

Columbiana County, Ohio
Audited Financial Statements

December 31, 2009



Mary Taylor, CPA
Auditor of State

Board of Commissioners
Columbiana County
105 South Market Street
Lisbon, Ohio 44432

We have reviewed the *Independent Auditor's Report* of Columbiana County, prepared by Rea & Associates, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Columbiana County is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 16, 2010

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COLUMBIANA COUNTY

DECEMBER 31, 2009

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DECEMBER 31, 2009

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Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS

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New Philadelphia, OH 44663-5120

June 10, 2010

Board of County Commissioners
Columbiana County
Lisbon, OH 44432

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio (the County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Ohio Administrative Code Section 117-02-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statement and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Columbiana, Ohio, as of December 31, 2009, and the respective changes in cash financial position, where applicable, and the respective budgetary comparison for the General Fund, Public Assistance Fund, Mental Health Fund, MRDD Fund, and the Motor Vehicle and Gas Tax Fund for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 11 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Budget and Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Hea & Associates, Inc.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

The discussion and analysis of Columbiana County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2009, within the limitations of the County's cash basis accounting. Readers should also review the cash basis financial statements and notes to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- Total net assets decreased \$1,758,247, with the net assets of governmental activities decreasing \$1,720,428 and business type activities decreasing \$37,819.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$29,029,740, a decrease of \$1,160,673 from the prior year.

Using this Annual Financial Report

This annual report is presented in a format consistent with the presentation requirements of Governmental Standards Board Statement No. 34, as applicable to the County's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the County as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the County as a way to segregate money whose use is restricted to a particular specified purpose.

These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expended explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The County has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the County's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Reporting the County as a Whole

The statement of net assets and the statement of activities reflect how the County did financially during 2009, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances of the governmental and business-type activities of the County at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the County's general receipts.

These statements reports the County's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the County's financial health. Over time, increases or decreases in the County's cash position is one indicator of whether the County's financial health is improving or deteriorating. When evaluating the County's financial condition, you should also consider other nonfinancial factors as well such as the County's property tax base, the extent of the County's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and sales taxes.

In the statement of net assets and the statement of activities, we divide the County into two types of activities:

Governmental Activities – Most of the County's basic services are reported here, including public safety, public works, health and human services. State and federal grants and sales and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-Type Activities –The County has three business-type activities, the provision of sewer, police communication and water. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Columbiana County's Most Significant Funds

Fund financial statements provide detailed information about the County's major funds – not the County as a whole. The County establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the County are split into three categories: governmental, proprietary and fiduciary.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Governmental Funds – Most of the County's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the County's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the County's programs. The County's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Columbiana County's major governmental funds are the General fund, the Motor Vehicle and Gas Tax, the Mental Health, the Public Assistance and the Mental Retardation and Developmental Disabilities special revenue funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds – When the County charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The County has three enterprise funds, the sewer, police communications and water fund. When the services are provided to other departments of the County, the service is reported as an internal service fund. The County has one internal service fund to account for employee health-care claims.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Columbiana County as a Whole

Table 1 provides a summary of the County's net assets for 2009 compared to 2008 on a cash basis:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Equity in Pool Cash and Cash Equivalents	\$ 26,607,049	\$ 28,225,209	\$ 2,021,423	\$ 2,059,242	\$ 28,628,472	\$ 30,284,451
Cash and Cash Equivalents with Fiscal Agents	2,931,978	3,034,246	0	0	2,931,978	3,034,246
Total Assets	29,539,027	31,259,455	2,021,423	2,059,242	31,560,450	33,318,697
Net Assets						
Restricted for:						
Capital Projects	796,697	443,372	0	0	796,697	443,372
Debt Service	2,044,668	1,992,302	0	0	2,044,668	1,992,302
Public Safety	2,059,551	2,302,365	0	0	2,059,551	2,302,365
Public Works	3,110,550	3,053,490	0	0	3,110,550	3,053,490
Health Services	3,454,443	3,776,886	0	0	3,454,443	3,776,886
Human Services	13,874,805	13,743,957	0	0	13,874,805	13,743,957
Unclaimed Monies	339,852	294,118	0	0	339,852	294,118
Other Purposes	2,158,815	2,237,993	0	0	2,158,815	2,237,993
Unrestricted	1,699,646	3,414,972	2,021,423	2,059,242	3,721,069	5,474,214
Total Net Assets	\$ 29,539,027	\$ 31,259,455	\$ 2,021,423	\$ 2,059,242	\$ 31,560,450	\$ 33,318,697

Net assets of governmental activities decreased \$1,720,428 due to the County's cash disbursements exceeding cash receipts.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Table 2 shows the changes in net assets for 2009 compared to 2008.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Receipts						
<i>Program Receipts</i>						
Charges for Services	\$ 7,406,471	\$ 7,219,576	\$ 1,894,116	\$ 1,922,992	\$ 9,300,587	\$ 9,142,568
Operating Grants & Contributions	43,043,971	43,881,089	0	0	43,043,971	43,881,089
Capital Grants & Contributions	3,696,093	2,891,443	192,157	623,010	3,888,250	3,514,453
<i>Total Program Receipts</i>	<u>54,146,535</u>	<u>53,992,108</u>	<u>2,086,273</u>	<u>2,546,002</u>	<u>56,232,808</u>	<u>56,538,110</u>
<i>General Receipts</i>						
Property Taxes	8,593,436	8,791,004	0	0	8,593,436	8,791,004
Permissive Sales Tax	11,825,059	12,594,182	0	0	11,825,059	12,594,182
Grants and Entitlements	2,336,732	2,535,405	0	0	2,336,732	2,535,405
Conveyance Fees	829,307	914,418	0	0	829,307	914,418
Investment Income	741,963	1,383,532	2,024	19,216	743,987	1,402,748
General Obligation Bonds Issued	0	296,811	0	0	0	296,811
OPWC Loan Issued	0	0	0	30,494	0	30,494
OWDA Loan Issued	0	0	0	33,749	0	33,749
Mortgage Revenue Bonds Issued	0	0	83,397	740,391	83,397	740,391
HUD Loan Issued	340,000	0	0	0	340,000	0
Other	302,876	447,061	88,087	69,029	390,963	516,090
<i>Total General Receipts</i>	<u>24,969,373</u>	<u>26,962,413</u>	<u>173,508</u>	<u>892,879</u>	<u>25,142,881</u>	<u>27,855,292</u>
Transfers	(400,000)	0	400,000	0	0	0
<i>Total General Receipts and Transfers</i>	<u>\$ 78,715,908</u>	<u>\$ 80,954,521</u>	<u>\$ 2,659,781</u>	<u>\$ 3,438,881</u>	<u>\$ 81,375,689</u>	<u>\$ 84,393,402</u>

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Program Disbursements						
General Government						
Legislative and Executive	\$ 7,084,834	\$ 6,604,915	\$ 0	\$ 0	\$ 7,084,834	\$ 6,604,915
Judicial	5,393,532	5,333,079	0	0	5,393,532	5,333,079
Public Safety	8,038,005	7,245,419	0	0	8,038,005	7,245,419
Public Works	9,386,455	9,140,431	0	0	9,386,455	9,140,431
Health	11,718,230	10,676,199	0	0	11,718,230	10,676,199
Human Services	33,713,899	36,171,046	0	0	33,713,899	36,171,046
Conservation and Recreation	117,215	0	0	0	117,215	0
Economic Development and Assistance	954,628	1,510,653	0	0	954,628	1,510,653
Capital Outlay	1,294,695	1,135,539	0	0	1,294,695	1,135,539
Debt Service	1,934,092	1,769,880	0	0	1,934,092	1,769,880
Outside Contributions	745,699	681,114	0	0	745,699	681,114
Employee Contributions	55,052	38,360	0	0	55,052	38,360
Sewer	0	0	2,212,903	3,038,552	2,212,903	3,038,552
Police Communications	0	0	37,411	17,697	37,411	17,697
Water	0	0	447,286	372,457	447,286	372,457
<i>Total Program Disbursements</i>	<u>80,436,336</u>	<u>80,306,635</u>	<u>2,697,600</u>	<u>3,428,706</u>	<u>83,133,936</u>	<u>83,735,341</u>
<i>Change in Net Assets</i>	(1,720,428)	647,886	(37,819)	10,175	(1,758,247)	658,061
<i>Net Assets Beginning of Year</i>	<u>31,259,455</u>	<u>30,611,569</u>	<u>2,059,242</u>	<u>2,049,067</u>	<u>33,318,697</u>	<u>32,660,636</u>
<i>Net Assets End of Year</i>	<u>\$ 29,539,027</u>	<u>\$ 31,259,455</u>	<u>\$ 2,021,423</u>	<u>\$ 2,059,242</u>	<u>\$ 31,560,450</u>	<u>\$ 33,318,697</u>

Program receipts represent only 69 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money and grant money for various programs.

General receipts represent 31 percent of the County's total receipts, and of this amount 26 percent is property and sales taxes. State and federal grants and entitlements make up the balance of the County's general receipts (3 percent). Other receipts are insignificant and somewhat unpredictable revenue sources.

As residents are feeling the economic downturn, gas tax monies have remained stagnant. The County has received Governor Strickland's economic stimulus package in 2009 that will allow the County to repave 18 miles of County roads. Health and human services make up 15 and 42 percent, respectively, of total governmental disbursements. The County actively seeks grant money in order to provide the best service possible to its residents.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Business-Type Activities

Business-type activities include the County's sewer, police communication and water operations. Net assets for 2009 decreased \$37,819. The County completed the Winona sewer project. The County was able to run sewer lines from Guliford to Winona without the necessity of raising sewer rates.

The statement of activities shows the cost of program services and the charges for services and grants and contributions offsetting those services. The following table shows the total cost of services and the net cost of services. The table identifies the cost of services supported by tax revenue and unrestricted state grants and entitlements.

