

COLUMBIANA COUNTY, OHIO
BASIC FINANCIAL STATEMENTS
(Audited)

FOR THE YEAR ENDED
DECEMBER 31, 2014

NANCY MILLIKEN, AUDITOR



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Columbiana County prepared by Julian & Grube, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 21, 2015

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COLUMBIANA COUNTY

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Julian & Grube, Inc.

Serving Ohio Local Governments

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Independent Auditor's Report

Columbiana County
105 S. Market Street
Lisbon, Ohio 44432

To the Board of Commissioners:

Report on the Financial Statements

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, as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise Columbiana County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine 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 financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to Columbiana County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of Columbiana County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2014, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Jobs and Family Services, Motor Vehicle and Gasoline Tax and Mental Health and Board of Developmental Disabilities Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on Columbiana County's basic financial statements taken as a whole.

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *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 schedule of expenditures of federal awards 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. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule 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 schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of Columbiana 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbiana County's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 19, 2015

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

The management's discussion and analysis of Columbiana County's (the "County") financial performance provides an overall review of the County's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- The total net position of the County increased \$5,791,036. Net position of governmental activities increased \$5,402,943, which represents a 7.02% increase from 2013. Net position of business-type activities increased \$388,093 or 21.79% from 2013.
- General revenues accounted for \$30,712,307 or 42.12% of total governmental activities revenue. Program specific revenues accounted for \$42,206,858 or 57.88% of total governmental activities revenue.
- The County had \$66,920,641 in expenses related to governmental activities; \$42,206,858 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$30,712,307 were adequate to provide for these programs.
- The general fund, the County's largest major governmental fund, had revenues and other financing sources of \$24,255,701 in 2014. The general fund had expenditures and other financing uses of \$24,088,385 in 2014. The fund balance of the general fund increased \$167,316 from 2013 to 2014.
- The job and family services fund, a major governmental fund, had revenues and other financing sources of \$9,068,749 in 2014. The job and family services fund had expenditures of \$9,536,408 in 2014. The job and family services fund balance decreased \$467,659 from 2013 to 2014.
- The motor vehicle and gasoline tax fund, a major governmental fund, had revenues and other financing sources of \$9,036,070 in 2014. The motor vehicle and gasoline tax fund had expenditures of \$7,959,114 in 2014. The motor vehicle and gasoline tax fund balance increased \$1,076,956 from 2013 to 2014.
- The mental health fund, a major governmental fund, had revenues of \$4,209,448 in 2014. The mental fund had expenditures of \$3,271,785 in 2014. The mental health fund balance increased \$937,663 from 2013 to 2014.
- The board of developmental disabilities fund, a major governmental fund, had revenues of \$13,618,315 in 2014. The board of developmental disabilities fund had expenditures and other financing uses of \$14,756,702 in 2014. The board of developmental disabilities fund balance decreased \$1,138,387 from 2013 to 2014.
- Net position for the business-type activities, which consists of the water and sewer operations and other enterprise funds, increased in 2014 by \$388,093. This increase is mainly due to transfers of \$595,581 and charges for services continuing to outpace the enterprise fund expenses.

Using the Basic Financial Statements (BFS)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the County as a whole operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

The statement of net position and statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column. In the case of the County, there are five major governmental funds. The general fund is the largest major governmental fund.

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities answer the question, "How did we do financially during 2014?" These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position. The change in net position is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, and other factors.

In the statement of net position and the statement of activities, the County is divided into two distinct kinds of activities:

Governmental activities - Most of the County's programs and services are reported here including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and State grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the general fund, job and family services fund, motor vehicle and gasoline tax fund, mental health fund and board of developmental disabilities fund. The County's major enterprise funds are the water and sewer funds.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds

The County maintains proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer operations as well as other enterprise operations. An internal service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions. The County's internal service fund accounts for health self-insurance activities.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the County's only fiduciary fund type.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Government-Wide Financial Analysis

The statement of net position provides the perspective of the County as a whole. The table below provides a summary of the County's net position at December 31, 2014 and December 31, 2013.

	Net Position					
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	2014 Total	2013 Total
	2014	2014	2013	2013		
<u>Assets</u>						
Current and other assets	\$ 79,051,453	\$ 2,600,931	\$ 73,110,596	\$ 3,027,511	\$ 81,652,384	\$ 76,138,107
Capital assets, net	45,560,986	8,161,498	46,471,662	6,832,651	53,722,484	53,304,313
Total assets	<u>124,612,439</u>	<u>10,762,429</u>	<u>119,582,258</u>	<u>9,860,162</u>	<u>135,374,868</u>	<u>129,442,420</u>
<u>Deferred Outflows of Resources</u>	188,919	-	206,708	-	188,919	206,708
<u>Liabilities</u>						
Other liabilities	4,702,727	247,532	4,208,719	231,579	4,950,259	4,440,298
Long-term liabilities outstanding	27,590,232	8,345,980	28,616,173	7,847,759	35,936,212	36,463,932
Total liabilities	<u>32,292,959</u>	<u>8,593,512</u>	<u>32,824,892</u>	<u>8,079,338</u>	<u>40,886,471</u>	<u>40,904,230</u>
<u>Deferred Inflows of Resources</u>	10,163,474	-	10,022,092	-	10,163,474	10,022,092
<u>Net Position</u>						
Net investment in capital assets	22,231,239	(109,064)	22,246,337	(920,036)	22,122,175	21,326,301
Restricted	43,535,078	-	42,150,279	-	43,535,078	42,150,279
Unrestricted	16,578,608	2,277,981	12,545,366	2,700,860	18,856,589	15,246,226
Total net position	<u>\$ 82,344,925</u>	<u>\$ 2,168,917</u>	<u>\$ 76,941,982</u>	<u>\$ 1,780,824</u>	<u>\$ 84,513,842</u>	<u>\$ 78,722,806</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2014, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$84,513,842. This amounts to \$82,344,925 in the governmental activities and \$2,168,917 in the business-type activities. This is an indication that the County's finances remained strong during 2014.

COLUMBIANA COUNTY, OHIO

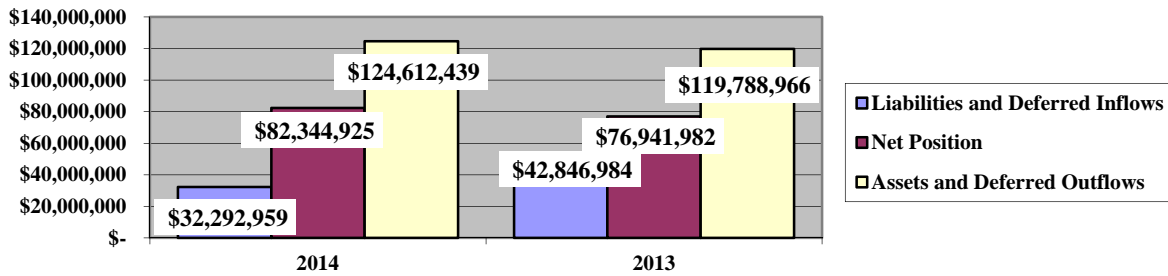
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 39.68% of total governmental and business-type assets. Capital assets include land, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. The County's net investment in capital assets at December 31, 2014 was \$22,122,175. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

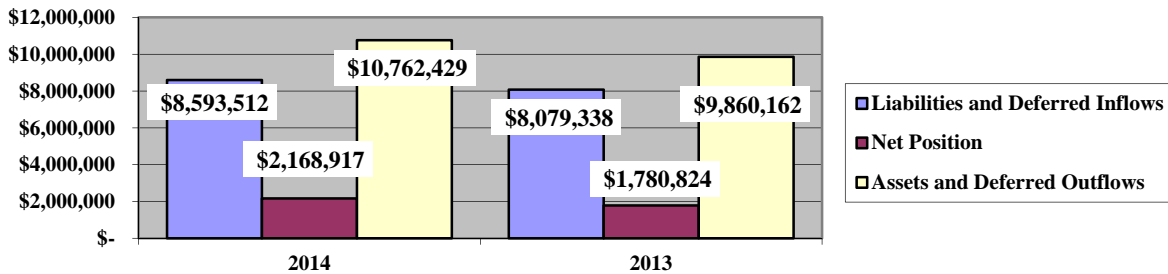
A portion of the County's governmental net position, \$43,535,078 or 52.87%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$16,578,608 or 20.13% may be used to meet the government's ongoing obligations to citizens and creditors.

The graphs below illustrate the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at December 31, 2014 and December 31, 2013 for the governmental activities and business-type activities.

Governmental Activities



Business-type Activities



COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The table below shows the changes in net position for 2014 and 2013.

	Change in Net Position					
	Governmental Activities <u>2014</u>	Business-type Activities <u>2014</u>	Governmental Activities <u>2013</u>	Business-type Activities <u>2013</u>	Total <u>2014</u>	Total <u>2013</u>
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 8,749,040	\$ 2,233,978	\$ 8,437,494	\$ 2,620,587	\$ 10,983,018	\$ 11,058,081
Operating grants and contributions	32,805,125	40,700	30,980,018	318,106	32,845,825	31,298,124
Capital grants and contributions	<u>652,693</u>	<u>52,495</u>	<u>875,906</u>	<u>55,196</u>	<u>705,188</u>	<u>931,102</u>
Total program revenues	<u>42,206,858</u>	<u>2,327,173</u>	<u>40,293,418</u>	<u>2,993,889</u>	<u>44,534,031</u>	<u>43,287,307</u>
General revenues:						
Property taxes	8,577,325	-	8,817,767	-	8,577,325	8,817,767
Sales tax	16,392,624	-	15,971,869	-	16,392,624	15,971,869
Unrestricted grants	4,304,375	-	4,224,342	-	4,304,375	4,224,342
Investment earnings	225,975	170	193,399	220	226,145	193,619
Decrease in fair value of investments	-	-	(126,476)	-	-	(126,476)
Gas and oil lease	249,466	-	410,260	-	249,466	410,260
Miscellaneous	<u>962,542</u>	<u>201,213</u>	<u>195,585</u>	<u>56,504</u>	<u>1,163,755</u>	<u>252,089</u>
Total general revenues	<u>30,712,307</u>	<u>201,383</u>	<u>29,686,746</u>	<u>56,724</u>	<u>30,913,690</u>	<u>29,743,470</u>
Total revenues	<u>72,919,165</u>	<u>2,528,556</u>	<u>69,980,164</u>	<u>3,050,613</u>	<u>75,447,721</u>	<u>73,030,777</u>
<u>Expenses</u>						
Program Expenses:						
General government						
Legislative and executive	6,785,098	-	6,569,420	-	6,785,098	6,569,420
Judicial	6,049,353	-	6,018,698	-	6,049,353	6,018,698
Public safety	7,908,846	-	8,646,592	-	7,908,846	8,646,592
Public works	8,284,737	-	8,247,748	-	8,284,737	8,247,748
Health	3,595,137	-	4,359,981	-	3,595,137	4,359,981
Human services	32,120,807	-	30,107,335	-	32,120,807	30,107,335
Conservation and recreation	77,628	-	31,442	-	77,628	31,442
Economic development	1,078,843	-	1,465,138	-	1,078,843	1,465,138
Other	63,649	-	-	-	63,649	-
Interest and fiscal charges	956,543	-	1,069,676	-	956,543	1,069,676
Water and sewer	-	2,701,213	-	2,811,343	2,701,213	2,811,343
Other enterprise	-	<u>34,831</u>	-	<u>79,143</u>	<u>34,831</u>	<u>79,143</u>
Total expenses	<u>66,920,641</u>	<u>2,736,044</u>	<u>66,516,030</u>	<u>2,890,486</u>	<u>69,656,685</u>	<u>69,406,516</u>
Transfers	<u>(595,581)</u>	<u>595,581</u>	<u>(735,001)</u>	<u>735,001</u>	-	-
Change in net position	5,402,943	388,093	2,729,133	895,128	-	-
Net position at beginning of year (restated)	<u>76,941,982</u>	<u>1,780,824</u>	<u>74,212,849</u>	<u>885,696</u>	<u>78,722,806</u>	<u>75,098,545</u>
Net position at end of year	<u>\$ 82,344,925</u>	<u>\$ 2,168,917</u>	<u>\$ 76,941,982</u>	<u>\$ 1,780,824</u>	<u>\$ 84,513,842</u>	<u>\$ 78,722,806</u>

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

Governmental Activities

Governmental activities net position increased by \$5,402,943 from 2013 to 2014.

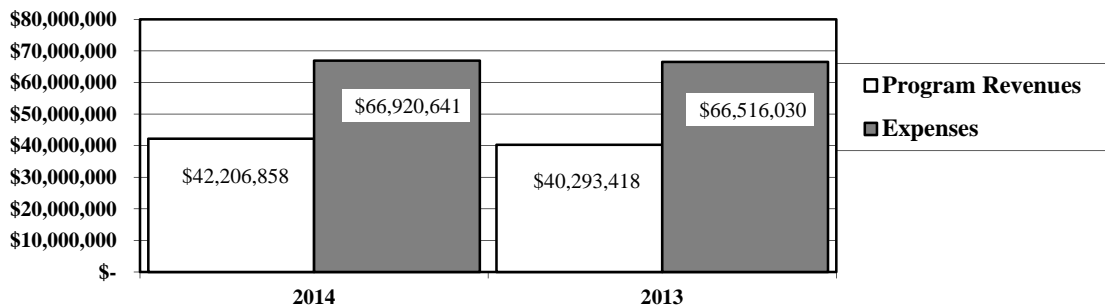
Human services expense, the largest expense of the County, accounted for \$32,120,807 or 48.00% of total governmental expenses. Human services primarily consist of job and family services and board of developmental disabilities activity. Public works expenses primarily support the operations of the engineer's department, and accounts for \$8,284,737 or 12.38% of the total governmental expenses of the County. These expenses were funded by \$175,618 in direct charges to users, \$8,462,371 in operating grants and contributions, and \$652,693 in capital grants and contributions during 2014. General government expenses, which include legislative and executive and judicial programs, accounted for \$12,834,451 or 19.18% of the total governmental expenses of the County. General government expenses were covered by \$5,708,267 in direct charges to users and \$206,338 in operating grants and contributions during 2014.

The State and federal government contributed to the County revenues of \$32,805,125 in operating grants and contributions and \$652,693 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Operating grants and contributions of \$20,846,514 or 63.55% subsidized human services. Operating grants and contributions of \$2,019,201 or 6.16% subsidized County health programs. Operating grants and contributions of \$8,462,371 or 25.80%, as well as the entire amount of capital grants and contributions, subsidized public works projects.

General revenues of governmental activities totaled \$30,712,307, and amounted to 42.12% of the total revenues of \$72,919,165. These revenues primarily consist of property and sales tax revenue of \$24,969,949 or 81.30% of total general revenues in 2014. The other primary source of general revenues is grants and entitlements not restricted to specific programs, with operating grants consisting of local government and local government revenue assistance making up \$4,304,375, or 14.02%, of the total general revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2014. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted state grants and entitlements). As can be seen in the graph below, the County is reliant upon general revenues to finance operations as program revenues are not sufficient to cover total expenses.

