



# Lorain County

***The People's Annual Financial Report***



***For the Year Ended December 31, 2012***

**J. Craig Snodgrass, CPA, CGFM**  
**Lorain County Auditor**

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About the cover: The Lorain Lighthouse, also known as the "Jewel of the Port," was constructed in 1917. Although decommissioned as a functional lighthouse of Lake Erie, this beautiful structure still remains open for tours.

Lorain County Court House was constructed from 1879-1881. This historic landmark was designed by renowned architect E.E. Myers, and is made of Amherst sandstone.

# To the Citizens of Lorain County:

I am pleased to present the Lorain County People's Annual Financial Report (PAFR) for the year ended December 31, 2012. This report provides a brief analysis of Lorain County's revenue sources and where those dollars are spent. An overview of trends in the local economy as well as statistical information is also presented. Above all else, the PAFR is designed to present a more easily readable financial report.



The basis for the information comes from our Comprehensive Annual Financial Report (CAFR) that is over 200 pages long. For seventeen consecutive years the county has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for achieving the highest standards in government accounting and financial reporting. The CAFR contains detailed financial statements, notes, and combining statements and schedules which were audited by the Auditor of State and received an unmodified (clean) opinion. The PAFR is a condensed, easy to read version of the CAFR. The PAFR is designed to provide an easily understood financial analysis of the county's revenues and expenditures, and some general information about our county's government. As the PAFR is a condensed version of the 2012 Comprehensive Annual Financial Report it does not conform to Generally Accepted Accounting Principles.

The PAFR 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 read through this report. As you review it 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 to obtain further information. To review our Comprehensive Annual Financial Report, you may also visit our web site at <http://www.loraincounty.com/auditor>.

Respectfully submitted,

A handwritten signature in black ink that reads "J. Craig Snodgrass". The signature is fluid and cursive.

J. Craig Snodgrass, CPA, CGFM  
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 agencies located within Lorain County.
- Administer and distribute tax and license revenues including real estate taxes, public utility 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.



L-R, Sonja Beat, Diane Schuster, Carmella Phillips



L-R, Rosemary Wirty, Joni Poli, Coretta Tatum, Michelle McLaughlin, Pattie Flynn, Donna Dutton, Betsy Vansant, Lisa Owens

## 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. The Lorain County current direct tax rate is 13.69.



# REAL ESTATE APPRAISAL AND ASSESSMENT

Lorain County has over 162,000 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.



L-R, Renee Jefferson, Jean O'Donnell, Jean Kohls, Barry Habony, Jennifer Kelleher, Maggie Wishart, Lillie Brand



Bret Schuster

## WEIGHTS AND MEASURES

The Auditor's office helps protect county residents and businesses by ensuring that all commercial weighing and measuring devices are accurate. Gas pumps, price scanners, timing devices such as laundromats and car washes and meat and produce scales are checked regularly. Each year the Auditor's office inspects more than 4,171 devices at 542 locations throughout the county.



## LICENSING

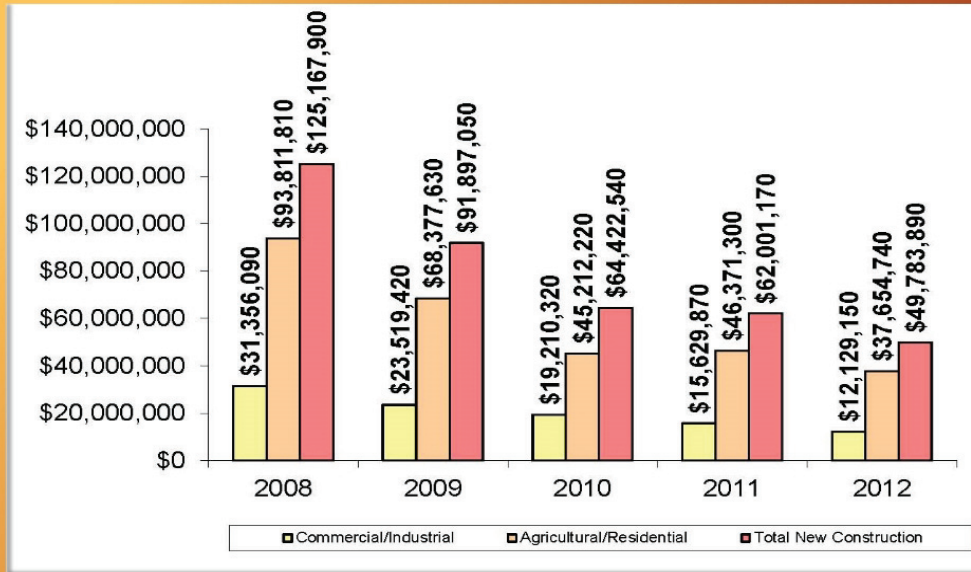
Licenses for dogs, kennels, vendors and cigarettes are all issued by the Auditor's office. Lorain County issued 29,401 dog licenses in 2012. Vendor licenses authorize businesses to sell tangible property to the public and collect sales tax, a part of which is returned for use on the local level. There were 479 vendor licenses issued to Lorain County businesses in 2012.