(Table 3)
Total and Net Cost of Program Services

	Total Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2009	Net Cost of Services 2008
Program Disbursements				
General Government:				
Legislative and Executive	\$ 7,084,834	\$ 6,604,915	\$ (5,241,927)	\$ (4,672,574)
Judicial	5,393,532	5,333,079	(2,847,305)	(2,995,450)
Public Safety	8,038,005	7,245,419	(6,374,673)	(5,443,403)
Public Works	9,386,455	9,140,431	54,409	(541,945)
Health	11,718,230	10,676,199	(2,185,387)	(1,558,670)
Human Services	33,713,899	36,171,046	(7,897,049)	(8,519,901)
Conservation and Recreation	117,215	0	(108,815)	0
Economic Development and Assistance	954,628	1,510,653	138,373	(397,385)
Capital Outlay	1,294,695	1,135,539	193,325	(436,761)
Debt Service	1,934,092	1,769,880	(1,934,092)	(1,769,880)
Outside Participation	745,699	681,114	(80,702)	24,375
Employee Contribution	55,052	38,360	(5,958)	(2,933)
Sewer	2,212,903	3,038,552	(520,827)	(863,672)
Police Communications	37,411	17,697	5,489	9,603
Water	447,286	372,457	(95,989)	(28,635)
Total	\$ 83,133,936	\$ 83,735,341	\$ (26,901,128)	\$ (27,197,231)

The negative amounts indicated in Table 3 should not be construed as something bad; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the general government. The total cost of services and the net cost of services both decreased in 2009. The decreases in the net costs of services for the public works, economic development and assistance and capital outlay functions is due to increases in operating and capital grants during 2009.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Columbiana County's Funds

Governmental Funds

Total governmental funds had receipts of \$78,061,817 and disbursements of \$79,162,490. The greatest change within governmental funds occurred within the mental retardation and developmental disabilities fund. The mental retardation and developmental disabilities fund receipts were \$1,358,670 more than disbursements due to the County receiving additional grant revenues. The fund balance of the general fund decreased \$1,109,837 primarily due to decreased sales tax and charges for services receipts.

Enterprise Funds

Total enterprise funds had operating receipts of \$1,982,203 and operating disbursements of \$2,184,622. The sewer enterprise fund had an operating loss of \$234,798 as the County continues to improve the various sewer lines throughout the County.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During 2009 the County amended its general fund budget several times to reflect changing circumstances. Final budgeted receipts were \$157,169 above original budgeted receipts of \$18,402,577. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements were budgeted at \$18,589,974 while original disbursements were budgeted at \$18,062,658.

Capital Assets and Debt Administration

Capital Assets

The County does not currently keep track of its capital assets and infrastructure. The County is researching various methods for a cost efficient way of tracking their capital assets and infrastructure.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Debt

At December 31, 2009, Columbiana County had the following debt outstanding:

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Notes	\$ 644,640	775,418	\$ 0	\$ 0	\$ 644,640	\$ 775,418
Mortgage Revenue Notes	0	0	58,450	66,800	58,450	66,800
General Obligation Bonds	15,528,027	16,054,162	0	0	15,528,027	16,054,162
Mortgage Revenue Bonds	0	0	3,661,668	3,687,391	3,661,668	3,687,391
OWDA Loans	728,101	773,865	597,405	777,959	1,325,506	1,551,824
OPWC Loans	0	0	594,572	632,589	594,572	632,589
HUD Loan	340,000	380,000	0	0	340,000	380,000
Capital Leases	422,857	496,081	0	0	422,857	496,081
<i>Total</i>	<u>\$ 17,663,625</u>	<u>\$ 18,479,526</u>	<u>\$ 4,912,095</u>	<u>\$ 5,164,739</u>	<u>\$ 22,575,720</u>	<u>\$ 23,644,265</u>

For further information regarding the County's debt, refer to Note 11 to the basic financial statements.

Current Issues

Columbiana County is in a period posing both significant challenges and opportunities. Management is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide excellent services to the residents of the County.

Contacting Columbiana County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to reflect the County's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Nancy Milliken, Columbiana County Auditor, 105 Market Street, Lisbon, Ohio 44432.

Columbiana County, Ohio
Statement of Net Assets - Cash Basis
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 26,607,049	\$ 2,021,423	\$ 28,628,472
Cash and Cash Equivalents with Fiscal Agent	2,931,978	0	2,931,978
<i>Total Assets</i>	<u>\$ 29,539,027</u>	<u>\$ 2,021,423</u>	<u>\$ 31,560,450</u>
Net Assets			
Restricted for:			
Capital Outlay	796,697	0	796,697
Debt Service	2,044,668	0	2,044,668
Public Safety	2,059,551	0	2,059,551
Public Works	3,110,550	0	3,110,550
Health Services	3,454,443	0	3,454,443
Human Services	13,874,805	0	13,874,805
Unclaimed Monies	339,852	0	339,852
Other Purposes	2,158,815	0	2,158,815
Unrestricted	1,699,646	2,021,423	3,721,069
<i>Total Net Assets</i>	<u>\$ 29,539,027</u>	<u>\$ 2,021,423</u>	<u>\$ 31,560,450</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets			
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government:							
Legislative and Executive	\$ 7,084,834	\$ 1,827,375	\$ 15,532	\$ 0	\$ (5,241,927)	\$ 0	\$ (5,241,927)
Judicial	5,393,532	2,389,853	156,374	0	(2,847,305)	0	(2,847,305)
Public Safety	8,038,005	1,136,426	526,906	0	(6,374,673)	0	(6,374,673)
Public Works	9,386,455	81,083	6,991,859	2,367,922	54,409	0	54,409
Health	11,718,230	281,889	9,250,954	0	(2,185,387)	0	(2,185,387)
Human Services	33,713,899	807,505	25,009,345	0	(7,897,049)	0	(7,897,049)
Conservation and Recreation	117,215	8,400	0	0	(108,815)	0	(108,815)
Economic Development and Assistance	954,628	0	1,093,001	0	138,373	0	138,373
Capital Outlay	1,294,695	159,849	0	1,328,171	193,325	0	193,325
Debt Service	1,934,092	0	0	0	(1,934,092)	0	(1,934,092)
Outside Contributions to Health Insurance	745,699	664,997	0	0	(80,702)	0	(80,702)
Employee Contributions to Health Insurance	55,052	49,094	0	0	(5,958)	0	(5,958)
<i>Total Governmental Activities</i>	<u>80,436,336</u>	<u>7,406,471</u>	<u>43,043,971</u>	<u>3,696,093</u>	<u>(26,289,801)</u>	<u>0</u>	<u>(26,289,801)</u>
Business-Type Activities:							
Sewer	2,212,903	1,513,777	0	178,299	0	(520,827)	(520,827)
Police Communications	37,411	42,900	0	0	0	5,489	5,489
Water	447,286	337,439	0	13,858	0	(95,989)	(95,989)
<i>Total Business-Type Activities</i>	<u>2,697,600</u>	<u>1,894,116</u>	<u>0</u>	<u>192,157</u>	<u>0</u>	<u>(611,327)</u>	<u>(611,327)</u>
<i>Total - Primary Government</i>	<u>\$ 83,133,936</u>	<u>\$ 9,300,587</u>	<u>\$ 43,043,971</u>	<u>\$ 3,888,250</u>	<u>(26,289,801)</u>	<u>(611,327)</u>	<u>(26,901,128)</u>

General Receipts

Property Taxes Levied for:

Human Services	6,532,601	0	6,532,601
Health Services	1,791,632	0	1,791,632
Debt Service	269,203	0	269,203
Sales Tax	11,825,059	0	11,825,059
Conveyance Fees	829,307	0	829,307
Grants and Entitlements not Restricted to Specific Programs	2,336,732	0	2,336,732
Interest	741,963	2,024	743,987
Proceeds of Bonds	0	83,397	83,397
Proceeds of Loans	340,000	0	340,000
Miscellaneous	302,876	88,087	390,963

<i>Total General Receipts</i>	<u>24,969,373</u>	<u>173,508</u>	<u>25,142,881</u>
Transfers	<u>(400,000)</u>	<u>400,000</u>	<u>0</u>
<i>Total General Receipts and Transfers</i>	<u>24,569,373</u>	<u>573,508</u>	<u>25,142,881</u>
<i>Change in Net Assets</i>	<u>(1,720,428)</u>	<u>(37,819)</u>	<u>(1,758,247)</u>
<i>Net Assets, Beginning of Year</i>	<u>31,259,455</u>	<u>2,059,242</u>	<u>33,318,697</u>
<i>Net Assets, End of Year</i>	<u>\$ 29,539,027</u>	<u>\$ 2,021,423</u>	<u>\$ 31,560,450</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Motor Vehicle and Gas Tax	Mental Health	Public Assistance	Mental Retardation and Developmental Disabilities	All Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 1,530,211	\$ 3,067,073	\$ 3,322,872	\$ 519,575	\$ 7,659,089	\$ 9,998,942	\$ 26,097,762
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0	2,931,978	0	2,931,978
<i>Total Assets</i>	<u>\$ 1,530,211</u>	<u>\$ 3,067,073</u>	<u>\$ 3,322,872</u>	<u>\$ 519,575</u>	<u>\$ 10,591,067</u>	<u>\$ 9,998,942</u>	<u>\$ 29,029,740</u>
Fund Balances							
Reserved for Encumbrances	425,335	138,700	800	262,730	0	293,054	1,120,619
Reserved for Unclaimed Monies	339,852	0	0	0	0	0	339,852
Unreserved, Undesignated, Reported in:							
General Fund	765,024	0	0	0	0	0	765,024
Special Revenue Funds	0	2,928,373	3,322,072	256,845	10,591,067	6,865,503	23,963,860
Debt Service Funds	0	0	0	0	0	2,044,668	2,044,668
Capital Projects Funds	0	0	0	0	0	795,717	795,717
<i>Total Fund Balances</i>	<u>\$ 1,530,211</u>	<u>\$ 3,067,073</u>	<u>\$ 3,322,872</u>	<u>\$ 519,575</u>	<u>\$ 10,591,067</u>	<u>\$ 9,998,942</u>	<u>\$ 29,029,740</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities - Cash Basis
December 31, 2009*

Total Governmental Fund Balances \$ 29,029,740

*Amounts reported for governmental activities in the statement
of net assets are different because*

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets of the internal service fund are included in governmental activities in the statement of net assets.