Governmental Activities – Program Revenues vs. Total Expenses



COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

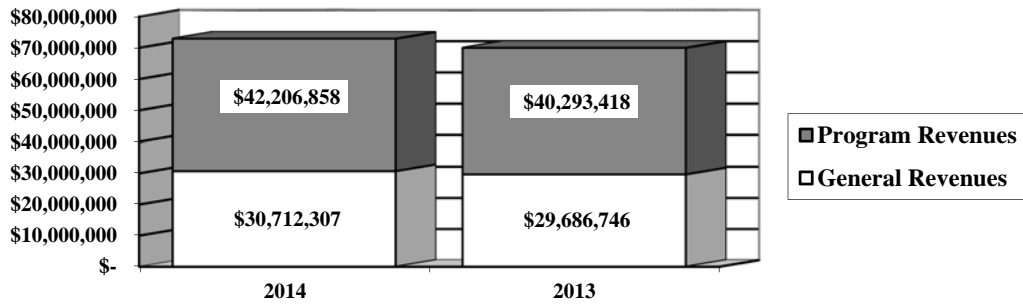
Governmental Activities

	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>	<u>Total Cost of Services 2013</u>	<u>Net Cost of Services 2013</u>
Program Expenses:				
General government				
Legislative and executive	\$ 6,785,098	\$ 3,923,245	\$ 6,569,420	\$ 3,432,676
Judicial	6,049,353	2,996,601	6,018,698	3,241,804
Public safety	7,908,846	6,268,196	8,646,592	7,318,676
Public works	8,284,737	(1,005,945)	8,247,748	(248,841)
Health	3,595,137	752,901	4,359,981	2,336,411
Human services	32,120,807	10,638,828	30,107,335	9,393,643
Conservation and recreation	77,628	77,628	31,442	31,442
Economic development	1,078,843	543,010	1,465,138	167,899
Other	63,649	63,649	-	-
Interest and fiscal charges	<u>956,543</u>	<u>455,670</u>	<u>1,069,676</u>	<u>548,902</u>
Total	<u>\$ 66,920,641</u>	<u>\$ 24,713,783</u>	<u>\$ 66,516,030</u>	<u>\$ 26,222,612</u>

The dependence upon general revenues for governmental activities is apparent, with 36.93% of expenses supported through taxes and other general revenues during 2014.

The graph below illustrates the County's reliance upon general revenues for 2014 and 2013.

Governmental Activities – General and Program Revenues



Business-type Activities

Business-type activities include the water fund, sewer fund and other enterprise funds. These programs had program revenues of \$2,327,173, general revenues of \$201,383, expenses of \$2,736,044 and net transfers in of \$595,581 for 2014.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements.

The County's governmental funds reported a combined fund balance of \$49,750,822 which is \$4,841,710 more than last year's total of \$44,909,112.

	<u>Fund Balance</u> <u>December 31, 2014</u>	<u>Fund Balance</u> <u>December 31, 2013</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 8,333,710	\$ 8,166,394	\$ 167,316
Job and Family Services	1,418,480	1,886,139	(467,659)
Motor Vehicle and Gasoline Tax	5,847,015	4,770,059	1,076,956
Mental Health	5,467,389	4,529,726	937,663
Board of Developmental Disabilities	9,180,677	10,319,064	(1,138,387)
Nonmajor Governmental Funds	<u>19,503,551</u>	<u>15,237,730</u>	<u>4,265,821</u>
Total	<u>\$ 49,750,822</u>	<u>\$ 44,909,112</u>	<u>\$ 4,841,710</u>

General Fund

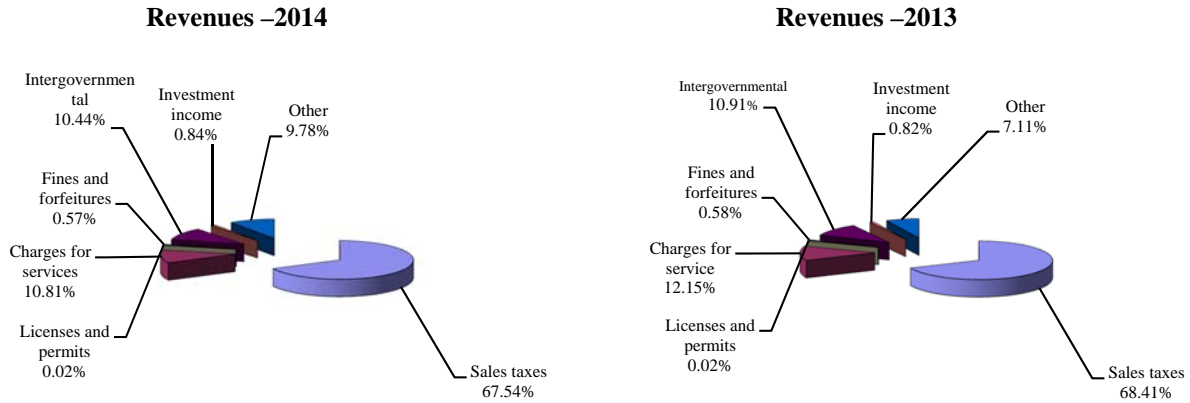
The County's general fund balance increased \$167,316. The primary revenue source of the general fund is sales tax revenues. Sales tax revenues represent \$16,378,209 or 67.55% of general fund revenues. This increase was the result of a better economy in 2014 compared to 2013. The County levied a 1.50% sales tax on all sales made in the County. Intergovernmental revenue makes up \$2,531,352 or 10.44% of the general fund revenues. These primarily consist of local governmental revenues from the State and funding from the casino tax in the State. The slight decrease was the result of a decrease in local government support from the State. Rent income and other increased due to a reimbursement from the Columbiana County Port Authority.

	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Sales taxes	\$ 16,378,209	\$ 15,972,858	\$ 405,351	2.54
Charges for services	2,620,458	2,835,965	(215,507)	(7.60)
Licenses and permits	4,835	4,585	250	5.45
Fines and forfeitures	137,203	136,307	896	0.66
Intergovernmental	2,531,352	2,547,426	(16,074)	(0.63)
Investment income	202,476	192,544	9,932	5.16
Rent income and other	<u>2,372,577</u>	<u>1,659,689</u>	<u>712,888</u>	<u>42.95</u>
Total	<u>\$ 24,247,110</u>	<u>\$ 23,349,374</u>	<u>\$ 897,736</u>	<u>3.84</u>

COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The graphs below illustrate the revenue of the general fund for 2014 and 2013.



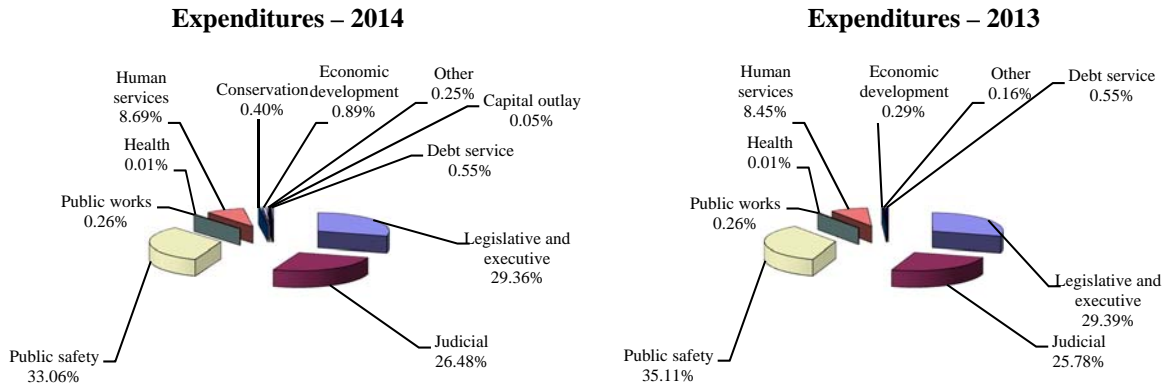
The table that follows assists in illustrating the expenditures of the general fund. The largest expenditure of the general is public safety which total \$6,290,856 or 33.06% of general fund expenditures. Public safety expenditures consist of primarily County sheriff services and prison housing. The decrease from 2013 resulted mainly from a decrease in prisoner housing costs.

	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government				
Legislative and executive	\$ 5,585,573	\$ 5,563,619	\$ 21,954	0.39
Judicial	5,036,721	4,878,015	158,706	3.25
Public safety	6,290,856	6,644,806	(353,950)	(5.33)
Public works	49,796	49,534	262	0.53
Health	1,771	1,740	31	1.78
Human services	1,653,985	1,600,182	53,803	3.36
Conservation and recreation	76,444	-	76,444	100.00
Economic development	169,730	54,835	114,895	209.53
Other	47,049	30,906	16,143	52.23
Capital outlay	8,591	-	8,591	100.00
Debt service	105,323	103,903	1,420	1.37
Total	\$ 19,025,839	\$ 18,927,540	\$ 98,299	0.52

COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The graphs below illustrate the expenditures of the general fund for 2014 and 2013.



Job and Family Services Fund

The job and family services fund, a major governmental fund, had revenues and other financing sources of \$9,068,749 in 2014. The job and family services fund had expenditures of \$9,536,408 in 2014. The job and family services fund balance decreased \$467,659 from 2013 to 2014. This decrease was the result of lowered grant support though expenditures increased compared to last year.

Motor Vehicle and Gasoline Tax Fund

The motor vehicle and gasoline tax fund, a major governmental fund, had revenues and other financing sources of \$9,036,070 in 2014. The motor vehicle and gasoline tax fund had expenditures of \$7,959,114 in 2014. The motor vehicle and gasoline tax fund balance increased \$1,076,956 from 2013 to 2014. The increase in fund balance is the result increases in Issue II and ODOT funding.

Mental Health Fund

The mental health fund, a major governmental fund, had revenues of \$4,209,448 in 2014. The mental health fund had expenditures of \$3,271,785 in 2014. The mental health fund balance increased \$937,663 from 2013 to 2014. This increase resulted in lowered expenditures compared to the previous year.

Board of Developmental Disabilities Fund

The board of developmental disabilities fund, a major governmental fund, had revenues of \$13,618,315 in 2014. The board of developmental disabilities fund had expenditures and other financing uses of \$14,756,702 in 2014. The board of developmental disabilities fund balance decreased \$1,138,387 from 2013 to 2014. This decrease was due to an increase in Medicaid matching expenditures during the year.

Budgeting Highlights- General Fund

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the County's appropriations, which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Budgetary information is presented for the general fund, job and family services fund, motor vehicle and gasoline tax fund, mental health fund and board of developmental disabilities fund. In the general fund, the original budgeted revenues were \$19,749,985 and were increased to \$21,749,985 in the final budget due to increases in sales tax revenue projections. Actual revenues and other financing sources of \$23,377,177 were more than the final budgeted revenues and other financing sources by \$1,627,192 or 7.48%. This was the result of further sales tax increases that exceeded estimates. In the general fund, the original budgeted appropriations and other financing uses were \$19,378,467. These were increased to \$24,622,389 in the final budget which was the result of increases in the commissioners maintenance, clerk of courts, municipal court and transfers out budgets. Actual expenditures and other financing uses of \$24,021,057 were less than final budgeted amounts by \$601,332 or 2.44%. This variance is a result of the County's conservative budgeting practices.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

Capital Assets and Debt Administration

Capital Assets

At the end of 2014, the County had \$53,722,484 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. Of this total, \$45,560,986 was reported in governmental activities and \$8,161,498 was reported in business-type activities. The following table shows December 31, 2014 balances compared to December 31, 2013:

Capital Assets at December 31(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,281,026	\$ 1,281,026	\$ 47,435	\$ 47,435	\$ 1,328,461	\$ 1,328,461
Land improvements	590,977	661,878	15,393	20,142	606,370	682,020
Building and improvements	19,146,916	19,628,402	1,170,449	1,223,153	20,317,365	20,851,555
Machinery and equipment	1,389,359	1,538,064	403,882	430,389	1,793,241	1,968,453
Vehicles	1,556,851	1,076,693	242,138	23,297	1,798,989	1,099,990
Infrastructure	21,383,476	21,984,080	6,282,201	5,088,235	27,665,677	27,072,315
Software	212,381	301,519	-	-	212,381	301,519
Total	\$ 45,560,986	\$ 46,471,662	\$ 8,161,498	\$ 6,832,651	\$ 53,722,484	\$ 53,304,313

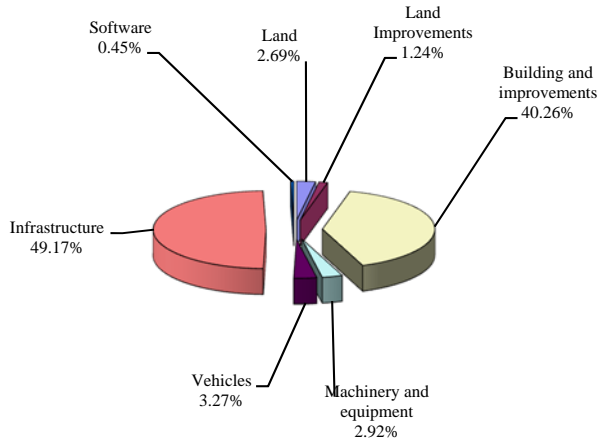
See Note 10 to the basic financial statements for detail on governmental activities and business-type activities capital assets.

COLUMBIANA COUNTY, OHIO

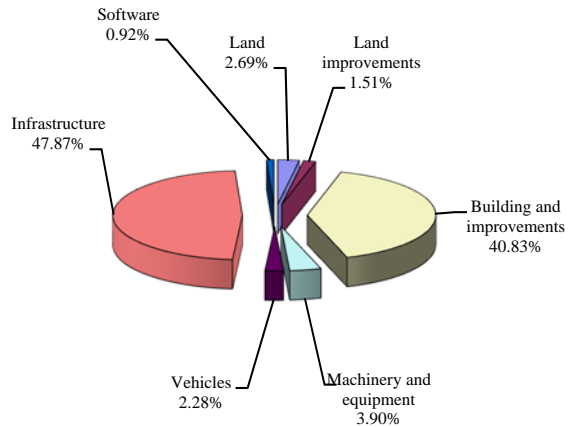
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

The following graphs show the breakdown of governmental capital assets by category at December 31, 2014 and December 31, 2013.

