



Dave Yost • Auditor of State

**FINANCIAL CONDITION
COLUMBIANA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Statement of Net Assets – Cash Basis	12
Statement of Activities – Cash Basis	13
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities – Cash Basis	15
Statement of Cash Receipts, Disbursements and Changes In Cash Basis Fund Balances – Governmental Funds	16
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	17
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis) – General Fund	18
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis) – Motor Vehicle and Gasoline Tax Fund.....	19
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis) – Mental Health Fund.....	20
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis) – Public Assistance Fund.....	21
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis) – Board of Developmental Disabilities Fund	22
Statement of Fund Net Assets – Cash Basis - Proprietary Funds.....	23
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets – Cash Basis - Proprietary Funds	24
Statement of Fiduciary Net Assets – Cash Basis - Fiduciary Funds	25
Statement of Changes in Fiduciary Net Assets – Cash Basis - Fiduciary Funds	26
Notes to the Basic Financial Statements	27
Federal Awards Expenditures Schedule.....	58
Notes to the Federal Awards Expenditures Schedule	61
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	63
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	65

**FINANCIAL CONDITION
COLUMBIANA COUNTY**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Schedule of Findings.....	67
Schedule of Prior Audit Findings.....	69



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Commissioners:

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, 2011, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

Ohio Administrative Code § 117-2-03 (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 accounting basis. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statements 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 Columbiana County, Ohio, as of December 31, 2011, and the respective changes in cash financial position thereof and the respective budgetary comparisons for the General, Motor Vehicle and Gas Tax, Mental Health, Public Assistance, and Board of Developmental Disabilities for the year then ended on the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012, 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 and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements taken as a whole. The federal awards expenditure schedule provides additional information required by the U.S. Office of 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. The federal awards expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

June 29, 2012

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(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, 2011, 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 2011 are as follows:

- Total net assets decreased \$4,294,660, with the net assets of governmental activities decreasing \$4,200,254 and business-type activities decreasing \$94,406.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$38,390,388, a decrease of \$3,903,999 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 expanded 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, 2011
(Unaudited)

Reporting the County as a Whole

The statement of net assets and the statement of activities reflect how the County did financially during 2011, 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 report 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, 2011
(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 Board of Developmental Disabilities special revenue funds and the Construction capital projects fund. 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, 2011
(Unaudited)

Columbiana County as a Whole

Table 1 provides a summary of the County's net assets for 2011 compared to 2010 on a cash basis:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Equity in Pool Cash and Cash Equivalents	\$ 35,567,427	\$ 39,329,726	\$ 1,809,774	\$ 1,904,180	\$ 37,377,201	\$ 41,233,906
Cash and Cash Equivalents with Fiscal Agents	2,846,725	3,284,680	0	0	2,846,725	3,284,680
Total Assets	38,414,152	42,614,406	1,809,774	1,904,180	40,223,926	44,518,586
Net Assets						
Restricted for:						
Capital Projects	5,552,253	11,095,926	0	0	5,552,253	11,095,926
Debt Service	2,012,431	2,282,424	0	0	2,012,431	2,282,424
Public Safety	2,433,786	2,186,045	0	0	2,433,786	2,186,045
Public Works	2,691,349	2,718,984	0	0	2,691,349	2,718,984
Health Services	4,964,771	3,952,603	0	0	4,964,771	3,952,603
Human Services	16,182,017	16,113,896	0	0	16,182,017	16,113,896
Unclaimed Monies	320,880	315,479	0	0	320,880	315,479
Other Purposes	1,737,262	2,190,776	0	0	1,737,262	2,190,776
Unrestricted	2,519,403	1,758,273	1,809,774	1,904,180	4,329,177	3,662,453
Total Net Assets	\$ 38,414,152	\$ 42,614,406	\$ 1,809,774	\$ 1,904,180	\$ 40,223,926	\$ 44,518,586

Net assets of governmental activities decreased \$4,200,254, primarily due to the County receiving \$10,000,000 in bond and note proceeds during 2010 and spending over \$6 million during the year for the government services building.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

Table 2 shows the changes in net assets for 2011 compared to 2010.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Receipts						
<i>Program Receipts</i>						
Charges for Services	\$ 8,084,078	\$ 8,433,474	\$ 2,060,617	\$ 1,997,528	\$ 10,144,695	\$ 10,431,002
Operating Grants & Contributions	37,107,103	42,859,231	0	0	37,107,103	42,859,231
Capital Grants & Contributions	4,274,309	5,538,733	2,487,225	2,088,072	6,761,534	7,626,805
<i>Total Program Receipts</i>	<u>49,465,490</u>	<u>56,831,438</u>	<u>4,547,842</u>	<u>4,085,600</u>	<u>54,013,332</u>	<u>60,917,038</u>
<i>General Receipts</i>						
Property Taxes	8,822,939	8,798,524	0	0	8,822,939	8,798,524
Permissive Sales Tax	13,185,196	12,292,651	0	0	13,185,196	12,292,651
Grants and Entitlements	2,358,762	2,335,422	0	0	2,358,762	2,335,422
Conveyance Fees	0	0	0	0	0	0
Investment Income	501,421	614,508	370	743	501,791	615,251
General Obligation Bonds Issued	0	2,105,000	0	0	0	2,105,000
General Obligation Notes Issued	0	7,895,000	0	0	0	7,895,000
OPWC Loan Issued	0	0	203,584	0	203,584	0
OWDA Loan Issued	0	0	0	2,000,000	0	2,000,000
Mortgage Revenue Bonds Issued	0	0	194,144	3,256,459	194,144	3,256,459
Proceeds of Loans	0	750,100	0	0	0	750,100
HUD Loan Issued	0	0	0	0	0	0
Other	876,281	338,478	150,516	89,249	1,026,797	427,727
<i>Total General Receipts</i>	<u>25,744,599</u>	<u>35,129,683</u>	<u>548,614</u>	<u>5,346,451</u>	<u>26,293,213</u>	<u>40,476,134</u>
Transfers	0	(19,933)	0	19,933	0	0
<i>Total General Receipts and Transfers</i>	<u>\$ 75,210,089</u>	<u>\$ 91,941,188</u>	<u>\$ 5,096,456</u>	<u>\$ 9,451,984</u>	<u>\$ 80,306,545</u>	<u>\$ 101,393,172</u>

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Program Disbursements						
General Government:						
Legislative and Executive	\$ 6,159,918	\$ 6,187,865	\$ 0	\$ 0	\$ 6,159,918	\$ 6,187,865
Judicial	5,884,321	5,383,862	0	0	5,884,321	5,383,862
Public Safety	7,517,302	7,661,531	0	0	7,517,302	7,661,531
Public Works	10,628,436	12,184,260	0	0	10,628,436	12,184,260
Health	9,572,220	10,258,427	0	0	9,572,220	10,258,427
Human Services	28,324,607	30,654,607	0	0	28,324,607	30,654,607
Conservation and Recreation	38,753	42,569	0	0	38,753	42,569
Economic Development and Assistance	1,029,618	2,048,578	0	0	1,029,618	2,048,578
Capital Outlay	6,837,032	1,600,779	0	0	6,837,032	1,600,779
Debt Service	2,867,164	2,012,699	0	0	2,867,164	2,012,699
Outside Contributions	533,110	768,469	0	0	533,110	768,469
Employee Contributions	17,862	62,163	0	0	17,862	62,163
Sewer	0	0	4,640,741	8,888,664	4,640,741	8,888,664
Police Communications	0	0	38,577	69,297	38,577	69,297
Water	0	0	511,544	611,266	511,544	611,266
<i>Total Program Disbursements</i>	<u>79,410,343</u>	<u>78,865,809</u>	<u>5,190,862</u>	<u>9,569,227</u>	<u>84,601,205</u>	<u>88,435,036</u>
<i>Change in Net Assets</i>	(4,200,254)	13,075,379	(94,406)	(117,243)	(4,294,660)	12,958,136
<i>Net Assets Beginning of Year</i>	<u>42,614,406</u>	<u>29,539,027</u>	<u>1,904,180</u>	<u>2,021,423</u>	<u>44,518,586</u>	<u>31,560,450</u>
<i>Net Assets End of Year</i>	<u><u>\$ 38,414,152</u></u>	<u><u>\$ 42,614,406</u></u>	<u><u>\$ 1,809,774</u></u>	<u><u>\$ 1,904,180</u></u>	<u><u>\$ 40,223,926</u></u>	<u><u>\$ 44,518,586</u></u>

Governmental Activities

Program receipts represent only 66 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 44 percent of the County's total receipts, and of this amount 85 percent is property and sales taxes. State and federal grants and entitlements make up 9 percent of the County's general receipts. Other receipts are insignificant and somewhat unpredictable revenue sources.

Operating grants and contributions decreased \$5,752,128 due to decreases in state and federal funding of the public assistance and children services programs and community development. There was also a decrease in the amount of grant assistance from the Ohio Department of Transportation.