509,287

Net Assets of Governmental Activities

\$ 29,539,027

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Motor Vehicle and Gas Tax	Mental Health	Public Assistance	Mental Retardation and Developmental Disabilities	All Other Governmental Funds	Total Governmental Funds
Receipts							
Property Taxes	\$ 0	\$ 0	\$ 1,791,632	\$ 0	\$ 5,722,843	\$ 1,078,961	\$ 8,593,436
Permissive Sales Taxes	11,825,059	0	0	0	0	0	11,825,059
Charges for Services	1,866,562	24,109	0	20,922	133,332	4,047,312	6,092,237
Licenses and Permits	5,277	0	0	0	0	0	5,277
Fines and Forfeitures	125,602	38,402	0	0	0	351,850	515,854
Intergovernmental	2,248,111	9,326,511	9,173,162	12,272,174	7,146,733	8,852,115	49,018,806
Conveyance Fees	829,307	0	0	0	0	0	829,307
Interest	705,528	33,270	0	0	0	36,435	775,233
Rent	78,012	0	0	0	0	1,000	79,012
Contributions and Donations	0	0	905	0	22,015	1,800	24,720
Other	143,567	1,720	25,312	42,451	17,838	71,988	302,876
<i>Total Receipts</i>	<u>17,827,025</u>	<u>9,424,012</u>	<u>10,991,011</u>	<u>12,335,547</u>	<u>13,042,761</u>	<u>14,441,461</u>	<u>78,061,817</u>
Disbursements							
Current:							
General Government:							
Legislative and Executive	5,413,532	0	0	0	0	1,543,561	6,957,093
Judicial	4,173,318	0	0	0	0	1,076,776	5,250,094
Public Safety	6,210,517	0	0	0	0	1,757,869	7,968,386
Public Works	648	9,269,886	0	0	0	21,048	9,291,582
Health	2,049	0	11,303,603	0	0	399,819	11,705,471
Human Services	1,354,443	0	0	13,493,372	11,624,091	7,218,782	33,690,688
Conservation and Recreation	117,215	0	0	0	0	0	117,215
Economic Development and Assistance	0	0	0	0	0	953,174	953,174
Capital Outlay	0	0	0	0	0	1,294,695	1,294,695
Debt Service:							
Principal Retirements	100,209	0	0	0	0	1,067,557	1,167,766
Interest and Fiscal Charges	59,773	0	0	0	0	706,553	766,326
<i>Total Disbursements</i>	<u>17,431,704</u>	<u>9,269,886</u>	<u>11,303,603</u>	<u>13,493,372</u>	<u>11,624,091</u>	<u>16,039,834</u>	<u>79,162,490</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>395,321</u>	<u>154,126</u>	<u>(312,592)</u>	<u>(1,157,825)</u>	<u>1,418,670</u>	<u>(1,598,373)</u>	<u>(1,100,673)</u>
Other Financing Sources and (Uses)							
Transfers In	0	0	0	290,193	0	1,193,010	1,483,203
Transfers Out	(1,505,158)	0	0	0	(60,000)	(318,045)	(1,883,203)
Advances In	81,325	0	0	0	0	181,325	262,650
Advances Out	(81,325)	(100,000)	0	0	0	(81,325)	(262,650)
Proceeds of Loans	0	0	0	0	0	340,000	340,000
<i>Total Other Financing Sources and (Uses)</i>	<u>(1,505,158)</u>	<u>(100,000)</u>	<u>0</u>	<u>290,193</u>	<u>(60,000)</u>	<u>1,314,965</u>	<u>(60,000)</u>
<i>Net Change in Fund Balance</i>	<u>(1,109,837)</u>	<u>54,126</u>	<u>(312,592)</u>	<u>(867,632)</u>	<u>1,358,670</u>	<u>(283,408)</u>	<u>(1,160,673)</u>
<i>Fund Balance, Beginning of Year</i>	<u>2,640,048</u>	<u>3,012,947</u>	<u>3,635,464</u>	<u>1,387,207</u>	<u>9,232,397</u>	<u>10,282,350</u>	<u>30,190,413</u>
<i>Fund Balance, End of Year</i>	<u>\$ 1,530,211</u>	<u>\$ 3,067,073</u>	<u>\$ 3,322,872</u>	<u>\$ 519,575</u>	<u>\$ 10,591,067</u>	<u>\$ 9,998,942</u>	<u>\$ 29,029,740</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
*Reconciliation of the Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
of Governmental Funds to the Statement of Activities - Cash Basis
For The Year Ended December 31, 2009*

Net Change in Fund Balance - Total Governmental Funds \$ (1,160,673)

*Amounts reported for governmental activities in the statement
of activities are different because*

Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund disbursements and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements). (559,755)

Change in Net Assets of Governmental Activities \$ (1,720,428)

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Sales Taxes	\$ 12,206,938	\$ 12,311,090	\$ 11,825,059	\$ (486,031)
Charges for Services	1,912,873	1,929,194	1,866,562	(62,632)
Licenses and Permits	5,293	5,494	5,277	(217)
Fines and Forfeitures	129,658	130,764	125,602	(5,162)
Intergovernmental	2,320,712	2,340,512	2,248,111	(92,401)
Conveyance Fees	856,089	863,393	829,307	(34,086)
Interest	728,312	734,526	705,528	(28,998)
Rent	80,531	81,218	78,012	(3,206)
Other	162,171	163,555	143,567	(19,988)
<i>Total Receipts</i>	<u>18,402,577</u>	<u>18,559,746</u>	<u>17,827,025</u>	<u>(732,721)</u>
Disbursements				
Current:				
General Government:				
Legislative and Executive	5,188,817	5,776,573	5,542,111	234,462
Judicial	4,191,625	4,453,188	4,178,731	274,457
Public Safety	7,080,492	6,627,004	6,471,460	155,544
Public Works	0	691	648	43
Health	2,000	2,186	2,049	137
Human Services	1,429,372	1,445,274	1,384,843	60,431
Conservation and Recreation	10,000	125,076	117,215	7,861
Debt Service:				
Principal Retirement	100,209	100,209	100,209	0
Interest and Fiscal Charges	60,143	59,773	59,773	0
<i>Total Disbursements</i>	<u>18,062,658</u>	<u>18,589,974</u>	<u>17,857,039</u>	<u>732,935</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>339,919</u>	<u>(30,228)</u>	<u>(30,014)</u>	<u>214</u>
Other Financing Sources and (Uses)				
Transfers Out	(1,039,090)	(1,505,158)	(1,505,158)	0
Advances In	0	0	81,325	81,325
Advances Out	0	0	(81,325)	(81,325)
<i>Total Other Financing Sources and (Uses)</i>	<u>(1,039,090)</u>	<u>(1,505,158)</u>	<u>(1,505,158)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(699,171)	(1,535,386)	(1,535,172)	214
<i>Fund Balance, Beginning of Year</i>	1,915,877	1,915,877	1,915,877	0
<i>Prior Year Encumbrances Appropriated</i>	724,171	724,171	724,171	0
<i>Fund Balance, End of Year</i>	<u>\$ 1,940,877</u>	<u>\$ 1,104,662</u>	<u>\$ 1,104,876</u>	<u>\$ 214</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Charges for Services	\$ 21,759	\$ 24,366	\$ 24,109	(257)
Fines and Forfeitures	34,659	38,812	38,402	(410)
Intergovernmental	7,712,003	9,710,730	9,326,511	(384,219)
Interest	30,027	33,625	33,270	(355)
Other	1,552	1,738	1,720	(18)
<i>Total Receipts</i>	<u>7,800,000</u>	<u>9,809,271</u>	<u>9,424,012</u>	<u>(385,259)</u>
Disbursements				
Current:				
Public Works	<u>7,591,915</u>	<u>9,987,737</u>	<u>9,408,586</u>	<u>579,151</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>208,085</u>	<u>(178,466)</u>	<u>15,426</u>	<u>193,892</u>
Other Financing Sources and (Uses)				
Advances Out	<u>0</u>	<u>0</u>	<u>(100,000)</u>	<u>(100,000)</u>
<i>Net Change in Fund Balance</i>	208,085	(178,466)	(84,574)	93,892
<i>Fund Balance, Beginning of Year</i>	2,921,032	2,921,032	2,921,032	0
<i>Prior Year Encumbrances Appropriated</i>	<u>91,915</u>	<u>91,915</u>	<u>91,915</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 3,221,032</u>	<u>\$ 2,834,481</u>	<u>\$ 2,928,373</u>	<u>\$ 93,892</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Mental Health Fund
For the Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Property Taxes	\$ 1,773,207	\$ 1,773,207	\$ 1,791,632	\$ 18,425
Intergovernmental	5,900,351	7,395,884	9,173,162	1,777,278
Contributions and Donations	568	722	905	183
Other	15,874	20,187	25,312	5,125
<i>Total Receipts</i>	<u>7,690,000</u>	<u>9,190,000</u>	<u>10,991,011</u>	<u>1,801,011</u>
Disbursements				
Current:				
Health	<u>7,737,528</u>	<u>11,926,220</u>	<u>11,304,403</u>	<u>621,817</u>
<i>Net Change in Fund Balance</i>	(47,528)	(2,736,220)	(313,392)	2,422,828
<i>Fund Balance, Beginning of Year</i>	3,587,936	3,587,936	3,587,936	0
<i>Prior Year Encumbrances Appropriated</i>	<u>47,528</u>	<u>47,528</u>	<u>47,528</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u><u>\$ 3,587,936</u></u>	<u><u>\$ 899,244</u></u>	<u><u>\$ 3,322,072</u></u>	<u><u>\$ 2,422,828</u></u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Public Assistance Fund
For the Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Charges for Services	\$ 18,165	\$ 22,658	\$ 20,922	\$ (1,736)
Intergovernmental	10,654,786	13,290,177	12,272,174	(1,018,003)
Other	36,856	45,972	42,451	(3,521)
<i>Total Receipts</i>	<u>10,709,807</u>	<u>13,358,807</u>	<u>12,335,547</u>	<u>(1,023,260)</u>
Disbursements				
Current:				
Human Services	11,354,679	15,036,207	13,756,102	1,280,105
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(644,872)</u>	<u>(1,677,400)</u>	<u>(1,420,555)</u>	<u>256,845</u>
Other Financing Source				
Transfers In	290,193	290,193	290,193	0
<i>Net Change in Fund Balance</i>	(354,679)	(1,387,207)	(1,130,362)	256,845
<i>Fund Balance, Beginning of Year</i>	530,408	530,408	530,408	0
<i>Prior Year Encumbrances Appropriated</i>	856,799	856,799	856,799	0
<i>Fund Balance, End of Year</i>	<u>\$ 1,032,528</u>	<u>\$ 0</u>	<u>\$ 256,845</u>	<u>\$ 256,845</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Mental Retardation and Developmental Disabilities Fund
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Property Taxes	\$ 5,250,539	\$ 5,250,539	\$ 5,722,843	472,304
Charges for Services	94,029	93,765	133,332	39,567
Intergovernmental	6,640,861	6,627,525	7,146,733	519,208
Contributions and Donations	15,526	15,482	22,015	6,533
Other	12,580	12,544	17,838	5,294
<i>Total Receipts</i>	<u>12,013,535</u>	<u>11,999,855</u>	<u>13,042,761</u>	<u>1,042,906</u>
Disbursements				
Current:				
Human Services	11,646,925	12,708,635	11,521,823	1,186,812
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>366,610</u>	<u>(708,780)</u>	<u>1,520,938</u>	<u>2,229,718</u>
Other Financing Use				
Transfers Out	(60,000)	(60,000)	(60,000)	0
<i>Net Change in Fund Balance</i>	306,610	(768,780)	1,460,938	2,229,718
<i>Fund Balance, Beginning of Year</i>	6,098,681	6,098,681	6,098,681	0
<i>Prior Year Encumbrances Appropriated</i>	<u>99,470</u>	<u>99,470</u>	<u>99,470</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 6,504,761</u>	<u>\$ 5,429,371</u>	<u>\$ 7,659,089</u>	<u>\$ 2,229,718</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2009

