

Lorain County

Popular Annual Financial Report



For the Year Ended December 31, 2014

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.

To the Citizens of Lorain County:

I am pleased to present the County's Popular Annual Financial Report (PAFR) for the year ended December 31, 2014.

The information contained in this PAFR has been taken from the County's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2014. The CAFR is over 200 pages long and contains detailed financial statements, notes and schedules and has been audited by Auditor of State, Dave Yost and received an unmodified (clean) opinion.



The PAFR is a condensed summary of the CAFR financial information presented in a readable and easy to understand format. It is presented as a means of increasing public confidence in county government and its elected officials through easier, more user-friendly financial reporting. The PAFR is designed to provide a brief analysis of Lorain County's revenue sources and where those dollars are spent. An overview of the Lorain County Auditor's Office, trends in the local economy, as well as, statistical information is also provided.

The PAFR is unaudited and does not conform to Generally Accepted Accounting Principles (GAAP) nor does it include component units of the county.

Both the CAFR and PAFR are available at the Lorain County Auditor's Office and they can be found online at www.loraincounty.com/auditor/financial-data.

I thank you for having an interest in the operation of our county government and taking the time to read through this report. Please feel free to contact me with any questions at 440-329-5170 or at auditor@loraincounty.com.

Sincerely,

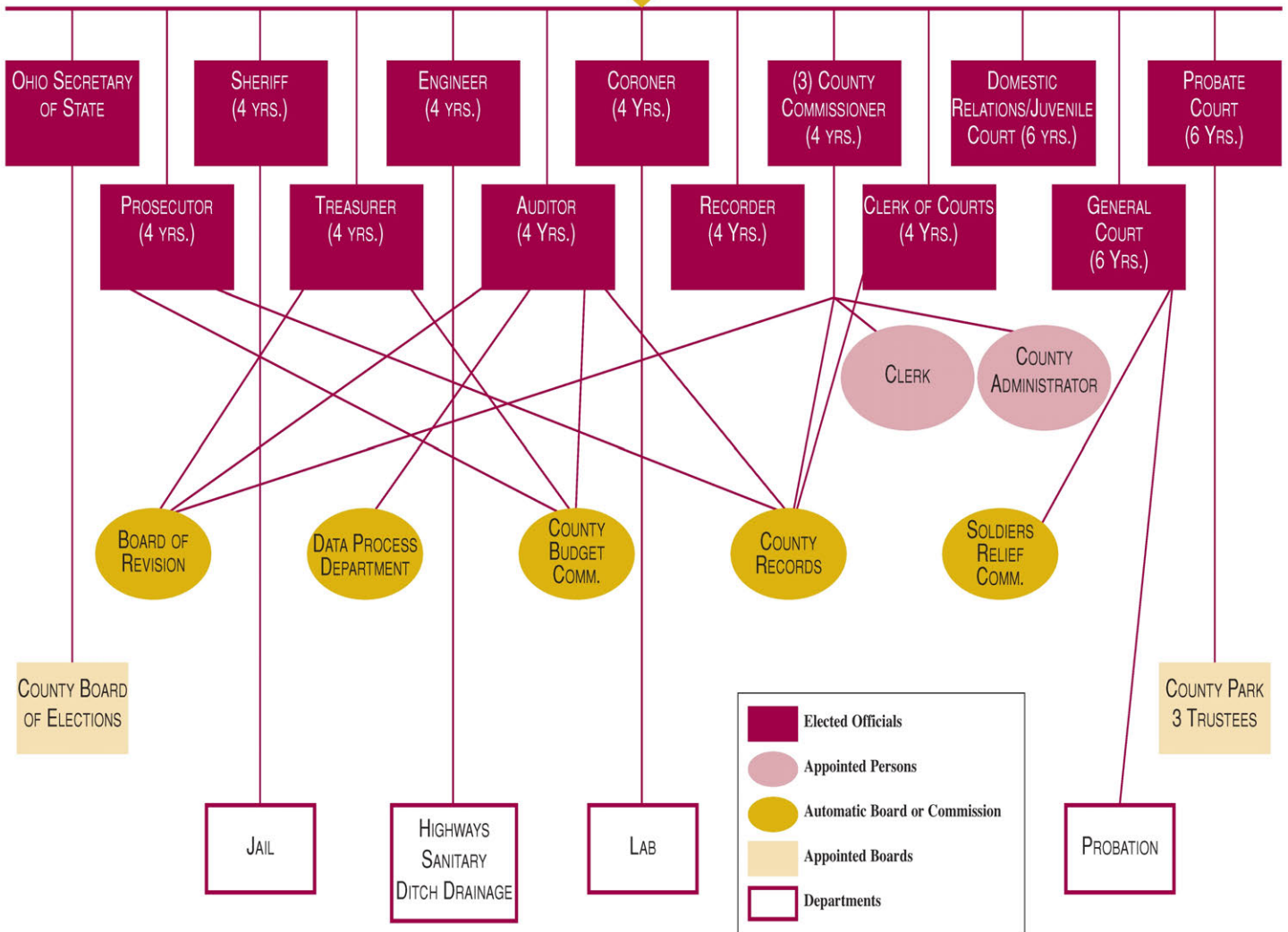
J. Craig Snodgrass, CPA, CGFM
Lorain County Auditor



Lorain County Government ORGANIZATIONAL CHART

Lorain County Government

REGISTERED VOTERS



An Overview of the County Auditor's Office

General Accounting/Fiscal Officer

As Chief Fiscal Officer of Lorain County, the Auditor is the bookkeeper for all County elected officials and many of the County agencies such as Human Services and Children Services. The County Auditor also keeps books for many "outside" agencies such as the Board of Health, Soil and Water Conservation Commission, Local Emergency Planning Commission and the Family and Children First Council. As part of that bookkeeping responsibility, the County Auditor pays all the bills for these groups including payroll.

The County Auditor establishes real property value and calculates the property tax for every parcel of real estate within Lorain County. After the taxes have been collected by the County Treasurer, the Auditor then calculates how much of the money collected goes to each taxing district. Cities, villages, townships, school district and others depend on the Auditor to do this quickly and accurately because these taxes are their lifeblood.

County Financial Reports

As the issuer of financial reports for the County, it is the County Auditor's duty to make sure that financial records are kept properly. As Chief Fiscal Officer of Lorain County, the Auditor is required by law to prepare the County's annual financial report. Lorain County prepares a Comprehensive Annual Financial Report, which is a complete and full disclosure of all financial activities for the year.

The County Auditor maintains a close relationship with the Auditor of State's Office. Each year, the Auditor of State reviews these records to assure the County's finances are in order and that proper internal controls are in place. The Auditor of State tests these controls and makes recommendations to County offices and agencies to assure that your money is spent properly.