Health and human services make up 12 and 36 percent, respectively, of total governmental disbursements. The County actively seeks grant money in order to provide the best service possible to its residents.

The \$1,018,960 decrease in economic development and assistance is due to the decrease in intergovernmental revenue.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

Business-Type Activities

Business-type activities include the County's sewer, police communication and water operations. Net assets for 2011 decreased \$94,406.

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 2011	Total Cost of Services 2010	Net Cost of Services 2011	Net Cost of Services 2010
Program Disbursements				
General Government:				
Legislative and Executive	\$ 6,159,918	\$ 6,187,865	\$ (3,181,167)	\$ (3,460,552)
Judicial	5,884,321	5,383,862	(3,209,197)	(2,772,739)
Public Safety	7,517,302	7,661,531	(5,798,090)	(6,001,289)
Public Works	10,628,436	12,184,260	(167,205)	(433,069)
Health	9,572,220	10,258,427	(894,492)	(1,433,221)
Human Services	28,324,607	30,654,607	(7,858,323)	(5,203,169)
Conservation and Recreation	38,753	42,569	(30,353)	(34,169)
Economic Development and Assistance	1,029,618	2,048,578	(218,358)	(32,102)
Capital Outlay	6,837,032	1,600,779	(5,660,843)	(620,510)
Debt Service	2,867,164	2,012,699	(2,867,164)	(2,012,699)
Outside Participation	533,110	768,469	(57,727)	(28,543)
Employee Contribution	17,862	62,163	(1,934)	(2,309)
Sewer	4,640,741	8,888,664	(519,974)	(5,205,592)
Police Communications	38,577	69,297	51,223	(24,100)
Water	511,544	611,266	(174,269)	(253,925)
Total	\$ 84,601,205	\$ 88,435,036	\$ (30,587,873)	\$ (27,517,988)

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 decreased for 2011 and the net cost of services increased in 2011. The decrease in the net costs of services for the public works function is due to the County completing fewer road and bridge projects during the year due to the decrease in funding from the Ohio Department of Transportation. The increase in capital outlay is due to the County beginning construction of a new government services building during 2011. The decrease in the net cost of service of the sewer fund is due to a decrease in constructing sewer lines and a decrease in principal payments on debt.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

Columbiana County's Funds

Governmental Funds

Total governmental funds had receipts and other financing sources of \$76,652,935 and disbursements and other financing uses of \$80,556,934.

The General fund is the primary operating fund of the County. At the end of 2011, ending fund balance was \$2,816,519, which is an increase of \$796,195 from 2010. Increase in permissive sales tax receipts and charges for services receipts are the primary reason for the increase in fund balance.

The fund balance of the Motor Vehicle and Gas Tax fund increased \$7,296 during 2011.

During 2011, the fund balance of the Mental Health fund increased \$1,063,220, primarily due to a decrease in the cost of providing services.

The Public Assistance fund balance decreased \$238,186 as compared to 2010. Although disbursements decreased, receipts were reduced by \$2,552,432.

The fund balance of the Board of Developmental Disabilities fund decreased \$305,435 during 2011. The decrease in fund balance is primarily due to a transfer out to the construction fund.

The greatest change within governmental funds occurred within the construction fund. The construction fund disbursements were \$5,557,383 more than receipts and other financing sources due to the County paying for the construction of a new government services building which began during the current year. The County received bond and note proceeds for the construction of the government services building during 2010.

Enterprise Funds

Total enterprise funds had operating receipts of \$2,211,133 and operating disbursements of \$4,707,735. The sewer enterprise fund had an operating loss of \$52,551 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 2011 the County amended its general fund budget several times to reflect changing circumstances. Final budgeted receipts were \$18,041,278, \$982,125 above original budgeted receipts of \$17,059,153. The difference between final budgeted receipts and actual receipts was \$982,432, primarily due to the County receiving more sales tax receipts than expected.

Final disbursements (including other financing uses) were budgeted at \$18,843,352, while original disbursements were budgeted at \$17,685,945. Actual disbursements were \$36,228 more than the final budget.

Columbiana County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

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.

Debt

At December 31, 2011, Columbiana County had the following debt outstanding:

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	Restated	2011	Restated
				2010		2010
General Obligation Notes	\$ 8,251,000	8,362,200	\$ 0	\$ 0	\$ 8,251,000	\$ 8,362,200
Mortgage Revenue Notes	0	0	41,750	50,100	41,750	50,100
General Obligation Bonds	16,463,757	17,022,892	0	0	16,463,757	17,022,892
Mortgage Revenue Bonds	0	0	6,887,826	6,807,679	6,887,826	6,807,679
OWDA Loans	628,113	679,573	0	0	628,113	679,573
OPWC Loans	0	0	694,256	544,412	694,256	544,412
HUD Loan	0	300,000	0	0	0	300,000
Columbia Drive Loan	0	750,100	0	0	0	750,100
Capital Leases	266,292	346,311	0	0	266,292	346,311
<i>Total</i>	<u>\$ 25,609,162</u>	<u>\$ 27,461,076</u>	<u>\$ 7,623,832</u>	<u>\$ 7,402,191</u>	<u>\$ 33,232,994</u>	<u>\$ 34,863,267</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, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 35,567,427	\$ 1,809,774	\$ 37,377,201
Cash and Cash Equivalents with Fiscal Agent	2,846,725	0	2,846,725
<i>Total Assets</i>	<u>\$ 38,414,152</u>	<u>\$ 1,809,774</u>	<u>\$ 40,223,926</u>
Net Assets			
Restricted for:			
Capital Outlay	5,552,253	0	5,552,253
Debt Service	2,012,431	0	2,012,431
Public Safety	2,433,786	0	2,433,786
Public Works	2,691,349	0	2,691,349
Health Services	4,964,771	0	4,964,771
Human Services	16,182,017	0	16,182,017
Unclaimed Monies	320,880	0	320,880
Other Purposes	1,737,262	0	1,737,262
Unrestricted	2,519,403	1,809,774	4,329,177
<i>Total Net Assets</i>	<u>\$ 38,414,152</u>	<u>\$ 1,809,774</u>	<u>\$ 40,223,926</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2011

	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	\$ 6,159,918	\$ 2,978,751	\$ 0	\$ 0	\$ (3,181,167)	\$ 0	\$ (3,181,167)
Judicial	5,884,321	2,489,268	185,856	0	(3,209,197)	0	(3,209,197)
Public Safety	7,517,302	1,044,479	674,733	0	(5,798,090)	0	(5,798,090)
Public Works	10,628,436	91,131	7,139,187	3,230,913	(167,205)	0	(167,205)
Health	9,572,220	251,114	8,426,614	0	(894,492)	0	(894,492)
Human Services	28,324,607	596,831	19,869,453	0	(7,858,323)	0	(7,858,323)
Conservation and Recreation	38,753	8,400	0	0	(30,353)	0	(30,353)
Economic Development and Assistance	1,029,618	0	811,260	0	(218,358)	0	(218,358)
Capital Outlay	6,837,032	132,793	0	1,043,396	(5,660,843)	0	(5,660,843)
Debt Service	2,867,164	0	0	0	(2,867,164)	0	(2,867,164)
Outside Contributions to Health Insurance	533,110	475,383	0	0	(57,727)	0	(57,727)
Employee Contributions to Health Insurance	17,862	15,928	0	0	(1,934)	0	(1,934)
<i>Total Governmental Activities</i>	<u>79,410,343</u>	<u>8,084,078</u>	<u>37,107,103</u>	<u>4,274,309</u>	<u>(29,944,853)</u>	<u>0</u>	<u>(29,944,853)</u>
Business-Type Activities:							
Sewer	4,640,741	1,634,064	0	2,486,703	0	(519,974)	(519,974)
Police Communications	38,577	89,800	0	0	0	51,223	51,223
Water	511,544	336,753	0	522	0	(174,269)	(174,269)
<i>Total Business-Type Activities</i>	<u>5,190,862</u>	<u>2,060,617</u>	<u>0</u>	<u>2,487,225</u>	<u>0</u>	<u>(643,020)</u>	<u>(643,020)</u>
<i>Total - Primary Government</i>	<u>\$ 84,601,205</u>	<u>\$ 10,144,695</u>	<u>\$ 37,107,103</u>	<u>\$ 6,761,534</u>	<u>(29,944,853)</u>	<u>(643,020)</u>	<u>(30,587,873)</u>
General Receipts							
Property Taxes Levied for:							
Human Services					6,712,953	0	6,712,953
Health Services					1,835,629	0	1,835,629
Debt Service					274,357	0	274,357
Permissive Sales Tax					13,185,196	0	13,185,196
Grants and Entitlements not Restricted to Specific Programs					2,358,762	0	2,358,762
Interest					501,421	370	501,791
Mortgage Revenue Bonds Issued					0	194,144	194,144
Proceeds of OPWC Loans					0	203,584	203,584
Miscellaneous					876,281	150,516	1,026,797
<i>Total General Receipts</i>					<u>25,744,599</u>	<u>548,614</u>	<u>26,293,213</u>
<i>Change in Net Assets</i>					<u>(4,200,254)</u>	<u>(94,406)</u>	<u>(4,294,660)</u>
<i>Net Assets, Beginning of Year</i>					<u>42,614,406</u>	<u>1,904,180</u>	<u>44,518,586</u>
<i>Net Assets, End of Year</i>					<u>\$ 38,414,152</u>	<u>\$ 1,809,774</u>	<u>\$ 40,223,926</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2011

