

COLUMBIANA COUNTY, OHIO
BASIC FINANCIAL STATEMENTS
(Audited)

FOR THE YEAR ENDED
DECEMBER 31, 2015

NANCY MILLIKEN, AUDITOR



Dave Yost • Auditor of State

Board of County 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, 2015 through December 31, 2015. 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".

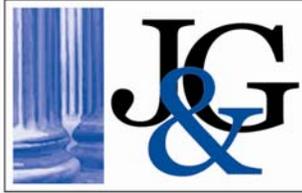
Dave Yost
Auditor of State

August 5, 2016

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COLUMBIANA COUNTY
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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

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, the discretely presented component unit, each major fund and the aggregate remaining fund information of Columbiana County, Ohio, as of and for the year ended December 31, 2015 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 audited 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.

Opinion

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, the discretely presented component unit, each major fund and the aggregate remaining fund information of Columbiana County, Ohio, as of December 31, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the General, Job and Family Services, Motor Vehicle and Gasoline Tax, Mental Health and Board of Developmental Disabilities Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, Columbiana County adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. We did not modify our opinion regarding this matter.

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* and schedules of net pension liabilities/net pension assets and pension contributions, 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 Information

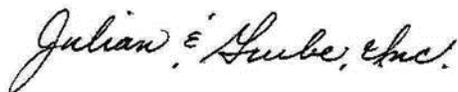
Our audit was conducted to opine on Columbiana County's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the 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 24, 2016, 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



Julian & Grube, Inc.
June 24, 2016

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015. 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 2015 are as follows:

- The total net position of the County increased \$4,092,204. Net position of governmental activities increased \$4,215,113, which represents a 6.64% increase from 2014. Net position of business-type activities decreased \$122,909 or 7.13% from 2014.
- General revenues accounted for \$31,298,911 or 42.49% of total governmental activities revenue. Program specific revenues accounted for \$42,359,736 or 57.51% of total governmental activities revenue.
- The County had \$69,443,534 in expenses related to governmental activities; \$42,359,736 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$31,298,911 were adequate to provide for these programs.
- The general fund, the County's largest major governmental fund, had revenues and other financing sources of \$24,156,664 in 2015. The general fund had expenditures and other financing uses of \$23,670,930 in 2015. The fund balance of the general fund increased \$485,734 from 2014 to 2015.
- The job and family services fund, a major governmental fund, had revenues and other financing sources of \$10,378,780 in 2015. The job and family services fund had expenditures of \$9,881,326 in 2015. The job and family services fund balance increased \$497,454 from 2014 to 2015.
- The motor vehicle and gasoline tax fund, a major governmental fund, had revenues and other financing sources of \$8,335,569 in 2015. The motor vehicle and gasoline tax fund had expenditures of \$8,364,332 in 2015. The motor vehicle and gasoline tax fund balance decreased \$28,763 from 2014 to 2015.
- The mental health fund, a major governmental fund, had revenues of \$3,871,433 in 2015. The mental fund had expenditures of \$3,428,094 in 2015. The mental health fund balance increased \$443,339 from 2014 to 2015.
- The board of developmental disabilities fund, a major governmental fund, had revenues of \$13,895,859 in 2015. The board of developmental disabilities fund had expenditures of \$12,626,458 in 2015. The board of developmental disabilities fund balance increased \$1,269,401 from 2014 to 2015.
- Net position for the business-type activities, which consists of the water and sewer operations and other enterprise funds, decreased in 2015 by \$122,909.

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, 2015

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 2015?" 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, 2015

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. The County's fiduciary funds are a private purpose trust fund and agency funds.

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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's net pension liability. The required supplementary information can be found on pages 94 - 100 of this report.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015. The net position at December 31, 2014 have been restated as described in Note 3.A.