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 a vote of the people. Rates are computed in strict accordance with the 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 the tax list. This is your proportional share of the cost of operating your local government including schools, townships, villages, libraries 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 levy and bond issues. The Lorain County current direct tax rate is 14.482.

Real Estate Appraisal and Assessment

Lorain County has over 163,000 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 Auditor's 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% of fair market value. The last general appraisal was completed for tax year 2012. In the third year after the general appraisal, the Auditor must update the assessed value for each parcel of property by studying real estate sales for the preceding three years. The triennial update will be for tax year 2015, calendar year 2016.

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.

Weights and Measures

The County Auditor serves as the Sealer of Weights and Measures for Lorain County. The Auditor is responsible for testing the accuracy of weighing and measuring devices used in the purchase and sale of commodities. As consumers, the products we buy are sold by weight, volume, length, count or measure. The time-tested methods of verifying weight, volume and pricing are being replaced by computerized devices. There are positives as well as cautions involved in the advance of technology. As U.P.C. pricing and computers are replacing price stickers, customers receive faster services but they cannot verify each item's price. Therefore, Weights and Measures officials and merchants must work harder to provide customers with pricing and measuring confidence. The Auditor's office helps protect County residents and business by ensuring that all commercial weighing and measuring devices are accurate. Gas pumps, price scanners, timing devices such as those in laundromats and car washes, and meat and produce scales are checked regularly. Verification tests are also performed to make sure there is no misrepresentation of pricing. Each year the Auditor's office inspects more than 4,000 devices at over 500 locations throughout the County.



License for dog tags, vendors and cigarettes are all issued by the Auditor's office. Lorain County annually issues more than 29,000 dog and kennel 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. Lorain County annually issues more than 450 vendor licenses.

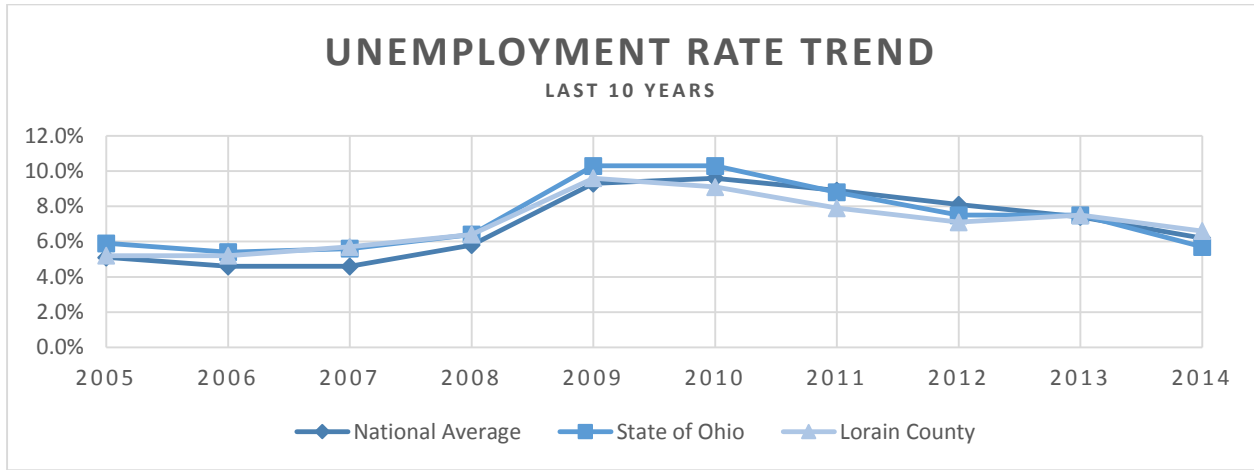


Critical Responsibilities for Local Governments

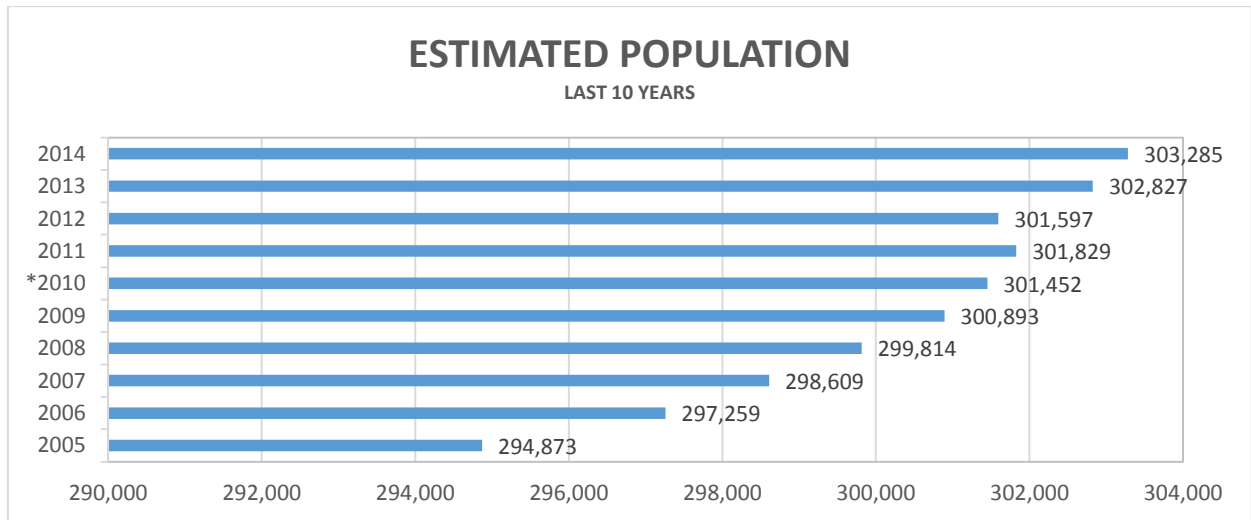
The County Auditor also helps watch over local governments within Lorain County by:

- Estimating the tax a local government wants to put on the ballot according to what they define as their need;
- Issuing a certificate when the local government wants to borrow money assuring that the debt of that government does not exceed what is allowed by Ohio law;
- Preparing a certificate of estimated resources on behalf of local governments to assure that the local governments do not spend more than they can expect to receive;
- Distributing taxes to local governments including: real estate, public utility, cigarette, estate, gasoline, motor vehicle, and other taxes; and
- Consulting, advising, and assisting local governments and County departments on proper governmental accounting procedures.