	General	Motor Vehicle and Gas Tax	Mental Health	Public Assistance	Board of Developmental Disabilities	Construction	All Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	\$ 2,816,519	\$ 2,680,746	\$ 4,894,379	\$ 365,721	\$ 8,516,149	\$ 4,996,282	\$ 11,273,867	\$ 35,543,663
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0	2,846,725	0	0	2,846,725
<i>Total Assets</i>	<u>\$ 2,816,519</u>	<u>\$ 2,680,746</u>	<u>\$ 4,894,379</u>	<u>\$ 365,721</u>	<u>\$ 11,362,874</u>	<u>\$ 4,996,282</u>	<u>\$ 11,273,867</u>	<u>\$ 38,390,388</u>
Fund Balances								
Nonspendable	320,880	0	0	0	0	0	0	320,880
Restricted	0	2,680,746	4,894,379	365,721	11,362,874	4,996,282	10,809,320	35,109,322
Committed	0	0	0	0	0	0	464,547	464,547
Assigned	1,192,959	0	0	0	0	0	0	1,192,959
Unassigned	1,302,680	0	0	0	0	0	0	1,302,680
<i>Total Fund Balances</i>	<u>\$ 2,816,519</u>	<u>\$ 2,680,746</u>	<u>\$ 4,894,379</u>	<u>\$ 365,721</u>	<u>\$ 11,362,874</u>	<u>\$ 4,996,282</u>	<u>\$ 11,273,867</u>	<u>\$ 38,390,388</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, 2011*

Total Governmental Fund Balances	\$ 38,390,388
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*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.

23,764

Net Assets of Governmental Activities

\$ 38,414,152

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, 2011

	General	Motor Vehicle and Gas Tax	Mental Health	Public Assistance	Board of Developmental Disabilities	Construction	All Other Governmental Funds	Total Governmental Funds
Receipts								
Property Taxes	\$ 0	\$ 0	\$ 1,835,629	\$ 0	\$ 5,877,801	\$ 0	\$ 1,109,509	\$ 8,822,939
Permissive Sales Taxes	13,185,196	0	0	0	0	0	0	13,185,196
Charges for Services	2,720,007	45,213	0	12,985	6,546	0	3,449,877	6,234,628
Licenses and Permits	5,961	0	0	0	0	0	0	5,961
Fines and Forfeitures	146,411	39,982	0	0	0	0	215,549	401,942
Intergovernmental	2,234,948	10,328,844	8,361,015	7,971,988	6,286,894	657,037	7,838,604	43,679,330
Conveyance Fees	834,379	0	0	0	0	0	0	834,379
Interest	488,468	41,256	0	0	0	5,990	12,953	548,667
Rent	104,430	0	0	0	0	0	11,427	115,857
Contributions and Donations	0	0	0	0	12,173	0	1,425	13,598
Other	44,904	9,507	18,392	7,354	71,917	1,270	462,419	615,763
Total Receipts	19,764,704	10,464,802	10,215,036	7,992,327	12,255,331	664,297	13,101,763	74,458,260
Disbursements								
Current:								
General Government:								
Legislative and Executive	5,020,961	0	0	0	0	0	984,167	6,005,128
Judicial	5,028,208	0	0	0	0	0	691,818	5,720,026
Public Safety	6,109,074	0	0	0	0	0	1,321,650	7,430,724
Public Works	53,261	10,457,506	0	0	0	0	0	10,510,767
Health	1,780	0	9,151,816	0	0	0	399,198	9,552,794
Human Services	1,452,544	0	0	8,443,354	12,235,766	0	6,168,708	28,300,372
Conservation and Recreation	38,753	0	0	0	0	0	0	38,753
Economic Development and Assistance	25,000	0	0	0	0	0	1,002,586	1,027,586
Capital Outlay	0	0	0	0	0	6,546,680	290,352	6,837,032
Debt Service:								
Principal Retirements	89,994	0	0	0	0	0	1,773,785	1,863,779
Interest and Fiscal Charges	47,283	0	0	0	0	0	956,102	1,003,385
Total Disbursements	17,866,858	10,457,506	9,151,816	8,443,354	12,235,766	6,546,680	13,588,366	78,290,346
Excess of Receipts Over (Under) Disbursements	1,897,846	7,296	1,063,220	(451,027)	19,565	(5,882,383)	(486,603)	(3,832,086)
Other Financing Sources and (Uses)								
Insurance Recoveries	260,518	0	0	0	0	0	0	260,518
Transfers In	0	0	0	222,841	0	325,000	1,284,622	1,832,463
Transfers Out	(1,362,169)	0	0	(10,000)	(325,000)	0	(467,725)	(2,164,894)
Advances In	50,847	0	0	0	0	0	50,847	101,694
Advances Out	(50,847)	0	0	0	0	0	(50,847)	(101,694)
Total Other Financing Sources and (Uses)	(1,101,651)	0	0	212,841	(325,000)	325,000	816,897	(71,913)
Net Change in Fund Balance	796,195	7,296	1,063,220	(238,186)	(305,435)	(5,557,383)	330,294	(3,903,999)
Fund Balance, Beginning of Year - Restated <i>(See Note 3)</i>	2,020,324	2,673,450	3,831,159	603,907	11,668,309	10,553,665	10,943,573	42,294,387
Fund Balance, End of Year	\$ 2,816,519	\$ 2,680,746	\$ 4,894,379	\$ 365,721	\$ 11,362,874	\$ 4,996,282	\$ 11,273,867	\$ 38,390,388