	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
<u>Assets</u>						
Current assets	\$ 83,313,131	\$ 79,060,786	\$ 2,538,933	\$ 2,601,172	\$ 85,852,064	\$ 81,661,958
Capital assets, net	43,867,996	45,560,986	7,801,420	8,161,498	51,669,416	53,722,484
Total assets	127,181,127	124,621,772	10,340,353	10,762,670	137,521,480	135,384,442
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	171,130	188,919	-	-	171,130	188,919
Pension	3,615,596	2,480,762	90,294	62,708	3,705,890	2,543,470
Total deferred outflows of resources	3,786,726	2,669,681	90,294	62,708	3,877,020	2,732,389
<u>Liabilities</u>						
Current liabilities	3,723,429	4,702,727	209,950	247,532	3,933,379	4,950,259
Long-term liabilities						
Due within one year	1,981,077	1,442,147	258,731	245,366	2,239,808	1,687,513
Net pension liability	21,747,227	21,129,081	520,602	508,843	22,267,829	21,637,924
Other amounts	23,533,605	26,148,085	7,830,557	8,100,614	31,364,162	34,248,699
Total liabilities	50,985,338	53,422,040	8,819,840	9,102,355	59,805,178	62,524,395
<u>Deferred inflows of resources</u>						
Property taxes	11,569,204	10,163,474	-	-	11,569,204	10,163,474
Pension	763,227	270,968	10,693	-	773,920	270,968
Total deferred inflows of resources	12,332,431	10,434,442	10,693	-	12,343,124	10,434,442
<u>Net Position</u>						
Net investment in capital assets	22,627,797	22,231,239	(212,077)	(109,064)	22,415,720	22,122,175
Restricted	32,584,982	43,535,078	-	-	32,584,982	43,535,078
Unrestricted (deficit)	12,437,305	(2,331,346)	1,812,191	1,832,087	14,249,496	(499,259)
Total net position	\$ 67,650,084	\$ 63,434,971	\$ 1,600,114	\$ 1,723,023	\$ 69,250,198	\$ 65,157,994

During 2015, the County adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the County's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the County's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the County is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, for governmental activities from \$82,344,925 to \$63,434,971 and business-type activities from \$2,168,917 to \$1,723,023.

COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

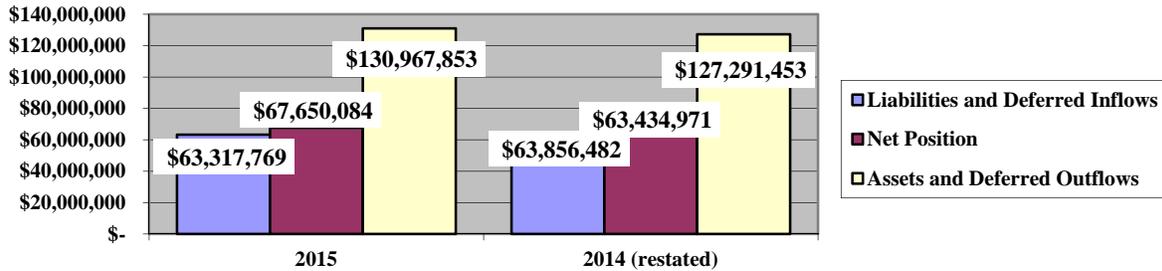
Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2015, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$69,250,198. This amounts to \$67,650,084 in the governmental activities and \$1,600,114 in the business-type activities. This is an indication that the County's finances remained strong during 2015.

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 37.57% 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, 2015 was \$22,415,720. 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.

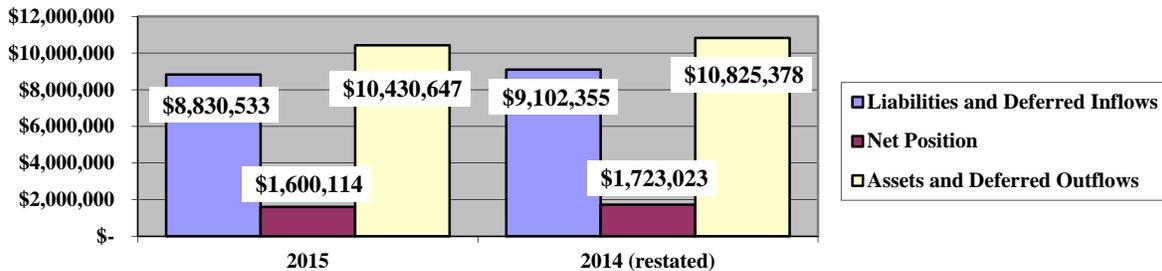
A portion of the County's governmental net position, \$32,584,982 or 48.17%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$12,437,305 or 18.38% may be used to meet the government's ongoing obligations to 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, 2015 for the governmental activities and business-type activities. The amounts at December 31, 2014 have been restated as described in Note 3.A.

Governmental Activities



Business-type Activities



COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

The table below shows the changes in net position for 2015 and 2014. The net position at December 31, 2014 has been restated as described in Note 3.A.

