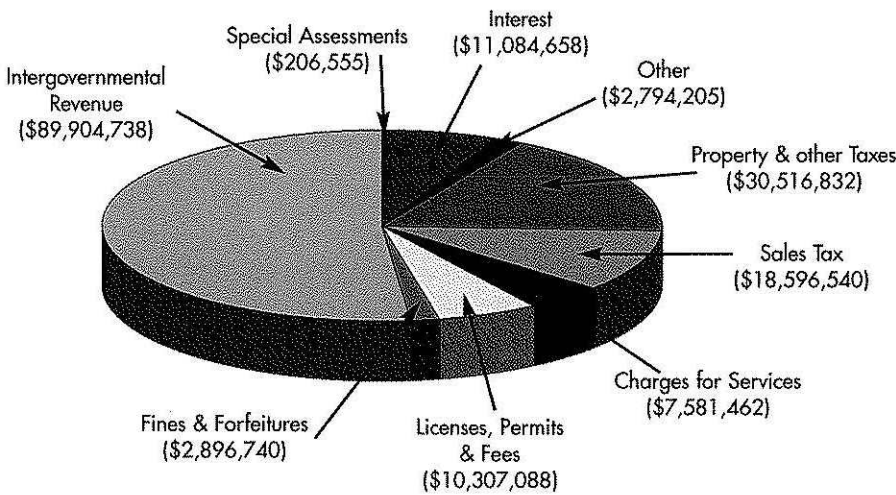
Fines and Forfeitures are the resources derived from fines levied in the Courts and the money received from a variety of forfeitures, including drug arrests and seized property.

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



Adam Joseph Center in Oberlin

## 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.

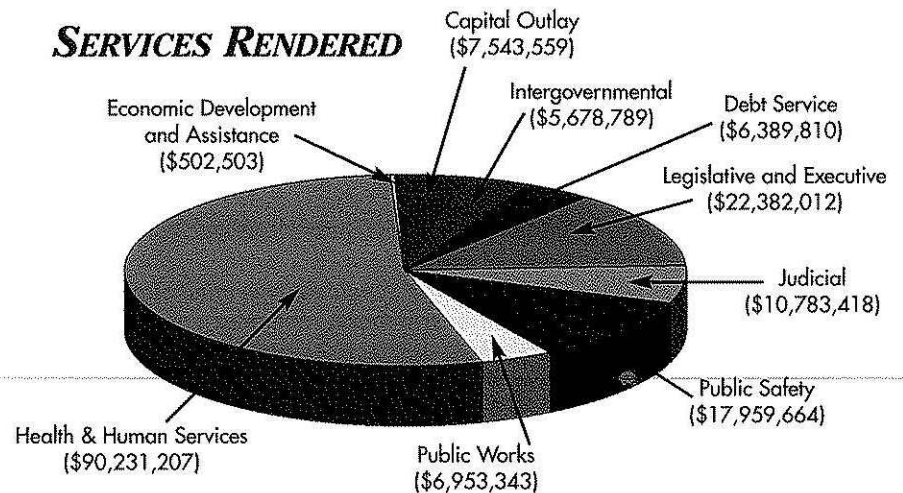
Human Service expenses are the costs of the Job and Family Services Department and Children Services Board.

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:

<b>LORAIN COUNTY 2000 FINANCIAL POSITION STATEMENT</b>		
	<b>2000</b>	<b>1999</b>
<b>Financial Benefits</b>		
Cash & Cash Equivalents	\$139,717,888	\$126,457,994
Taxes Receivables	298,047,771	274,694,893
Other Receivables	50,405,081	44,823,336
Property & Equipment	81,784,839	77,659,844
Inventory	827,234	941,965
Other Assets	17,495,599	18,008,695
<b>Total Financial Benefits</b>	<b>\$588,278,412</b>	<b>\$542,586,727</b>
<b>Financial Burdens</b>		
Accrued Payroll, Accounts Payable & Other	\$ 12,362,647	\$ 14,177,228
Compensated Absences Payable	6,573,684	6,033,194
Deferred Revenue	33,666,301	31,554,081
Short Term Debt	4,802,000	5,384,000
Long Term Debt	9,979,353	10,175,284
Other Financial Burdens	319,797,031	253,499,929
<b>Total Financial Burdens</b>	<b>\$387,181,016</b>	<b>\$358,617,752</b>
<b>Benefits over Burdens</b>	<b>\$201,097,346</b>	<b>\$183,968,975</b>

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 2000 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 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.

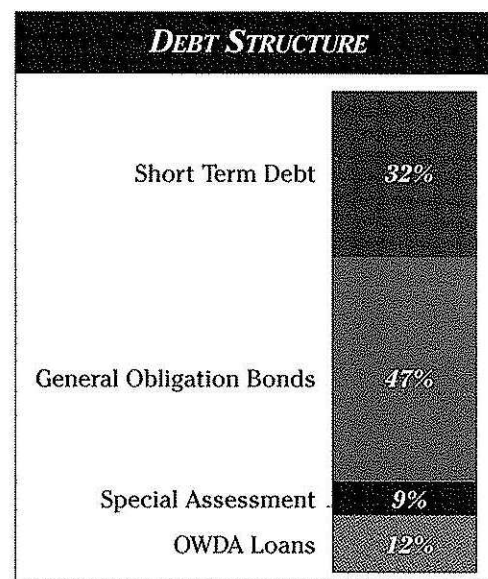
Deferred Revenue includes special assessments property taxes and intergovernmental revenues to be received in subsequent years.

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 01/01/00	Additions	Deletions	Balance as of 12/31/00
Short Term Debt	\$ 5,384,000	\$ 4,802,000	\$ 5,384,000	\$ 4,802,000
Bond Anticipation Notes	176,000	--	176,000	0-
General Obligation Bonds	7,350,000	--	400,000	6,950,000
Special Assessment	811,060	581,721	109,231	1,283,550
OWDA Loans	1,838,224	--	92,421	1,745,803
<b>Total</b>	<b>\$ 15,559,284</b>	<b>\$ 5,383,721</b>	<b>\$ 6,161,652</b>	<b>\$ 14,781,353</b>

# Lorain County

## *Elected Officials*

*As of December 31, 2000*

### **BOARD OF COMMISSIONERS**

Elizabeth C. Blair

Mary Jo Vasi

Michael A. Ross  
(Term expired 1-2-01)

David J. Moore  
(Effective 1-3-01)

### **COUNTY AUDITOR**

Mark R. Stewart

### **COUNTY TREASURER**

Daniel J. Talarek

### **PROSECUTING ATTORNEY**

Gregory A. White

### **CLERK OF COURTS**

Ron Nabakowski

### **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  
(Retired 12-31-00)

Phil R. Stammitti  
(Effective 1-1-01)