Capital Assets - Governmental Activities 2014



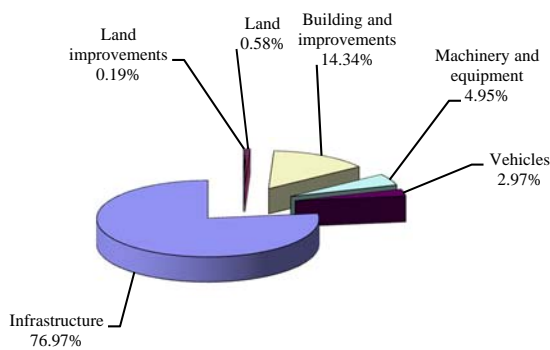
Capital Assets - Governmental Activities 2013



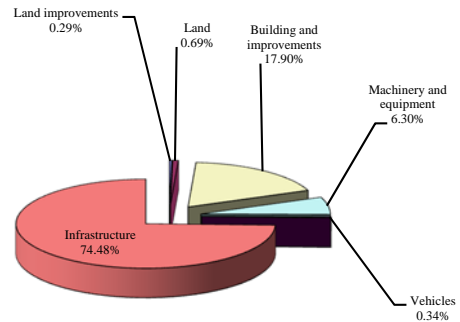
The County's largest governmental activities capital asset category is infrastructure, which includes roads and bridges. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 49.17% of the County's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category at December 31, 2014 and December 31, 2013.

Capital Assets - Business - Type Activities 2014



Capital Assets - Business - Type Activities 2013



The County's largest business-type capital asset category is infrastructure. These items play a vital role in the income producing ability of the business-type activities. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 76.97% of the County's total business-type capital assets.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Debt Administration

At December 31, 2014, the County had long-term obligations of \$1,063,743 in general obligation notes, \$21,966,003 in general obligation bonds, \$16,700 in mortgage revenue notes, \$6,389,653 in mortgage revenue bonds, \$1,387,311 in OPWC loans, \$931,221 in OWDA loans and \$34,597 in capital lease obligations. Of this total, \$1,548,703 is due within one year and \$30,240,525 is due in more than one year.

The following table summarizes the short-term and long-term obligations outstanding at December 31, 2014 and December 31, 2013.

	Outstanding Debt, at Year End			
	Governmental Activities <u>2014</u>	Business-type Activities <u>2014</u>	Governmental Activities <u>2013</u>	Business-type Activities <u>2013</u>
Long-Term Obligations:				
General obligation notes	\$ 1,063,743	\$ -	\$ 1,048,194	\$ -
General obligation bonds	21,966,003	-	22,822,535	-
Mortgage revenue notes	-	16,700	-	25,050
Mortgage revenue bonds	-	6,389,653	-	6,562,796
OPWC loans	-	1,387,311	-	1,162,580
OWDA loans	454,323	476,898	515,682	2,261
Capital lease obligations	<u>34,597</u>	<u>-</u>	<u>45,622</u>	<u>-</u>
Total	<u>\$ 23,518,666</u>	<u>\$ 8,270,562</u>	<u>\$ 24,432,033</u>	<u>\$ 7,752,687</u>

See Notes 16 to the basic financial statements for detail on governmental activities and business-type activities long-term obligations.

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.

Columbiana County is positioning itself to benefit from the gas and oil exploration with at least ten companies having a vested interest in our County's future.

Over two hundred million dollars to date have been spent by these companies, with millions more to be spent in the coming decade.

In 2011 the electorate of Ohio has approved a Constitutional amendment permitting gaming in the state of Ohio. We anticipate receiving approximately \$1,000,000 a year in additional revenue.

Contacting the 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 show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nancy Milliken, Columbiana County Auditor, 105 Market Street, Lisbon, Ohio 44432.

COLUMBIANA COUNTY, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 47,047,934	\$ 1,879,824	\$ 48,927,758
Cash and cash equivalents with fiscal agent	900,888	-	900,888
Receivables:			
Sales taxes	4,180,361	-	4,180,361
Real and other taxes	11,969,335	-	11,969,335
Accounts	149,199	249,417	398,616
Special assessments	-	448,516	448,516
Accrued interest	51,501	-	51,501
Due from other governments	13,403,921	-	13,403,921
Loans receivable	158,466	-	158,466
Materials and supplies inventory	866,327	5,825	872,152
Prepayments	340,613	257	340,870
Internal balance	(17,092)	17,092	-
Capital assets:			
Nondepreciable capital assets	1,281,026	47,435	1,328,461
Depreciable capital assets, net	44,279,960	8,114,063	52,394,023
Total capital assets, net	<u>45,560,986</u>	<u>8,161,498</u>	<u>53,722,484</u>
Total assets	<u>124,612,439</u>	<u>10,762,429</u>	<u>135,374,868</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	188,919	-	188,919
Total deferred outflows of resources	<u>188,919</u>	<u>-</u>	<u>188,919</u>
Liabilities:			
Accounts payable	2,538,295	136,560	2,674,855
Contracts payable	93,442	-	93,442
Retainage payable	-	-	-
Accrued wages and benefits payable	1,117,002	29,017	1,146,019
Due to other governments	698,335	23,007	721,342
Accrued interest payable	216,546	50,151	266,697
Claims payable	34,821	-	34,821
Due to external parties	4,286	8,797	13,083
Long-term liabilities:			
Due within one year	1,442,147	245,366	1,687,513
Due in more than one year	26,148,085	8,100,614	34,248,699
Total liabilities	<u>32,292,959</u>	<u>8,593,512</u>	<u>40,886,471</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	10,163,474	-	10,163,474
Total deferred inflows of resources	<u>10,163,474</u>	<u>-</u>	<u>10,163,474</u>
Net position:			
Net investment in capital assets	22,231,239	(109,064)	22,122,175
Restricted for:			
Debt service	2,029,001	-	2,029,001
Capital projects	221,587	-	221,587
Legislative and executive programs	1,459,688	-	1,459,688
Judicial programs	1,432,548	-	1,432,548
Public safety programs	2,633,879	-	2,633,879
Public works programs	7,251,768	-	7,251,768
Health programs	5,937,412	-	5,937,412
Human services programs	20,927,610	-	20,927,610
Economic development programs	1,294,680	-	1,294,680
Unclaimed monies	346,905	-	346,905
Unrestricted	<u>16,578,608</u>	<u>2,277,981</u>	<u>18,856,589</u>
Total net position	<u>\$ 82,344,925</u>	<u>\$ 2,168,917</u>	<u>\$ 84,513,842</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Current:				
General government:				
Legislative and executive.	\$ 6,785,098	\$ 2,844,567	\$ 17,286	\$ -
Judicial.	6,049,353	2,863,700	189,052	-
Public safety	7,908,846	905,782	734,868	-
Public works	8,284,737	175,618	8,462,371	652,693
Health.	3,595,137	823,035	2,019,201	-
Human services	32,120,807	635,465	20,846,514	-
Conservation and recreation	77,628	-	-	-
Economic development and assistance	1,078,843	-	535,833	-
Other	63,649	-	-	-
Interest and fiscal charges.	956,543	500,873	-	-
Total governmental activities	<u>66,920,641</u>	<u>8,749,040</u>	<u>32,805,125</u>	<u>652,693</u>
Business-type activities:				
Sewer	2,347,719	1,878,712	3,200	52,495
Water	353,494	312,666	37,500	-
Other enterprise	34,831	42,600	-	-
Total business-type activities	<u>2,736,044</u>	<u>2,233,978</u>	<u>40,700</u>	<u>52,495</u>
Totals	<u>\$ 69,656,685</u>	<u>\$ 10,983,018</u>	<u>\$ 32,845,825</u>	<u>\$ 705,188</u>

General revenues:

- Property taxes levied for:
 - Mental health - health
 - Board of developmental disabilities - human services
 - Childrens services - human services
 - Debt service
- Sales taxes levied for:
 - General purposes
 - Grants and entitlements not restricted to specific programs.
 - Investment earnings.
 - Gas and oil lease
 - Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year.

Net positon at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (3,923,245)	\$ -	\$ (3,923,245)
(2,996,601)	-	(2,996,601)
(6,268,196)	-	(6,268,196)
1,005,945	-	1,005,945
(752,901)	-	(752,901)
(10,638,828)	-	(10,638,828)
(77,628)	-	(77,628)
(543,010)	-	(543,010)
(63,649)	-	(63,649)
(455,670)	-	(455,670)
<u>(24,713,783)</u>	<u>-</u>	<u>(24,713,783)</u>
-	(413,312)	(413,312)
-	(3,328)	(3,328)
-	7,769	7,769
<u>-</u>	<u>(408,871)</u>	<u>(408,871)</u>
<u>(24,713,783)</u>	<u>(408,871)</u>	<u>(25,122,654)</u>
1,897,710	-	1,897,710
6,390,241	-	6,390,241
14,856	-	14,856
274,518	-	274,518
16,392,624	-	16,392,624
4,304,375	-	4,304,375
225,975	170	226,145
249,466	-	249,466
962,542	201,213	1,163,755
<u>30,712,307</u>	<u>201,383</u>	<u>30,913,690</u>
<u>(595,581)</u>	<u>595,581</u>	<u>-</u>
<u>30,116,726</u>	<u>796,964</u>	<u>30,913,690</u>
5,402,943	388,093	5,791,036
76,941,982	1,780,824	78,722,806
<u>\$ 82,344,925</u>	<u>\$ 2,168,917</u>	<u>\$ 84,513,842</u>

COLUMBIANA COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	<u>General</u>	<u>Job and Family Services</u>	<u>Motor Vehicle and Gasoline Tax</u>	<u>Mental Health</u>
Assets:				
Equity in pooled cash and investments	\$ 5,719,306	\$ 622,505	\$ 4,245,440	\$ 5,454,201
Cash and cash equivalents with fiscal agent . . .	-	-	-	-
Receivables:				
Sales taxes	4,180,361	-	-	-
Real and other taxes	-	-	-	2,405,640
Accounts	51,561	8,381	53	-
Accrued interest	50,190	-	-	-
Due from other funds	59,498	100,582	-	4,501
Due from other governments	1,203,046	5,921,323	3,017,076	262,126
Loans receivable	-	-	-	-
Materials and supplies inventory	65,912	35,273	758,374	517
Prepayments	195,681	40,468	3,907	5,636
Total assets	<u>\$ 11,525,555</u>	<u>\$ 6,728,532</u>	<u>\$ 8,024,850</u>	<u>\$ 8,132,621</u>
Liabilities:				
Accounts payable	\$ 364,324	\$ 117,617	\$ 41,414	\$ 89,346
Contracts payable	-	-	-	-
Accrued wages and benefits payable	372,141	215,190	124,593	13,274
Compensated absences payable	-	1,644	-	-
Due to other governments	224,096	112,200	67,129	11,837
Due to other funds	4,667	17,451	1,792	-
Due to external parties	1,840	-	-	-
Total liabilities	<u>967,068</u>	<u>464,102</u>	<u>234,928</u>	<u>114,457</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year . . .	-	-	-	2,096,239
Delinquent property tax revenue not available . . .	-	-	-	309,401
Accrued interest not available	29,289	-	-	-
Miscellaneous revenue not available	26,679	1,644	-	-
Intergovernmental revenues not available	658,134	4,844,306	1,942,907	145,135
Sales taxes not available	1,510,675	-	-	-
Total deferred inflows of resources	<u>2,224,777</u>	<u>4,845,950</u>	<u>1,942,907</u>	<u>2,550,775</u>
Fund balances:				
Nonspendable	608,498	75,741	762,281	6,153
Restricted	-	1,342,739	5,084,734	5,461,236
Committed	1,700,000	-	-	-
Assigned	313,148	-	-	-
Unassigned (deficit)	5,712,064	-	-	-
Total fund balances	<u>8,333,710</u>	<u>1,418,480</u>	<u>5,847,015</u>	<u>5,467,389</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,525,555</u>	<u>\$ 6,728,532</u>	<u>\$ 8,024,850</u>	<u>\$ 8,132,621</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Board of Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
\$ 9,715,202	\$ 19,907,087	\$ 45,663,741
900,888	-	900,888
-	-	4,180,361
8,116,796	1,446,899	11,969,335
1,000	88,204	149,199
-	1,311	51,501
43,472	7,365	215,418
552,181	2,448,169	13,403,921
-	158,466	158,466
2,448	3,803	866,327
29,488	65,433	340,613
<u>\$ 19,361,475</u>	<u>\$ 24,126,737</u>	<u>\$ 77,899,770</u>
\$ 1,154,284	\$ 762,788	\$ 2,529,773
-	93,442	93,442
259,357	132,206	1,116,761
-	-	1,644
202,214	80,718	698,194
-	194,884	218,794
-	2,446	4,286
<u>1,615,855</u>	<u>1,266,484</u>	<u>4,662,894</u>
6,803,425	1,263,810	10,163,474
1,313,371	183,089	1,805,861
-	902	30,191
-	23,473	51,796
448,147	1,885,428	9,924,057
-	-	1,510,675
<u>8,564,943</u>	<u>3,356,702</u>	<u>23,486,054</u>
31,936	69,236	1,553,845
9,148,741	13,212,610	34,250,060
-	6,294,951	7,994,951
-	-	313,148
-	(73,246)	5,638,818
<u>9,180,677</u>	<u>19,503,551</u>	<u>49,750,822</u>
<u>\$ 19,361,475</u>	<u>\$ 24,126,737</u>	<u>\$ 77,899,770</u>

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COLUMBIANA COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

Total governmental fund balances	\$	49,750,822
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		45,560,986
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Sales taxes receivable	\$ 1,510,675	
Real and other taxes receivable	1,805,861	
Accounts receivable	51,796	
Accrued interest receivable	30,191	
Due from other governments	9,924,057	
Total	13,322,580	13,322,580
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		1,326,752
On the statement of net position interest is accrued on outstanding bonds and loans payable, whereas in the governmental funds, interest is accrued when due.		(216,546)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		188,919
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation notes payable	(1,063,743)	
General obligation bonds payable	(21,966,003)	
OWDA loans payable	(454,323)	
Capital lease obligations	(34,597)	
Compensated absences payable	(4,069,922)	
Total	(27,588,588)	(27,588,588)
Net position of governmental activities	\$	82,344,925