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, 2011*

Net Change in Fund Balance - Total Governmental Funds	\$ (3,903,999)
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>	
 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).	
	<u>(296,255)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u>\$ (4,200,254)</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)
General Fund
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Sales Taxes	\$ 11,823,576	\$ 12,504,279	\$ 13,185,196	\$ 680,917
Charges for Services	1,780,719	1,883,238	1,985,789	102,551
Licenses and Permits	5,345	5,653	5,961	308
Fines and Forfeitures	130,126	137,617	145,111	7,494
Intergovernmental	2,004,147	2,119,530	2,234,948	115,418
Conveyance Fees	748,214	791,290	834,379	43,089
Interest	438,024	463,242	488,468	25,226
Rent	93,646	99,037	104,430	5,393
Other	35,356	37,392	39,428	2,036
<i>Total Receipts</i>	<u>17,059,153</u>	<u>18,041,278</u>	<u>19,023,710</u>	<u>982,432</u>
Disbursements				
Current:				
General Government:				
Legislative and Executive	5,123,072	5,005,441	5,007,623	(2,182)
Judicial	4,203,380	4,361,801	4,355,670	6,131
Public Safety	5,954,821	6,388,051	6,382,598	5,453
Public Works	50,000	50,000	41,261	8,739
Health	2,000	2,000	1,780	220
Human Services	1,249,586	1,497,840	1,502,423	(4,583)
Conservation and Recreation	10,000	38,753	38,753	0
Economic Development and Assistance	1,000	26,000	25,000	1,000
Other	0	0	160	(160)
Debt Service:				
Principal Retirement	89,994	89,994	89,994	0
Interest and Fiscal Charges	47,284	47,284	47,283	1
<i>Total Disbursements</i>	<u>16,731,137</u>	<u>17,507,164</u>	<u>17,492,545</u>	<u>14,619</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>328,016</u>	<u>534,114</u>	<u>1,531,165</u>	<u>997,051</u>
Other Financing Sources and (Uses)				
Transfers In	0	0	115,000	115,000
Advances In	0	0	50,847	50,847
Transfers Out	(954,808)	(1,336,188)	(1,336,188)	0
Advances Out	0	0	(50,847)	(50,847)
<i>Total Other Financing Sources and (Uses)</i>	<u>(954,808)</u>	<u>(1,336,188)</u>	<u>(1,221,188)</u>	<u>115,000</u>
<i>Net Change in Fund Balance</i>	(626,792)	(802,074)	309,977	1,112,051
<i>Fund Balance, Beginning of Year - Restated (See Note 3)</i>	1,307,461	1,307,461	1,307,461	0
<i>Prior Year Encumbrances Appropriated</i>	<u>130,793</u>	<u>130,793</u>	<u>130,793</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 811,462</u>	<u>\$ 636,180</u>	<u>\$ 1,748,231</u>	<u>\$ 1,112,051</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Charges for Services	\$ 31,540	\$ 46,137	\$ 45,213	(924)
Fines and Forfeitures	27,890	40,799	39,982	(817)
Intergovernmental	7,205,159	10,539,920	10,328,844	(211,076)
Interest	28,779	42,099	41,256	(843)
Other	6,632	9,701	9,507	(194)
<i>Total Receipts</i>	<u>7,300,000</u>	<u>10,678,656</u>	<u>10,464,802</u>	<u>(213,854)</u>
Disbursements				
Current:				
Public Works	<u>7,508,140</u>	<u>10,886,796</u>	<u>10,525,742</u>	<u>361,054</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(208,140)</u>	<u>(208,140)</u>	<u>(60,940)</u>	<u>147,200</u>
<i>Net Change in Fund Balance</i>	(208,140)	(208,140)	(60,940)	147,200
<i>Fund Balance, Beginning of Year</i>	2,465,310	2,465,310	2,465,310	0
<i>Prior Year Encumbrances Appropriated</i>	<u>208,140</u>	<u>208,140</u>	<u>208,140</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 2,465,310</u>	<u>\$ 2,465,310</u>	<u>\$ 2,612,510</u>	<u>\$ 147,200</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Property Taxes	\$ 2,046,400	\$ 2,160,324	\$ 1,835,629	\$ (324,695)
Intergovernmental	7,635,272	7,521,598	8,361,015	839,417
Other	16,796	16,546	18,392	1,846
<i>Total Receipts</i>	<u>9,698,468</u>	<u>9,698,468</u>	<u>10,215,036</u>	<u>516,568</u>
Disbursements				
Current:				
Health	<u>9,701,557</u>	<u>9,701,557</u>	<u>9,151,816</u>	<u>549,741</u>
<i>Net Change in Fund Balance</i>	(3,089)	(3,089)	1,063,220	1,066,309
<i>Fund Balance, Beginning of Year</i>	3,828,070	3,828,070	3,828,070	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,089</u>	<u>3,089</u>	<u>3,089</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 3,828,070</u>	<u>\$ 3,828,070</u>	<u>\$ 4,894,379</u>	<u>\$ 1,066,309</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Charges for Services	\$ 11,092	\$ 14,022	\$ 12,985	\$ (1,037)
Intergovernmental	6,809,663	8,608,901	7,971,988	(636,913)
Other	6,282	7,942	7,354	(588)
<i>Total Receipts</i>	<u>6,827,037</u>	<u>8,630,865</u>	<u>7,992,327</u>	<u>(638,538)</u>
Disbursements				
Current:				
Human Services	7,326,708	9,190,360	8,539,900	650,460
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(499,671)</u>	<u>(559,495)</u>	<u>(547,573)</u>	<u>11,922</u>
Other Financing Source				
Transfers In	222,841	222,841	222,841	0
Transfers Out	0	(10,000)	(10,000)	0
<i>Total Other Financing Sources and (Uses)</i>	222,841	212,841	212,841	0
<i>Net Change in Fund Balance</i>	(276,830)	(346,654)	(334,732)	11,922
<i>Fund Balance, Beginning of Year</i>	327,077	327,077	327,077	0
<i>Prior Year Encumbrances Appropriated</i>	276,830	276,830	276,830	0
<i>Fund Balance, End of Year</i>	<u>\$ 327,077</u>	<u>\$ 257,253</u>	<u>\$ 269,175</u>	<u>\$ 11,922</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)
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Property Taxes	\$ 6,504,800	\$ 2,010,469	\$ 5,877,801	3,867,332
Charges for Services	6,199	2,239	6,546	4,307
Intergovernmental	5,953,787	2,150,397	6,286,894	4,136,497
Contributions and Donations	11,528	4,164	12,173	8,009
Other	68,107	24,599	71,917	47,318
<i>Total Receipts</i>	<u>12,544,421</u>	<u>4,191,868</u>	<u>12,255,331</u>	<u>8,063,463</u>
Disbursements				
Current:				
Human Services	12,544,421	12,252,689	11,797,811	454,878
<i>Total Disbursements</i>	<u>12,544,421</u>	<u>12,252,689</u>	<u>11,797,811</u>	<u>454,878</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>(8,060,821)</u>	<u>457,520</u>	<u>8,518,341</u>
Other Financing Use				
Transfers Out	0	(325,000)	(325,000)	0
<i>Net Change in Fund Balance</i>	0	(8,385,821)	132,520	8,518,341
<i>Fund Balance, Beginning of Year</i>	<u>8,383,629</u>	<u>8,383,629</u>	<u>8,383,629</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 8,383,629</u>	<u>\$ (2,192)</u>	<u>\$ 8,516,149</u>	<u>\$ 8,518,341</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2011

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor Enterprise	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,538,550	\$ 271,224	\$ 1,809,774	\$ 23,764
 Net Assets				
Unrestricted	\$ 1,538,550	\$ 271,224	\$ 1,809,774	\$ 23,764

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, 2011

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor Enterprise	Total	
Operating Receipts				
Charges for Services	\$ 1,634,064	\$ 426,553	\$ 2,060,617	\$ 5,177,255
Other	69,325	81,191	150,516	37
<i>Total Operating Receipts</i>	<u>1,703,389</u>	<u>507,744</u>	<u>2,211,133</u>	<u>5,177,292</u>
Operating Disbursements				
Personal Services	625,916	42,398	668,314	5,718
Contractual Services	620,303	304,131	924,434	290,494
Materials and Supplies	201,325	10,846	212,171	0
Claims	0	0	0	5,509,766
Capital Outlay	2,701,494	104,188	2,805,682	0
Other	59,289	37,845	97,134	0
<i>Total Operating Disbursements</i>	<u>4,208,327</u>	<u>499,408</u>	<u>4,707,735</u>	<u>5,805,978</u>
<i>Operating Income (Loss)</i>	<u>(2,504,938)</u>	<u>8,336</u>	<u>(2,496,602)</u>	<u>(628,686)</u>
Non-Operating Receipts (Disbursements)				
Proceeds of OPWC Loans	203,584	0	203,584	0
Mortgage Revenue Bonds Issued	194,144	0	194,144	0
Interest	370	0	370	0
Capital Grants	2,465,657	522	2,466,179	0
Special Assessments	21,046	0	21,046	0
Principal Retirement	(125,374)	(50,713)	(176,087)	0
Interest and Fiscal Charges	(307,040)	0	(307,040)	0
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>2,452,387</u>	<u>(50,191)</u>	<u>2,402,196</u>	<u>0</u>
<i>Income (Loss) Before Transfers</i>	<u>(52,551)</u>	<u>(41,855)</u>	<u>(94,406)</u>	<u>(628,686)</u>
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>332,431</u>
<i>Change in Net Assets</i>	<u>(52,551)</u>	<u>(41,855)</u>	<u>(94,406)</u>	<u>(296,255)</u>
<i>Net Assets, Beginning of Year</i>	<u>1,591,101</u>	<u>313,079</u>	<u>1,904,180</u>	<u>320,019</u>
<i>Net Assets, End of Year</i>	<u>\$ 1,538,550</u>	<u>\$ 271,224</u>	<u>\$ 1,809,774</u>	<u>\$ 23,764</u>

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
December 31, 2011

	Private Purpose Trust	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 4,126,617
Cash and Cash Equivalents in Segregated Accounts	84,657	730,968
<i>Total Assets</i>	\$ 84,657	\$ 4,857,585
Net Assets		
Held in Trust for Children Services	84,657	0
Unrestricted	0	4,857,585
	\$ 84,657	\$ 4,857,585

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, 2011

	<u>Private Purpose Trust</u>
Additions	
Interest	\$ 419
Contributions and Donations	19,891
<i>Total Additions</i>	20,310
Deductions	
Payments in Accordance with Trust Agreements	16,884
<i>Change in Net Assets</i>	3,426
<i>Net Assets, Beginning of Year</i>	81,231
<i>Net Assets, End of year</i>	\$ 84,657

See accompanying notes to the basic financial statements.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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, departments, board and agencies 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 Developmental Disabilities (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. Component units may also include organizations for which the County authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County. The County has no component units.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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, Inc. and the Columbiana County Airport Authority, which are presented in Notes 15 and 17, 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 16 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, 2011

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 activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements. 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 statement of net assets presents the cash balance of the governmental and business-type activities of the County at year end. The 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 offered by the, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which governmental program or business-type activity is self-financing on a cash basis or draws from the general receipts of the County.

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, 2011

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.

Board of Developmental Disabilities Fund – The board of developmental disabilities fund accounts for the operation and the costs of administering a workshop for the developmentally disabled residents of the County. Receipt sources are federal and state grant monies and a county-wide property tax levy.

Construction Fund – The construction fund accounts for bond proceeds, grants and transfers from other funds, which are used to acquire, construct or improve County buildings.

The other governmental funds of the County account for and report grants and other resources whose use is restricted, committed or assigned to 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, 2011

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 this note.