	Change in Net Position					
	Governmental Activities <u>2015</u>	Business-type Activities <u>2015</u>	Governmental Activities <u>2014</u>	Business-type Activities <u>2014</u>	Total <u>2015</u>	Total <u>2014</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 8,639,894	\$ 2,360,529	\$ 8,749,040	\$ 2,233,978	\$ 11,000,423	\$ 10,983,018
Operating grants and contributions	33,610,006	146,778	32,805,125	40,700	33,756,784	32,845,825
Capital grants and contributions	<u>109,836</u>	<u>-</u>	<u>652,693</u>	<u>52,495</u>	<u>109,836</u>	<u>705,188</u>
Total program revenues	<u>42,359,736</u>	<u>2,507,307</u>	<u>42,206,858</u>	<u>2,327,173</u>	<u>44,867,043</u>	<u>44,534,031</u>
General revenues:						
Property taxes	8,951,060	-	8,577,325	-	8,951,060	8,577,325
Sales tax	16,932,521	-	16,392,624	-	16,932,521	16,392,624
Unrestricted grants	4,600,064	-	4,304,375	-	4,600,064	4,304,375
Investment earnings	345,873	500	225,975	170	346,373	226,145
Gas and oil lease	84,532	-	249,466	-	84,532	249,466
Miscellaneous	<u>384,861</u>	<u>156,428</u>	<u>962,542</u>	<u>201,213</u>	<u>541,289</u>	<u>1,163,755</u>
Total general revenues	<u>31,298,911</u>	<u>156,928</u>	<u>30,712,307</u>	<u>201,383</u>	<u>31,455,839</u>	<u>30,913,690</u>
Total revenues	<u>73,658,647</u>	<u>2,664,235</u>	<u>72,919,165</u>	<u>2,528,556</u>	<u>76,322,882</u>	<u>75,447,721</u>
Expenses						
Program Expenses:						
General government						
Legislative and executive	7,957,864	-	6,785,098	-	7,957,864	6,785,098
Judicial	5,781,287	-	6,049,353	-	5,781,287	6,049,353
Public safety	8,948,256	-	7,908,846	-	8,948,256	7,908,846
Public works	9,925,039	-	8,284,737	-	9,925,039	8,284,737
Health	3,827,063	-	3,595,137	-	3,827,063	3,595,137
Human services	30,903,643	-	32,120,807	-	30,903,643	32,120,807
Conservation and recreation	9,585	-	77,628	-	9,585	77,628
Economic development	1,150,171	-	1,078,843	-	1,150,171	1,078,843
Other	16,600	-	63,649	-	16,600	63,649
Interest and fiscal charges	924,026	-	956,543	-	924,026	956,543
Water and sewer	-	2,752,761	-	2,701,213	2,752,761	2,701,213
Other enterprise	<u>-</u>	<u>34,383</u>	<u>-</u>	<u>34,831</u>	<u>34,383</u>	<u>34,831</u>
Total expenses	<u>69,443,534</u>	<u>2,787,144</u>	<u>66,920,641</u>	<u>2,736,044</u>	<u>72,230,678</u>	<u>69,656,685</u>
Transfers	<u>-</u>	<u>-</u>	<u>(595,581)</u>	<u>595,581</u>	<u>-</u>	<u>-</u>
Change in net position	4,215,113	(122,909)	5,402,943	388,093	-	-
Net position at beginning of year (restated)	<u>63,434,971</u>	<u>1,723,023</u>	N/A	N/A	<u>65,157,994</u>	N/A
Net position at end of year	<u>\$ 67,650,084</u>	<u>\$ 1,600,114</u>	<u>\$ 63,434,971</u>	<u>\$ 1,723,023</u>	<u>\$ 69,250,198</u>	<u>\$ 65,157,994</u>

COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$2,543,470 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$2,461,903. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total 2015 program expenses under GASB 68	\$ 69,443,534	\$ 2,787,144
Pension expense under GASB 68	(2,405,218)	(56,685)
2015 contractually required contributions	<u>2,454,563</u>	<u>62,462</u>
Adjusted 2015 program expenses	69,492,879	2,792,921
Total 2014 program expenses under GASB 27	<u>66,920,641</u>	<u>2,736,044</u>
Increase in program expenses not related to pension	<u>\$ 2,572,238</u>	<u>\$ 56,877</u>

Governmental Activities

Governmental activities net position increased by \$4,215,113 from 2014 to 2015.