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>General</u>	<u>Job and Family Services</u>	<u>Motor Vehicle and Gasoline Tax</u>	<u>Mental Health</u>
Revenues:				
From local sources:				
Sales taxes.	\$ 16,378,209	\$ -	\$ -	\$ -
Real and other taxes.	-	-	-	1,922,822
Charges for services.	2,620,458	23,991	25,402	-
Licenses and permits	4,835	-	-	-
Fines and forfeitures	137,203	-	43,833	-
Intergovernmental.	2,531,352	7,940,010	8,527,320	2,206,980
Investment income.	202,476	-	-	-
Rental income	154,251	-	4,200	-
Contributions and donations.	300	-	-	-
Conveyance fees	1,008,753	-	-	-
Gas and oil lease	246,745	-	2,721	-
Other	962,528	887,165	73,400	79,646
Total revenues	<u>24,247,110</u>	<u>8,851,166</u>	<u>8,676,876</u>	<u>4,209,448</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	5,585,573	-	-	-
Judicial.	5,036,721	-	-	-
Public safety	6,290,856	-	-	-
Public works	49,796	-	7,855,626	-
Health	1,771	-	-	3,271,785
Human services.	1,653,985	9,536,408	-	-
Conservation and recreation	76,444	-	-	-
Economic development and assistance	169,730	-	-	-
Other	47,049	-	-	-
Capital outlay	8,591	-	-	-
Debt service:				
Principal retirement.	71,907	-	98,746	-
Interest and fiscal charges	33,416	-	4,742	-
Total expenditures	<u>19,025,839</u>	<u>9,536,408</u>	<u>7,959,114</u>	<u>3,271,785</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>5,221,271</u>	<u>(685,242)</u>	<u>717,762</u>	<u>937,663</u>
Other financing sources (uses):				
Note issuance	-	-	346,449	-
Capital lease transaction.	8,591	-	-	-
Transfers in	-	217,583	12,745	-
Transfers (out).	(5,062,546)	-	-	-
Total other financing sources (uses)	<u>(5,053,955)</u>	<u>217,583</u>	<u>359,194</u>	<u>-</u>
Net change in fund balances	167,316	(467,659)	1,076,956	937,663
Fund balances at beginning of year	<u>8,166,394</u>	<u>1,886,139</u>	<u>4,770,059</u>	<u>4,529,726</u>
Fund balances at end of year	<u>\$ 8,333,710</u>	<u>\$ 1,418,480</u>	<u>\$ 5,847,015</u>	<u>\$ 5,467,389</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Board of Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 16,378,209
6,192,593	307,659	8,423,074
85,027	3,873,797	6,628,675
-	-	4,835
-	226,557	407,593
7,282,472	8,227,105	36,715,239
-	6,514	208,990
-	500,873	659,324
9,837	-	10,137
-	-	1,008,753
-	-	249,466
48,386	303,532	2,354,657
<u>13,618,315</u>	<u>13,446,037</u>	<u>73,048,952</u>
-	1,072,584	6,658,157
-	714,459	5,751,180
-	1,347,862	7,638,718
-	-	7,905,422
-	262,021	3,535,577
14,414,702	6,157,247	31,762,342
-	-	76,444
-	895,012	1,064,742
-	16,600	63,649
-	1,584,398	1,592,989
-	1,089,222	1,259,875
-	915,029	953,187
<u>14,414,702</u>	<u>14,054,434</u>	<u>68,262,282</u>
<u>(796,387)</u>	<u>(608,397)</u>	<u>4,786,670</u>
-	-	346,449
-	-	8,591
-	5,110,845	5,341,173
(342,000)	(236,627)	(5,641,173)
<u>(342,000)</u>	<u>4,874,218</u>	<u>55,040</u>
(1,138,387)	4,265,821	4,841,710
10,319,064	15,237,730	44,909,112
<u>\$ 9,180,677</u>	<u>\$ 19,503,551</u>	<u>\$ 49,750,822</u>

COLUMBIANA COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Net change in fund balances - total governmental funds \$ 4,841,710

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset additions	\$ 2,173,917	
Current year depreciation	<u>(3,065,969)</u>	
Total		(892,052)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (18,624)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Sales taxes	14,415	
Real and other taxes	154,251	
Intergovernmental revenues	(369,713)	
Accounts receivable	51,796	
Investment income	<u>19,464</u>	
Total		(129,787)

Proceeds of notes and capital leases are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.

Capital leases	(8,591)	
General obligation notes	<u>(346,449)</u>	
Total		(355,040)

Repayment of note, bond, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

General obligation notes payable	330,900	
General obligation bonds payable	848,000	
OWDA loans payable	61,359	
Capital lease obligations	<u>19,616</u>	
Total		1,259,875

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COLUMBIANA COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.

Decrease in accrued interest payable	\$	5,901	
Amortization of deferred amounts on refunding		(17,789)	
Amortization of bond premiums		<u>8,532</u>	
Total	\$		(3,356)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 93,391

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 606,826

Change in net position of governmental activities \$ 5,402,943

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Sales taxes	\$ 13,853,099	\$ 15,255,944	\$ 16,281,234	\$ 1,025,290
Charges for services.	1,519,619	1,673,505	1,785,974	112,469
Licenses and permits	4,114	4,531	4,835	304
Fines and forfeitures	111,735	123,050	131,320	8,270
Intergovernmental.	2,170,677	2,390,493	2,551,148	160,655
Investment income.	189,889	209,118	223,172	14,054
Rental income	131,246	144,537	154,251	9,714
Contributions and donations.	255	281	300	19
Conveyance fees	858,311	945,228	1,008,743	63,515
Gas and oil	209,946	231,207	246,745	15,538
Other	701,094	772,091	825,600	53,509
Total revenues	<u>19,749,985</u>	<u>21,749,985</u>	<u>23,213,322</u>	<u>1,463,337</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	5,582,403	6,404,818	5,959,827	444,991
Judicial.	4,255,318	4,560,595	4,513,860	46,735
Public safety	6,699,196	6,693,847	6,626,713	67,134
Public works	50,000	50,000	49,838	162
Health	2,000	1,771	1,771	-
Human services.	1,685,883	1,688,951	1,649,897	39,054
Conservation and recreation	10,000	76,444	76,444	-
Economic development and assistance . .	20,200	199,294	196,986	2,308
Other	-	47,049	47,049	-
Debt service:				
Principal retirement.	61,359	61,359	61,359	-
Interest and fiscal charges	31,147	31,147	31,147	-
Total expenditures	<u>18,397,506</u>	<u>19,815,275</u>	<u>19,214,891</u>	<u>600,384</u>
Excess of revenues over expenditures	<u>1,352,479</u>	<u>1,934,710</u>	<u>3,998,431</u>	<u>2,063,721</u>
Other financing sources (uses):				
Transfers in	-	-	163,855	163,855
Transfers (out).	(980,961)	(4,807,114)	(4,806,166)	948
Total other financing sources (uses)	<u>(980,961)</u>	<u>(4,807,114)</u>	<u>(4,642,311)</u>	<u>164,803</u>
Net change in fund balances	371,518	(2,872,404)	(643,880)	2,228,524
Fund balances at beginning of year	2,841,865	2,841,865	2,841,865	-
Prior year encumbrances appropriated . . .	496,534	496,534	496,534	-
Fund balance at end of year	<u>\$ 3,709,917</u>	<u>\$ 465,995</u>	<u>\$ 2,694,519</u>	<u>\$ 2,228,524</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 JOB AND FAMILY SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 19,650	\$ 22,475	\$ 22,848	\$ 373
Intergovernmental	7,225,095	8,263,703	8,400,756	137,053
Other	755,255	863,822	877,692	13,870
Total revenues	<u>8,000,000</u>	<u>9,150,000</u>	<u>9,301,296</u>	<u>151,296</u>
Expenditures:				
Current:				
Human services	<u>8,180,481</u>	<u>9,804,304</u>	<u>9,689,260</u>	<u>115,044</u>
Total expenditures	<u>8,180,481</u>	<u>9,804,304</u>	<u>9,689,260</u>	<u>115,044</u>
Excess of expenditures over revenues	<u>(180,481)</u>	<u>(654,304)</u>	<u>(387,964)</u>	<u>266,340</u>
Other financing sources:				
Transfers in	-	-	217,583	217,583
Total other financing sources	<u>-</u>	<u>-</u>	<u>217,583</u>	<u>217,583</u>
Net change in fund balances	(180,481)	(654,304)	(170,381)	483,923
Fund balances at beginning of year	479,832	479,832	479,832	-
Prior year encumbrances appropriated	180,481	180,481	180,481	-
Fund balance at end of year	<u>\$ 479,832</u>	<u>\$ 6,009</u>	<u>\$ 489,932</u>	<u>\$ 483,923</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE AND GASOLINE TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 18,340	\$ 27,047	\$ 25,885	\$ (1,162)
Fines and forfeitures	32,481	47,900	45,843	(2,057)
Intergovernmental	6,183,239	9,118,549	8,726,935	(391,614)
Rental income	2,976	4,388	4,200	(188)
Gas and oil	1,928	2,843	2,721	(122)
Other	52,006	76,694	73,400	(3,294)
Total revenues	<u>6,290,970</u>	<u>9,277,421</u>	<u>8,878,984</u>	<u>(398,437)</u>
Expenditures:				
Current:				
Public works	6,360,041	9,350,779	8,680,696	670,083
Debt service:				
Principal retirement	89,678	89,678	89,678	-
Interest and fiscal charges	3,434	3,434	3,434	-
Total expenditures	<u>6,453,153</u>	<u>9,443,891</u>	<u>8,773,808</u>	<u>670,083</u>
Excess of expenditures over revenues	<u>(162,183)</u>	<u>(166,470)</u>	<u>105,176</u>	<u>271,646</u>
Other financing sources:				
Note issuance	-	-	346,449	346,449
Transfers in	9,030	13,317	12,745	(572)
Total other financing sources	<u>9,030</u>	<u>13,317</u>	<u>359,194</u>	<u>345,877</u>
Net change in fund balances	(153,153)	(153,153)	464,370	617,523
Fund balances at beginning of year	<u>3,435,779</u>	<u>3,435,779</u>	<u>3,435,779</u>	<u>-</u>
Prior year encumbrances appropriated	<u>153,153</u>	<u>153,153</u>	<u>153,153</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,435,779</u>	<u>\$ 3,435,779</u>	<u>\$ 4,053,302</u>	<u>\$ 617,523</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MENTAL HEALTH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real and other taxes	\$ 975,996	\$ 975,996	\$ 1,922,822	\$ 946,826
Intergovernmental	1,076,848	1,076,848	2,121,510	1,044,662
Other	38,056	38,056	74,975	36,919
Total revenues	2,090,900	2,090,900	4,119,307	2,028,407
Expenditures:				
Current:				
Health	1,495,000	6,231,129	3,456,784	2,774,345
Total expenditures	1,495,000	6,231,129	3,456,784	2,774,345
Net change in fund balances	595,900	(4,140,229)	662,523	4,802,752
Fund balances at beginning of year	4,791,678	4,791,678	4,791,678	-
Fund balance at end of year	\$ 5,387,578	\$ 651,449	\$ 5,454,201	\$ 4,802,752

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BOARD OF DEVELOPMENTAL DISABILITIES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Real and other taxes.	\$ 6,896,529	\$ 5,446,449	\$ 6,192,593	\$ 746,144
Charges for services.	94,692	74,782	85,027	10,245
Intergovernmental.	8,160,529	6,444,677	7,327,575	882,898
Contributions and donations.	10,955	8,652	9,837	1,185
Other	55,295	43,669	49,651	5,982
Total revenues	<u>15,218,000</u>	<u>12,018,229</u>	<u>13,664,683</u>	<u>1,646,454</u>
Expenditures:				
Current:				
Human services.	14,557,931	14,213,307	12,475,745	1,737,562
Total expenditures	<u>14,557,931</u>	<u>14,213,307</u>	<u>12,475,745</u>	<u>1,737,562</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>660,069</u>	<u>(2,195,078)</u>	<u>1,188,938</u>	<u>3,384,016</u>
Other financing uses:				
Transfers (out).	-	(342,000)	(342,000)	-
Total other financing uses	<u>-</u>	<u>(342,000)</u>	<u>(342,000)</u>	<u>-</u>
Net change in fund balances	660,069	(2,537,078)	846,938	3,384,016
Fund balances at beginning of year	<u>8,868,264</u>	<u>8,868,264</u>	<u>8,868,264</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,528,333</u>	<u>\$ 6,331,186</u>	<u>\$ 9,715,202</u>	<u>\$ 3,384,016</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	Nonmajor Enterprise Funds	Total	
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 1,805,661	\$ 51,602	\$ 22,561	\$ 1,879,824	\$ 1,384,193
Receivables:					
Accounts	192,433	56,984	-	249,417	-
Special assessments	448,516	-	-	448,516	-
Due from other funds	4,667	-	-	4,667	-
Materials and supplies inventory	5,825	-	-	5,825	-
Prepayments	257	-	-	257	-
Total current assets	2,457,359	108,586	22,561	2,588,506	1,384,193
Noncurrent assets:					
Capital assets:					
Nondepreciable capital assets	47,435	-	-	47,435	-
Depreciable capital assets, net.	6,367,017	1,747,046	-	8,114,063	-
Total capital assets, net.	6,414,452	1,747,046	-	8,161,498	-
Total assets	8,871,811	1,855,632	22,561	10,750,004	1,384,193
Liabilities:					
Current liabilities:					
Accounts payable	114,244	22,316	-	136,560	8,522
Accrued wages and benefits payable	28,136	-	881	29,017	241
Due to other funds	1,291	-	-	1,291	-
Due to other governments	22,282	64	661	23,007	141
Accrued interest payable	50,151	-	-	50,151	-
Compensated absences payable - current.	3,073	-	-	3,073	-
Mortgage revenue bonds payable - current	144,450	-	-	144,450	-
OPWC loans payable	44,693	44,800	-	89,493	-
Mortgage revenue notes payable - current	8,350	-	-	8,350	-
Claims payable	-	-	-	-	34,821
Due to external parties	8,797	-	-	8,797	-
Total current liabilities	425,467	67,180	1,542	494,189	43,725
Long-term liabilities:					
Compensated absences payable	72,345	-	-	72,345	-
Mortgage revenue bonds payable.	6,245,203	-	-	6,245,203	-
OWDA loans payable	476,898	-	-	476,898	-
OPWC loans payable	1,170,568	127,250	-	1,297,818	-
Mortgage revenue notes payable - current	8,350	-	-	8,350	-
Total long-term liabilities	7,973,364	127,250	-	8,100,614	-
Total liabilities	8,398,831	194,430	1,542	8,594,803	43,725
Net position:					
Net investment in capital assets.	(1,684,060)	1,574,996	-	(109,064)	-
Unrestricted	2,157,040	86,206	21,019	2,264,265	1,340,468
Total net position.	\$ 472,980	\$ 1,661,202	\$ 21,019	2,155,201	\$ 1,340,468
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				13,716	
Net position of business-type activities				\$ 2,168,917	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	Nonmajor Enterprise Funds	Total	
Operating revenues:					
Charges for services	\$ 1,878,712	\$ 312,666	\$ 42,600	\$ 2,233,978	\$ 4,294,736
Other operating revenues	200,192	711	310	201,213	136
Total operating revenues.	<u>2,078,904</u>	<u>313,377</u>	<u>42,910</u>	<u>2,435,191</u>	<u>4,294,872</u>
Operating expenses:					
Personal services	662,804	8,274	31,411	702,489	5,114
Contractual services.	716,941	292,276	-	1,009,217	686,285
Materials and supplies.	30,338	-	-	30,338	-
Claims expense	-	-	-	-	3,288,321
Depreciation.	400,190	35,983	-	436,173	-
Other	220,077	17,038	3,420	240,535	-
Capital outlay	-	-	-	-	-
Total operating expenses.	<u>2,030,350</u>	<u>353,571</u>	<u>34,831</u>	<u>2,418,752</u>	<u>3,979,720</u>
Operating income	<u>48,554</u>	<u>(40,194)</u>	<u>8,079</u>	<u>16,439</u>	<u>315,152</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(325,618)	-	-	(325,618)	-
Interest income.	170	-	-	170	-
Intergovernmental	3,200	37,500	-	40,700	-
Total nonoperating revenues (expenses).	<u>(322,248)</u>	<u>37,500</u>	<u>-</u>	<u>(284,748)</u>	<u>-</u>
Income (loss) before contributions and transfers	(273,694)	(2,694)	8,079	(268,309)	315,152
Transfer in	-	570,929	-	570,929	300,000
Transfer out	(570,929)	-	-	(570,929)	-
Capital contributions.	227,701	420,375	-	648,076	-
Change in net position	(616,922)	988,610	8,079	379,767	615,152
Net position at beginning of year	<u>1,089,902</u>	<u>672,592</u>	<u>12,940</u>		<u>725,316</u>
Net position at end of year	<u>\$ 472,980</u>	<u>\$ 1,661,202</u>	<u>\$ 21,019</u>		<u>\$ 1,340,468</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				8,326	
Change in net position of business-type activities.				<u>\$ 388,093</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	Nonmajor Enterprise Fund	Total	
Cash flows from operating activities:					
Cash received from sales/charges for services	\$ 2,066,656	\$ 313,226	\$ 42,600	\$ 2,422,482	\$ 4,294,736
Cash received from other operations	197,458	711	310	198,479	136
Cash payments for personal services	(689,918)	(8,340)	(38,342)	(736,600)	(5,824)
Cash payments for contractual services	(687,409)	(291,622)	-	(979,031)	(677,763)
Cash payments for materials and supplies	(30,304)	-	-	(30,304)	-
Cash payments for claims	-	-	-	-	(3,482,040)
Cash payments for other expenses	(220,580)	(17,038)	(3,420)	(241,038)	-
Net cash provided by (used in) operating activities	635,903	(3,063)	1,148	633,988	129,245
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies	3,200	37,500	-	40,700	-
Cash received from transfers in	-	-	-	-	300,000
Net cash provided by noncapital financing activities	3,200	37,500	-	40,700	300,000
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,169,439)	-	-	(1,169,439)	-
Principal retirement on mortgage revenue notes	(8,350)	-	-	(8,350)	-
Principal retirement on mortgage revenue bonds	(173,143)	-	-	(173,143)	-
Principal retirement on OPWC loans	(39,445)	(50,713)	-	(90,158)	-
Principal retirement on OWDA loans	(117,834)	-	-	(117,834)	-
Interest and fiscal charges	(327,529)	-	-	(327,529)	-
Issuance of OPWC loans	314,889	-	-	314,889	-
Issuance of OWDA loans	592,471	-	-	592,471	-
Capital contributions	52,495	-	-	52,495	-
Net cash used in capital and related financing activities	(875,885)	(50,713)	-	(926,598)	-
Cash flows from investing activities:					
Interest received	170	-	-	170	-
Net cash provided by investing activities	170	-	-	170	-
Net increase (decrease) in cash and cash equivalents	(236,612)	(16,276)	1,148	(251,740)	429,245
Cash and investments at beginning of year	2,042,273	67,878	21,413	2,131,564	954,948
Cash and investments at end of year	\$ 1,805,661	\$ 51,602	\$ 22,561	\$ 1,879,824	\$ 1,384,193