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 resolution 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 increases or decreases in receipts are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time the final appropriations were passed by the County Commissioners.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 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 2011, 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, commercial paper, corporate bonds, 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, 2011.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2011 amounted to \$488,468, which includes \$399,871 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 and cash equivalents.

F. Inventory and Prepaid Items

The County reports disbursements for inventory and prepaid items when paid. 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. Interfund Receivables/Payables

The County reports advances and advances out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Note 2 – Summary of Significant Accounting Policies (Continued)

I. 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.

J. Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

L. 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. Net assets restricted for other purposes primarily include real estate assessment, indigent guardianship and probate business.

The County's policy is to first apply restricted resources when a disbursement is incurred for purposes for which restricted and unrestricted resources are available.

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints placed on the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or is imposed by law through constitutional provisions.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 2 – Summary of Significant Accounting Policies (Continued)

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the County Commissioners.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. 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. Subsidies 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.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 2 – Summary of Significant Accounting Policies (Continued)

O. Changes in Accounting Principles

For the year ended December 31, 2011, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*” and GASB Statement No. 59, “*Financial Instruments Omnibus*.”

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this statement classify fund balance as nonspendable, restricted, committed, assigned and/or unassigned.

GASB Statement No. 59 updated and improved existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. Implementation of this GASB statement did not affect the presentation of the financial statements of the County.

Note 3 – Restatement of Fund Equity

For 2011, the County implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*.” GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had the following effect on fund balances of the major governmental funds and all other governmental funds as previously reported:

	General	Nonmajor Governmental
Fund Balance Previously Reported at December 31, 2010	\$ 1,753,733	\$ 11,210,164
Fund Reclassification:		
Clerk of Courts Title	214,808	(214,808)
Recorders Equipment	12,243	(12,243)
Ohio EPA Tipping Fees	34,931	(34,931)
Juvenile Court Maintenance	4,609	(4,609)
Restated Fund Balance at January 1, 2011	\$ 2,020,324	\$ 10,943,573

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 3 – Restatement of Fund Equity (Continued)

In prior years certain funds that are legally budgeted in separate special revenue funds were considered part of the general fund on a budgetary basis. Pursuant to GASB Statement No. 54, only the legally budgeted general fund should be reported in the budgetary statement; therefore, a restatement to the beginning budgetary balance is required. The restatement of the general fund’s budgetary basis fund balance at December 31, 2010 is as follows:

	<u>General Fund</u>
Balance at December 31, 2010	\$ 1,622,940
Funds Budgeted Elsewhere	(315,479)
Restated Fund Balance at January 1, 2011	<u>\$ 1,307,461</u>

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.
3. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets.

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:

	<u>General</u>	<u>Motor Vehicle Gas Tax</u>	<u>Mental Health</u>	<u>Public Assistance</u>	<u>Board of Developmental Disabilities</u>
Cash Basis	\$ 796,195	\$ 7,296	\$ 1,063,220	\$ (238,186)	\$ (305,435)
Beginning Unrecorded Cash	0	0	0	0	3,284,680
Ending Unrecorded Cash	0	0	0	0	(2,846,725)
Funds Budgeted Elsewhere*	(106,244)	0	0	0	0
Encumbrances	(379,974)	(68,236)	0	(96,546)	0
Budget Basis	<u>\$ 309,977</u>	<u>\$ (60,940)</u>	<u>\$ 1,063,220</u>	<u>\$ (334,732)</u>	<u>\$ 132,520</u>

* As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting,” certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes Clerk of Courts Title, inmate transportation, Records equipment, Ohio EPA Tipping fees, Juvenile Court maintenance and unclaimed monies funds.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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.

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, 2011

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. Up to 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 rated commercial paper; and,
12. Up to one percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government. All interest and principal shall be denominated and payable in the United States.

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, 2011

Note 5 – Deposits and Investments (Continued)

Deposits

A. Cash on Hand

At year end, the County had \$107,187 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 \$2,846,725 in cash held by an outside party which is included on the financial statements of the County as “Cash and Cash Equivalents with Fiscal Agent.” The amount is not included in deposits with financial institutions below.

C. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the carrying amount of the County’s deposits was \$12,809,289. \$13,462,073 of the County’s bank balance of \$14,246,744 was exposed to custodial credit because those deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the County’s name.

The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

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Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 5 – Deposits and Investments (Continued)

Investments

At December 31, 2011, the County had the following investments (market value):

	Maturity in Years			Total
	Less Than 1	1 - 3	3 - 5	
Federal Farm Credit Bank Notes	\$ 0	\$ 1,651,394	\$ 6,305,880	\$ 7,957,274
Federal Home Loan Mortgage Corporation Notes	0	2,749,618	8,507,420	11,257,038
Federal Home Loan Bank Notes	0	3,630,634	0	3,630,634
First National Mortgage Association Notes	0	0	4,457,072	4,457,072
Corporate Bonds	0	759,485	0	759,485
Money Market	187,987	0	0	187,987
STAROhio	622,848	0	0	622,848
Total Investments	\$ 810,835	\$ 8,791,131	\$ 19,270,372	\$ 28,872,338

The market value is less than the carrying value of investments by \$530,629.

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The County's investment policy addresses interest rate risk by requiring 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, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short term investments.

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. The money market carries a rating of AAAM by Standard and Poor's. The corporate bonds carry ratings of AA and AA+ by Standard and Poor's. STAROhio 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 and that the money market fund be rated in the highest category at the time of purchase 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 or collateral securities that are in the possession of an outside party. 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.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 5 – Deposits and Investments (Continued)

The County has no investment policy dealing with investment custodial credit risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

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, 2011:

Investment Issuer	Percentage of Investments
Federal Farm Credit Bank Notes	27.56%
Federal Home Loan Mortgage Corporation Notes	38.99%
Federal Home Loan Bank Notes	12.57%
Federal National Mortgage Association Notes	15.44%
Corporate Bonds	2.63%
Money Market	0.65%
STAROhio	2.16%

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 \$13,185,196 in sales tax receipts in 2011.

Note 7 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

2011 real property taxes are levied after October 1, 2011, on the assessed values as of January 1, 2011, the lien date. Assessed values are established by State statute at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

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.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 7 – Property Taxes (Continued)

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. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2011, was \$9.25 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2011 property tax receipts were based are as follows:

Real Property	\$	1,793,618,700
Public Utility		91,781,860
 Total		 \$ 1,885,400,560

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the County. The County Auditor periodically remits to the County its portion of the taxes collected.

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 2011, the County contracted with the County Risk Sharing Authority (CORSA) for insurance coverage. The CORSA program has a \$2,500 deductible. Coverage provided by CORSA is as follows:

		<u>Limits of Coverage</u>
General Liability	\$	1,000,000
Employee Benefit Liability		1,000,000
Law Enforcement Professional Liability		1,000,000
Public Officials Errors and Omissions Liability		1,000,000
Automobile Liability		1,000,000
Uninsured Motorist Liability		250,000
Ohio Stop Gap (Additional Workers' Compensation Coverage)		1,000,000
Building and Contents - Replacement Cost		131,647,264
Flood and Earthquake		100,000,000
Comprehensive Boiler and Machinery		100,000,000
Crime Insurance:		
Faithful Performance		1,000,000
Money and Securities		1,000,000
Depositor's Forgery		1,000,000
Money Orders/Counterfeit Currency		1,000,000

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 2011 were \$5,509,766.

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 East Town Street, Columbus, OH 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 9 – Defined Benefit Pension Plans (Continued)

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in the state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.0 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The County's contribution rate for 2011 was 14 percent, except for those plan members in law enforcement or public safety, for whom the County's contribution was 18.1 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2011, 2010, and 2009 were \$2,232,797, \$1,638,540 and \$1,601,995, respectively; 86 percent has been contributed for 2011 and 100 percent for 2010 and 2009. Contributions to the member-directed plan for 2011 were \$32,249 made by the County and \$23,035 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 STRS Ohio, 275 East Broad St., Columbus, OH 43215-3771, by calling toll-free 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.

Note 9 – Defined Benefit Pension Plans (Continued)

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 - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For 2011, plan members were required to contribute 10 percent of their annual covered salary. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The County's required contribution for pension obligations for the STRS Ohio for the fiscal years ended December 31, 2011, 2010, and 2009 were \$101,287, \$103,249 and \$104,970, respectively; 100 percent been contributed for 2011, 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$5,819 made by the County and \$4,157 made by the plan members.

Note 10 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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 mandate, 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.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 10 – Postemployment Benefits (Continued)

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 2011, local government employers contributed 14 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

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. During calendar year 2011, the portion of employer contributions allocated to health care for members in the Traditional Plan and the Combined Plan were 4.0 percent and 6.05 percent, respectively.

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. Active members do not make contributions to the post-employment health care plan.