Human services expense, the largest expense of the County, accounted for \$30,903,643 or 44.50% 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 \$9,925,039 or 14.29% of the total governmental expenses of the County. These expenses were funded by \$188,678 in direct charges to users, \$7,366,755 in operating grants and contributions, and \$109,836 in capital grants and contributions during 2015. General government expenses, which include legislative and executive and judicial programs, accounted for \$13,739,151 or 19.78% of the total governmental expenses of the County. General government expenses were covered by \$5,770,013 in direct charges to users and \$208,238 in operating grants and contributions during 2015.

The State and federal government contributed to the County revenues of \$33,610,006 in operating grants and contributions and \$109,836 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Operating grants and contributions of \$21,943,082 or 65.29% subsidized human services. Operating grants and contributions of \$1,609,625 or 4.79% subsidized County health programs. Operating grants and contributions of \$7,366,755 or 21.91%, as well as the entire amount of capital grants and contributions, subsidized public works projects.

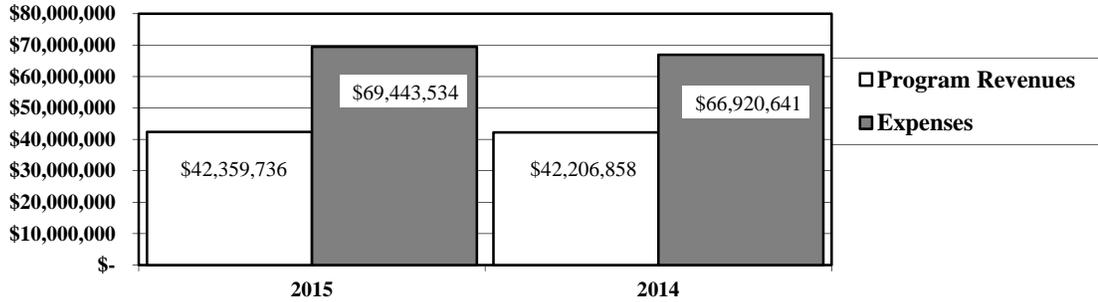
General revenues of governmental activities totaled \$31,298,911, and amounted to 42.49% of the total revenues of \$73,658,647. These revenues primarily consist of property and sales tax revenue of \$25,883,581 or 82.70% of total general revenues in 2015. The other primary source of general revenues is grants and entitlements not restricted to specific programs, with operating grants consisting of local government and local government revenue assistance making up \$4,600,064, or 14.70%, 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 2015. 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.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Governmental Activities – Program Revenues vs. Total Expenses



Governmental Activities

	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>
Program Expenses:				
General government				
Legislative and executive	\$ 7,957,864	\$ 5,033,062	\$ 6,785,098	\$ 3,923,245
Judicial	5,781,287	2,727,838	6,049,353	2,996,601
Public safety	8,948,256	7,564,645	7,908,846	6,268,196
Public works	9,925,039	2,259,770	8,284,737	(1,005,945)
Health	3,827,063	1,303,024	3,595,137	752,901
Human services	30,903,643	8,408,653	32,120,807	10,638,828
Conservation and recreation	9,585	9,585	77,628	77,628
Economic development	1,150,171	(667,910)	1,078,843	543,010
Other	16,600	16,600	63,649	63,649
Interest and fiscal charges	<u>924,026</u>	<u>428,531</u>	<u>956,543</u>	<u>455,670</u>
Total	<u><u>\$ 69,443,534</u></u>	<u><u>\$ 27,083,798</u></u>	<u><u>\$ 66,920,641</u></u>	<u><u>\$ 24,713,783</u></u>

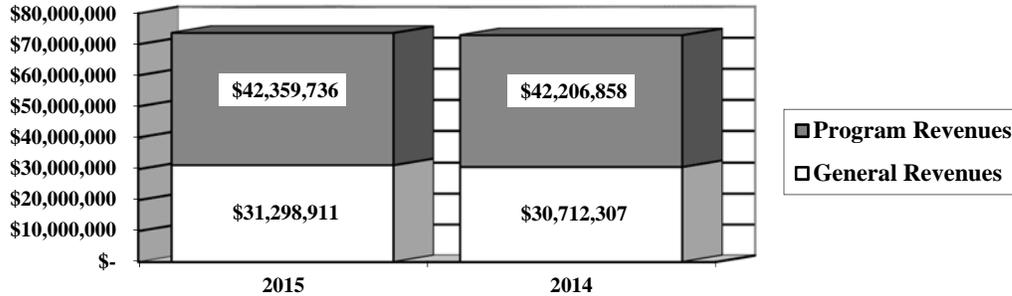
The dependence upon general revenues for governmental activities is apparent, with 39.00% of expenses supported through taxes and other general revenues during 2015.