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COLUMBIANA COUNTY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	Nonmajor Enterprise Fund	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 48,554	\$ (40,194)	\$ 8,079	\$ 16,439	\$ 315,152
Adjustments:					
Depreciation.	400,190	35,983	-	436,173	-
Changes in assets and liabilities:					
Accounts receivable.	254,478	560	-	255,038	-
Special assessments receivable	(64,601)	-	-	(64,601)	-
Due from other funds	(4,667)	-	-	(4,667)	-
Materials and supplies inventory	(5,825)	-	-	(5,825)	-
Prepayments	3,221	-	-	3,221	-
Accounts payable.	65,259	22,316	-	87,575	7,802
Accrued wages and benefits	(11,870)	-	(4,722)	(16,592)	11
Due to other governments	(37,979)	(21,728)	(2,209)	(61,916)	(1)
Compensated absences payable.	(19,654)	-	-	(19,654)	-
Due to external parties	8,797	-	-	8,797	-
Claims payable	-	-	-	-	(193,719)
Net cash provided by (used in) operating activities	<u>\$ 635,903</u>	<u>\$ (3,063)</u>	<u>\$ 1,148</u>	<u>\$ 633,988</u>	<u>\$ 129,245</u>

Noncash transactions:

During 2014, the sewer fund received \$175,206 in capital contributions from governmental activities.
 During 2014, the water fund received \$570,929 in capital contributions from the sewer fund and \$420,375 in capital contributions from governmental activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	Private-Purpose Trust	Agency
	<hr/>	<hr/>
Assets:		
Equity in pooled cash and investments	\$ -	\$ 4,324,933
Cash and cash equivalents in segregated accounts	1,547	854,494
Receivables:		
Real and other taxes	-	81,758,810
Accounts	-	35,965
Special assessments	-	620,069
Due from other governments	-	7,092,416
Due from external parties	-	13,083
	<hr/>	<hr/>
Total assets	1,547	\$ 94,699,770
	<hr/>	<hr/>
Liabilities:		
Intergovernmental payable	-	\$ 92,614,090
Deposits held and due to others	-	854,494
Undistributed assets	-	977,688
Payroll withholdings	-	253,498
	<hr/>	<hr/>
Total liabilities	-	\$ 94,699,770
	<hr/>	<hr/>
Net position:		
Held in trust for children services	1,547	
	<hr/>	
Total net position	\$ 1,547	
	<hr/>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Private-Purpose Trust
	<u> </u>
Additions:	
Investment income.	\$ 246
Contributions and donations.	14,251
Total additions	<u>14,497</u>
 Deductions:	
Payments in accordance with trust agreements	82,084
Total deductions.	<u>82,084</u>
 Change in net position.	(67,587)
 Net position at beginning of year.	<u>69,134</u>
 Net position at end of year	<u><u>\$ 1,547</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - DESCRIPTION OF THE COUNTY

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.

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No.61 “The Financial Reporting Entity: Omnibus”. The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County.

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, 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 approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. The County has no component units.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 1 - DESCRIPTION OF THE COUNTY - (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 19 and 21, 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 20 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further under Basis of Accounting, these financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. 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. 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 position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements - The statement of net position 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" revenues and expenses. 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 revenues 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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues 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 revenues generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating expenses include costs of sales and services and administrative costs. The fund statements report all other revenues and expenses 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. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources less liabilities plus deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

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.

Job and Family Services Fund - The job and family services fund accounts for various federal and state grants and reimbursements that are restricted for human services programs.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Motor Vehicle and Gasoline Tax Fund - The motor vehicle and gasoline 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.

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.

Other governmental funds of the County are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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 County's major enterprise fund is:

Sewer Fund - The sewer fund accounts for sanitary sewer services provide to County individuals and commercial users in the majority of the unincorporated areas of the County.

Water Fund - The water fund accounts for water services provide to County individuals and commercial users in the majority of the unincorporated areas of the County.

Other enterprise funds of the County are used to account for police communication dispatching services.

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, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. 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. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the County are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities and current deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; proprietary funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days after year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from sales taxes is recognized in the period in which the sales are made (See Note 7). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, State-levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, interest and rent.

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the County that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the County that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 operations and other revenues received in advance of the year for which they were intended to finance, have been recorded as a deferred inflow of resources. Sales taxes not received within the available period, grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at December 31, 2014, are recorded as deferred inflow of resources in the governmental fund financial statements.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

Expense/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. 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.

F. 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 investments." The County has segregated bank accounts for monies held separate from the County's central bank account. These monies are presented in the financial statements as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the County treasury.

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 2014, investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities and State Treasury Asset Reserve of Ohio (STAR Ohio).

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

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio's shares price, which is the price the investment could be sold for on December 31, 2014.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2014 amounted to \$202,476, which includes \$178,519 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.

G. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption. On the fund financial statements, reported inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance in governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

I. Capital Assets

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of \$5,000 for all capital assets except infrastructure. The capitalization threshold for infrastructure is \$100,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. The County reports all infrastructure, including that acquired prior to 1980. The County's infrastructure consists of roads, bridges, sewer lines and water lines. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10 - 40 years
Buildings and Improvements	10 - 40 years
Machinery and Equipment	5 - 15 years
Vehicles	2 - 6 years
Infrastructure	20 - 50 years
Software	5 years

J. Unamortized Bond Premium/Unamortized Deferred Charges on Refunding/Bond Issuance Costs

Bond premiums and deferred charges on refundings are deferred and amortized over the term of the bonds using the bond outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. Unamortized deferred charges on refunding are reported as a deferred outflow of resources on the statement of net position. On the governmental fund financial statements, bond premiums and deferred charges on refundings are recognized in the period when the debt is issued. Bond issuance costs are expensed when they occur.

K. Compensated Absences

Vacation benefits and compensation time are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time and compensation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in each of County's' departments termination policies. The County records a liability for accumulated unused sick leave for employees with ten or more years of service at varying rates depending on County policy.

L. Loans Receivable

Loans receivable represent the right to receive repayment for certain loans made by the County. These loans are based upon written agreements between the County and the various loan recipients.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability in the fund financial statements when due.

N. Internal Activity

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

O. Interfund Balances

Receivables and payables resulting from routine lag between the dates interfund goods and services are provided or reimbursed expenditures occur are classified as “due to/due from other funds”. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Receivables and payables resulting from activity between the primary government and agency funds are classified as “due to/due from external parties”.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by the creditors, grantors or laws or regulations of other governments. As of December 31, 2014, there was no net position restricted by enabling legislation.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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 Board of County Commissioners (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes 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 nor 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 Board of County Commissioners, which includes giving the County Auditor the authority to constrain monies for intended purposes.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 only used to report a deficit fund 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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

R. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, from grants or outside contributions of resources restricted to capital acquisition and construction, or from other funds within the County. The County's sewer fund had \$175,206 in capital contributions from governmental funds. The County's water fund had \$570,929 in capital contributions from the sewer fund and \$420,375 in capital contributions from governmental funds.

S. Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County administration and that are either unusual in nature or infrequent in occurrence. The County had no extraordinary or special items during 2014.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2014, the County has implemented GASB Statement No. 69, "Government Combinations and Disposals of Government Operations" and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the County.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the County.

B. Deficit Fund Balances

Fund balances at December 31, 2014 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Domestic violence shelter	\$ 571
Other capital projects fund	72,675

The deficits in these funds are due to the reporting of accrued liabilities. These deficits are expected to be covered in the subsequent year through monies collected in the individual funds and through general fund transfers.

NOTE 4 - DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be 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 Notes, bills, bonds, 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 security 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 government 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;

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 items (1) or (2) above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange securities, or cash, equal value for equal value;
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 rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed 10 percent of the value of the outstanding commercial paper of the issuing corporation and which mature within two hundred seventy days after purchase;
 - b. Bankers acceptances eligible for purchase by the federal reserve system and which mature within one hundred eighty days after purchase;
10. Up to 15 percent of the County's average portfolio in notes issued by United States corporations or by depository institutions that are doing business under authority granted by the United States 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 funds 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 or instrumentality, and/or highly rated commercial paper; and,
12. Up to 1 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.

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

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At year-end, the County had \$150,181 in undeposited cash on hand, which is included on the financial statements of the County as part of “equity in pooled cash and investments”.

B. Cash with Fiscal Agent

At year-end, the County had \$900,888 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 with Financial Institutions

At December 31, 2014, the carrying amount of all County deposits was \$24,454,956. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2014, \$9,563,315 of the County’s bank balance of \$25,294,414 was exposed to custodial risk as discussed below, while \$15,731,099 was covered by the Federal Deposit Insurance Corporation (FDIC).

The County has no deposit policy for custodial risk beyond the requirements of State statute. Custodial credit risk is the risk that, in the event of bank failure, the County’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the County.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of December 31, 2014, the County had the following investments and maturities:

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 - 12 months	13 - 18 months	19 - 24 months	More than 24 months
FFCB	\$ 4,089,226	\$ 1,000,190	\$ -	\$ -	\$ 498,550	\$ 2,590,486
FHLB	7,532,539	750,098	-	1,453,075	-	5,329,366
FHLMC	7,431,542	-	-	1,000,350	1,207,345	5,223,847
FNMA	9,602,472	-	-	498,770	997,370	8,106,332
STAR Ohio	847,816	847,816	-	-	-	-
Total	<u>\$ 29,503,595</u>	<u>\$ 2,598,104</u>	<u>\$ -</u>	<u>\$ 2,952,195</u>	<u>\$ 2,703,265</u>	<u>\$ 21,250,031</u>

The weighted average maturity of investments at December 31, 2014 is 2.17 years.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The County's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned the STAR Ohio an AAAM money market rating. STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the County's name. The County has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2014:

<u>Investment type</u>	<u>Amount</u>	<u>Percent of Total</u>
FFCB	\$ 4,089,226	13.86
FHLB	7,532,539	25.53
FHLMC	7,431,542	25.19
FNMA	9,602,472	32.55
STAR Ohio	847,816	2.87
Total	<u>\$ 29,503,595</u>	<u>100.00</u>

E. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net position as of December 31, 2014:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 24,454,956
Investments	29,503,595
Cash on hand	150,181
Cash with fiscal agent	900,888
Total	<u>\$ 55,009,620</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 47,948,822
Business-type activities	1,879,824
Private purpose trust	1,547
Agency funds	5,179,427
Total	<u>\$ 55,009,620</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 5 - INTERFUND RECEIVABLES/PAYABLES

- A.** Due to/from other funds at December 31, 2014, consisted of the following as reported on the fund statements:

	<u>General</u>	<u>Job and Family Services</u>	<u>Mental Health</u>	<u>Board of Developmental Disabilities</u>	<u>Other Governmental</u>	<u>Sewer</u>	<u>Total Due to Other Funds</u>
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,667	\$ 4,667
Job and Family Services	10,086	-	-	-	7,365	-	17,451
Motor Vehicle and Gasoline Tax	1,792	-	-	-	-	-	1,792
Other Governmental	46,329	100,582	4,501	43,472	-	-	194,884
Sewer	<u>1,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,291</u>
Total due from other funds	<u>\$ 59,498</u>	<u>\$ 100,582</u>	<u>\$ 4,501</u>	<u>\$ 43,472</u>	<u>\$ 7,365</u>	<u>\$ 4,667</u>	<u>\$ 220,085</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances are due within one year.

Amounts due to/from other funds between governmental funds are eliminated on the government-wide financial statements. Amounts due to/from other funds between governmental activities and business-type activities are reported as an internal balance on the statement of net position.