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$873,900, \$1,590,838 and \$1,557,900, respectively; 86 percent has been contributed for 2011 and 100 percent for 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. State Teachers Retirement System

Plan Description – Certified teachers employed by the school for Developmental Disabilities participate in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 10 – Postemployment Benefits (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The County’s contributions for health care benefits for the years ended December 31, 2011, 2010 and 2009 were \$7,791, \$7,942 and \$8,075 respectively; 100 percent has been contributed for 2011, 2010 and 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
Data Processing Loan	4.10%	1,000,000	2014
Government Services Building	1.50%-2.50%	7,895,000	2015
General Obligation Bonds:			
Refunding Jail Facilities Bonds	4.00%-4.12%	8,490,000	2024
Courthouse Window Renovations	4.13%	844,000	2037
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 #1	4.38%	300,000	2034
Municipal Court Bonds #2	4.38%	2,865,000	2034
Government Services Building 2010A Bonds	2.00%-4.00%	490,000	2020
Government Services Building 2010B Bonds	6.85%-7.85%	1,615,000	2038
Ohio Water Development Authority Loan:			
Hanoverton Planning Permanent Financing	6.04%	1,178,054	2021
HUD Loan	Variable	340,000	2016*
Columbia Drive Loan	2.20%	750,100	2011

*This loan was paid off early during 2011.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 11 – Long-Term Obligations (Continued)

Business-Type Activities Debt

Mortgage Revenue Notes:

Vodry State Route 170/Duke Road Sewer	4.97%	\$	83,500	2016
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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 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
Glenmoor Sewer System	0.00%		300,000	N/A*

*The amortization schedule is not available as of December 31, 2011.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 11 – Long-Term Obligations (Continued)

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

	Balance 12/31/2010	Additions	Reductions	Balance 12/31/2011	Amounts Due Within One Year
Governmental Activities					
<i>General Obligation Notes:</i>					
County EMA	\$ 67,200	\$ 0	\$ (11,200)	\$ 56,000	\$ 11,200
Data Processing Loan	400,000	0	(100,000)	300,000	100,000
Government Services Building Notes	7,895,000	0	0	7,895,000	210,000
<i>Total General Obligation Notes</i>	<u>8,362,200</u>	<u>0</u>	<u>(111,200)</u>	<u>8,251,000</u>	<u>321,200</u>
<i>General Obligation Bonds:</i>					
Refunding Jail Facilities Bonds	7,390,000	0	(400,000)	6,990,000	420,000
Unamortized Premium	65,606	0	(4,686)	60,920	0
Unamortized Accounting Loss	(231,714)	0	16,551	(215,163)	0
Total Refunding Jail Facilities Bonds	7,223,892	0	(388,135)	6,835,757	420,000
Courthouse Window Renovations	798,000	0	(17,000)	781,000	17,000
Courthouse Renovations	2,517,000	0	(55,000)	2,462,000	57,000
Ohio Wellsville Water System	1,117,000	0	(24,000)	1,093,000	24,000
Murray Trucking Old Farm Village	451,000	0	(7,000)	444,000	7,000
Municipal Court Bonds #1	267,000	0	(6,000)	261,000	7,000
Municipal Court Bonds #2	2,544,000	0	(62,000)	2,482,000	65,000
Government Services Bldg 2010A Bonds	490,000	0	0	490,000	50,000
Government Services Bldg 2010B Bonds	1,615,000	0	0	1,615,000	0
<i>Total General Obligation Bonds</i>	<u>17,022,892</u>	<u>0</u>	<u>(559,135)</u>	<u>16,463,757</u>	<u>647,000</u>
<i>Ohio Water Development Authority Loan:</i>					
Hanoverton Planning Permanent Financing	679,573	0	(51,460)	628,113	54,568
HUD Loan	300,000	0	(300,000)	0	0
Columbia Drive Loan	750,100	0	(750,100)	0	0
Capital Leases	346,311	0	(80,019)	266,292	83,653
<i>Total Governmental Activities</i>	<u>\$ 27,461,076</u>	<u>\$ 0</u>	<u>\$ (1,851,914)</u>	<u>\$ 25,609,162</u>	<u>\$ 1,106,421</u>

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 11 – Long-Term Obligations (Continued)

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

	Restated Balance 12/31/2010	Additions	Reductions	Balance 12/31/2011	Amounts Due Within One Year
Business-Type Activities					
<i>Mortgage Revenue Notes:</i>					
Vodry State Route 170 Duke Road Sewer	\$ 50,100	\$ 0	\$ (8,350)	\$ 41,750	\$ 8,350
<i>Mortgage Revenue Bonds:</i>					
Guilford Lake Sewer	147,000	0	(13,000)	134,000	14,000
Ohio Elkrun Sewer	1,786,000	0	(31,000)	1,755,000	33,000
Winona Area Waste System #1	563,000	0	(7,000)	556,000	8,000
Winona Area Waste System #2	346,000	0	(4,000)	342,000	4,000
Winona Sanitary Sewer	103,063	0	(10,872)	92,191	11,377
Beaver Local Wastewater #1	350,315	0	(12,736)	337,579	13,298
Beaver Local Wastewater #2	133,374	0	(31,294)	102,080	32,611
Roseview Acres	39,071	0	(4,095)	34,976	4,294
Glenmoor/Lacroft Sanitary Sewer	3,339,856	194,144	0	3,534,000	38,000
Total Mortgage Revenue Bonds	6,807,679	194,144	(113,997)	6,887,826	158,580
<i>OPWC Loans:</i>					
State Route 7 Water Line Extension #1	28,750	0	(2,500)	26,250	2,500
State Route 7 Water Line Extension #2	60,000	0	(4,800)	55,200	4,800
Stagecoach-Dairy Lane	23,651	0	(5,913)	17,738	5,913
State Route 45 Water Line Extension	262,500	0	(37,500)	225,000	37,500
Roseview Acres Treatment Plant	169,511	0	(3,027)	166,484	6,054
Glenmoor Sewer System	0	203,584	0	203,584	0
Total OPWC Loans	544,412	203,584	(53,740)	694,256	56,767
Total Business-Type Activities	\$ 7,402,191	\$ 397,728	\$ (176,087)	\$ 7,623,832	\$ 223,697

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.

At the end of 2010, the County reported an ending balance on the Stagecoach-Dairy Lane OWDA loan of \$95,992. It was determined during the current year, this loan is being repaid by the Buckeye Water District and is reported as a long-term obligation of the Buckeye Water District, therefore it should not be reported as a long-term obligation of the County. The beginning balance has been restated to reflect this.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 11 – Long-Term Obligations (Continued)

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, 2011, the County had received the entire amount of the bond proceeds.

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.

During 2010, the County issued a \$750,100 loan for the Columbia Drive road project. This loan was repaid during 2011, once the County received grant revenues from the Ohio Department of Development. The County was responsible for the repayment of the principal balance and St. Clair Township was responsible for the interest portion.

Government Services Building Notes/Bonds

The \$10,000,000 debt issue consists of notes, serial and term bonds. The notes were issued with a varying interest rate of 1.5-2.5 percent. The serial bonds were issued with a varying interest rate of 2.0-4.0 percent. The Series 2010B term bonds that mature in the year 2025, with an interest rate of 6.85 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1 in each of the years 2021 through 2024 (with the balance of \$75,000 to be paid at stated maturity on December 1, 2025) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date according to the following schedule:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2021	\$65,000
2022	65,000
2023	70,000
2024	70,000

The Series 2010B term bonds maturing on December 1, 2030 are subject to mandatory sinking fund redemption. The mandatory redemption is to occur on December 1 in each of the years 2026 through 2029 (with the balance of \$90,000 to be paid at stated maturity on December 1, 2030) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2026	\$75,000
2027	80,000
2028	80,000
2029	85,000

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 11 – Long-Term Obligations (Continued)

The Series 2010B term bonds maturing on December 1, 2038 are subject to mandatory sinking fund redemption. The mandatory redemption is to occur on December 1 in each of the years 2031 through 2037 (with the balance of \$125,000 to be paid at stated maturity on December 1, 2038) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2031	\$90,000
2032	95,000
2033	100,000
2034	105,000
2035	110,000
2036	115,000
2037	120,000

During 2011, the County was awarded a loan from Ohio Public Works Commission (OPWC) in the amount of \$300,000 for the Glenmoor Sewer System project. As of December 31, 2011, the County had received proceeds of \$203,584. The amortization schedule is not available until the final amount of the loan has been drawn, therefore it is not reflected in the amortization schedule below.