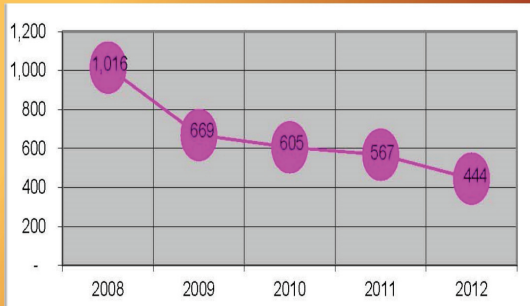
L-R, Sylvia Murillo, Ann Croft, Barb Gersna, Max Schaefer, Jason Kelleher

# Economic Outlook

## Lorain County New Construction Last Five Years

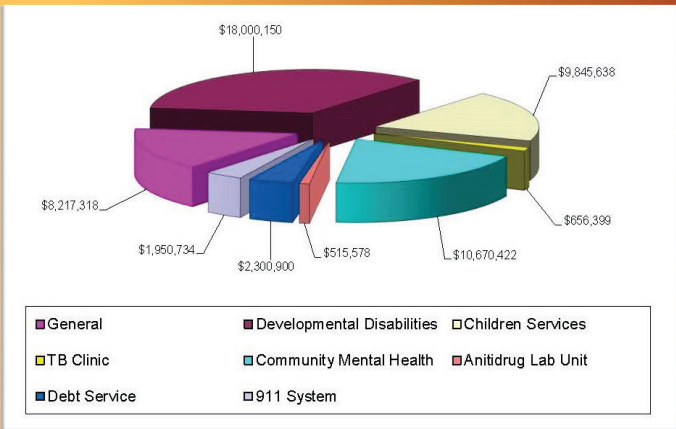


## Lorain County New Housing Starts Last five years



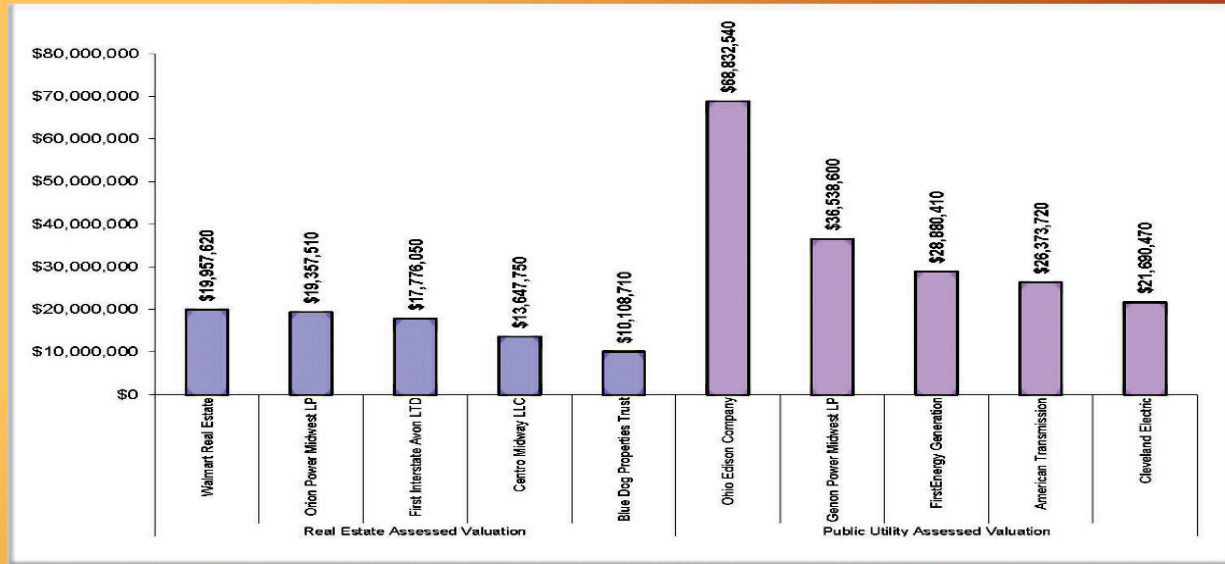
## Lorain County Tax Collections

Includes state reimbursements of Rollback and Homestead Exemptions



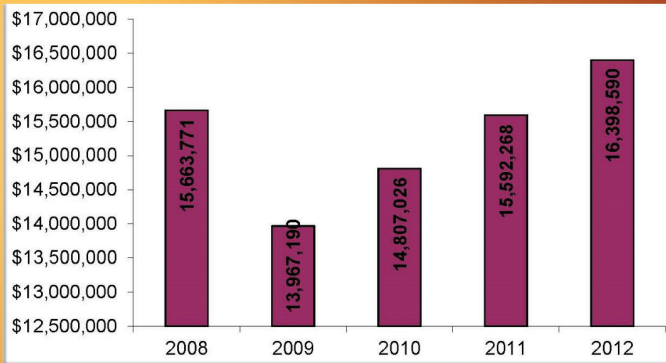


# Lorain County Principal Taxpayers Chart



## Lorain County Sales Tax

General Fund Only - Cash Basis - Last Five Years



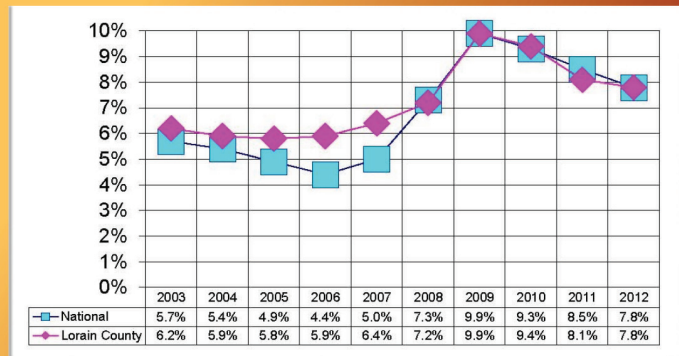
All-Pro Freight Stadium Avon, Ohio



Hollstein Reservation

## Lorain County Unemployment Rate

Last Ten Years

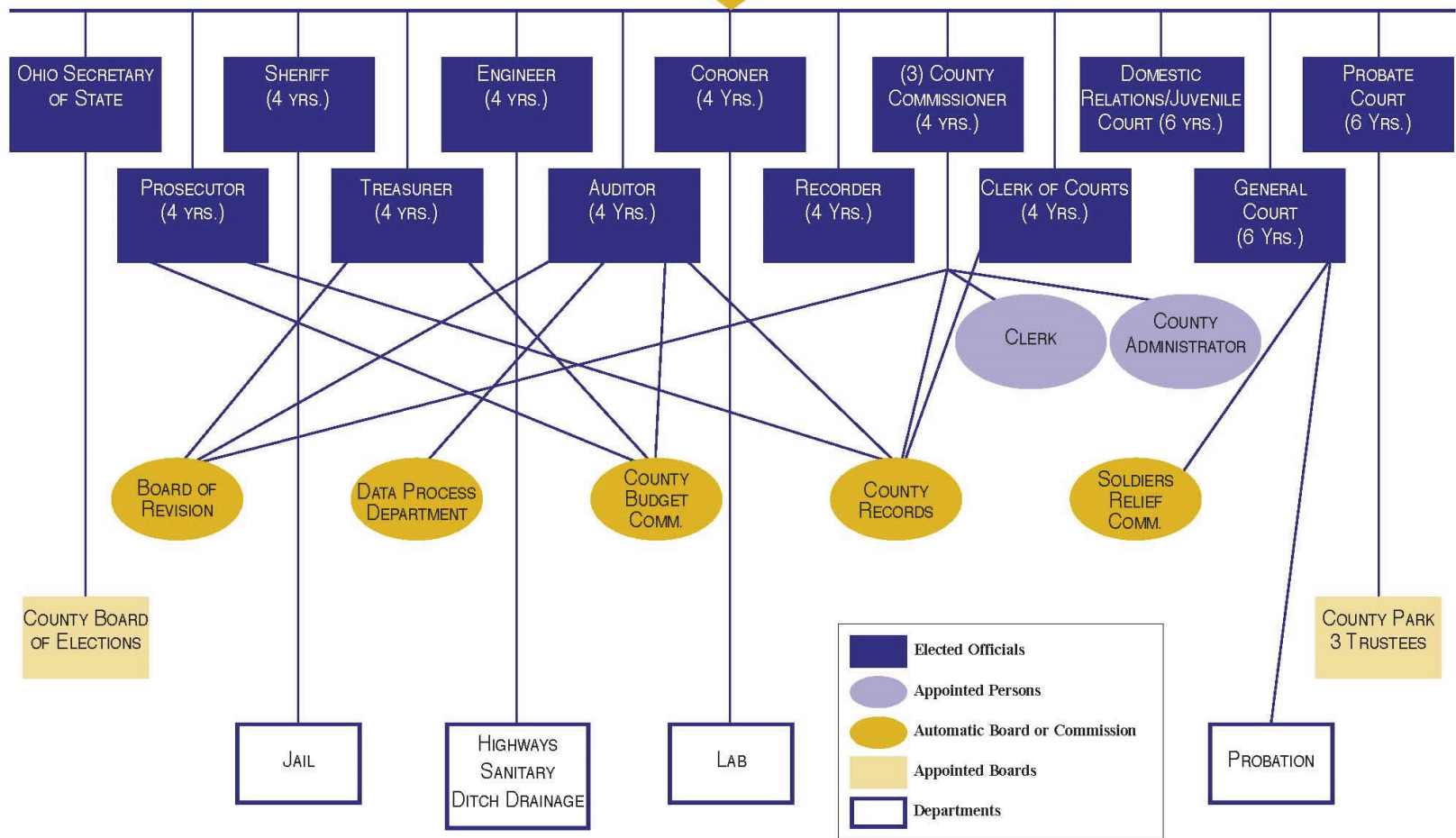




# Lorain County Government Organizational Chart

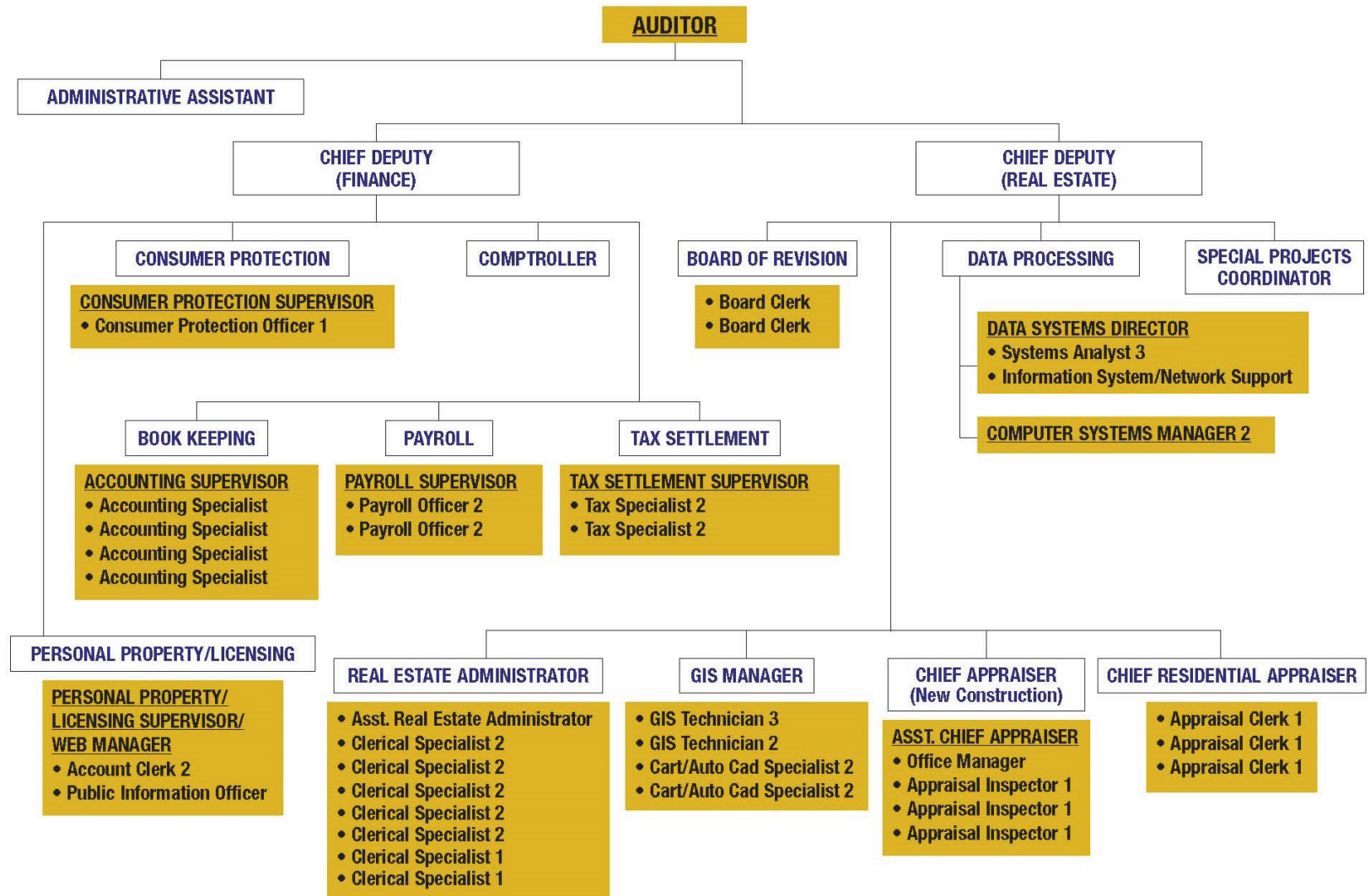