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor Enterprise	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,518,895	\$ 502,528	\$ 2,021,423	\$ 509,287
 Net Assets				
Unrestricted	\$ 1,518,895	\$ 502,528	\$ 2,021,423	\$ 509,287

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2009

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor Enterprise	Total	
Operating Receipts				
Charges for Services	\$ 1,513,777	\$ 380,339	\$ 1,894,116	\$ 4,612,474
Other	11,028	77,059	88,087	0
<i>Total Operating Receipts</i>	<u>1,524,805</u>	<u>457,398</u>	<u>1,982,203</u>	<u>4,612,474</u>
Operating Disbursements				
Personal Services	627,951	59,956	687,907	5,828
Contractual Services	744,412	327,652	1,072,064	288,301
Materials and Supplies	124,754	37,411	162,165	0
Claims	0	0	0	4,878,100
Capital Outlay	147,145	0	147,145	0
Other	115,341	0	115,341	0
<i>Total Operating Disbursements</i>	<u>1,759,603</u>	<u>425,019</u>	<u>2,184,622</u>	<u>5,172,229</u>
<i>Operating Income (Loss)</i>	<u>(234,798)</u>	<u>32,379</u>	<u>(202,419)</u>	<u>(559,755)</u>
Non-Operating Receipts (Disbursements)				
Proceeds of Bonds	83,397	0	83,397	0
Interest	2,024	0	2,024	0
Capital Grants	145,957	13,858	159,815	0
Special Assessments	32,342	0	32,342	0
Principal Retirement	(283,975)	(52,066)	(336,041)	0
Interest and Fiscal Charges	(169,325)	(7,612)	(176,937)	0
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(189,580)</u>	<u>(45,820)</u>	<u>(235,400)</u>	<u>0</u>
<i>Loss Before Transfers</i>	<u>(424,378)</u>	<u>(13,441)</u>	<u>(437,819)</u>	<u>(559,755)</u>
Transfers In	<u>0</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
<i>Change in Net Assets</i>	<u>(424,378)</u>	<u>386,559</u>	<u>(37,819)</u>	<u>(559,755)</u>
<i>Net Assets, Beginning of Year</i>	<u>1,943,273</u>	<u>115,969</u>	<u>2,059,242</u>	<u>1,069,042</u>
<i>Net Assets, End of Year</i>	<u>\$ 1,518,895</u>	<u>\$ 502,528</u>	<u>\$ 2,021,423</u>	<u>\$ 509,287</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
December 31, 2009

	Private Purpose Trust	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 4,045,574
Cash and Cash Equivalents in Segregated Accounts	74,918	1,052,830
<i>Total Assets</i>	\$ 74,918	\$ 5,098,404
Net Assets		
Held in Trust for Children Services	74,918	0
Unrestricted	0	5,098,404
	\$ 74,918	\$ 5,098,404

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Changes in Fiduciary Net Assets - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2009

	<u>Private Purpose Trust</u>
Additions	
Interest	\$ 662
Contributions and Donations	<u>97,423</u>
<i>Total Additions</i>	<u>98,085</u>
Deductions	
Payments in Accordance with Trust Agreements	<u>23,167</u>
<i>Change in Net Assets</i>	74,918
<i>Net Assets, Beginning of Year</i>	<u>0</u>
<i>Net Assets, End of year</i>	<u><u>\$ 74,918</u></u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 1 – Reporting Entity

Columbiana County (the “County”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operates under the direction of a three-member elected Board of County Commissioners. A county auditor and a county treasurer, both of whom are elected, are responsible for fiscal control of the resources of the County which are maintained in the funds described below. Other officials elected by the voters of the County that manage the County’s operations are the county recorder, clerk of courts, coroner, engineer, prosecuting attorney, sheriff, two common pleas judges, a probate/juvenile court judge, two county municipal court judges, and one municipal court judge. Although these elected officials manage the internal operations of their respective departments, the Board of County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting authority and the chief administrators of public services of the County. Services provided by the County include general government, both executive and judicial, law enforcement, public works, public safety, health and welfare, conservation, and maintenance of highways, roads and bridges. Taxes are levied, collected and distributed to schools, townships, municipalities and appropriate County funds.

A. Primary Government

The primary government of the County consists of all funds, agencies, departments and offices that are not legally separate from the County. For the County this includes the departments and agencies that provide the following services: Columbiana County Mental Health and Recovery Board, Columbiana County Mental Health Center, Columbiana County Board of Mental Retardation and Developmental Disabilities (MRDD) (which includes the Robert Bycroft School for Retarded Children, the Columbiana County Adult Mentally Handicapped Workshop and all departments and activities that are directly operated by the elected County officials).

B. Component Units

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization’s governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization’s resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. The County is also financially accountable for any organizations that are fiscally dependent on the County in that the County approves their budget, the issuance of their debt, or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the County, are accessible to the County and are significant in amount to the County. The County has no component units.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 1 – Reporting Entity (Continued)

The County Treasurer, as the custodian of public funds, invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly, the activities of the following districts and agencies are presented as agency funds within the County's financial statements:

Columbiana County Park District
Columbiana County General Health District
Columbiana County Soil and Water Conservation District

The County is associated with one shared risk pool and one related organization, the County Risk Sharing Authority and the Columbiana County Airport Authority, which are presented in Notes 14 and 16, respectively, to the basic financial statements. The County is also involved in the following jointly governed organizations:

Columbiana County Planning Commission
Carroll/Columbiana/Harrison Solid Waste Management District
Multi-County Juvenile Attention System
North East Ohio Network (N.E.O.N.)
Northeast Ohio Trade and Economic Consortium

These organizations are presented in Note 15 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

As discussed further under Basis of Accounting, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The County does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

The County's basic financial statements consist of government-wide statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements.

The government-wide statement of net assets presents the cash balance of the governmental and business-type activities of the County at year end. The government-wide statement of activities compares disbursements and program receipts for each program or function of the County’s governmental activities and business-type activities of the County. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on a cash basis or draws from the County’s general receipts.

Fund Financial Statements During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions and nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds’ principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the County are presented in three categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions of the County are financed. The following are the County’s major governmental funds:

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

General Fund – The general fund accounts for all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Motor Vehicle and Gasoline Tax Fund – The motor vehicle and gas tax fund accounts for receipts derived from motor vehicle licenses, gasoline taxes, grants and interest. Disbursements in this fund are restricted by state law to County road and bridge repair/improvements programs.

Mental Health Fund – The mental health fund accounts for the operation of a center that provides services to mental patients and individuals considering taking their lives. Revenue sources include State and Federal grants and two County-wide property tax levies.

Public Assistance Fund – The public assistance fund accounts for various Federal and State grants as well as transfers from the general fund used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Mental Retardation and Development Disabilities (MRDD) – The MRDD fund accounts for the operation and the costs of administering a workshop for the mentally retarded and developmentally disabled residents of the County. Receipt sources are federal and state grant monies and a county-wide property tax levy.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose.

Proprietary Funds The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds.

Enterprise Funds – Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the County’s major enterprise fund:

Sewer Fund – The Sewer Fund accounts for sanitary sewer services provided to County individual and commercial users in the majority of the unincorporated areas of the County. The costs of providing these services are provided primarily through user charges.

The County also has two nonmajor enterprise funds: police communications which accounts for dispatching services and water which accounts for water services to individual and commercial users in the majority of the unincorporated areas of the County.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County’s internal service fund reports on the operations of the self-insurance program for health insurance.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are not available to support the County's own programs. Agency funds are purely custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are private-purpose trust funds and agency funds. The private-purpose trust funds are for monies received in trust for children services. The County's agency funds account for the collection and distribution of taxes and various State and Federal monies.

C. Basis of Accounting

The County's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in the notes.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations ordinance is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, program, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if the County Auditor projects increases or decreases in receipts. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time the original and final appropriations were passed by the County Commissioners.

The County Commissioners may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation ordinance for a fund covering the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation ordinance the County Commissioners passed during the year.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

E. Cash and Cash Equivalents

To improve cash management, cash received by the County, except cash held by a fiscal agent, is pooled and invested. Individual fund integrity is maintained through County records. Interest in the pool is presented as “equity in pooled cash and cash equivalents.”

The County utilizes a jointly governed organization (NEON) to service mentally disabled and developmentally disabled residents within the County. The balance in this account is presented as “cash and cash equivalents with fiscal agent” and represents the monies held for the County.

During 2009, investments were limited to certificates of deposit federal farm credit bank notes, federal home loan mortgage corporation notes, federal home loan bank notes, federal national mortgage association notes, money markets and STAROhio.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price, which is the price the investment could be sold for on December 31, 2009.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2009 amounted to \$705,528, which includes \$657,358 assigned from other County funds.

The County values investments and cash equivalents at cost. For presentation on the financial statements, the County classifies investments of the cash management pool as cash equivalents.

F. Inventory and Prepaid Items

On the cash-basis of accounting, inventories of supplies and prepaid items are reported as disbursements when purchased. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the County’s cash basis of accounting.

Note 2 – Summary of Significant Accounting Policies (Continued)

I. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

J. Long-Term Obligations

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. These statements report proceeds of debt when cash is received and debt service disbursements for debt principal and interest payments are reported when paid.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net assets reports \$27,839,381 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes primarily include real estate assessment, indigent guardianship and probate business.

The County first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

L. Fund Balance Reserves

The County reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and unclaimed monies.