The County has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$7,623,832 of mortgage revenue notes and bonds and Ohio Public Works Commission (OPWC) 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 23.4 percent. The total principal and interest remaining to be paid on the debt is \$13,415,595. Principal and interest paid for the current year and total net revenues were \$483,127 and \$388,721, respectively.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 11 – Long-Term Obligations (Continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2011 are as follows:

Governmental Activities

	General Obligation Notes		General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 321,200	\$ 201,658	\$ 647,000	\$ 731,269	\$ 54,568	\$ 37,938
2013	321,200	195,929	676,000	706,100	57,864	34,642
2014	321,200	189,925	693,000	679,755	61,359	31,148
2015	7,276,200	182,685	722,000	652,467	65,064	27,441
2016	11,200	530	760,000	624,003	68,996	23,512
2017-2021	0	0	4,256,000	2,640,160	320,262	49,760
2022-2026	0	0	3,750,000	1,698,713	0	0
2027-2031	0	0	2,209,000	1,093,547	0	0
2032-2036	0	0	2,324,000	490,887	0	0
2037-2041	0	0	581,000	58,725	0	0
<i>Total</i>	<u>\$ 8,251,000</u>	<u>\$ 770,727</u>	<u>\$ 16,618,000</u>	<u>\$ 9,375,626</u>	<u>\$ 628,113</u>	<u>\$ 204,441</u>

Business-Type Activities

	Mortgage Revenue Notes		Mortgage Revenue Bonds		OPWC Loans
	Principal	Interest	Principal	Interest	Principal
2012	\$ 8,350	\$ 2,110	\$ 158,580	\$ 300,239	\$ 56,767
2013	8,350	1,683	166,445	293,032	56,767
2014	8,350	1,262	172,363	285,547	56,766
2015	8,350	841	144,450	278,164	50,854
2016	8,350	422	151,025	271,601	50,854
2017-2021	0	0	923,963	1,222,688	104,270
2022-2026	0	0	695,000	1,055,258	38,719
2027-2031	0	0	862,000	888,066	30,270
2032-2036	0	0	1,061,000	681,475	30,270
2037-2041	0	0	1,093,000	436,086	15,135
2042-2046	0	0	938,000	231,908	0
2046-2049	0	0	522,000	44,965	0
<i>Total</i>	<u>\$ 41,750</u>	<u>\$ 6,318</u>	<u>\$ 6,887,826</u>	<u>\$ 5,989,029</u>	<u>\$ 490,672</u>

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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, 2011.

	Amounts
2012	\$ 95,235
2013	95,235
2014	50,464
2015	50,464
Total Minimum Lease Payments	291,398
Less: Amount Representing Interest	(25,106)
Present Value of Minimum Lease Payments	\$ 266,292

Note 13 – Interfund Transfers

Interfund transfers for the year ended December 31, 2011 consisted of the following:

Transfers To	Transfers From				Total
	General	Public Assistance	Board of Developmental Disabilities	Other Governmental	
Public Assistance	\$ 222,841	\$ 0	\$ 0	\$ 0	\$ 222,841
Construction	0	0	325,000	0	325,000
Other Governmental	806,897	10,000	0	467,725	1,284,622
Internal Service	332,431	0	0	0	332,431
<i>Total Transfers</i>	<i>\$ 1,362,169</i>	<i>\$ 10,000</i>	<i>\$ 325,000</i>	<i>\$ 467,725</i>	<i>\$ 2,164,894</i>

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 Board of Developmental Disabilities fund transferred money to the construction fund for the Board of Developmental Disabilities construction. The transfers from the other governmental funds to other governmental funds consisted of transfers from the municipal court funds to the debt service funds for debt payments. The transfer from the general fund to the internal service fund was to provide additional resources for current operations.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 14 – Fund Balances

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other funds are presented as follows:

	General	Motor Vehicle and Gas Tax	Mental Health	Public Assistance	Board of Developmental Disabilities	Construction	Other Governmental Funds	Total
Nonspendable for:								
Unclaimed Monies	\$ 320,880	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 320,880
Restricted for:								
Debt Service	0	0	0	0	0	0	1,920,003	1,920,003
Capital Outlay	0	0	0	0	0	4,996,282	183,852	5,180,134
Public Safety	0	0	0	0	0	0	2,433,786	2,433,786
Public Works	0	2,680,746	0	0	0	0	10,603	2,691,349
Human Services	0	0	0	365,721	11,362,874	0	4,453,422	16,182,017
Health Services	0	0	4,894,379	0	0	0	70,392	4,964,771
Other Purposes	0	0	0	0	0	0	1,737,262	1,737,262
Total Restricted	0	2,680,746	4,894,379	365,721	11,362,874	4,996,282	10,809,320	35,109,322
Committed for:								
Debt Service	0	0	0	0	0	0	92,428	92,428
Capital Outlay	0	0	0	0	0	0	372,119	372,119
Total Committed	0	0	0	0	0	0	464,547	464,547
Assigned for:								
Encumbrances Subsequent Year	379,974	0	0	0	0	0	0	379,974
Appropriations	800,000	0	0	0	0	0	0	800,000
Other Purposes	12,985	0	0	0	0	0	0	12,985
Total Assigned	1,192,959	0	0	0	0	0	0	1,192,959
Unassigned	1,302,680	0	0	0	0	0	0	1,302,680
Total Fund Balance	\$ 2,816,519	\$ 2,680,746	\$ 4,894,379	\$ 365,721	\$ 11,362,874	\$ 4,996,282	\$ 11,273,867	\$ 38,390,388

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 15 – Public Entity 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.

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 of Trustees. No county may have more than one representative on the Board of Trustees at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

Note 16 – Jointly Governed Organizations

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 2011, 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 2011, the County contributed \$11,836 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 \$1,002,407 to the System during 2011.

Columbiana County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 16 – Jointly Governed Organizations (Continued)

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 the Board of 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.

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 17 – 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 \$9,836 to the Airport Authority in 2011.

Note 18 – Contingencies

The County was a co-defendant in a civil suit filed in the Columbiana County Common Pleas Court, involving a contract dispute. The City of East Liverpool and the County had previously entered into a Water Agreement whereby the City of East Liverpool supplied the County with potable water in conjunction with the County's operation of its Water and Sewer District Number 2. The County subsequently transferred such water and sewer district operations to a newly formed public utility, Buckeye Water District, and this Water Agreement was assigned to Buckeye as part of this transfer. Buckeye subsequently terminated the Agreement with East Liverpool, and East Liverpool filed suit against both Buckeye and the County. In February 2008, a judgment was granted in favor of the plaintiff. The award amount was \$9.7 million plus interest. On appeal, the Court of Appeals reduced this judgment to \$4.85 million, and such judgment (as reduced) is now final.

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.

**FINANCIAL CONDITION
COLUMBIANA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Passed through the Ohio Department of Education:</i>			
National School Lunch Program	10.555	03-PU-06-11	22,015
National School Lunch Program	10.555	03-PU-06-11	10,958
Total CFDA # 10.555			<u>32,973</u>
<i>Passed through the USDA Rural Development:</i>			
Water & Waste Disposal System	10.760	Glenmoor Sewer Project	2,334,632
Water & Waste Disposal System	10.760	Glenmoor Sewer Project	259,361
Total CFDA # 10.760			<u>2,593,993</u>
<i>Passed through the Ohio Dept. of Job & Family Services:</i>			
Food Nutrition Service	10.561	Food Stamps	752,220
Total CFDA # 10.561			<u>752,220</u>
Total U.S. Department of Agriculture			3,379,186
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grant	14.228	B-C-09-1A0-1	11,618
Community Development Block Grant	14.228	B-F-08-1A0-1	3,114
Community Development Block Grant	14.228	B-F-09-1A0-1	308,784
Community Development Block Grant	14.228	B-Z-08-1A0-1	195,618
Community Development Block Grant	14.228	B-F-10-1A0-1	236,255
Total CFDA #14.228			<u>755,389</u>
HOME Investment Partnership Program	14.239	B-C-09-1A0-2	251,569
Total CFDA # 14.239			<u>251,569</u>
Total U.S. Department of Housing and Urban Development			<u>1,006,958</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	20.205	COL-CR403-1.96	91,407
Highway Planning and Construction	20.205	COL-CR428-6.65	9,674
Highway Planning and Construction	20.205	COL-TR-929	557,181
Highway Planning and Construction	20.205	STW2010 CEAO	21,370
Total CFDA # 20.205			<u>679,632</u>
<i>Passed through the Ohio Environmental Protection Agency:</i>			
State Emergency Response Commission	20.703	HME01016090	21,927
			<u>21,927</u>
Total U.S. Department of Transportation			701,559
U.S. DEPARTMENT OF JUSTICE			
<i>Passed through Governor's Office of Criminal Justice:</i>			
Crime Victim's Assistance - VOCA	16.575	2012VAGENE174	57,173
Crime Victim's Assistance - SVAA	16.575	2012SAGENE174	17,928
VOCA Court Advocate	16.575		6,451
Total CFDA # 16.575			<u>81,552</u>
Edward Byrne Memorial Justice Assistance Grant	16.738		15,000
Edward Byrne Memorial Justice Assistance Grant	16.738		52,926
Bulletproof Vest Partnership	16.607		2,788
Cops Technology Grant	16.710		50,000
Total CFDA # 16.738, 16.607 & 16.710			<u>120,714</u>
Total U.S. Department of Justice			202,266
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through the Ohio Department of Mental Retardation and Development Disabilities:</i>			
Community Alternative ARRA IOLV1	93.778		66,864
Community Alternative ARRA IO	93.778		131
Community Alternative ARRA TCM	93.778		7,224
Total CFDA # 93.778			<u>74,219</u>