## Lorain County Government

### REGISTERED VOTERS



# Lorain County Auditor's Organizational Chart

## Lorain County Auditor's Organizational Chart



# Continued Growth

## Major Initiatives

The County officials remain committed to providing quality services to the citizens although budgets have remained at a constant level for the various departments. The County moved forward completing a number of projects in 2012, continued numerous other projects, and despite the distressed financial times has been able to commence and invest in a number of new projects. The County continued to invest in the infrastructure with the repaving of roadways and state routes at more than 19.5 highway miles, completed work on replacing two bridges and one culvert along with repairs of numerous other culverts in order to maintain the high level of service that the citizenry deserves. The Engineer's Office will be rehabilitating and replacing an additional three bridges in 2013 and completing \$16 million in roadways and state routes as stated from the Annual Highway Condition Report with the monetary assistance from local, state and federal governments. Included with the 2013 resurfacing project is a Waterline Replacement project with the City of Lorain which is expected to be completed in 2013..



The County completed and spent more than \$2,500,000 over the past three years with upgrades to the Sanitary Sewer Rehabilitation project with federal ARRA funds and Ohio Water Development Authority loans to provide more efficient operations and comply with mandated environmental protection orders.

The County is continuing a rehabilitation project on the Lorain County Regional Airport taxi lanes A, B and C. A total of \$471,031 was spent in 2012. These taxi lane improvements and a roof repair on an airport office building is expected to be completed in 2013. The 2013 year is a FAA design/engineering period for the future improvements for our county airport.

County officials are continuously exploring options and potential projects that will better serve and meet the needs of the public. The leadership is looking to position itself by building the foundation today for future growth as the economy rebounds. These are just a few ongoing initiatives.





# Department Focus

## GIS/Tax Map

The GIS/Tax Map department was merged by the Lorain County Auditor and Lorain County Engineer in 2010 to conserve public funds and consolidate services. Geographic Information Systems (GIS) came to exist in the Lorain County Auditor's Office in 1995. GIS is a broad title given to a computer database system used for storing and manipulating geographic data. In the Auditor's Office this is translated into a department of analysts who use a large computer database to store and maintain a map of all 160,000+ parcels in Lorain County. The GIS in the Auditor's Office has undergone numerous transformations in the past 18 years and in no way resembles the first scanned digital tax maps that began the initiative.