- B.** Due to/from external parties at December 31, 2014, consisted of the following as reported on the fund statements:

	<u>General</u>	<u>Nonmajor Governmental Fund</u>	<u>Sewer</u>	<u>Total Due from External Parties</u>
Agency	<u>\$ 1,840</u>	<u>\$ 2,446</u>	<u>\$ 8,797</u>	<u>\$ 13,083</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 6 - INTERFUND TRANSFERS

During 2014, the following transfers were made:

	Transfers Out			Total
	General	Board of Developmental Disabilities	Other Governmental	
<u>Transfers In</u>				
Job and family services	\$ 217,583	\$ -	\$ -	\$ 217,583
Motor vehicle and gasoline tax	12,745	-	-	12,745
Other governmental	4,532,218	342,000	236,627	5,110,845
Internal service	300,000	-	-	300,000
Total	\$ 5,062,546	\$ 342,000	\$ 236,627	\$ 5,641,173

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between enterprise funds are eliminated on the government-wide financial statements. Transfers between governmental activities and business-type activities are reported as transfers on the statement of activities.

NOTE 7 - 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. The County Commissioners subsequently imposed an additional 0.5 percent sales tax that brought the current sales tax rate to 1.5 percent. 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 Office of Budget and Management then has five days in which to draw the warrant payable to the County. The County received \$16,378,209 in sales tax revenues on a modified accrual basis in 2014.

NOTE 8 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years and updated every three years. 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, 2014

NOTE 8 - PROPERTY TAXES - (Continued)

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2014 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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

The full tax rate for all County operations for the year ended December 31, 2014 was \$9.25 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

<u>Real Property</u>	
Residential/Agricultural	\$ 1,370,478,760
Commercial/Industrial/Mineral	244,013,370
Public Utility	<u>104,543,430</u>
Total Assessed Value	<u>\$ 1,719,035,560</u>

NOTE 9 - RECEIVABLES

Receivables at December 31, 2014, consisted of accounts (billings for user charged services, including unbilled utility services); sales taxes; accrued interest; amounts due from other governments including grants, entitlements, and shared revenues; interfund; real and other taxes, loans (microenterprise and economic development revolving loan fund monies loaned to County residents), and special assessments. All receivables are considered collectible in full and within one year, except for real and other taxes (property taxes), loans and special assessments. Real and other taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Loans receivable represent low interest loans for development projects granted to eligible County residents under microenterprise and ED RLF loan programs. The loans have various interest rates and are to be repaid over a period of years. Loans outstanding at December 31, 2014, were \$158,466. Loans receivable are net of \$175,925 in loans determined to be not collectible.

Special assessments receivable in the sewer enterprise fund relate to delinquent sewer bills.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 9 - RECEIVABLES - (Continued)

A summary of the principal amounts due from other governments is as follows:

Fund	Description	Amount
General Fund	Local Government	\$ 546,609
	Casino revenue	617,779
	Public defender	33,006
	Miscellaneous	<u>5,652</u>
Total General Fund		<u>1,203,046</u>
Job and Family Services Fund	Grants	5,915,150
	Miscellaneous	<u>6,173</u>
Total Job and Family Services Fund		<u>5,921,323</u>
Motor Vehicle and Gasoline Tax Fund	Gas tax	1,130,052
	Motor vehicle license fees	<u>1,887,024</u>
Total Motor Vehicle and Gasoline Tax Fund		<u>3,017,076</u>
Mental Health Fund	Homestead and rollback	145,135
	Miscellaneous	<u>116,991</u>
Total Mental Health Fund		<u>262,126</u>
Board of Developmental Disabilities Fund	Homestead and rollback	448,147
	Grants	2,140
	Miscellaneous	<u>101,894</u>
Total Board of Development Disabilities Fund		<u>552,181</u>
Nonmajor governmental funds	Homestead and rollback	87,907
	Grants	2,270,640
	Miscellaneous	<u>89,622</u>
Total Governmental Funds		<u><u>\$ 13,403,921</u></u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/13</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/14</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,281,026	\$ -	\$ -	\$ 1,281,026
Total capital assets, not being depreciated	<u>1,281,026</u>	<u>-</u>	<u>-</u>	<u>1,281,026</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,877,148	17,400	-	2,894,548
Buildings and improvements	31,184,097	218,446	-	31,402,543
Machinery and equipment	7,379,024	172,931	(6,088)	7,545,867
Vehicles	7,455,186	872,578	(6,125)	8,321,639
Infrastructure	30,917,283	881,128	(179,378)	31,619,033
Software	501,716	11,434	-	513,150
Total capital assets, being depreciated	<u>80,314,454</u>	<u>2,173,917</u>	<u>(191,591)</u>	<u>82,296,780</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,215,270)	(88,301)	-	(2,303,571)
Buildings and improvements	(11,555,695)	(699,932)	-	(12,255,627)
Machinery and equipment	(5,840,960)	(321,636)	6,088	(6,156,508)
Vehicles	(6,378,493)	(388,745)	2,450	(6,764,788)
Infrastructure	(8,933,203)	(1,466,783)	164,429	(10,235,557)
Software	(200,197)	(100,572)	-	(300,769)
Total accumulated depreciation	<u>(35,123,818)</u>	<u>(3,065,969)</u>	<u>172,967</u>	<u>(38,016,820)</u>
Total capital assets, being depreciated net	<u>45,190,636</u>	<u>(892,052)</u>	<u>(18,624)</u>	<u>44,279,960</u>
Governmental activities capital assets, net	<u>\$ 46,471,662</u>	<u>\$ (892,052)</u>	<u>\$ (18,624)</u>	<u>\$ 45,560,986</u>

Depreciation expense was charged to governmental functions as follows:

<u>Governmental activities:</u>	
Legislative and executive	\$ 110,093
Judicial	226,418
Public safety	420,264
Public works	1,722,247
Health	6,554
Human services	<u>580,393</u>
Total depreciation expense	<u>\$ 3,065,969</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-type activities</u>	Balance <u>12/31/13</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/14</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 47,435	\$ -	\$ -	\$ 47,435
Total capital assets, not being depreciated	<u>47,435</u>	<u>-</u>	<u>-</u>	<u>47,435</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	167,067	-	-	167,067
Buildings and improvements	2,211,551	-	-	2,211,551
Machinery and equipment	4,515,290	33,743	-	4,549,033
Vehicles	755,000	280,831	-	1,035,831
Infrastructure	<u>9,100,872</u>	<u>1,450,446</u>	<u>-</u>	<u>10,551,318</u>
Total capital assets, being depreciated	<u>16,749,780</u>	<u>1,765,020</u>	<u>-</u>	<u>18,514,800</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(146,925)	(4,749)	-	(151,674)
Buildings and improvements	(988,398)	(52,704)	-	(1,041,102)
Machinery and equipment	(4,084,901)	(60,250)	-	(4,145,151)
Vehicles	(731,703)	(61,990)	-	(793,693)
Infrastructure	<u>(4,012,637)</u>	<u>(256,480)</u>	<u>-</u>	<u>(4,269,117)</u>
Total accumulated depreciation	<u>(9,964,564)</u>	<u>(436,173)</u>	<u>-</u>	<u>(10,400,737)</u>
Total capital assets, being depreciated net	<u>6,785,216</u>	<u>1,328,847</u>	<u>-</u>	<u>8,114,063</u>
Business-type activities capital assets, net	<u>\$ 6,832,651</u>	<u>\$ 1,328,847</u>	<u>\$ -</u>	<u>\$ 8,161,498</u>

All depreciation was charged to the water and sewer enterprise funds.

NOTE 11 - RISK MANAGEMENT

A. Property and Liability

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2014, the County contracted with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. The CORSA program has a \$2,500 deductible.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 11 - RISK MANAGEMENT - (Continued)

Coverages provided by CORSA are as follows:

<u>Type of Coverage</u>	<u>Amount</u>
General Liability	\$ 1,000,000
Law Enforcement Professional Liability	1,000,000
Automobile Liability	1,000,000
Public Officials Errors and Omissions Liability	1,000,000
Excess Liability	5,000,000
Direct Physical Loss or Damage	155,204,549
Business Income/Extra Expense	1,000,000
Collapse	Per statement of values
Crime	1,000,000
Equipment Breakdown	100,000,000

B. Self-Insurance

The County has elected to provide medical, drug, vision and dental benefits through a self-insured program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in this program. The County uses a third party administrator, Anthem, to review, process, process and pay all claims on behalf of the County.

The claims liability of \$34,821 reported on the basic financial statements at December 31, 2014, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim. Changes in the internal service fund's claims liability amounts in the past two years follows:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of End of Year</u>
2014	\$ 228,540	\$ 3,288,321	\$ (3,482,040)	\$ 34,821
2013	263,740	3,304,553	(3,339,753)	228,540

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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 12 - 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 Pension 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% 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, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the 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 which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014 member and employer contribution rates were consistent across all three plans. 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 Plan. The 2014 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 12.00% and 13.00%, respectively. The County's contribution rate for 2014 was 14.00%, except for those plan members in law enforcement or public safety, for whom the County's contribution was 18.10% of covered payroll.

The County's contribution rate for pension benefits for members in the Traditional Plan and Combined Plan for 2014 was 12.00%. For those plan members in law enforcement and public safety pension contributions were 16.10%. The County's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$2,677,117, \$2,800,994, and \$2,169,916, respectively; 92.12% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 pension liability has been reported as due to other governments on the basic financial statements. Contributions to the Member-Directed Plan for 2014 were \$51,098 made by the County and \$36,499 made by the plan members.

B. State Teachers Retirement System of Ohio

Plan Description - The County participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org, under "Publications".

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 12 - PENSION PLANS - (Continued)

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 9.50% 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 with five years of service credit; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For January 1, 2014 through June 30, 2014, plan members were required to contribute 11.00% of their annual covered salaries. For July 1, 2014 through December 31, 2014, plan members were required to contribute 12.00% of their annual covered salaries. The County was required to contribute 14.00%; 13.00% was the portion used to fund pension obligations for January 1, 2014 through June 30, 2014 and 14.00% was the portion used to fund pension obligations for July 1, 2014 through December 31, 2014. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14.00% for members and 14.00% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to STRS Ohio for the years ended December 31, 2014, 2013 and 2012 were \$80,739, \$84,585 and \$93,779, respectively; 100% has been contributed for 2014, 2013 and 2012.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to 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.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB 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 healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare 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 2014 local government employers contributed 14.00% of covered payroll (18.10% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2014 was 2.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their 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 healthcare plan.

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$425,937, \$212,164, and \$850,861, respectively; 92.12% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

B. State Teachers Retirement System of Ohio

Plan Description - The County contributes to the cost sharing, multiple employer defined benefit Health Plan (the "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. 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 may be obtained by visiting www.strsoh.org, under "*Publications*" or by calling (888) 227-7877.

Funding Policy - Ohio law 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 Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. From January 1, 2014 through June 30, 2014, STRS Ohio allocated employer contributions equal to 1.00% of covered payroll to the Health Care Stabilization Fund. From July 1, 2014 through December 31, 2014, STRS Ohio did not allocate any percentage of employer contributions to the Health Care Stabilization Fund. The County's contributions for health care for the years ended December 31, 2014, 2013 and 2012 were \$6,211, \$6,507 and \$7,234, respectively; 100% has been contributed for 2014, 2013 and 2012.

NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In the current year and in prior years, the County entered into capital lease agreements for copiers and plotters for the engineer's department.

The terms of the lease agreements provide an option to purchase the equipment. These leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general fund and the motor vehicle and gasoline tax fund in the fund financial statements. Capital assets, acquired by lease, have been capitalized in the amount of \$97,968. This amount is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded. Accumulated depreciation on the equipment totaled \$61,758 leaving a current book value of \$36,210. Principal payments in 2014 totaled \$10,548 in the general fund and \$9,068 in the motor vehicle and gasoline tax fund.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2014:

<u>Year Ending December 31,</u>	<u>Equipment</u>
2015	\$ 22,016
2016	9,333
2017	3,150
2018	1,953
2019	<u>326</u>
Total minimum lease payments	36,778
Less: amount representing interest	<u>(2,181)</u>
Present value of future minimum lease payments	<u>\$ 34,597</u>

NOTE 15 - OPERATING LEASE

On May 11, 2012, the County entered into a lease agreement with Chesapeake Exploration, L.L.C. (the "Lessee"). The County leased approximately 5 acres of land to the Lessee. The Lessee will pay the County lease royalty payments of 20 percent of the gross proceeds attributable to the applicable well.

On May 24, 2012, the County entered into a lease agreement with Chesapeake Exploration, L.L.C. (the "Lessee"). The County leased approximately 26 acres of land to the Lessee. The Lessee will pay the County lease royalty payments of 20 percent of the gross proceeds attributable to the applicable well. In addition, the County received a bonus payment of \$5,850 per acre, or approximately \$152,603.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Year of Maturity</u>
Governmental Activities Debt			
<u>General Obligation Notes:</u>			
County EMA	4.73%	\$ 112,000	2016
Clerk of Courts Server Upgrade & Computers	2.75%	471,532	2017
Clerk of Courts Office Equipment	2.75%	38,984	2017
Auditors & Veterans Services Upgrades	2.75%	155,676	2017
Engineer's Property	2.50%	135,178	2017
Engineer's Salt Storage Shed	2.80%	342,014	2018
Engineer's Trucks	2.41%	346,449	2017
<u>General Obligation Bonds:</u>			
Refunding Jail Facilities Bonds	4.00 - 4.12%	8,490,000	2024
Government Services Building 2012	2.00 - 4.375%	7,405,000	2052
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
Series 2013 Refunding Bonds	3.50%	1,686,000	2033
<u>Ohio Water Development Authority Loan:</u>			
Hanoverton Planning Permanent Financing	6.04%	1,178,054	2021

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Year of Maturity</u>
Business-Type Activities Debt			
<u>Mortgage Revenue Notes:</u>			
Vondry State Route 170/Duke Road Sewer	4.97%	\$ 83,500	2016
<u>Mortgage Revenue Bonds:</u>			
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
Roseview Acres	4.85%	46,500	2018
Glenmoor/Lacroft Sanitary Sewer	4.25%	3,534,000	2049
<u>Ohio Public Works Commission Loans:</u>			
State Route 7 Water Line Extension #1	0.00%	50,000	2022
State Route 7 Water Line Extension #2	0.00%	96,000	2023
State Route 45 Water Line Extension	0.00%	375,000	2017
Roseview Acres Treatment Plant	0.00%	1,816,619	2039
Glenmoor Sewer System	0.00%	203,584	2037
Home Road Sewer Project	0.00%	600,000	2043
County Home Road Waterline Project	0.00%	314,889	2044
<u>Ohio Water Development Authority Loans:</u>			
County Home Road Sanitary Sewer	N/A	N/A	N/A
County Home Road Waterline Extension	N/A	N/A	N/A
Household Sewage Treatment Repair	N/A	N/A	N/A