Lorain County Demographics and Statistics

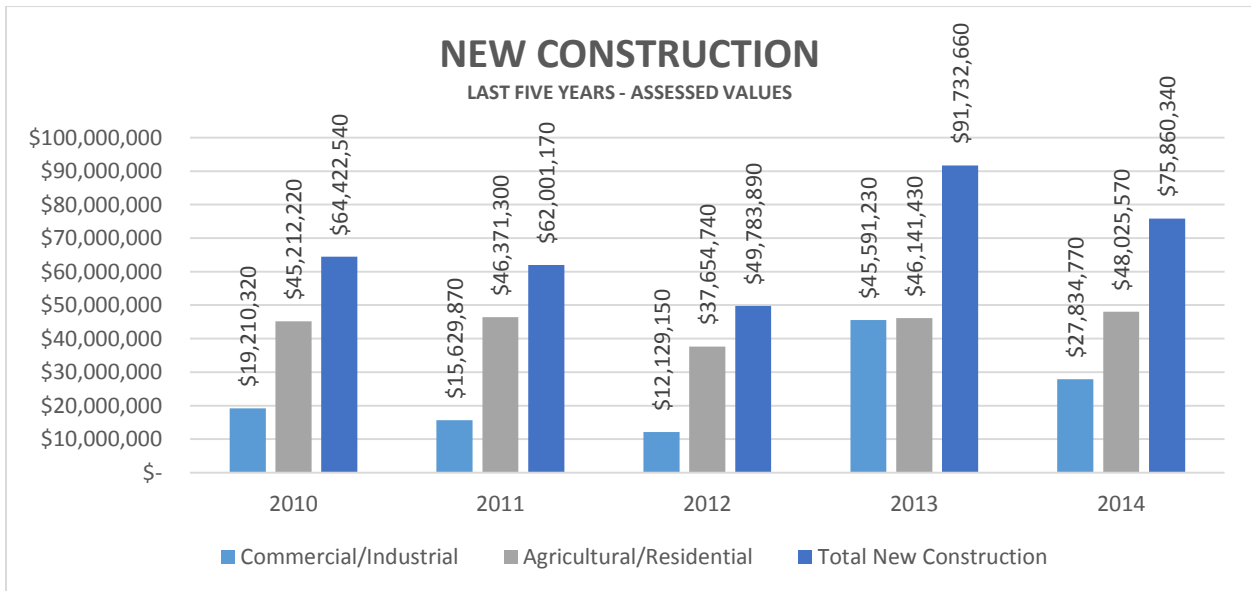


Source: Ohio Labor Market Information



*Reflects actual per 2010 Census

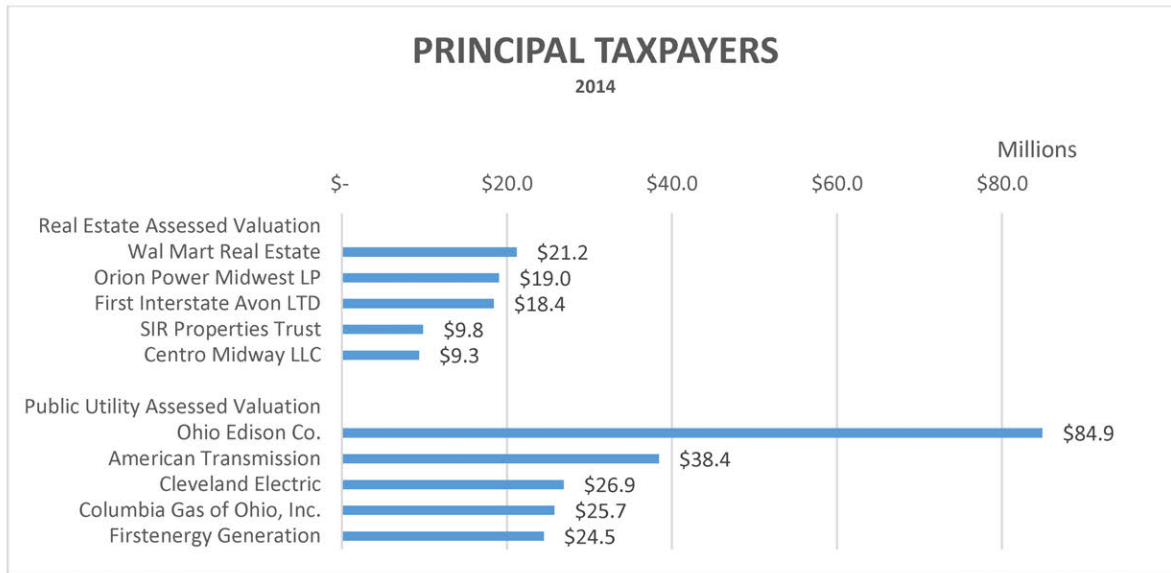
Source: U.S. Bureau of Economic Analysis