The GIS department also maintains data for all roads, addresses, land uses, soil types, community boundaries, school district boundaries, survey monuments, and countless other geographic data which is stored in a geodatabase viewed thousands of times daily by users of the Lorain County Auditor's website. The GIS department also works closely with many government entities as well as the general public on a multitude of projects ranging from simple presentation aerial photos and maps to complex mapping databases and geographic data creation.

The main duty of Tax Map department, as defined in the Ohio Revised Code, is to maintain an accurate map of the County's parcels for appraisal purposes of the Auditor, and to review survey work done for the purpose of splitting and platting land parcels.



L-R, Joey Hatfield, Ryan Maines, Martin Rowe, Dave Adelsberg, Tim Arra, Ted Spillman

For years the GIS department and Tax Map department maintained tax maps that mirrored one another. The GIS/Tax Map department continues to perform the duties of both departments, but with better efficiency and technology. In 2011, the GIS/Tax Map department took on an additional task of mandatory review of each and every legal description prior to transfer of property. The staff of six in the GIS/Tax Map department boasts a combined experience of almost 100 years in GIS, drafting, surveying, and especially mapping technology. The duties and demands of the department evolve almost daily requiring all staff to be knowledgeable on current technology.

Currently the drive of the Auditor's Office is to make as much public information easily available to a diverse audience over the internet through internal projects as well as partnerships with other government entities. The GIS/Tax Map department leads the way in this endeavor with new programs such as paperless appraisal applications, online CAUV applications, Location Based Response System program and redeveloped web with mobile and Smartphone apps abilities.

The fact that almost every function of local government is somehow related to geography causes continual change in the roll of the GIS/Tax Map department within the Lorain County Auditor's Office. The GIS/Tax Map department has quickly evolved from a department that could just print maps to a department that is providing decision support to a large percentage of the Auditor's Office, local government departments, and the general public of Lorain County.

# Statement of Activities

## SUMMARY

The Statement Of Activities, known in the private sector as the "Operating Statement," provides a record of the money received and services rendered during the year.

## Lorain County Statement of Activities

	2012 Activities	2011 Activities
<b>Resources Received</b>		
<b>Program &amp; General</b>		
Governmental Activities:		
Charges for Services	\$ 40,678,901	\$ 41,991,533
Operating Grants and Contributions	67,855,641	72,312,012
Capital Grants and Contributions	7,354,036	7,171,832
Taxes	70,639,044	69,581,155
Intergovernmental - Nonspecific	11,510,109	15,217,298
Investment Income	1,278,699	1,665,961
Other Income	2,203,439	1,987,056
Business-Type Activities:		
Charges for Services	2,483,602	5,274,069
Operating Grants and Contributions	4,136,675	-
Capital Grants and Contributions	818,967	1,164,781
Other Income	64,560	10,165
<b>Total Resources Received</b>	<b>209,023,673</b>	<b>216,375,862</b>
<b>Services Rendered</b>		
General Government:		
Legislative and Executive	31,765,473	31,020,810
Judicial	20,293,911	19,784,105
Public Safety	25,379,907	28,659,625
Public Works	16,268,488	14,726,041
Health	38,297,554	47,985,113
Human Services	65,801,886	64,476,511
Economic Development and Assistance	2,551,169	446,951
Interest on Long-Term Debt	1,536,567	1,366,773
Business-Type Activities	4,509,481	3,352,221
<b>Total Services Rendered</b>	<b>206,404,436</b>	<b>211,818,150</b>
<b>Resources Received Over Services Rendered</b>	<b>\$ 2,619,237</b>	<b>\$ 4,557,712</b>

## RESOURCES RECEIVED

Resources received are from a variety of monetary sources for the services provided to the citizens of Lorain County.

**Charges for Services** are resources from various county departments and agencies for fees for services paid to them by the public such as court costs, licenses, permits, recording deeds and transferring property.

**Operating Grants** are local, state and federal grants, subsidies and allocations for operations of various county departments and services for the benefit of the citizens.

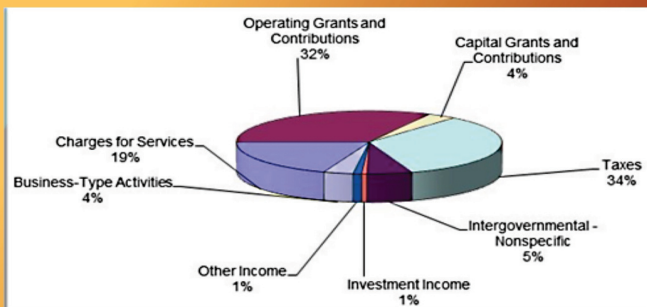
**Capital Grants** are resources from local, state and federal grants for buildings, construction improvements and special assessments from citizens for providing improvements such as ditches, water, sewer, curbs and lighting.