Under Ohio law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 3 – Compliance

Ohio Administrative Code, section 117-2-03 (B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net assets/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

The Columbiana County auditor and commissioners chose not to prepare GAAP statements due to budget concerns and staffing availability.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Disbursements and Change in Cash Basis Fund Balance – (Budget Basis) for the General Fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).
2. Unrecorded cash, which consists of N.E.O.N. activity is not reported by the County on the operating statements (budgetary basis), but is reported on the cash basis operating statements.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	Motor Vehicle Gas Tax	Mental Health	Public Assistance	Mental Retardation and Developmental Disabilities
Cash Basis	\$ (1,109,837)	\$ 54,126	\$ (312,592)	\$ (867,632)	\$ 1,358,670
Beginning Unrecorded Cash	0	0	0	0	3,034,246
Ending Unrecorded Cash	0	0	0	0	(2,931,978)
Encumbrances	(425,335)	(138,700)	(800)	(262,730)	0
Budget Basis	<u>\$ (1,535,172)</u>	<u>\$ (84,574)</u>	<u>\$ (313,392)</u>	<u>\$ (1,130,362)</u>	<u>\$ 1,460,938</u>

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 5 – Deposits and Investments

Monies held by the County are classified by State statute into two categories, active and inactive. Active monies are public deposits necessary to meet current demands upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged to the County by the financial institution as security for repayment, by surety company bonds deposited with the County Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all uninsured public monies deposited with the institution.

Monies held by the County, which are not considered active, are classified as inactive. Inactive monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal governmental agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above, and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value;

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 5 – Deposits and Investments (Continued)

9. Up to twenty-five percent of the County's average portfolio in either of the following:
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not need exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase;
 - b. Banker's acceptances eligible for purchase by the Federal Reserve System and which mature within 180 days after purchase.
10. Fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions that are doing business under authority granted by the U.S. provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase.
11. No-load money market mutual fund rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency of instrumentality, and/or highly rate commercial paper.
12. One percent of the County's average portfolio in debt interest rated at the time of purchase in the three categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 5 – Deposits and Investments (Continued)

Deposits

A. Cash on Hand

At year end, the County had \$43,655 in undeposited cash on hand, which is included on the financial statements of the County as part of “Equity in Pooled Cash and Cash Equivalents.”

B. Cash with Fiscal Agent

At year end, the County had \$2,931,978 in cash held by an outside party which is included on the financial statements of the County as “Cash with Fiscal Agent.” The amount is not included in deposits with financial institutions below.

C. Deposits with Financial Institutions

At fiscal year end, the carrying amount of the County’s deposits was \$5,219,030. Based on the criteria described in GASB 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2009, \$1,791,655 of the County’s bank balance of \$6,874,601 was exposed to custodial credit risk as discussed below, while \$5,082,946 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the County’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of deposits. Such collateral, as permitted by the Ohio Revised Code, is held in a single financial institution collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all the uninsured public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the County.

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Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 5 – Deposits and Investments (Continued)

Investments

At December 31, 2009, the County had the following investments (market value):

	Maturity			Total
	Less Than One Year	More Than One Year but Less Than Three Years	More Than Three Years but Less Than Five Years	
Federal Farm Credit Bank Notes	\$ 0	\$ 6,461,703	\$ 1,987,499	\$ 8,449,202
Federal Home Loan Mortgage Corporation Notes	0	7,852,389	0	7,852,389
Federal Home Loan Bank Notes	0	4,610,719	0	4,610,719
First National Mortgage Association Notes	0	4,269,219	2,486,563	6,755,782
Money Market	145,720	0	0	145,720
STAROhio	704,781	0	0	704,781
Total Investments	\$ 850,501	\$ 23,194,030	\$ 4,474,062	\$ 28,518,593

The market value is less than the carrying value of investments by \$20,516.

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the County's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute limits investments in repurchase agreements to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk The Federal Farm Credit Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes and Federal National Mortgage Association Notes all carry a credit rating of AAA by Standard and Poor's and STAROhio also carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments. The Federal Farm Credit Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes and Federal National Mortgage Association Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by counterparty's trust department or agent but not in the County's name. The County has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the treasurer or governing board or an agent designated by the treasurer or governing board.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 5 – Deposits and Investments (Continued)

Concentration of Credit Risk The County places no limit on the amount it may invest in any one issuer. The following is the County's allocation as of December 31, 2009:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank Notes	29.63%
Federal Home Loan Mortgage Corporation Notes	27.53%
Federal Home Loan Bank Notes	16.17%
Federal National Mortgage Association Notes	23.69%
Money Market	0.51%
STAROhio	2.47%

Note 6 – Permissive Sales Tax

Beginning in 2001, the County levied a 1 percent permissive sales tax. The proceeds of the tax are credited to the County's general fund. During September 2002, the County Commissioners approved an increase in the permissive sales tax from 1 percent to 1.5 percent. On May 3, 2005, the County renewed 1 percent of the 1.5 percent sales tax. In November 2005, the County's remaining 0.5 percent of the sales tax did not get renewed. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County from the State Auditor. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County. The County received \$11,825,059 in sales tax receipts in 2009.

Note 7 – Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2009 for real and public utility property taxes represents collections of 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are for 2009 taxes.

2009 real property taxes are levied after October 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values are established by State statute at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public Utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 7 – Property Taxes (Continued)

2009 tangible personal property taxes are levied after October 1, 2008, on the value as of December 31, 2008. Collections are made in 2009. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory is zero for 2009. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by taxing districts due to the phasing out of the tax. In calendar years 2006-2010, taxing districts will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected.

The full tax rate for all County operations for the year ended December 31, 2009, was \$9.25 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real property	\$	1,564,058,520
Tangible personal property		78,766,350
 Total		 \$ 1,642,824,870

Note 8 – Risk Management

A. Property and Liability

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. During 2009, the County contracted with the County Risk Sharing Authority (CORSA) for insurance coverage as follows:

General Liability	\$	1,000,000
Law Enforcement Liability		1,000,000
Public Officials Liability		1,000,000
Automobile Liability		1,000,000
Errors and Omissions		1,000,000
Property		121,649,346
Other Property Insurance:		
Extra Expense		1,000,000
Flood and Earthquakes		100,000,000
Crime Coverage		1,000,000
Excess Liability		5,000,000

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 8 – Risk Management (Continued)

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

B. Self-Insurance

The County has elected to provide a comprehensive medical benefits package to the employees through a fully-insured program. This package provides a comprehensive medical, prescription and dental plan, which is administered by Anthem. Total claims disbursements in the internal service fund during 2009 were \$4,878,100.

C. Workers' Compensation

Workers' compensation coverage is provided by the State of Ohio. The County pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 9 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description - The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classification contributed 10 percent of covered payroll, public safety members and law enforcement members contributed 10.1 percent.

The County's contribution rate for 2009 was 14 percent, except for those plan members in law enforcement or public safety, for whom the County's contribution was 17.63 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 9 – Defined Benefit Pension Plans (Continued)

The County's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$1,601,995, \$1,597,062 and \$1,781,543, respectively. The full amount has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan for 2009 were \$27,246 made by the County and \$19,461 made by plan members.

B. State Teachers Retirement System

Plan Description – Certified teachers, employed by the school for Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 9 – Defined Benefit Pension Plans (Continued)

The County's required contribution for pension obligations for the STRS Ohio for the fiscal years ended December 31, 2009, 2008, and 2007 were \$104,970, \$110,688 and \$110,430, respectively; 100 percent been contributed for 2009, 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$3,738 made by the County and \$6,659 made by the plan members.

Note 10 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14 percent of covered payroll (17.63 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent of covered payroll from April 1 through December 31, 2009.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$1,557,900, \$1,557,517 and \$1,149,937, respectively; 70 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 10 – Postemployment Benefits (Continued)

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. State Teachers Retirement System

Plan Description – The County provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (“STRS Ohio”). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio.

STRS Ohio issues a financial report that includes financial information for the health care plan. Interested parties can view the most recent report at www.strsoh.org or obtain a copy by calling (888) 227-7877.

Funding Policy – Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2009, 2008 and 2007. The 14 percent contribution is the maximum rate allowed under Ohio law.

All benefit recipients pay a portion of the health care cost in the form of a monthly premium. The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008 and 2007 were \$8,075, \$8,514 and \$8,495 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

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Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 11 – Long-Term Obligations

Original issue amounts and interest rates of the County’s debt issues were as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
<i>Governmental Activities Debt</i>			
General Obligation Notes:			
County EMA	4.73%	112,000	2016
Law Library Note	3.90%	166,000	2013
Board of Election Loan	5.25%	9,488	2010
Data Processing Loan	4.10%	1,000,000	2014
General Obligation Bonds:			
Refunding Jail Facilities Bonds	4.00%-4.12%	8,490,000	2024
Courthouse Window Renovations	4.13%	844,000	2037
Guilford Sanitary Sewer Improvement	5.00%	276,000	2019
Courthouse Renovations	4.25%	2,714,000	2036
Ohio Wellsville Water System	3.25%	1,332,000	2039
Murray Trucking Old Farm Village	4.50%	502,000	2041
Municipal Court Bonds #2	4.38%	2,865,000	2034
Municipal Court Bonds #1	4.38%	300,000	2034
Ohio Water Development Authority Loan:			
Hanoverton Planning Permanent Financing	6.04%	1,178,054	2021
HUD Loan	Variable	340,000	2016
<i>Business-type Activities Debt</i>			
Mortgage Revenue Notes:			
Vodry State Route 170/Duke Road Sewer	4.97%	\$ 83,500	2016
Mortgage Revenue Bonds:			
Guilford Lake Sewer	5.00%	350,000	2019
Ohio Elkrun Sewer	4.50%	2,051,000	2039
Winona Area Waste System #1	4.25%	595,000	2045
Winona Area Waste System #2	4.50%	360,000	2046
Winona Sanitary Sewer	4.75%	118,776	2018
Beaver Local Wastewater #1	4.70%	383,000	2018
Beaver Local Wastewater #2	4.15%	192,250	2014
Roseview Acres	4.85%	46,500	2018
Glenmoor/Lacroft Sanitary Sewer	4.25%	3,534,000	2049
Ohio Water Development Authority Loans:			
Stagecoach-Dairy Lane	6.02%	317,372	2014
Glenmoor/Lacroft	1.00%	776,268	2012
Ohio Public Works Commission Loans:			
State Route 7 Water Line Extension #1	0.00%	50,000	2022
State Route 7 Water Line Extension #2	0.00%	96,000	2023
Stagecoach-Dairy Lane	0.00%	122,347	2013
State Route 45 Water Line Extension	0.00%	375,000	2017
Roseview Acres Treatment Plant	0.00%	1,816,619	2037