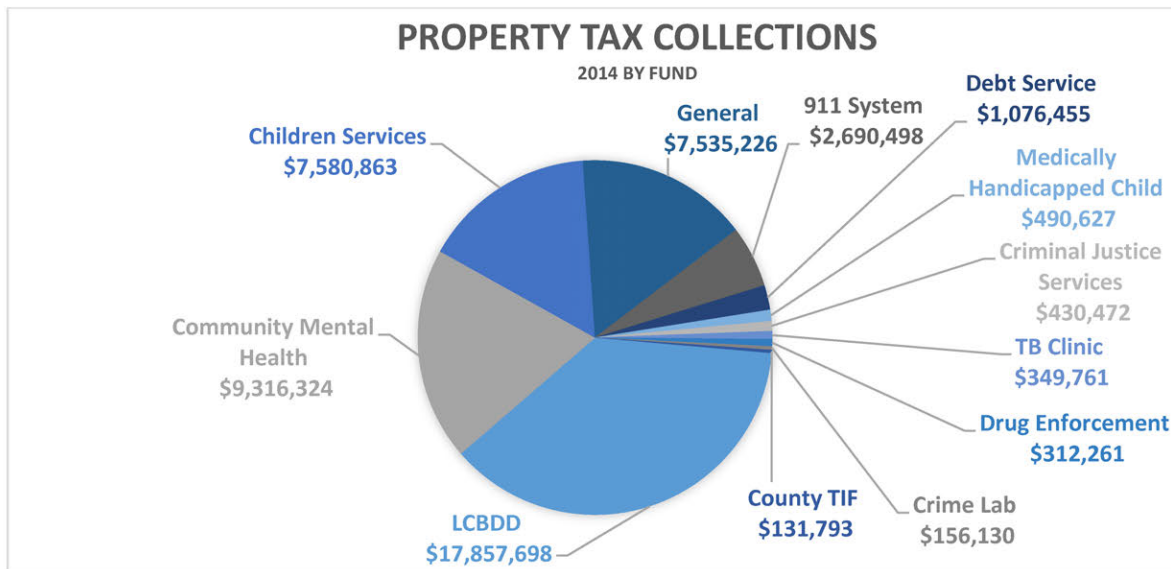
Source: Lorain County Auditor



Source: Lorain County Auditor



Source: Lorain County Auditor

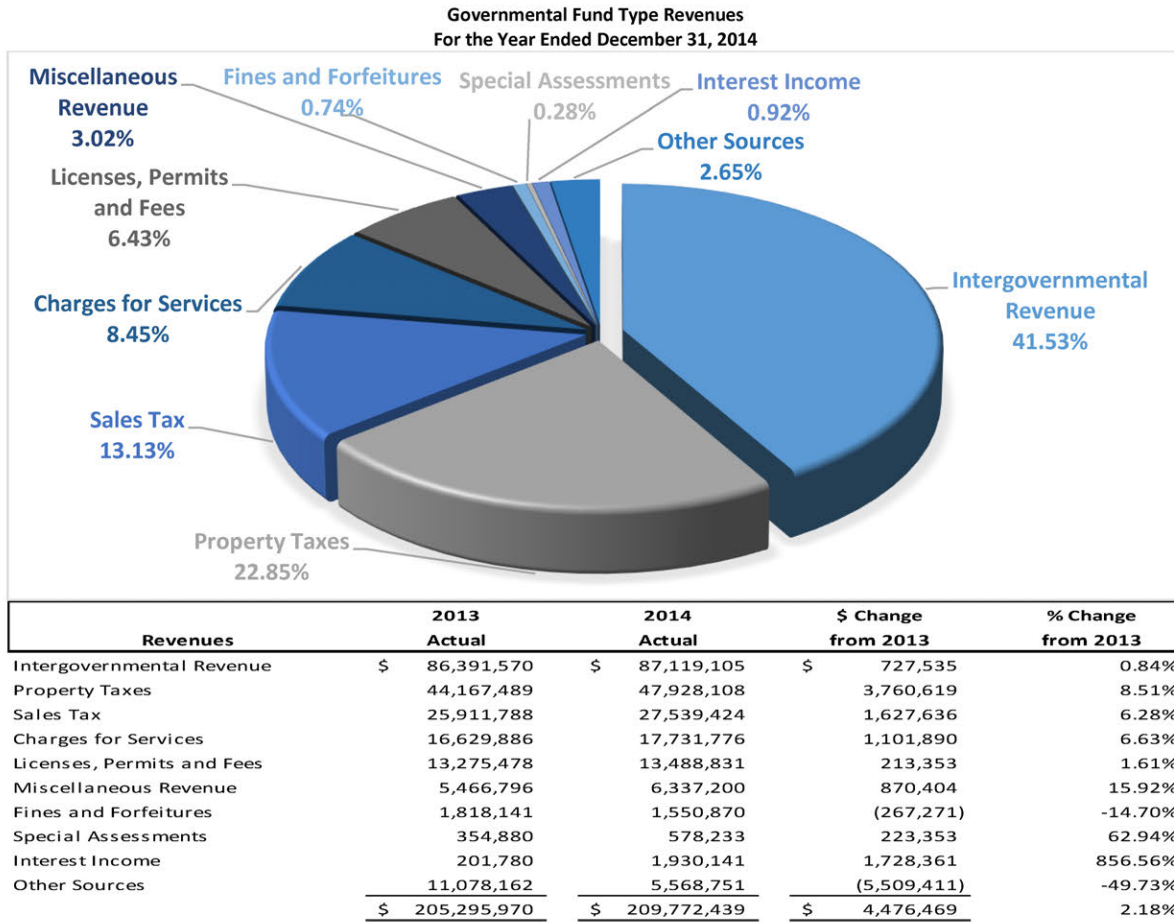


Source: Lorain County Auditor

Governmental funds are those used through which most governmental functions typically are financed. Governmental fund reporting focuses on those sources, uses and balances of current financial resources.

Governmental Revenues

The revenues presented here have been reported for governmental funds (encompassing the general, special revenue, capital projects and debt service funds). The modified accrual basis of accounting is used, which means that revenues are recognized when they become measurable and available to pay current period liabilities. The following chart and comparative analysis summarizes revenues by source, and shows increases (decreases) in relation to prior year amounts:



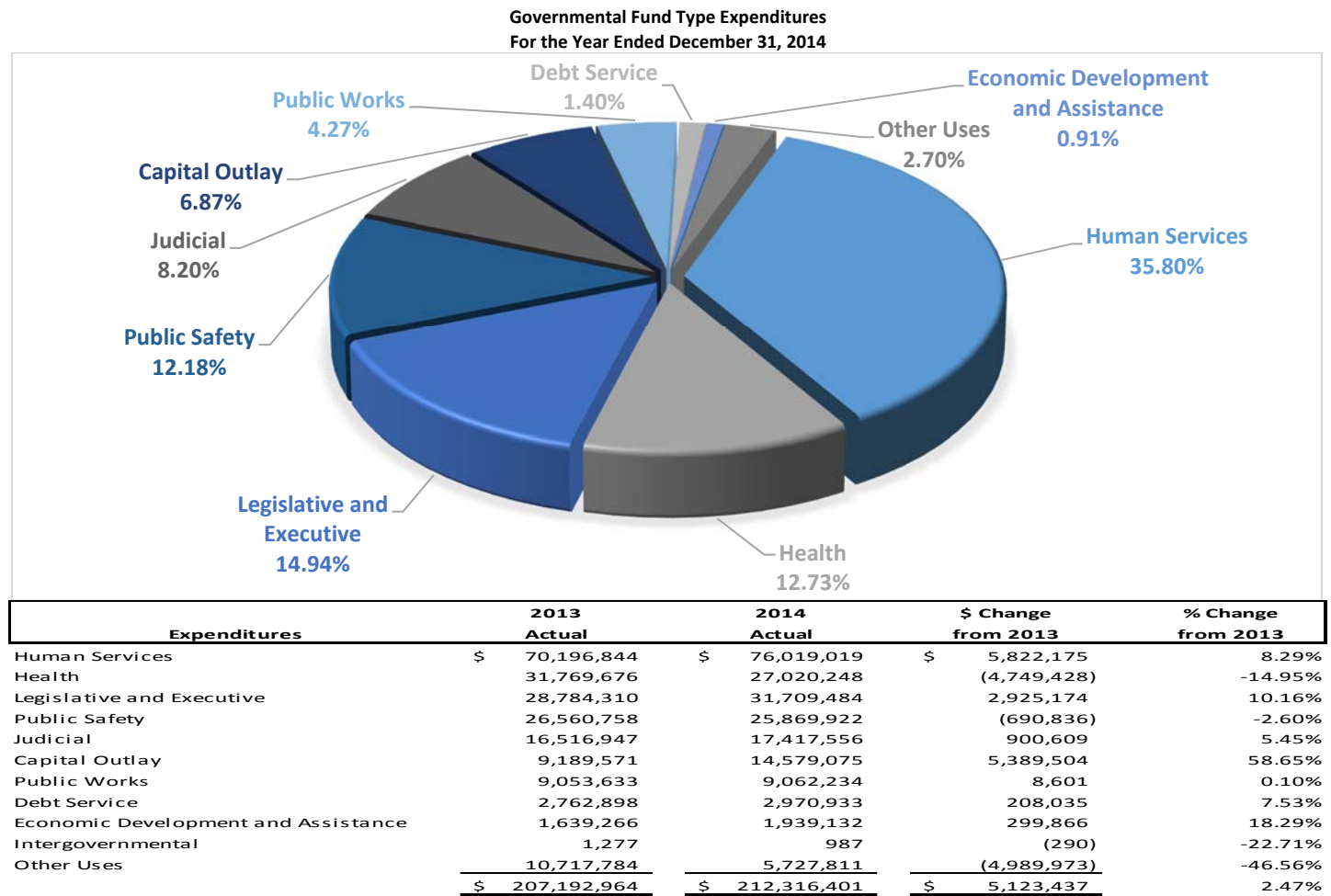
Source: Lorain County Auditor

Intergovernmental revenues are monies received from the State of Ohio and the Federal government which include local government, homestead and rollbacks, gasoline excise tax, motor vehicle license fees and numerous grants and allocations. Property taxes include real estate and manufactured home taxes. Lorain County receives a .50% sales tax for the County General fund and .25% sales tax for the operation and maintenance of the County jail. Charges for services are fees charged by the various County offices for services rendered. Licenses, permits and fees include dog, marriage, vendor and cigarette licenses as well as other miscellaneous permits and fees. Miscellaneous revenue is revenues not include in any other category. Fines and forfeitures are imposed by the courts or the Ohio Revised Code. Special assessments are assessed on property owners for capital projects. Interest income is revenue earned on the County's deposits and investments. Other sources of revenue includes transfers, debt proceeds and insurance recoveries.

The major factors in the overall increase of revenues from 2013 to 2014 were significant increases in; sales tax (due to a strengthening economy); charges for services (due to the inclusion of the Certificate of Title fund in 2014); and interest income (due to investment strategies) that exceeded the significant decrease in other sources of revenue (due to significant decrease in operating transfers and debt proceeds).

Governmental Expenditures

The expenditures presented here have been reported for governmental funds (encompassing the general, special revenue, capital projects and debt service funds). The modified accrual basis of accounting is used, which means that expenditures are recognized when the liability is incurred. The following chart and comparative analysis summarizes expenditures by source, and shows increases (decreases) in relation to prior year amounts:



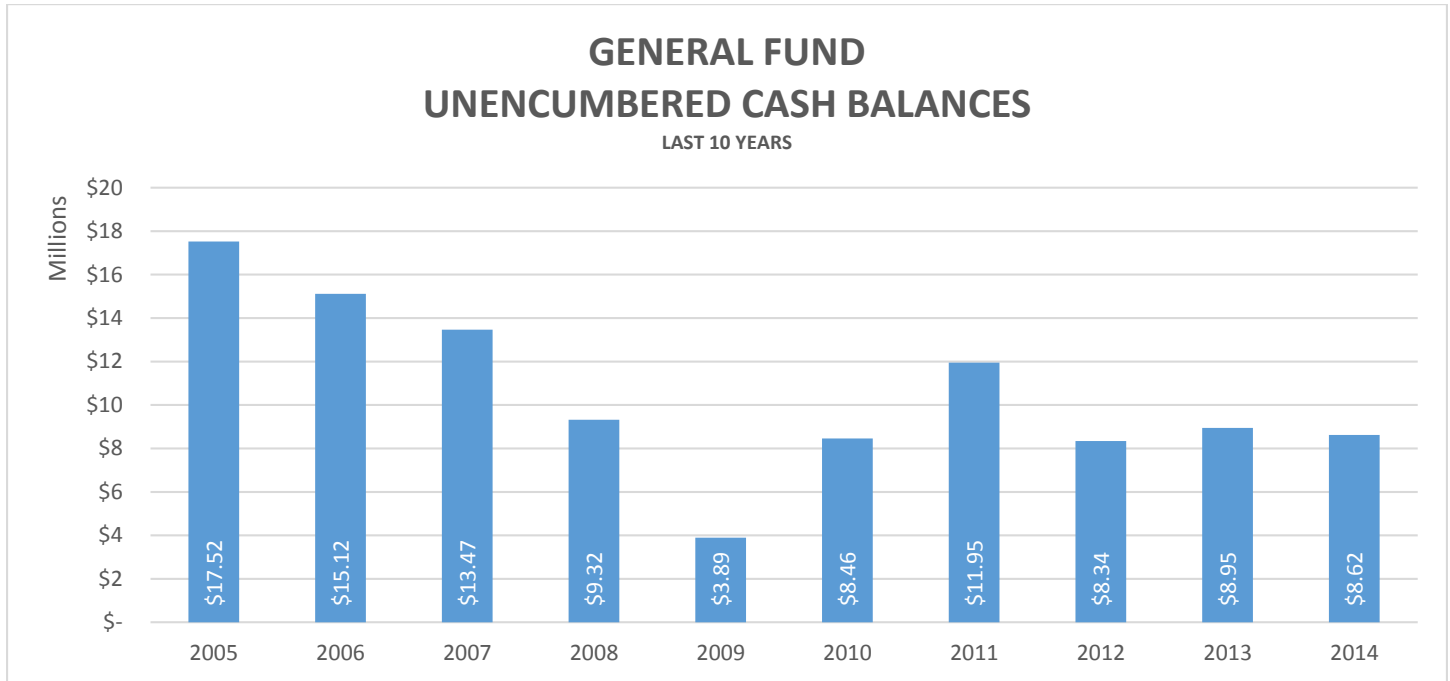
Source: Lorain County Auditor

Human services includes Job & Family Services, Children Services, LCBDD, Veterans Services, Workforce Development, Child Support Enforcement and others. Health includes Community Mental Health, Vital Statistics, Golden Acres, Alcohol and Drug Services Board, Solid Waste, Dog and Kennel, TB Clinic and others. Legislative and executive includes the Commissioners, Auditor, Treasurer, Prosecuting Attorney, Records Center, Board of Elections, Recorder, Building Maintenance, Real Estate Assessment and others. Public safety includes the Sheriff, Coroner, 911 System, Community Disaster Services, Jail Facility Operations and others. Judicial includes the Court of Appeals, Common Pleas Court, Domestic Relations, Probate Court, Clerk of Courts, Municipal Court, Veterans Court, Law Library and others. Capital outlay is expenditures for capitalized equipment, land, buildings and construction projects. Public works includes the Engineer, MVGT, Bascule Bridge, Ditch Maintenance and others. Debt service is payments of principal and interest on outstanding debt obligations. Economic development and assistance includes CDBG, NSP, CHIP, and EPA grants and others. Other uses includes transfers and refunding of debt.