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Governmental Activities:</u>	Balance <u>12/31/13</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/14</u>	Amount Due <u>In One Year</u>
<u>General Obligation Notes:</u>					
County EMA	\$ 33,600	\$ -	\$ (11,200)	\$ 22,400	\$ 11,200
Data Processing Loan	100,000	-	(100,000)	-	-
Clerk of Courts Server Upgrade	382,337	-	(91,696)	290,641	94,238
Clerk of Courts Office Equipment	31,610	-	(7,580)	24,030	7,791
Auditors & Veterans Services Upgrades	111,209	-	(30,746)	80,463	31,545
Engineer's Property	87,579	-	(29,190)	58,389	27,592
Engineer's Salt Storage Building	301,859	-	(60,488)	241,371	57,331
Engineer's Truck	-	346,449	-	346,449	114,115
	<u>1,048,194</u>	<u>346,449</u>	<u>(330,900)</u>	<u>1,063,743</u>	<u>343,812</u>
Total General Obligation Notes					
<u>General Obligation Bonds:</u>					
Refunding Jail Facilities Bonds	6,130,000	-	(450,000)	5,680,000	470,000
Unamortized Premium	51,548	-	(4,686)	46,862	-
Total Refunding Jail Facilities Bonds	<u>6,181,548</u>	<u>-</u>	<u>(454,686)</u>	<u>5,726,862</u>	<u>470,000</u>
Government Services Bldg 2012 Bonds	7,255,000	-	(155,000)	7,100,000	155,000
Unamortized Premium	149,987	-	(3,846)	146,141	-
Total Government Services Bldg 2012 Bonds	<u>7,404,987</u>	<u>-</u>	<u>(158,846)</u>	<u>7,246,141</u>	<u>155,000</u>
Courthouse Window Renovations	746,000	-	(19,000)	727,000	20,000
Courthouse Renovations	2,345,000	-	(62,000)	2,283,000	65,000
Ohio Wellsville Water Systems	1,044,000	-	(26,000)	1,018,000	27,000
Murray Trucking Old Farm Village	429,000	-	(8,000)	421,000	8,000
Municipal Court Bonds #1	247,000	-	(7,000)	240,000	8,000
Municipal Court Bonds #2	2,349,000	-	(71,000)	2,278,000	74,000
Government Services Bldg 2010A Bonds	390,000	-	(50,000)	340,000	50,000
Seies 2013 Refunding Bonds	1,686,000	-	-	1,686,000	-
	<u>22,822,535</u>	<u>-</u>	<u>(856,532)</u>	<u>21,966,003</u>	<u>877,000</u>
Total General Obligation Bonds					
<u>Ohio Water Development Authority Loan:</u>					
Hanoverton Planning Permanent Financing	515,682	-	(61,359)	454,323	65,065
<u>Other Long-Term Obligations:</u>					
Capital Leases	45,622	8,591	(19,616)	34,597	20,533
Compensated Absences	4,184,140	1,356,221	(1,468,795)	4,071,566	135,737
	<u>4,229,762</u>	<u>1,364,812</u>	<u>(1,488,411)</u>	<u>4,106,163</u>	<u>156,270</u>
Total Governmental Activities	<u>\$ 28,616,173</u>	<u>\$ 1,711,261</u>	<u>\$ (2,737,202)</u>	<u>\$ 27,590,232</u>	<u>\$ 1,442,147</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

<u>Business-Type Activities:</u>	Balance <u>12/31/13</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/14</u>	Amount Due <u>In One Year</u>
<u>Mortgage Revenue Notes:</u>					
Vodry State Route 170 Duke Road Sewer	\$ 25,050	\$ -	\$ (8,350)	\$ 16,700	\$ 8,350
<u>Mortgage Revenue Bonds:</u>					
Guilford Lake Sewer	105,000	-	(15,000)	90,000	16,000
Ohio Elkrun Sewer	1,688,000	-	(35,000)	1,653,000	37,000
Winona Area Waste System #1	540,000	-	(8,000)	532,000	9,000
Winona Area Waste System #2	333,000	-	(5,000)	328,000	5,000
Winona Sanitary Sewer	68,863	-	(12,413)	56,450	13,137
Beaver Local Wastewater #1	310,305	-	(14,897)	295,408	15,340
Beaver Local Wastewater #2	35,459	-	(35,459)	-	-
Roseview Acres	26,169	-	(5,374)	20,795	4,973
Glenmoor/Lacroft Sanitary Sewer	<u>3,456,000</u>	<u>-</u>	<u>(42,000)</u>	<u>3,414,000</u>	<u>44,000</u>
Total Mortgage Revenue Bonds	<u>6,562,796</u>	<u>-</u>	<u>(173,143)</u>	<u>6,389,653</u>	<u>144,450</u>
<u>OPWC Loans:</u>					
State Route 7 Water Line Extension #1	21,250	-	(2,500)	18,750	2,500
State Route 7 Water Line Extension #2	45,600	-	(4,800)	40,800	4,800
Stagecoach - Dairy Lane	5,913	-	(5,913)	-	-
State Route 45 Water Line Extension	150,000	-	(37,500)	112,500	37,500
Roseview Acres Treatment Plant	154,376	-	(6,054)	148,322	6,054
Glenmoor Sewer System	195,441	-	(8,143)	187,298	8,143
Home Road Sewer Project	590,000	-	(20,000)	570,000	20,000
County Home Road Waterline Project	<u>-</u>	<u>314,889</u>	<u>(5,248)</u>	<u>309,641</u>	<u>10,496</u>
Total OWPC Loans	<u>1,162,580</u>	<u>314,889</u>	<u>(90,158)</u>	<u>1,387,311</u>	<u>89,493</u>
<u>OWDA Loans:</u>					
County Home Road Sanitary Sewer	16,232	283,936	(44,198)	255,970	-
County Home Road Waterline Extension	(13,971)	256,040	(21,141)	220,928	-
Household Sewage Treatment Repair	<u>-</u>	<u>52,495</u>	<u>(52,495)</u>	<u>-</u>	<u>-</u>
Total OWDA Loans	<u>2,261</u>	<u>592,471</u>	<u>(117,834)</u>	<u>476,898</u>	<u>-</u>
<u>Other Long-Term Obligations:</u>					
Compensated Absences	<u>95,072</u>	<u>12,132</u>	<u>(31,786)</u>	<u>75,418</u>	<u>3,073</u>
Total Business-Type Activities	<u>\$ 7,847,759</u>	<u>\$ 919,492</u>	<u>\$ (421,271)</u>	<u>\$ 8,345,980</u>	<u>\$ 245,366</u>

The general obligation notes are paid from the general fund, the emergency management and motor vehicle and gasoline tax special revenue funds 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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - 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.

Capital leases: See Note 14 for details on capital leases.

Compensated absences: Compensated absences will be paid from the fund from which the employees' salaries are paid. For the County's governmental activities, this is primarily the general fund, the job and family services fund, the motor vehicle and gasoline tax fund and the board of developmental disabilities fund. For business-type activities, this is primarily the sewer fund.

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 notes were paid off during 2012 with the issuance of bonds. The serial bonds were issued with a varying interest rate of 2.0-4.0 percent.

On June 26, 2013, the County issued \$1,685,000 in Series 2013 Refunding Bonds. The bonds were issued to refund \$1,615,000 of the Governmental Service Building 2010B Bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds at December 31, 2014 was \$1,615,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$25,266. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2033. This advance refunding was undertaken to reduce the combined total debt service payments over the next 20 years by \$290,895 and resulted in an economic gain of \$116,697.

During 2012, the County issued \$7,405,000 of general obligation bonds to repay the government services building notes.

Ohio Public Works Commission (OPWC) Loans

In the current year and in previous years, the County was awarded loans from Ohio Public Works Commission (OPWC) for various sewer and water projects. The remaining balances on these loans at December 31, 2014 were \$1,387,311.

Ohio Water Development Authority (OWDA) Loans

During 2012, the County was awarded loans from Ohio Water Development Authority (OWDA) for various sewer and water projects. These loans have not been fully disbursed as of December 31, 2014, therefore are not reflected in the amortization schedule below.

The County has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$8,270,562 of mortgage revenue notes and bonds, Ohio Public Works Commission (OPWC) and Ohio Water Development Authority (OWDA) loans. Annual principal and interest payments, as a percentage of net customer revenues and operating revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were 154.06 percent and 28.64 percent, respectively. The total principal and interest remaining to be paid on the debt is \$13,361,343. Principal and interest paid for the current year, total net revenues and total operating revenues were \$685,117, \$444,703 and \$2,392,281, respectively.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2014 are as follows:

Governmental Activities

Year Ended	General Obligation Notes		General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 343,812	\$ 25,926	\$ 877,000	\$ 881,557	\$ 65,065	\$ 27,441
2016	350,508	18,699	915,000	849,993	68,995	23,511
2017	304,963	9,700	937,000	904,843	73,162	19,344
2018	64,460	1,769	973,000	779,256	77,581	14,925
2019	-	-	997,000	740,253	82,267	10,239
2020 - 2024	-	-	5,528,000	3,066,035	87,253	5,251
2025 - 2029	-	-	3,121,000	2,130,823	-	-
2030 - 2034	-	-	3,365,000	1,465,499	-	-
2035 - 2039	-	-	1,574,000	921,460	-	-
2040 - 2044	-	-	1,326,000	638,464	-	-
2045 - 2049	-	-	1,330,000	357,219	-	-
2050 - 2052	-	-	830,000	72,844	-	-
Total	<u>\$ 1,063,743</u>	<u>\$ 56,094</u>	<u>\$ 21,773,000</u>	<u>\$ 12,808,246</u>	<u>\$ 454,323</u>	<u>\$ 100,711</u>

Business-Type Activities

Year Ended	Mortgage Revenue Notes		Mortgage Revenue Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 8,350	\$ 841	\$ 144,450	\$ 278,164	\$ 89,493	\$ -
2016	8,350	422	151,024	251,601	89,493	-
2017	-	-	157,764	264,649	89,493	-
2018	-	-	394,415	257,455	51,993	-
2019	-	-	132,000	239,198	51,993	-
2020 - 2024	-	-	637,000	1,111,896	246,517	-
2025 - 2029	-	-	792,000	959,305	223,467	-
2030 - 2034	-	-	977,000	769,315	223,467	-
2035 - 2039	-	-	1,209,000	534,917	204,153	-
2040 - 2044	-	-	892,000	309,742	117,242	-
2045 - 2049	-	-	903,000	113,276	-	-
Total	<u>\$ 16,700</u>	<u>\$ 1,263</u>	<u>\$ 6,389,653</u>	<u>\$ 5,089,518</u>	<u>\$ 1,387,311</u>	<u>\$ -</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Debt Margin

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed 1 percent of the total assessed valuation of the County. The Revised Code further provides that the total voted and unvoted net debt of the County less the same exempt debt should not exceed a sum equal to 3 percent of the first \$100,000,000, plus 1.5 percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus 2.5 percent of such valuation in excess of \$300,000,000.

The effect of the debt limitations described above is an overall debt margin of \$37,692,787 at December 31, 2014.

NOTE 17 - NOTES PAYABLE

Changes in the County's note activity for the year ended December 31, 2014, were as follows:

	Balance			Balance
	<u>12/31/2013</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2014</u>
<u>Governmental fund notes</u>				
Economic Development Notes	<u>\$ 285,000</u>	<u>\$ -</u>	<u>\$ (285,000)</u>	<u>\$ -</u>

All notes were backed by the full faith and credit of the County. The note liability is reflected in the fund which received the proceeds.

On February 7, 2013, the County issued economic development notes in the amount of \$285,000 in anticipation of an economic development grant. The notes bore an interest rate of 2.39% and matured on February 6, 2014.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 18 - FUND BALANCE

Fund balance is 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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	Job and Family Services	Motor Vehicle and Gas Tax	Mental Health
Nonspendable:				
Materials and supplies inventory	\$ 65,912	\$ 35,273	\$ 758,374	\$ 517
Prepays	195,681	40,468	3,907	5,636
Unclaimed monies	<u>346,905</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonspendable	<u>608,498</u>	<u>75,741</u>	<u>762,281</u>	<u>6,153</u>
Restricted:				
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Legislative and executive	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	5,084,734	-
Health services	-	-	-	5,461,236
Human services	-	1,342,739	-	-
Economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total restricted	<u>-</u>	<u>1,342,739</u>	<u>5,084,734</u>	<u>5,461,236</u>
Committed:				
Debt service	-	-	-	-
Capital outlay	-	-	-	-
General escrow	<u>1,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total committed	<u>1,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned:				
Lesislative & executive	165,222	-	-	-
Judicial	139	-	-	-
Public safety	69,113	-	-	-
Community development	28,179	-	-	-
Other purposes	<u>50,495</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assigned	<u>313,148</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned (deficit)	<u>5,712,064</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 8,333,710</u>	<u>\$ 1,418,480</u>	<u>\$ 5,847,015</u>	<u>\$ 5,467,389</u>

--Continued

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 18 - FUND BALANCE - (Continued)

Fund balance	Board of Developmental Disabilities	Other Governmental Funds	Total
Nonspendable:			
Materials and supplies inventory	\$ 2,448	\$ 3,803	\$ 866,327
Prepays	29,488	65,433	340,613
Unclaimed monies	-	-	346,905
Total nonspendable	<u>31,936</u>	<u>69,236</u>	<u>1,553,845</u>
Restricted:			
Debt service	-	2,169,503	2,169,503
Capital outlay	-	221,587	221,587
Legislative and executive	-	1,496,018	1,496,018
Judicial	-	1,461,639	1,461,639
Public safety	-	2,637,311	2,637,311
Public works	-	-	5,084,734
Health services	-	149,905	5,611,141
Human services	9,148,741	4,316,332	14,807,812
Economic development	-	760,315	760,315
Total restricted	<u>9,148,741</u>	<u>13,212,610</u>	<u>34,250,060</u>
Committed:			
Debt service	-	15,506	15,506
Capital outlay	-	6,279,445	6,279,445
General escrow	-	-	1,700,000
Total committed	<u>-</u>	<u>6,294,951</u>	<u>7,994,951</u>
Assigned:			
Legislative & executive	-	-	165,222
Judicial	-	-	139
Public safety	-	-	69,113
Community development	-	-	28,179
Other purposes	-	-	50,495
Total assigned	<u>-</u>	<u>-</u>	<u>313,148</u>
Unassigned (deficit)	<u>-</u>	<u>(73,246)</u>	<u>5,638,818</u>
Total fund balances	<u>\$ 9,180,677</u>	<u>\$ 19,503,551</u>	<u>\$ 49,750,822</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 19 - 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 20 - 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 2013, 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. During 2014, the County did not make any payments 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 \$983,225 to the System during 2014.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 20 - 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 21 - RELATED ORGANIZATIONS

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 \$9,785 to the Airport Authority in 2014.