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 11 – Long-Term Obligations (Continued)

The changes in governmental long-term obligations during the year were as follows:

	Restated Balance 12/31/2008	Additions	Reductions	Balance 12/31/2009	Amounts Due Within One Year
Governmental Activities					
<i>General Obligation Notes:</i>					
County EMA	\$ 89,600	\$ 0	\$ (11,200)	\$ 78,400	\$ 11,200
Law Library Note	81,124	0	(17,206)	63,918	17,889
Board of Election Loan	4,694	0	(2,372)	2,322	2,322
Data Processing Loan	600,000	0	(100,000)	500,000	100,000
<i>Total General Obligation Notes</i>	<u>775,418</u>	<u>0</u>	<u>(130,778)</u>	<u>644,640</u>	<u>131,411</u>
<i>General Obligation Bonds:</i>					
Refunding Jail Facilities Bonds	8,150,000	0	(375,000)	7,775,000	385,000
Unamortized Premium	74,978	0	(4,686)	70,292	0
Unamortized Accounting Loss	(264,816)	0	16,551	(248,265)	0
Total Refunding Jail Facilities Bonds	<u>7,960,162</u>	<u>0</u>	<u>(363,135)</u>	<u>7,597,027</u>	<u>385,000</u>
Courthouse Window Renovations	829,000	0	(15,000)	814,000	16,000
Guilford Sanitary Sewer Improvement	80,000	0	(7,000)	73,000	7,000
Courthouse Renovations	2,620,000	0	(50,000)	2,570,000	53,000
Ohio Wellsville Water System	1,162,000	0	(22,000)	1,140,000	23,000
Murray Trucking Old Farm Village	464,000	0	(6,000)	458,000	7,000
Municipal Court Bonds #2	279,000	0	(6,000)	273,000	6,000
Municipal Court Bonds #1	2,660,000	0	(57,000)	2,603,000	59,000
<i>Total General Obligation Bonds</i>	<u>16,054,162</u>	<u>0</u>	<u>(526,135)</u>	<u>15,528,027</u>	<u>556,000</u>
<i>Ohio Water Development Authority Loan:</i>					
Hanoverton Planning Permanent Financing	<u>773,865</u>	<u>0</u>	<u>(45,764)</u>	<u>728,101</u>	<u>48,529</u>
HUD Loan	380,000	340,000	(380,000)	340,000	40,000
Capital Leases	<u>496,081</u>	<u>0</u>	<u>(73,224)</u>	<u>422,857</u>	<u>76,545</u>
<i>Total Governmental Activities</i>	<u><u>\$ 18,479,526</u></u>	<u><u>\$ 340,000</u></u>	<u><u>\$ (1,155,901)</u></u>	<u><u>\$ 17,663,625</u></u>	<u><u>\$ 852,485</u></u>

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 11 – Long-Term Obligations (Continued)

The changes in business-type long-term obligations during the year were as follows:

	Balance 12/31/2008	Additions	Reductions	Balance 12/31/2009	Amounts Due Within One Year
Business-Type Activities					
<i>Mortgage Revenue Notes:</i>					
Vodry State Route 170 Duke Road Sewer	\$ 66,800	\$ 0	\$ (8,350)	\$ 58,450	\$ 8,350
<i>Mortgage Revenue Bonds:</i>					
Guilford Lake Sewer	172,000	0	(12,000)	160,000	13,000
Ohio Elkrun Sewer	1,844,000	0	(28,000)	1,816,000	30,000
Winona Area Waste System #1	577,000	0	(7,000)	570,000	7,000
Winona Area Waste System #2	354,000	0	(4,000)	350,000	4,000
Winona Sanitary Sewer	118,641	0	(5,206)	113,435	10,355
Beaver Local Wastewater #1	383,000	0	(20,529)	362,471	12,156
Beaver Local Wastewater #2	192,250	0	(28,858)	163,392	30,017
Roseview Acres	46,500	0	(3,527)	42,973	3,902
Glenmoor/Lacroft Sanitary Sewer	0	83,397	0	83,397	0
Total Mortgage Revenue Bonds	3,687,391	83,397	(109,120)	3,661,668	110,430
<i>OWDA Loans:</i>					
Stagecoach-Dairy Lane	126,440	0	(20,103)	106,337	21,313
Glenmoor/Lacroft	651,519	0	(160,451)	491,068	162,059
Total OWDA Loans	777,959	0	(180,554)	597,405	183,372
<i>OPWC Loans:</i>					
State Route 7 Water Line Extension #1	32,500	0	(2,500)	30,000	2,500
State Route 7 Water Line Extension #2	67,200	0	(4,800)	62,400	4,800
Stagecoach-Dairy Lane	32,520	0	(5,913)	26,607	5,913
State Route 45 Water Line Extension	318,750	0	(18,750)	300,000	37,500
Roseview Acres Treatment Plant	181,619	0	(6,054)	175,565	6,054
Total OPWC Loans	632,589	0	(38,017)	594,572	56,767
Total Business-Type Activities	\$ 5,164,739	\$ 83,397	\$ (336,041)	\$ 4,912,095	\$ 358,919

The general obligation notes are paid from the general fund, the emergency management special revenue fund and the bond retirement debt service fund. The mortgage revenue notes and bonds are paid with user charges from the recorders' equipment special revenue fund and the sewer enterprise fund. The general obligation bonds are paid from the bond retirement debt service fund. The OWDA and OPWC loans are paid with user charges from the general fund and the water and sewer enterprise funds. The capital lease is paid from the bond retirement debt service fund.

During 2009, the County issued \$3,534,000 of mortgage revenue bonds for the purpose of acquiring, constructing and improving the Glenmoor/LaCroft sanitary sewer system. At December 31, 2009, the County had only received \$83,397 of bond proceeds. The entire amount of the bonds of \$3,534,000 is reflected in the amortization schedule.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 11 – Long-Term Obligations (Continued)

During 2009, the County was notified they were liable for the HUD loan, which has not been reported as the County’s debt in prior years. This loan was originally issued to Mahoning Valley Economic Development Corporation (MVEDC) for the purpose of issuing loans to small businesses. When many of the businesses defaulted on their loan payments MVEDC became unable to make payments to HUD, and the County became responsible for the debt. During 2009, the County refinanced the debt and made principal and interest payments.

The County has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$4,912,095 of mortgage revenue notes and bonds, Ohio Public Works Commission (OPWC) loans and Ohio Water Development Authority (OWDA) loans. Annual principal and interest payments, as a percentage of net customer revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were 736.14 percent. The total principal and interest remaining to be paid on the debt is \$4,889,559. Principal and interest paid for the current year and total net revenues were \$512,866 and \$69,670, respectively.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2009 are as follows:

Governmental Activities

	General Obligation Notes		General Obligation Bonds		OWDA Loan		HUD Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 131,411	\$ 16,255	\$ 556,000	\$ 684,119	\$ 48,529	\$ 43,978	\$ 40,000	\$ 1,535
2011	129,799	12,852	578,000	621,551	51,460	41,046	40,000	1,348
2012	131,273	9,536	604,000	598,092	54,567	37,938	45,000	1,163
2013	118,557	6,301	633,000	573,572	57,864	34,642	50,000	949
2014	111,200	3,890	650,000	547,878	61,358	31,148	55,000	716
2015-2019	22,400	1,590	3,697,000	2,318,920	367,069	95,462	110,000	654
2020-2024	0	0	4,453,000	1,508,252	87,254	5,251	0	0
2025-2029	0	0	1,642,000	807,360	0	0	0	0
2030-2034	0	0	2,018,000	460,344	0	0	0	0
2035-2039	0	0	824,000	81,804	0	0	0	0
2040-2041	0	0	51,000	3,465	0	0	0	0
<i>Total</i>	<u>\$ 644,640</u>	<u>\$ 50,424</u>	<u>\$ 15,706,000</u>	<u>\$ 8,205,357</u>	<u>\$ 728,101</u>	<u>\$ 289,465</u>	<u>\$ 340,000</u>	<u>\$ 6,365</u>

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 11 – Long-Term Obligations (Continued)

Business-Type Activities

	Mortgage Revenue Notes		Mortgage Revenue Bonds		OWDA Loans		OPWC
	Principal	Interest	Principal	Interest	Principal	Interest	Loans Principal
2010	\$ 8,350	\$ 2,946	\$ 110,430	\$ 303,368	\$ 183,372	\$ 10,907	\$ 56,767
2011	8,350	2,525	113,985	305,402	186,280	8,001	56,767
2012	8,350	2,110	158,584	300,239	189,281	4,999	56,767
2013	8,350	1,683	166,445	293,032	25,399	2,316	56,767
2014	8,350	1,262	172,362	285,547	13,073	785	53,809
2015-2019	16,700	1,263	980,465	1,311,065	0	0	179,270
2020-2024	0	0	637,000	1,112,591	0	0	49,670
2025-2029	0	0	792,000	959,303	0	0	30,269
2030-2034	0	0	977,000	769,317	0	0	30,270
2035-2039	0	0	1,209,000	534,916	0	0	24,216
2040-2044	0	0	892,000	309,744	0	0	0
2045-2046	0	0	903,000	113,275	0	0	0
<i>Total</i>	<u>\$ 58,450</u>	<u>\$ 11,789</u>	<u>\$ 7,112,271</u>	<u>\$ 6,597,799</u>	<u>\$ 597,405</u>	<u>\$ 27,008</u>	<u>\$ 594,572</u>

Note 12 – Capital Leases

In prior years, the County entered into a capitalized lease obligation for a Sheriff's radio and cabling equipment installed in the courthouse. These leases meet the criteria of a capital lease as they transfer benefits and risks of ownership to the lessee. The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2009.

	Amounts
2010	\$ 95,235
2011	95,235
2012	95,235
2013	95,236
2014	50,464
2015	50,464
Total Minimum Lease Payments	481,869
Less: Amount Representing Interest	(59,012)
Present Value of Minimum Lease Payments	<u>\$ 422,857</u>

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 13 – Interfund Transfers and Advances

Interfund transfers for the year ended December 31, 2009 consisted of the following:

<u>Transfers To</u>	<u>Transfers From</u>			<u>Total</u>
	<u>General</u>	<u>Mental Retardation and Developmental Disabilities</u>	<u>Other Governmental</u>	
Public Assistance	\$ 290,193	\$ 0	\$ 0	\$ 290,193
Other Governmental	814,965	60,000	318,045	1,193,010
Business Type:				
Non-Major Enterprise	<u>400,000</u>	<u>0</u>	<u>0</u>	<u>400,000</u>
<i>Total Transfers</i>	<u>\$ 1,505,158</u>	<u>\$ 60,000</u>	<u>\$ 318,045</u>	<u>\$ 1,883,203</u>

Transfers were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed. The transfer from the general fund to the public assistance fund was for the mandated share. The Mental Retardation and Developmental Disabilities (MRDD) fund transfer was to a MRDD permanent improvement fund. The transfers from the other governmental funds consisted of four separate transfers from the municipal court funds to the debt service funds for debt payments.