**FINANCIAL CONDITION
COLUMBIANA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Women's Focus Project	93.959		142,998
Federal Per Capita	93.959		153,473
TANF Prevention Services	93.959		29,037
Prevention at Work	93.959		14,234
Alcohol & Drug Federal Youth Led Prev Grant	93.959		3,599
Total CFDA # 93.959			<u>343,341</u>
Strategic Prevention Framework System Incentive Grant	93.243		60,272
Total CFDA # 93.243			<u>60,272</u>
Alcohol & Drug Federal Medicaid Assistance	93.778		721,843
Total CFDA # 93.778			<u>721,843</u>
<i>Passed through the Ohio Department of Mental Health:</i>			
Forensic Psychiatric Center of NE Ohio Counseling Center	93.958		59,405
Suicide Prevention Grant	93.958		1,550
Total CFDA # 93.958			<u>60,955</u>
Path Homeless Grant	93.150		12,500
Total CFDA #93.150			<u>12,500</u>
Mental Health Childcare Quality Grant	93.575		20,045
Total CFDA # 93.575			<u>20,045</u>
Title XX Social Services Block Grant	93.667		80,241
Total CFDA # 93.667			<u>80,241</u>
Mental Health Federal Medicaid Assistance	93.778		3,254,841
Total CFDA # 93.778			<u>3,254,841</u>
Family Centered Services & Support	93.556		37,538
Total CFDA # 93.556			<u>37,538</u>
<i>Passed through the Ohio Department of Aging:</i>			
Special Program for the Aging - Title III, Part B	93.044		30,081
Total CFDA # 93.044			<u>30,081</u>
Special Program for the Aging - Title III, Part D	93.043		6,689
Total CFDA # 93.043			<u>6,689</u>
Older AM Act Passport	93.778		27,956
Total CFDA # 93.778			<u>27,956</u>
Older AM Act Passport Family Caregiver	93.052		494
Total CFDA # 93.052			<u>494</u>
<u>OHIO DEPARTMENT OF JOB & FAMILY SERVICES</u>			
TANF	93.558		2,587,786
Quality	93.575		26,174
Child Care	93.596		183,555
Title XX	93.667		1,232,961
SCHIP	93.767		5,658
Medicaid	93.778		1,522,245
IV-D	93.563		958,261
IV-B	93.556		75,477
KPI	93.558		21,475
IV-B	93.645		44,557
Child Abuse	93.590		1,880
Chaffee	93.674		17,694
Foster Care Title IV-E	93.658		1,650,319
IVE-A	93.659		3,900
IV-E Foster Care Program	93.658		57,616
Home Choice Program	93.791		495
Total Ohio Department of Job & Family Services			<u>8,390,053</u>
Total U.S. Department of Health and Human Services			<u>13,121,068</u>

**FINANCIAL CONDITION
COLUMBIANA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through the Ohio Department of Education:</i>			
Special Education Cluster - Part B	84.027	065920-6BSF-2011	41,066
Special Education Part B - ARRA	84.391	065920-6BSF-2011	24,152
Early Childhood Special Education	84.173	065920-PGS1-2011P	9,055
Total CFDA # 84.027, 84.391 & 84.173			<u>74,273</u>
Help Me Grow Part C	84.181	FCFC	113,550
Help Me Grow Part C ARRA	84.393	FCFC	17,938
Total CFDA # 84.181 & 84.393			<u>131,488</u>
<i>Passed through the Ohio Department of Alcohol & Drug Addition:</i>			
Recovery to Work (RSCVPRC)	84.126	Counseling Center	5,541
Total CFDA # 84.126			<u>5,541</u>
Total U.S. Department of Education			<u>211,302</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed through Ohio Emergency Management Agency:</i>			
Emergency Management Performance Grant	97.042	2011-EP-00003-S01	19,305
Emergency Management Performance Grant	97.042	2010-EP-00-0003	22,189
Total CFDA # 97.042			<u>41,494</u>
Citizens Corp Grant	97.053	2008-GE-T8-0025	4,014
Total CFDA # 97.053			<u>4,014</u>
State Homeland Security Program	97.073	2009-SS-T9-0089	173,614
Total CFDA # 97.073			<u>173,614</u>
<i>Passed through the Emergency Food and Shelter Board:</i>			
Emergency Food and Shelter Program	97.024	671000-099	12,250
Total CFDA #97.024			<u>12,250</u>
Total U.S. Department of Homeland Security			<u>231,372</u>
U.S. DEPARTMENT OF LABOR			
<i>Passed through the Ohio Dept. of Job & Family:</i>			
Senior Community Service Employment Program	17.235	Project 319	63,016
Total CFDA # 17.235			<u>63,016</u>
Total U.S. Department of Labor			<u>63,016</u>
Total Federal Awards Expenditures			<u>\$18,916,727</u>

The accompanying notes to this schedule are an integral part of this schedule.

**FINANCIAL CONDITION
COLUMBIANA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the County of Columbiana's (the County's) federal award programs disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

The County passes certain federal awards received from the Ohio Department of Alcohol and Drug Addiction Services to other governments or not-for-profit agencies (subrecipients). As Note A describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the government has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE D – GLENMOOR SEWER PROJECT

In the prior year Schedule of Federal Awards Receipts and Expenditures the Glenmoor Sewer Project was incorrectly listed under CFDA # 20.205 and should have been included as CFDA # 10.760 in the amount totaling \$2,997,098. In addition, the final Glenmoor Sewer Project payment for 2010 totaling \$259,361.30 was not included on the 2010 federal schedule. We have therefore included this amount on the 2011 federal schedule.

NOTE E – OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES ADJUSTMENT

In regards to the letter received from the Ohio Department of Developmental Disabilities dated March 27, 2012. We were informed that the amounts reported for CFDA #'s were overstated by \$2,272,111 as noted below.

Grant Name	CFDA #	SEFA Amount	DODD Amount	\$ Variance	% Variance
Title XIX – ARRA	93.778	\$403,371	\$264,692	\$138,679	52%
Title XIX – I/O & Level One	93.778	\$1,811,190	\$-0-	\$1,811,190	100%
Title XIX - TCM	93.778	\$322,242	\$-0-	\$322,242	100%

**FINANCIAL CONDITION
COLUMBIANA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2011
(Continued)**

NOTE F - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The County established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to 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 the same 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 2011 is as follows:

Beginning loans receivable balance as of January 1, 2011	\$114,357
Loans made	0
Loan principal repaid	44,054
Ending loans receivable balance as of December 31, 2011	<u>\$70,303</u>
Cash balance on hand in the revolving loan fund as of December 31, 2011	\$43,239

Activity in the CDBG microenterprise loan fund during 2011 is as follows:

Beginning loans receivable balance as of January 1, 2011	\$115,897
Loans made	26,065
Loan principal repaid	13,112
Ending loans receivable balance as of December 31, 2011	<u>\$128,850</u>



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Columbiana County Board of Commissioners
Columbiana County
105 South Market Street
Lisbon, Ohio 44432-1255

To the Board of Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbiana County, (the County) as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 29, 2012, 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 the Comptroller General of the United States' *Government Auditing Standards*.

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 our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and timely corrected.

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 material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2011-001.

We also noted certain matters not requiring inclusion in this report that we reported to the County's management in a separate letter dated June 29, 2012.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the County's response and, accordingly, we express no opinion in it.

We intend this report solely for the information and use of management, the audit committee, the Board of Commissioners and federal awarding agencies and pass-through entities, and others within the County. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

June 29, 2012



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Commissioners:

Compliance

We have audited the compliance of Columbiana County (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 could directly and materially affect each of the County's major federal programs for the year ended December 31, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the County's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with these requirements.

In our opinion, Columbiana County complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining 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 opining on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected.

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 over compliance that might be deficiencies, 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 noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated June 29, 2012.

We intend this report solely for the information and use of the audit committee, management, the Board of Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

June 29, 2012

**FINANCIAL CONDITION
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	CFDA # 10.760 – Water and Waste Water Disposal CFDA # 93.558 TANF CFDA #93.575, 93.596 – Child Care & Development Block Grant CFDA # 14.239 - Home Improvement Partnership Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 567,502 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**FINANCIAL CONDITION
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2011**

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

FINDING NUMBER 2011-01

Noncompliance

Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

Ohio Administrative 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.

Official's Response: 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 the 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.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**FINANCIAL CONDITION
COLUMBIANA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-001	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 2011-001



Dave Yost • Auditor of State

COLUMBIANA COUNTY FINANCIAL CONDITION

COLUMBIANA COUNTY

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
JULY 24, 2012