The major factors in the overall increase of expenditures from 2013 to 2014 were significant increases in; human services (due to increases of state/federal subsidies/grants resulting in increased service expenditures); legislative and executive (due to increases in departmental salaries and benefits, indigent attorney fees, legal fees, and relief allowances paid to veterans); and capital outlay (due to a significant increase in federal ODOT road and bridge projects and a county-wide 911 system implementation project) that exceeded the significant decrease in health (due to a reduction of state/federal subsidies/grants resulting in decreased service expenditures) and other uses (due to significant decrease in operating transfers and debt proceeds).

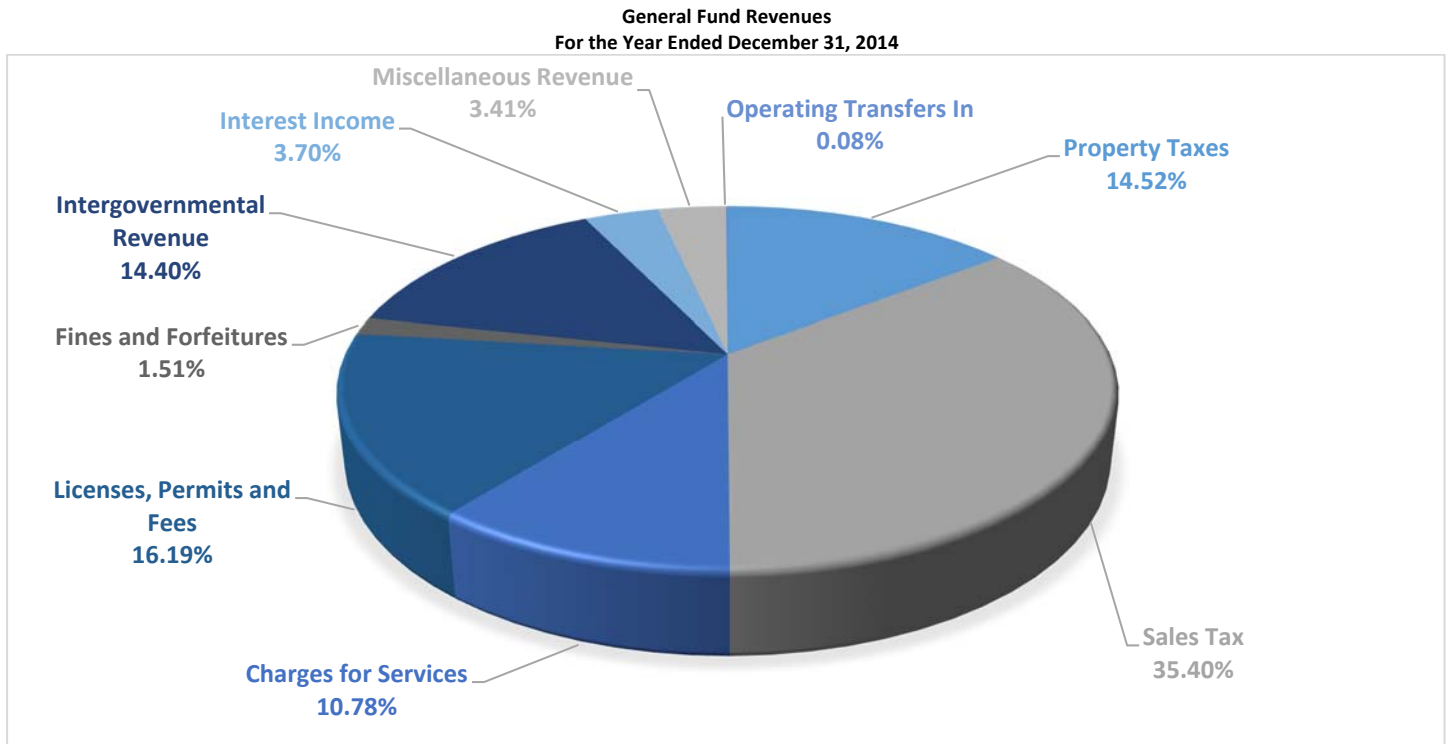
General Fund

The amounts in the chart below are the General fund unencumbered cash balances for the last ten years. That is the unexpended cash balances less any monies encumbered and set aside for outstanding expenditures incurred in the reported year but not paid until the following year.