During 2009, the general fund made advances to other governmental funds. These advances were repaid by year end. The motor vehicle and gas tax fund transferred \$100,000 to the permanent improvement fund during 2009. This advance was still outstanding at December 31, 2009.

Note 14 – Shared Risk Pool

County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among thirty-nine counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 14 – Shared Risk Pool (Continued)

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2009 was \$315,906.

Note 15 – Jointly Governed Organizations

The Columbiana County Planning Commission The County participates in the Columbiana County Planning Commission (the "Commission") which is a statutorily created, political subdivision of the State of Ohio. The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. The Commission is jointly governed by Columbiana County and local municipalities and townships. In 2009, the County did not contribute to the Commission.

Carroll/Columbiana/Harrison Solid Waste Management District The County participates in the Carroll/Columbiana/Harrison Solid Waste Management District (the "District"), which is a statutorily created, political subdivision of the State of Ohio. The District is a jointly governed organization including Columbiana, Carroll, Harrison counties and local municipalities and townships. Of the nine members of the District's governing board, the County Commissioners represent three. Each member's control over the operation of the District is limited to its representation on the Board. In 2009, the County did not contribute to the District.

Multi-County Juvenile Attention System The County also participates in the Multi-County Juvenile Attention System (the "System"), a jointly governed organization between the following counties: Stark, Holmes, Carroll, Columbiana, Tuscarawas and Wayne. The operation of the System is controlled by a nineteen member Board of Trustees, three members from each county with the exception of Stark which has four members. The degree of control exercised by any of the participating Counties is limited to its representation on the Board. The County paid \$784,452 to the System during 2009.

North East Ohio Network (N.E.O.N) N.E.O.N is a council of governments formed to provide a regional effort in administering, managing and operating programs for certain individuals with development disabilities. Participating counties include Columbiana, Portage, Trumbull, Geauga, Lake, Mahoning and Stark Counties. N.E.O.N operation is controlled by their board which is comprised of the superintendents of Mental Retardation and Developmental Disabilities of each participating county. N.E.O.N received sufficient revenues from State grant monies and no additional funds were needed from the participants.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 15 – Jointly Governed Organizations (Continued)

Northeast Ohio Trade and Economic Consortium (Consortium) The consortium is a jointly governed organization by the counties of Columbiana, Portage, Stark, Mahoning, Trumbull and Summit. A six member regional council oversees the operations of the Consortium. Each county appoints one council member. The Council exercises total authority for the day-to-day operations of the Consortium. These include budgeting, appropriating, contracting and designating management. The County has no financial responsibility for any of the Consortium’s liabilities. Complete financial statements may be obtained from the Northeast Ohio Trade and Economic Consortium, Akron, Ohio.

Note 16 – Related Organization

Columbiana County Airport Authority

The Columbiana County Airport Authority (the “Airport Authority”), was created by resolution of the County Commissioners under the authority of Section 308 of the Ohio Revised Code. The Airport Authority is governed by a seven-member Board of Trustees appointed by the County Commissioners. The Board of Trustees has the authority to exercise all of the powers and privileges provided under law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rentals and other charges; the authority to acquire, construct, operate, manage and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing a facility or permanent improvement. The Airport Authority serves as custodian of its own funds and maintains all records and accounts independent of Columbiana County. The County contributed \$10,005 to the Airport Authority in 2009.

Note 17 – Contingencies

The County was a co-defendant in a civil suit filed in the Columbiana County Common Pleas Court involving a contract dispute. In February 2008, a judgment was granted in favor of the plaintiff. The co-defendant provided the County with an indemnification letter, however, the County was still named in the judgment. The award amount was \$9.7 million plus interest. The case is currently in the Court of Appeals.

The County is currently involved in several other pending and threatened lawsuits. The outcomes of these matters and the potential effect on the County’s financial position is unknown at this time.



Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS

122 4th St. NW | PO Box 1020
New Philadelphia, OH 44663-5120

June 10, 2010

Board of Commissioners
Columbiana County
Lisbon, OH 44432

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Columbiana (the "County") as of and for the year ended December 31, 2009, wherein we noted the County uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted certain matters that we reported to management of the County in a separate letter dated June 10, 2010.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs and responses as item 2009-001.

The County's responses to the findings identified in our audit are described in the accompanying County's Response to Findings. We did not audit the County's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies, pass-through entities, and the Board of Commissioners and is not intended to be and should not be used by anyone other than those specified parties.

Hea & Associates, Inc.



122 4th St. NW | PO Box 1020
New Philadelphia, OH 44663-5120

June 10, 2010

Board of County Commissioners
Columbiana County
Lisbon, Ohio 44432

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the County of Columbiana (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County of Columbiana complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.

Internal Control over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

We did, however, identify certain matters that we reported to management of the County in a separate letter dated June 10, 2010.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies, pass-through entities, and the Board of Commissioners and is not intended to be and should not be used by anyone other than those specified parties.

Hea & Associates, Inc.

COLUMBIANA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Grant/ Pass-Through Entity Number	Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE:			
<i>Passed through Ohio Department of Education</i>			
National School Lunch Program	10.555	03-PU-06-09	\$ 20,359
National School Lunch Program	10.553	03-PU-06-09	<u>9,177</u>
Total U.S. Department of Agriculture			29,536
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
<i>(Passed through Ohio Department of Development)</i>			
Community Development Block Grant	14.228	B-C-07-015-1	8,905
	14.228	B-F-08-015-1	142,062
	14.228	GOAR 8-020	2,500
	14.228	A-07-015-1	100,000
	14.228	B-F-07-015-1	77,469
Neighborhood Stabilization Program	14.228	B-Z-08-015-1	248,248
Microenterprise Loan Fund	14.228	N/A	<u>75,100</u>
Total Community Development Block Grant			654,284
<i>(Passed through State Department of Development)</i>			
HOME Investment Partnerships Program	14.239	B-C-07-015-2	<u>151,472</u>
Total U.S. Department of Housing and Urban Development			805,756
U.S. DEPARTMENT OF TRANSPORTATION:			
<i>(Passed through Ohio Department of Transportation)</i>			
Highway Planning and Construction	20.205	PID 24453	495,552
	20.205	PID 78784	484,094
	20.205	PID 19817	20,263
2008 Federal ODOT monies excluded	20.205	CY2008	<u>141,030</u>
Total Highway Planning and Construction			<u>1,140,939</u>
Total U.S. Department of Transportation			1,140,939
U.S. DEPARTMENT OF JUSTICE:			
<i>(Passed through Governor's Office of Criminal Justice)</i>			
Crime Victim's Assistance-VOCA	16.575	2009VAGENE174	40,130
Crime Victim's Assistance-VOCA	16.575	2010VAGENE174	7,140
VOCA Court Advocate	16.575	2009VACHAE553	<u>12,182</u>
Total VOCA			59,452
Edward Byrne Memorial Justice Assistance Grant	16.738		40,000
Edward Byrne Memorial Justice Assistance Grant	16.738	2008-JG-A01-6359	<u>42,000</u>
Total Edward Byrne Memorial Justice Assistance Grant			82,000
Bulletproof Vest Partnership	16.607		315
Selective Traffic	20.600		1,806
Juvenile Accountability Block Grant	16.523		<u>549</u>
			<u>549</u>
Total U.S. Department of Justice			144,122
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
<i>(Passed through State Department of Mental Retardation and Development Disabilities)</i>			
Retroactive eFMAP - ARRA	93.778		116,931
Postable eFMAP - ARRA	93.778		<u>70,223</u>
Total 93.778 passed through State Department of Mental Retardation and Development Disabilities			187,154

COLUMBIANA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Grant/ Pass-Through Entity Number	Disbursements
<i>(Passed through Ohio Department of Alcohol and Drug Addiction Services)</i>			
Substance Abuse Prevention & Treatment Block Grant			
Women's Focus Project	93.959		\$ 157,977
Federal Per Capita	93.959		348,944
TANF Prevention Services	93.959		41,681
Prevention at Work	93.959		26,437
Alcohol & Drug Federal Youth Led Prev Grant	93.959		5,648
Total Substance Abuse Prevention & Treatment Block Grant			<u>580,687</u>
Title XIX Medical Assistance Program	93.778		683,412
ARRA Medicaid Assist	93.778		543,600
ARRA Medicaid Assist	93.778		107,282
Total 93.778 passed through Ohio Department of Alcohol and Drug Addiction Services			<u>1,334,294</u>
Alcohol and Drug Free State Incentive Grant	93.243		14,737
<i>(Passed through Ohio Department of Mental Health)</i>			
Block Grants for Community Mental Health Services Community Plan	93.958		82,438
Total Block Grants for Community Mental Health Services			<u>82,438</u>
Title XIX Medical Assistance Program	93.778		3,499,005
ARRA Medicaid Assist	93.778		543,600
Total 93.778 passed through Ohio Department of Mental Health			<u>4,042,605</u>
Title XX Social Services Block Grant	93.667		38,570
PATH Homeless	93.150		14,907
FAST Grant	93.556		29,053
Incredible Years Grant	93.556		7,439
Total 93.556 passed through Ohio Department of Mental Health			<u>36,492</u>
Mental Health Childcare Quality	93.575		19,615
<i>(Passed through Ohio Department of Aging)</i>			
Special Program for the Aging, Title IIIB	93.044		51,734
Special Program for the Aging, Title IIID	93.043		6,689
Total Aging Cluster			<u>58,423</u>
<i>(Passed through the Ohio Department of Job & Family Services)</i>			
Supplemental Nutrition Assistance Program Cluster:			
Food Assistance Refunds	10.551	G-89-20-1042	12,258
FAET	10.561	G-89-20-1042	29,571
Food Assistance	10.561	G-89-20-1042	442,806
Food Assistance	10.561	G-1011-11-5023	173,656
State Administrative Matching Grants for SNAP - ARRA	10.561	G-89-20-1042	64,394
Total State Administrative Matching Grants for SNAP			<u>710,427</u>
Total Supplemental Nutrition Assistance Program Cluster			<u>722,685</u>
Temporary Assistance for Needy Families:			
Child Care Services - CCDF	93.558	G-89-20-1042	1,635,497
Early Start (Help Me Grow)	93.558	G-89-20-1042	340,971
TANF Administration	93.558	G-89-20-1042	116,069
TANF Administration	93.558	G-1011-11-5023	2,895
TANF Disaster	93.558	G-89-20-1042	(50)
TANF Regular	93.558	G-89-20-1042	2,753,116
TANF Regular	93.558	G-1011-11-5023	546,808
KPIP - Admin/Outreach	93.558	G-89-20-1042	4,055
TANF Independent Living	93.558	G-89-20-1042	5,710
Total Temporary Assistance for Needy Families			<u>5,405,071</u>