**Taxes** are resources that include Sales Tax, Real Estate Tax, Public Utility Personal Property Tax and a variety of smaller taxes.

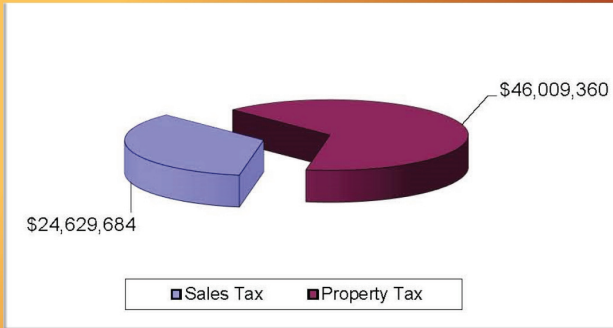
**Intergovernmental-Nonspecific** revenues are resources received from other governmental agencies that are not restricted for a specific purpose.

**Investment Income** earnings are resources received from the interest earned on various investments made by the Lorain County Treasurer and any changes in the fair market value of investments.

## Resources Received



## Details of Tax Revenues



## SERVICES RENDERED

Services rendered are the funds spent to provide a variety of services to the citizens of Lorain County.

**General Government - Legislative and Executive** services include those general administrative functions of the county including the Commissioner's Office, Auditor's Office, Treasurer's Office, Prosecutor's Office, Records Center, Board of Revision, Board of Elections, Community Maintenance, Community Development, Recorder's Office, Building Inspection, Computer Legal Research, and the Certificate of Title Division.

**General Government - Judicial services** are those services and programs provided by the Court of Appeals, Common Pleas Court, Domestic Relations Court, Probate Court, Municipal Court, the Clerk of Courts, and the Law Library.

**Public Safety** services include those provided by the Coroner and Sheriff. Programs include the 911 System, Hazardous Materials Coordination, Community Disaster programs, various court programs, County Probation, Court Security, Border Security, and Jail Operations.

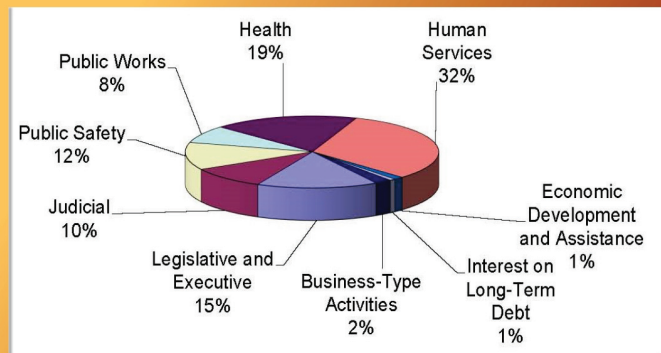
**Public Works** services are provided by the Engineer's Office and include erosion control along with road, bridge and ditch construction and maintenance.

**Health** services include those provided by the Alcohol and Drug Services Board, Community Mental Health Board, Golden Acres Nursing Home, Dog Kennel, Solid Waste District, and the TB Clinic.

**Human Services** include those provided by Job and Family Services, Workforce Development, Lorain County Board of Developmental Disabilities, Child Support Enforcement Agency, Children Services, and Youth Services.

**Economic Development and Assistance services** are provided by Community Development Block Grants, Housing Improvement Programs, and the Small Business Development Center. Activities include

## Services Rendered





# Statement of Net Position

## SUMMARY

The Statement Of Net Position, known in the private sector as the "Balance Sheet," provides a picture of the County's financial position at the end of the year.

## 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 with an original maturity of more than three months are considered to be investments.

**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** includes land, buildings, infrastructure, water and sewer plants, vehicles, furniture and equipment that provide an economic benefit of greater than one year.