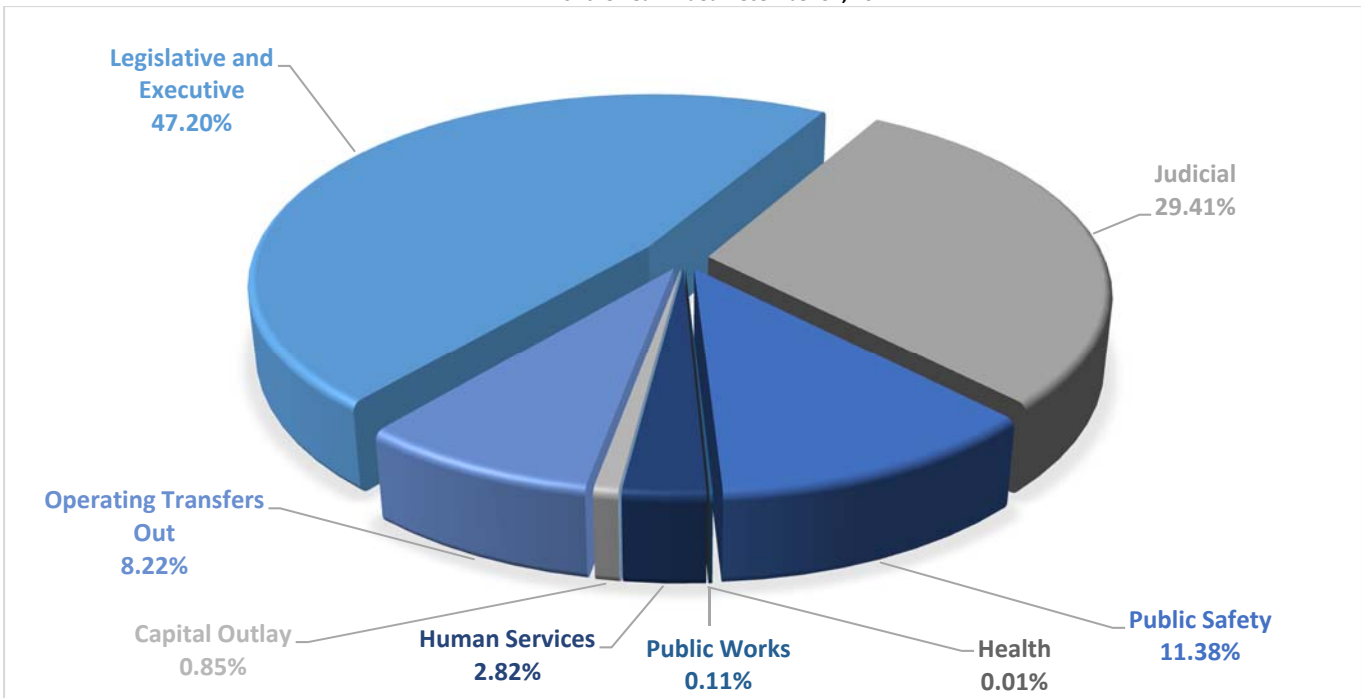
Source: Lorain County Auditor

The revenues and expenditures presented here have been reported for the General fund. The General fund is the primary operating fund of the County. The modified accrual basis of accounting is used, which means that revenues are recognized when they become measurable and available to pay current period liabilities and expenditures are recorded when the liability is incurred.



Source: Lorain County Auditor

**General Fund Expenditures
For the Year Ended December 31, 2014**



Source: Lorain County Auditor

**General Fund Expenditures
By Function and Department
For the Year Ended December 31, 2014**

Legislative and Executive

Commissioners	\$ 953,840
Auditor	1,585,663
Treasurer	405,132
Prosecuting Attorney	4,021,589
Records Center	152,923
Board of Elections	2,017,173
Community Maintenance	4,070,185
Community Development	646,834
Recorder	463,186
Certificate of Title	1,416,661
Recorder's Equipment	115,262
Port Authority	24,747
Building Inspection	625
Insurance/Pension/Taxes	8,358,337
Miscellaneous	<u>1,267,521</u>
Total Legislative and Executive	25,499,678

Judicial

Court of Appeals	120,573
Common Pleas Court	4,334,005
Domestic Relations	8,490,779
Probate Court	557,213
Clerk of Courts	1,154,886
Municipal Court	<u>1,231,937</u>
Total Judicial	15,889,393

Public Safety

Coroner	551,112
Sheriff	5,394,247
Hazardous Materials	69,715
Community Disaster Services	<u>133,615</u>
Total Public Safety	6,148,689

Public Works

Engineer	\$ 58,677
Total Public Works	58,677

Health

Vital Statistics	<u>2,810</u>
Total Health	2,810

Human Services

Veteran Services Commission	<u>1,523,795</u>
Total Human Services	1,523,795

Capital Outlay

	456,581
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Intergovernmental

	987
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Operating Transfers Out

	4,441,772
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Total General Fund Expenditures	<u>\$ 54,022,382</u>
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The above expenditures are broken down by General fund department. Operating Transfers Out are payments made by the General fund to other County funds.

Property Taxes

Tax Rates for Lorain County – Tax Year 2013, Collected in Calendar Year 2014

TAXING DISTRICT	District No.	County Levies	Township Levies	County Health Levy	School Levies	Vocational School Levies	City or Village Levies	Full Tax Rate	Res/Ag Effective Tax Rate	Comm/Ind Effective Tax Rate
Amherst Township										
Firelands LSD	1	14.482	6.30	1.00	52.420	2.45	-	76.652	54.916337	53.696517
Elyria CSD	2	14.482	6.30	1.00	71.470	2.45	-	95.702	66.366573	71.717759
Oberlin CSD	3	14.482	6.30	1.00	60.680	2.45	4.750	89.662	58.766792	56.091646
Amherst EVSD	4	14.482	6.30	1.00	74.570	2.45	-	98.802	63.984033	66.156013
Amherst City										
Firelands LSD	6	14.482	-	1.00	52.420	2.45	4.700	75.052	53.712936	52.430899
Amherst EVSD	7	14.482	-	1.00	74.570	2.45	4.700	97.202	62.780632	64.890395
Amherst Township/South Amherst Village										
Firelands LSD	8	14.482	1.00	1.00	52.420	2.45	3.140	74.492	53.204350	52.026085
Avon City										
Avon LSD	10	14.482	-	1.00	57.030	2.45	9.242	84.204	66.273247	62.389939
Avon Lake City										
Avon Lake CSD	11	14.482	-	-	77.900	2.45	8.130	102.962	74.147317	83.849672
Brighton Township										
Wellington EVSD	12	14.482	11.97	1.00	36.970	2.45	-	66.872	60.729173	57.883467
Brownhelm Township										
Firelands LSD	13	14.482	3.43	1.00	52.420	2.45	-	73.782	52.494350	51.316085
Vermillion LSD	14	14.482	3.43	1.00	70.325	3.95	-	93.187	55.327077	78.476604
Brownhelm Township/Vermillion City										
Firelands LSD	15	14.482	1.15	1.00	52.420	2.45	10.750	82.252	60.946761	59.833906
Vermillion LSD	16	14.482	1.15	1.00	70.325	3.95	10.750	101.657	63.779488	86.994425
Camden Township										
Firelands LSD	19	14.482	8.73	1.00	52.420	2.45	-	79.082	57.318473	56.200982
Camden Township/Kipton Village										
Firelands LSD	20	14.482	6.45	1.00	52.420	2.45	11.900	88.702	63.512243	64.318229
Carlisle Township										
Keystone LSD	21	14.482	6.25	1.00	49.870	2.45	-	74.052	52.619240	51.203788
Midview LSD	22	14.482	6.25	1.00	58.740	2.45	-	82.922	66.198441	63.269194
Elyria CSD	23	14.482	6.25	1.00	71.470	2.45	-	95.652	66.613221	72.157327
Oberlin CSD	24	14.482	6.25	1.00	60.680	2.45	4.750	89.612	59.013440	56.531214
Columbia Township										
Columbia LSD	25	14.482	8.04	1.00	60.390	2.45	-	86.362	67.512281	65.862735
Olmstead Falls CSD	26	14.482	8.04	1.00	102.200	2.40	-	128.122	81.341397	80.470946
Strongsville CSD	27	14.482	8.04	1.00	81.680	2.40	-	107.602	66.454338	67.248870
Eaton Township										
Midview LSD	28	14.482	5.80	1.00	58.740	2.45	-	82.472	65.891746	62.572554
Columbia LSD	29	14.482	5.80	1.00	60.390	2.45	-	84.122	66.126901	64.155407
Elyria Township										
Elyria CSD	31	14.482	7.78	1.00	71.470	2.45	-	97.182	68.294586	73.640527
Keystone LSD	32	14.482	7.78	1.00	49.870	2.45	-	75.582	54.300605	52.686988
Elyria City										
Elyria CSD	33	14.482	-	-	71.470	2.45	6.100	94.502	65.615724	71.055148
Midview LSD	34	14.482	-	-	58.740	2.45	6.100	81.772	65.200944	62.167015
Keystone LSD	70	14.482	-	-	49.870	2.45	5.680	72.482	51.201743	49.681609
Grafton Township										
Midview LSD	35	14.482	7.76	1.00	58.740	2.45	-	84.432	67.584900	64.278818
Grafton Village										
Midview LSD	36	14.482	-	1.00	58.740	2.45	4.760	81.432	64.859806	61.779194