NOTE 22 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and the motor vehicle and gasoline tax, mental health, job and family services, and board of developmental disabilities special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 22 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to restricted, assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

	Governmental Funds				
	<u>General</u>	<u>Job and Family Services</u>	<u>Motor Vehicle & Gasoline Tax</u>	<u>Mental Health</u>	<u>Board of Developmental Disabilities</u>
Budget basis	\$ (643,880)	\$ (170,381)	\$ 464,370	\$ 662,523	\$ 846,938
Net adjustment for revenue accruals	106,923	(450,130)	(202,108)	90,141	(46,368)
Net adjustment for expenditure accruals	281,810	20,279	622,556	184,999	(1,938,957)
Net adjustment for other sources/uses	(276,993)	-	-	-	-
Funds budgeted elsewhere	164,122	-	-	-	-
Adjustment for encumbrances	<u>535,334</u>	<u>132,573</u>	<u>192,138</u>	<u>-</u>	<u>-</u>
GAAP Basis	<u>\$ 167,316</u>	<u>\$ (467,659)</u>	<u>\$ 1,076,956</u>	<u>\$ 937,663</u>	<u>\$ (1,138,387)</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, recorders equipment, Ohio EPA tipping fees, juvenile court maintenance, general fund escrow and unclaimed monies funds.

NOTE 23 - CONTINGENCIES

A. Grants

The County received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have an overall effect on the overall financial position of the County at December 31, 2014.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 23 - CONTINGENCIES - (Continued)

B. Litigation

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

NOTE 24 - OTHER COMMITMENTS

The County utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the County's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End</u> <u>Encumbrances</u>
General fund	\$ 262,653
Job and family services fund	117,518
Motor vehicle and gasoline tax fund	165,036
Other governmental funds	<u>63,948</u>
Total	<u>\$ 609,155</u>

SUPPLEMENTARY DATA

COLUMBIANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/ Pass Through Grantor Program Title	Pass Through/ Entity Number	Federal CFDA Number	(A),(B) Cash Federal Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
(C),(D) School Breakfast Program	EDU01-3L60	10.553	\$ 9,124
(C),(D) National School Lunch Program	EDU01-3L70	10.555	17,560
Total Child Nutrition Cluster			<u>26,684</u>
<i>Passed Through Ohio Department of Jobs & Family Services:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-1213-11-0015 / G-1415-11-5335	10.561	694,949
Total U.S. Department of Agriculture			<u>721,633</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development:</i>			
(F) Community Development Block Grant	B-F-12-1A0-1	14.228	96,097
(F) Community Development Block Grant	B-F-13-1A0-1	14.228	47,848
(F) Community Development Block Grant	B-W-12-1A0-1	14.228	150,000
Community Development Block Grant	B-C-13-1A0-1	14.228	48,181
Total Community Development Block Grant			<u>342,126</u>
Home Investment Partnerships Program	B-F-13-1A0-2	14.239	55,635
Total U.S. Department of Housing and Urban Development			<u>397,761</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	2015VAGENE174	16.575	52,651
Crime Victim Assistance	2015SAGENE174	16.575	22,933
(E) Crime Victim Assistance	N/A	16.575	1,664
Total Crime Victim Assistance			<u>77,248</u>
Edward Byrne Memorial Justice Assistance Grant Program	N/A	16.738	24,077
Total U.S. Department of Justice			<u>101,325</u>
U.S. DEPARTMENT OF LABOR			
<i>Passed Through Ohio Department of Jobs & Family Services:</i>			
Senior Community Service Employment Program	Project 319	17.235	151,257
Total U.S. Department of Labor			<u>151,257</u>
U.S. DEPARTMENT OF TRANSPORTATION / FEDERAL HIGHWAY ADMINISTRATION			
<i>Passed Through Ohio Department of Transportation:</i>			
Highway Planning and Construction	PID 96252	20.205	509,210
Highway Planning and Construction	PID 89468	20.205	33,473
Highway Planning and Construction	PID 24452	20.205	112,377
Highway Planning and Construction	PID 96514	20.205	25,008
Highway Planning and Construction	PID 22329	20.205	46,426
Highway Planning and Construction	PID 95231	20.205	275,096
Highway Planning and Construction	PID 96361	20.205	3,140
Highway Planning and Construction	PID 97049	20.205	39,814
Highway Planning and Construction	PID 84859	20.205	80,360
Total Highway Planning and Construction			<u>1,124,904</u>
<i>Passed Through Ohio Environmental Protection Agency:</i>			
State Emergency Response Commission	HME01016090	20.703	20,180
Total U.S. Department of Transportation / Federal Highway Administration			<u>1,145,084</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education:</i>			
Special Education Part B Flowthru 2014	EDU01-3M20-065920	84.027	34,633
Special Education Part B Flowthru 2015	EDU01-3M20-065920	84.027	20,288
Total Special Education Part B Flowthru			<u>54,921</u>
Special Education Grants for Infants and Toddlers (Help Me Grow Part C)	3920-DOH-FY13/14	84.181	87,071
Special Education Grants for Infants and Toddlers (Help Me Grow Part C)	3920-DOH-FY14/15	84.181	38,749
Total Special Education Grants for Infants and Toddlers			<u>125,820</u>
Total U.S. Department of Education			<u>180,741</u>

(Continued)

COLUMBIANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through/ Entity Number	Federal CFDA Number	(A),(B) Cash Federal Disbursements
U.S. ELECTION ASSISTANCE COMMISSION			
<u>Passed Through Ohio Secretary of State and Office:</u>			
(E) Help America Vote Act Requirements Payments	N/A	90.401	2,470
Total U.S. Election Assistance Commission			2,470
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Ohio Department of Aging:</u>			
(E) Low Income Home Energy Assistance (HEAP)	N/A	93.568	2,462
(E) Medical Assistance Program (Family Caregiver)	N/A	93.778	17,554
<u>Passed Through Ohio Department of Jobs & Family Services:</u>			
(E) Promoting Safe and Stable Families	N/A	93.556	58,390
(E) Temporary Assistance for Needy Families	N/A	93.558	3,048,171
(E) Child Support Enforcement	N/A	93.563	1,028,755
(E) Child Care and Development Block Grant	N/A	93.575	168,476
(E) Community-Based Child Abuse Prevention Grants	N/A	93.590	1,480
(E) Stephanie Tubbs Jones Child Welfare Services Program	N/A	93.645	84,062
(E) Foster Care_Title IV-E	N/A	93.658	1,059,945
(E) Foster Care_Title IV-E	N/A	93.658	63,591
(E) Foster Care_Title IV-E	#75-5-1545	93.658	315
Total Foster Care			1,123,851
(E) Adoption Assistance	N/A	93.659	106,062
(E) Social Services Block Grant	N/A	93.667	1,215,432
(E) Chaffee Foster Care Independence Program	N/A	93.674	55,428
(E) Medical Assistance Program (Family Caregiver)	N/A	93.778	1,554,490
<u>Passed Through Ohio Department of Mental Health and Addiction Services:</u>			
(E) Substance Abuse and Mental Health Services	N/A	93.243	87,667
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood	3920-DOH12W3	93.505	42,748
(E) Promoting Safe and Stable Families	N/A	93.556	49,671
(E) Forensic Monitoring	N/A	93.958	2,200
(E) Treatment Grant	N/A	93.958	78,712
(E) PATH Housing	N/A	93.958	65,250
(E) Funding Initiatives	N/A	93.958	50,000
Total Block Grants for Community Mental Health Services			196,162
(E) Social Services Block Grant	N/A	93.667	74,742
(E) Women Treatment	N/A	93.959	130,319
(E) Per Capita-Treatment	N/A	93.959	173,956
(E) Preventon Services	N/A	93.959	28,185
(E) Youth Led Prevention Grant	N/A	93.959	2,400
Total Block Grant for Prevention and Treatment of Substance Abuse			334,860
<u>Passed Through Ohio Suicide Prevention Foundation:</u>			
Mental Health Suicide Prevention Grant	CC MHR SB	93.959	1,000
<u>Passed Through Ohio Department of Developmental Disabilities:</u>			
Social Services Block Grant	DMR01-100912	93.667	44,204
Medical Assistance Program (Medicaid Title XIX) (MAC)	DMR01-100912	93.778	94,352
Total U.S. Department of Health and Human Services			9,390,019
U.S. DEPARTMENT OF HOMELAND SECURITY			
<u>Passed Through Emergency Food and Shelter Board:</u>			
Emergency Food and Shelter Program	671000-099	97.024	133
<u>Passed Through Ohio Emergency Management Agency:</u>			
Emergency Management Performance Grant	EMW-2013-EP-00060501	97.042	85,094
State Homeland Security Program	EMW-2013-SS-00120	97.067	294,046
State Homeland Security Program	EMW-2013-SS-00070	97.067	1,529
Total State Homeland Security Program			295,575
Total U.S. Department of Homeland Security			380,802
Total Federal Financial Assistance			\$ 12,471,092

(Continued)

COLUMBIANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)

Notes to the Schedule of Expenditures of Federal Awards:

- (A) This schedule was prepared on the cash basis of accounting.
- (B) Certain federal programs require the County contribute non-federal funds (matching funds) to support the federally funded programs. Columbiana County has complied with the matching requirements. The expenditure of non-federal matching funds are not included on the schedule.
- (C) Included as part of the "Child Nutrition Cluster" in determining major programs.
- (D) Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.
- (E) Pass-through number was unable to be obtained for this grant.
- (F) This schedule was prepared on the cash basis of accounting.

The County has established a revolving loan fund to provide low-interest loans to businesses to create jobs for persons from low-moderate income households. 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 this schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on this schedule. These loans are collateralized by mortgages on the property.

Activity in the Community Development Block Grant revolving loan fund during 2014 is as follows:

Beginning loans receivable balance as of January 1, 2014 (restated)	\$ 203,096
Loans Disbursed	60,000
Loans Repaid	<u>(15,931)</u>
Ending loans receivable balance as of December 31, 2014	<u>\$ 247,165</u>
Cash balance on hand as of December 31, 2014	\$ 26,352
Administrative cost expended during 2014	\$ 21

The table above reports the gross receivable. Of the loans receivable as of December 31, 2014, Columbiana County estimates \$134,507 to be uncollectible.

Activity in the Community Development Block Grant microenterprise fund during 2014 is as follows:

Beginning loans receivable balance as of January 1, 2014 (restated)	\$99,889
Loans Disbursed	-
Loans Repaid	<u>(12,663)</u>
Ending loans receivable balance as of December 31, 2014	<u>\$87,226</u>

Cash balance on hand as of December 31, 2014

The table above reports the gross receivable. Of the loans receivable as of December 31, 2014, Columbiana County estimates \$41,418 to be uncollectible.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Required by *Government Auditing Standards***

Columbiana County
105 S. Market Street
Lisbon, Ohio 44432

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Columbiana County's basic financial statements and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered Columbiana County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of Columbiana County's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of Columbiana County's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Commissioners
Columbiana County

Compliance and Other Matters

As part of reasonably assuring whether Columbiana 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, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of Columbiana County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering Columbiana County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 19, 2015



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's 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
105 S. Market Street
Lisbon, Ohio 44432

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Columbiana County's compliance with the applicable 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 Columbiana County's major federal programs for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings and responses identifies Columbiana County's major federal programs.

Management's Responsibility

Columbiana County's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on Columbiana County's compliance for each of Columbiana County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for 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 us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about Columbiana County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on Columbiana County's major programs. However, our audit does not provide a legal determination of Columbiana County's compliance.

Basis for Qualified Opinion on the Community Development Block Grant Program

As described in finding 2014-001 in the accompanying schedule of findings and responses, Columbiana County did not comply with requirements regarding cash management applicable to its Community Development Block Grant major federal program. Compliance with this requirement is necessary, in our opinion, for Columbiana County to comply with requirements applicable to this program.

Board of Commissioners
Columbiana County

Qualified Opinion on the Community Development Block Grant Program

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on the Community Development Block Grant Program* paragraph, Columbiana County complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Community Development Block Grant Program* for the year ended December 31, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and responses for the year ended December 31, 2014.

Other Matters

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

Report on Internal Control Over Compliance

Columbiana County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered Columbiana County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of Columbiana County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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's applicable 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's compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and responses as item 2014-001 to be a material weakness.

Board of Commissioners
Columbiana County

Columbiana County's response to our internal control over compliance finding is described in the accompanying schedule of findings and responses. We did not audit Columbiana County's response and, accordingly, we express no opinion on it.

This report only describes the scope of our tests of internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 19, 2015

COLUMBIANA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2014

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Qualified: (CFDA #14.228) Unmodified: (CFDA #20.205); (CFDA #93.558); (CFDA #93.563); (CFDA #93.667)
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Community Development Block Grant - CFDA #14.228; Highway Planning and Construction - CFDA #20.205; Temporary Assistance for Needy Families - CFDA #93.558; Child Support Enforcement - CFDA #93.563; Social Services Block Grant - CFDA #93.667
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$374,133 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

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

None

COLUMBIANA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2014

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS	
Finding Number	2014-001

Noncompliance/Material Weakness – Cash Management

Office of Housing and Community Partnerships Management Rules & Regulations, Section (A)(3)(f) provides that grantees receiving Federal funds must develop a cash management system to ensure compliance with the 15 day rule relating to prompt disbursements of funds. This rule states that funds drawn down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than \$5,000 within 15 days of receipt of any funds. Lump sum draw-downs are not permitted. Escrow accounts are permitted only in the case of rehabilitation of private property. For the purpose of the Fifteen Day Rule only, funds deposited into an escrow account will be considered expended, but it should be noted that funds may only be in an escrow account for 20 days (Attachment 6-Common Rule 24 CFR Part 85, Attachment 7-24 CFR Part 84).

For the 2013 Community Development Block Grant (CDBG) Formula Program and the 2012 CDBG Formula Program, we noted five draw-downs tested did not comply with the 15 day rule. For example, the County Development Department drew-down \$50,000 in the 2012 CDBG Formula Program on January 30, 2014 and it was expended on March 5, 2014.

Failure to disburse the draw-downs upon receipt and maintaining a balance greater than \$5,000 for extended periods of time indicates a lack of monitoring by grant managers.

We recommend the County’s Development department review the process for drawing and disbursing the CDBG Formula grant funds. Steps should be taken to minimize the time elapsing between the receipting and disbursing of funds to ensure compliance with the 15-day rule.

Client Response: The County will propose that the Commissioners will allocate funds for each grant program from which the County can pay for payroll and invoices. Once the County expends funds from this allocation, the County requests the draw-down of grant funds. When the grant funds are received, they will reimburse the amount paid from the funds allocated by the County. At no time will the County hold federal grant funds in an amount exceeding five-thousand dollars for a period greater than 15 days.

COLUMBIANA COUNTY
STATUS OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2013-001	OHCP Management Rules - Regulations, Section (A)(3)(F), The County did not comply with the Fifteen-Day Rule	No	Repeated as finding 2014-001



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
OCTOBER 6, 2015