## Lorain County Statement of Net Position

	2012	2011
<b>Financial Benefits</b>		
Cash, Cash Equivalents and Investments	\$ 114,940,370	\$ 115,985,308
Receivables	100,323,033	100,223,203
Property and Equipment	161,408,824	164,806,911
Other Assets	1,086,385	1,123,252
<b>Total Financial Benefits</b>	<u>377,758,612</u>	<u>382,138,674</u>
<b>Financial Burdens</b>		
Accounts and Other Payables	11,637,263	12,756,056
Intergovernmental Payables	4,101,953	5,036,174
Short-Term Debt	2,109,403	8,128,624
Long-Term Debt	34,415,985	31,245,387
Compensated Absences	16,487,888	16,882,551
Other Financial Burdens	44,768,784	46,471,783
<b>Total Financial Burdens</b>	<u>113,521,276</u>	<u>120,520,575</u>
<b>Benefits Over Burdens</b>	<u>\$ 264,237,336</u>	<u>\$ 261,618,099</u>

**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.

**Other Assets** are miscellaneous items with the majority consisting of inventory items of the various county offices.

## BURDENS

**Accounts Payable and Other** includes funds the county owes employees, individuals and companies who supply goods or services and the expected payment is to be made within twelve months.

**Intergovernmental Payables** includes amounts owed to other governmental agencies and political subdivisions.

**Short Term Debt** includes amounts borrowed by the county that must be repaid within one year.

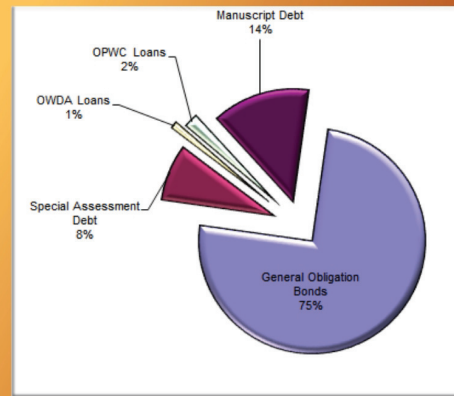
**Long Term Debt** includes amounts for bonds and loans the county issued and will be paid by yearly debt payments of these long-term obligations. This debt will be paid off beyond a one-year period. Compensated Absences includes amounts for vacation, sick and incentive estimated liabilities based on the county's past experience.

**Other Financial Burdens** includes primarily deferred revenue consisting mainly of property taxes levied in 2012 that are to be collected in and to finance 2013 operations.

### *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.**

### Debt Structure



### Lorain County 2012 Summary of Debt Obligations

	Balance as of 01/01/12	Additions	Reductions	Balance as of 12/31/12
Short-Term Debt	\$ 5,365,000	\$ 5,205,000	\$ 10,570,000	\$ -
General Obligation Bonds	29,420,000	-	2,215,000	27,205,000
Special Assessment Debt	3,090,000	-	250,000	2,840,000
Manuscript Debt	-	5,280,000	-	5,280,000
OWDA Loans	695,291	-	202,313	492,978
OPWC Loans	803,720	-	96,310	707,410
<b>Total</b>	<b>\$ 39,374,011</b>	<b>\$ 10,485,000</b>	<b>\$ 13,333,623</b>	<b>\$ 36,525,388</b>

# Lorain County

## ***Elected Officials***

***as of December 31, 2013***

### **Board of Commissioners**

Ted Kalo  
Lori Kokoski  
Tom Williams

### **County Auditor**

Mark R. Stewart Retired 12/31/12  
J. Craig Snodgrass, CPA, CGFM Appointed 1/1/13

### **County Treasurer**

Daniel J. Talarek

### **Prosecuting Attorney**

Dennis P. Will

### **Clerk of Courts**

Ron Nabakowski

### **Coroner**

Dr. Stephen Evans

### **Sheriff**

Phil R. Stammitti

### **Engineer**

Kenneth P. Carney

### **County Recorder**

Judy Nedwick

### **Common Pleas Court Judges**

Edward M. Zaleski Retired 12/31/12  
John R. Miraldi Term Commencing 1/2/13

James Burge  
Raymond Ewers  
Mark Betleski  
Christopher Rothgery  
James Miraldi

### **Probate Court Judge**

James T. Walther

### **Domestic Relations Judges**

David A. Basinski Retired 1/3/13  
Frank Janik Term Commencing 1/4/13  
David J. Berta Term Ended 1/2/13  
Lisa I. Swenski Term Commencing 1/3/13  
Debra Boros