Tax Rates for Lorain County – Continued

TAXING DISTRICT	District No.	County Levies	Township Levies	County Health Levy	School Levies	Vocational School Levies	City or Village Levies	Full Tax Rate	Res/Ag Effective Tax Rate	Comm/Ind Effective Tax Rate
Henrietta Township										
Firelands LSD	37	14.482	6.16	1.00	52.420	2.45	-	76.512	55.221450	54.032191
Huntington Township										
Black River LSD	39	14.482	11.07	1.00	53.600	3.05	-	83.202	59.194990	59.161552
LaGrange Township										
Keystone LSD	40	14.482	7.01	1.00	49.870	2.45	-	74.812	53.530605	51.619848
LaGrange Township/LaGrange Village										
Keystone LSD	41	14.482	4.48	1.00	49.870	2.45	5.300	77.582	56.204841	53.963221
Lorain City										
Firelands LSD	17	14.482	-	-	52.420	2.45	5.700	75.052	53.765488	52.633906
Lorain CSD	42	14.482	-	-	71.410	-	5.960	91.852	65.561546	80.590330
Amherst EVSD	43	14.482	-	-	74.570	2.45	4.200	95.702	61.333184	63.593402
Vermillion LSD	44	14.482	-	-	70.325	3.95	5.400	94.157	56.298215	79.494425
Clearview LSD	45	14.482	-	-	59.170	2.45	2.630	78.732	64.249617	60.655380
Elyria CSD	68	14.482	-	-	71.470	2.45	5.200	93.602	64.715724	70.155148
Penfield Township										
Keystone LSD	46	14.482	9.28	1.00	49.870	2.45	-	77.082	55.800605	54.167159
Pittsfield Township										
Keystone LSD	47	14.482	8.65	1.00	49.870	2.45	-	76.452	54.099041	53.000663
Oberlin CSD	48	14.482	8.65	1.00	60.680	2.45	4.750	92.012	60.493241	58.328089
Wellington EVSD	49	14.482	9.42	1.00	36.970	2.45	-	64.322	57.111680	54.796971
North Ridgeville City										
North Ridgeville CSD	50	14.482	-	1.00	56.290	2.45	11.710	85.932	73.312457	70.367947
Rochester Township										
New London LSD	51	14.482	8.18	1.00	34.250	3.95	-	61.862	50.528766	50.452895
Mapleton LSD	52	14.482	8.95	1.00	48.600	4.10	-	77.132	51.953031	53.028654
Wellington EVSD	53	14.482	8.95	1.00	36.970	2.45	-	63.852	57.713244	54.605190
Rochester Township/Rochester Village										
New London LSD	54	14.482	5.90	1.00	34.250	3.95	5.500	65.082	53.599676	52.658110
Wellington EVSD	55	14.482	6.67	1.00	36.970	2.45	5.500	67.072	60.784154	56.810405
New Russia Township										
Keystone LSD	56	14.482	3.55	1.00	49.870	2.45	-	71.352	50.070117	48.489894
Firelands LSD	57	14.482	3.55	1.00	52.420	2.45	-	73.902	52.613862	51.422191
Oberlin CSD	58	14.482	3.55	1.00	60.680	2.45	4.750	86.912	56.464317	53.817320
New Russia Township/South Amherst Village										
Firelands LSD	59	14.482	0.40	1.00	52.420	2.45	3.140	73.892	52.604350	51.426085
Oberlin City										
Oberlin CSD	60	14.482	1.15	1.00	60.680	2.45	14.490	94.252	63.802826	61.068107
Sheffield Township										
Clearview LSD	61	14.482	12.13	1.00	59.170	2.45	-	89.232	73.022610	69.056916
Sheffield Lake City										
Sheffield Lake CSD	64	14.482	-	1.00	63.900	2.45	18.610	100.442	72.485970	73.314577
Sheffield Lake City/Sheffield Village										
Sheffield Lake CSD	65	14.482	-	1.00	63.900	2.45	5.350	87.182	66.472497	64.711286
Wellington Township										
Wellington EVSD	66	14.482	9.65	1.00	36.970	2.45	-	64.552	58.386102	55.513233
Wellington Township/Wellington Village										
Wellington EVSD	67	14.482	7.17	1.00	36.970	2.45	4.100	66.172	60.006102	57.133233

Lorain County Levies:

General Fund	1.400	Developmental Disabilities	3.487
Bond Retirement	0.200	Mental Health	1.800
Metropolitan Park	1.300	T.B. Clinic	0.065
Children Services	1.500	Anti-Drug Enforcement	0.250
Community College	3.900	Criminal Justice Services	0.080
911 System	0.500	Total County Levies	14.482

TAX RATES EXPRESSED IN MILLS
 Mill = \$1 in Taxes for every \$1,000 in Taxable Values

Lorain County

Elected Officials

as of December 31, 2014

AUDITOR

J. Craig Snodgrass, CPA, CGFM

CLERK OF COURTS

Ron Nabakowski

COMMISSIONERS

*Ted Kalo
Lori Kokoski
Tom Williams*

COMMON PLEAS COURT JUDGES

*John R. Miraldi
James Burge
Raymond Ewers
Mark Betleski
Christopher Rothgery
James Miraldi*

CORONER

Dr. Stephen Evans

DOMESTIC RELATIONS JUDGES

*Frank Janik
Lisa I. Swenski
Debra Boros*

ENGINEER

Kenneth P. Carney

PROBATE COURT JUDGE

James T. Walther

PROSECUTING ATTORNEY

Dennis P. Will

RECORDER

Judy Nedwick

SHERIFF

Phil R. Stammitti

TREASURER

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