COLUMBIANA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Grant/ Pass-Through Entity Number	Disbursements
Child Care and Development Fund Cluster:			
Child Care Services - CCDF	93.575	G-89-20-1042	\$ 1,418,926
Quality Child Care	93.575	G-89-20-1042	16,928
Total Child Care and Development Block Grant			<u>1,435,854</u>
Child Care Administration	93.596	G-1011-11-5023	8,684
Child Care Non-Admin	93.596	G-89-20-1042	106,401
Child Care Non-Admin	93.596	G-1011-11-5023	60,778
Child Care Services - CCDF	93.596	G-89-20-1042	59,085
Child Care Services - CCDF	93.596	G-1011-11-5023	1,359,405
Total Child Care Mandatory and Matching Funds of the CCDF			<u>1,594,353</u>
Child Care and Development Block Grant - ARRA	93.713	G-89-20-1042	545,000
Total Child Care and Development Fund Cluster			<u>3,575,207</u>
Promoting Safe and Stable Families:			
ESAA Preservation	93.556	G-89-20-1042	20,933
ESAA Preservation	93.556	G-1011-11-5023	5,712
ESAA Reunification	93.556	G-89-20-1042	28,807
ESAA Reunification	93.556	G-1011-11-5023	9,399
Total Promoting Safe and Stable Families			<u>64,851</u>
Child Support Enforcement:			
Child Support County Incentives - ARRA	93.563	G-89-20-1042	478,490
Child Support/OCS Match	93.563	G-89-20-1042	(51,329)
Child Support/State Match	93.563	G-89-20-1042	873,202
Child Support/State Match	93.563	G-1011-11-5023	36,655
Total Child Support Enforcement			<u>1,337,018</u>
Child Welfare Services:			
IV-B Admin	93.645	G-89-20-1042	(3,000)
IV-B	93.645	G-89-20-1042	66,876
IV-B	93.645	G-1011-11-5023	10,824
Total Child Welfare Services			<u>74,700</u>
Foster Care Title IV-E	93.658	G-89-20-1042	985,117
Foster Care Title IV-E - ARRA retroactive	93.658	G-89-20-1042	28,710
Foster Care Title IV-E - ARRA	93.658	G-89-20-1042	62,536
Total Foster Care Title IV-E			<u>1,076,363</u>
Adoption Assistance	93.659	G-89-20-1042	3,845
Adoption Assistance	93.659	G-1011-11-5023	902
Adoption Assistance - ARRA retroactive	93.659	G-89-20-1042	3,111
Total Adoption Assistance			<u>7,858</u>
Social Services Block Grant:			
Title XX - Base	93.667	G-89-20-1042	560,386
Title XX - Base	93.667	G-1011-11-5023	93,990
Title XX - Transfer Amount	93.667	G-89-20-1042	608,105
Title XX - Transfer Amount	93.667	G-1011-11-5023	176,372
Total Social Services Block Grant			<u>1,438,853</u>
Child Abuse and Neglect Prevention Grant	93.669	G-89-20-1042	2,000
Chaffee Foster Care Independence Program	93.674	G-89-20-1042	15,706
Chaffee Foster Care Independence Program	93.674	G-1011-11-5023	11,653
Total Chaffee Foster Care Independence Program			<u>27,359</u>
Children's Health Insurance Program	93.767	G-1011-11-5023	3,545
Medical Assistance Program:			
Medicaid	93.778	G-89-20-1042	440,117
Medicaid	93.778	G-1011-11-5023	149,345
Medicaid NET	93.778	G-89-20-1042	343,955
Medicaid NET	93.778	G-1011-11-5023	107,694
Medicaid Pregnancy Related Services/Transportation	93.778	G-89-20-1042	28
Total Medical Assistance Program			<u>1,041,139</u>

COLUMBIANA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Grant/ Pass-Through Entity Number	Disbursements
<i>Passed through Ohio Secretary of State</i> Voting Access for Individual with Disabilities	93.617		\$ 15,862
Memo Total Medical Assistance Program	93.778		6,605,192
Memo Total Promotion Safe and Stable Families	93.556		101,343
Memo Total Child Care and Development Block Grant	93.575		1,455,469
Total U.S. Department of Health and Human Services			21,202,433
U.S. DEPARTMENT OF EDUCATION:			
<i>(Passed through Ohio Department of Education)</i>			
Special Education Cluster			
Title VI-B	84.027	065920-6BSF-2009	31,899
	84.027	065920-6BSF-2010	22,629
Special Education, Part B--ARRA	84.027	065920-6BSF-2009	14,900
			<u>69,428</u>
Early Childhood Special Education	84.173	065920-PGS1-2009P	6,727
	84.173	065920-PGS1-2010P	4,524
	84.173A	065920-SE1	1,350
			<u>12,601</u>
Total Special Education Cluster			82,029
Title V	84.298	065920-C2S1-2009	21
	84.298	065920-C2S1-2010	50
			<u>71</u>
Safe and Drug Free Schools	84.186B		<u>33,449</u>
Total U.S. Department of Education			115,549
U.S. DEPARTMENT OF HOMELAND SECURITY:			
<i>(Passed through Ohio Emergency Management Agency)</i>			
Emergency Management Performance Grant	97.042	2008-EME-80002	99,725
State Homeland Security Program	97.073	2007-GET-70030	45,435
<i>(Passed through Emergency Food and Shelter Board)</i>			
Emergency Food and Shelter Program	97.024	671000-099	10,190
Emergency Food and Shelter Program ARRA	97.114	AR27-6710-00	5,200
			<u>15,390</u>
Total U.S. Department of Homeland Security			160,550
U.S. ELECTION ASSISTANCE COMMISSION:			
<i>Passed through the Ohio Secretary of State</i>			
Help America Vote Act Requirements Payments	90.401		<u>2,130</u>
Total U.S. Election Assistance Commission			2,130
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 23,601,015</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF COLUMBIANA, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2009

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Columbiana County and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State and Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: LOANS OUTSTANDING

The County established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by equipment and mortgages.

Activity in the CDBG revolving loan fund during 2009 is as follows:

Beginning loans receivables balance as of January 1, 2009	\$ 359,784
Loans made	0
Loan principal repaid on loans issued prior to 2009	<u>(29,711)</u>
Ending loans receivable balances as of December 31, 2009	333,073
Cash balance on hand in revolving loan fund as of December 31, 2009	<u>143,382</u>
<i>Total value of revolving loan fund portion of the CDBG 14.228 program</i>	<i>476,455</i>

Activity in the CDBG microenterprise loan fund during 2009 is as follows:

Beginning loans receivables balance as of January 1, 2009	\$ 93,802
Loans made	75,100
Loan principal repaid	<u>(19,595)</u>
Ending loans receivable balances as of December 31, 2009	149,307
Cash balance on hand in revolving loan fund as of December 31, 2009	<u>32,576</u>
<i>Total value of microenterprise loan portion of the CDBG 14.228 program</i>	<i>181,883</i>
<i>Other grants administered through the 14.288 program</i>	<u><i>579,184</i></u>
Total CDBG 14.228 program	<u><u>\$ 1,237,522</u></u>

COUNTY OF COLUMBIANA, OHIO

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2009**

NOTE 3: MATCHING REQUIREMENTS

Certain federal programs require that the County contribute non-federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE 4: SUBRECIPIENTS

The County passes-through certain Federal assistance received from U.S. Department of Housing and Urban Development and U.S. Department of Health and Human Services to other governments or not for-profit agencies (subrecipients). As described in Note 1, the County records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the County is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

COLUMBIANA COUNTY, OHIO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS
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A-133 Ref.
.505(d)

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any internal control deficiencies reported for major programs which were not considered to be material?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section 510(a) of Circular A-133?	No
(d) (1) (vii)	Major Programs (list): Medical Assistance Program (Medicaid, Title XIX) Title XX – Social Service Block Grant Title IV-E – Foster Care Child Care Cluster Title IV-D – Child Support Enforcement TANF Highway Planning and Construction Supplemental Nutrition Assistance Program Cluster	CFDA # 93.778 93.667 93.658 93.575; 93.596; 93.713 93.563 93.558 20.205 10.551; 10.561
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$707,700 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	No

COLUMBIANA COUNTY, OHIO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
DECEMBER 31, 2009**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

MATERIAL NON-COMPLIANCE

FINDING NUMBER	2009-001
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Ohio Admin. Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP).

The County chose to prepare its financial statements and notes on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than GAAP. The financial statements and notes omit assets, liabilities, fund equities, and disclosures that are material, however cannot be determined at this time.

It is recommended that the County prepare its annual financial report in accordance with GAAP.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

COLUMBIANA COUNTY

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133, SECTION .315(b)
DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2008-001	Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03, the County failed to prepare its financial statements in accordance with generally accepted accounting principles	No	Re-issued as Finding 2009-001
2008-002	Not all direct payments made by ODOT and OPWC on behalf of the County were recorded in the County's financial records.	Yes	

COLUMBIANA COUNTY
COUNTY'S RESPONSE TO FINDINGS
DECEMBER 31, 2009

Response to Finding 2009-001:

Columbiana County has tried to abide by the State's requirements, but the County has had considerable financial problems over the past few years. The requirement for ORC 117.38 is almost an impossible task for the County. The Commissioners and County Auditor decided against it due not only to money concerns, but also having adequate staffing to pull together the appropriate records and still maintain their normal job duties. Additionally, the County weighed in the extra cost the audit would incur if GAAP statements were prepared, and decided it was not in the County's best interest to implement GAAP statements this year. The County feels the GAAP look- alike report provides a suitable substitution.



Mary Taylor, CPA
Auditor of State

COLUMBIANA COUNTY FINANCIAL CONDITION

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 26, 2010**