COLUMBIANA COUNTY, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

The graph below illustrates the County’s reliance upon general revenues for 2015 and 2014.

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 \$2,507,307 general revenues of \$156,928 and expenses of \$2,787,144 for 2015.

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.

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 \$53,709,270 which is \$3,958,448 more than last year’s total of \$49,750,822.

	<u>Fund Balance</u> <u>December 31, 2015</u>	<u>Fund Balance</u> <u>December 31, 2014</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 8,819,444	\$ 8,333,710	\$ 485,734
Job and Family Services	1,915,934	1,418,480	497,454
Motor Vehicle and Gasoline Tax	5,818,252	5,847,015	(28,763)
Mental Health	5,910,728	5,467,389	443,339
Board of Developmental Disabilities	10,450,078	9,180,677	1,269,401
Nonmajor Governmental Funds	<u>20,794,834</u>	<u>19,503,551</u>	<u>1,291,283</u>
Total	<u>\$ 53,709,270</u>	<u>\$ 49,750,822</u>	<u>\$ 3,958,448</u>

COLUMBIANA COUNTY, OHIO

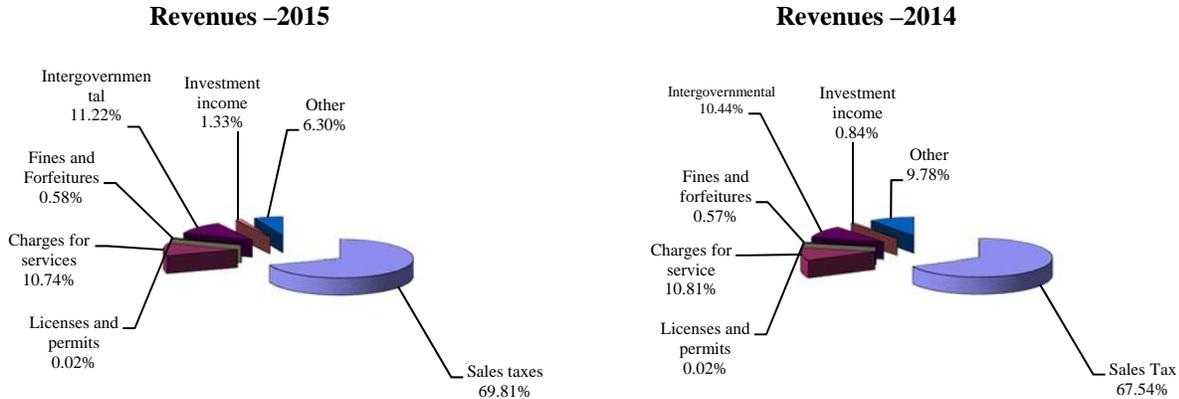
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

General Fund

The County's general fund balance increased \$485,734. The primary revenue source of the general fund is sales tax revenues. Sales tax revenues represent \$16,856,138 or 69.81% of general fund revenues. This increase was the result of a better economy in 2015 compared to 2014. The County levied a 1.5% sales tax on all sales made in the County. Intergovernmental revenue makes up \$2,709,770 or 11.22% 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 increase was the result of an increase in local government support from the State. Rent income and other decreased due to a reimbursement from the Columbiana County Port Authority in 2014.

	<u>2015</u> <u>Amount</u>	<u>2014</u> <u>Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Sales taxes	\$ 16,856,138	\$ 16,378,209	\$ 477,929	2.92
Charges for services	2,594,330	2,620,458	(26,128)	(1.00)
Licenses and permits	4,935	4,835	100	2.07
Fines and forfeitures	136,584	137,203	(619)	(0.45)
Intergovernmental	2,709,770	2,531,352	178,418	7.05
Investment income	322,089	202,476	119,613	59.08
Rent income and other	1,521,144	2,372,577	(851,433)	(35.89)
Total	\$ 24,144,990	\$ 24,247,110	\$ (102,120)	(0.42)

The graphs below illustrate the revenue of the general fund for 2015 and 2014.



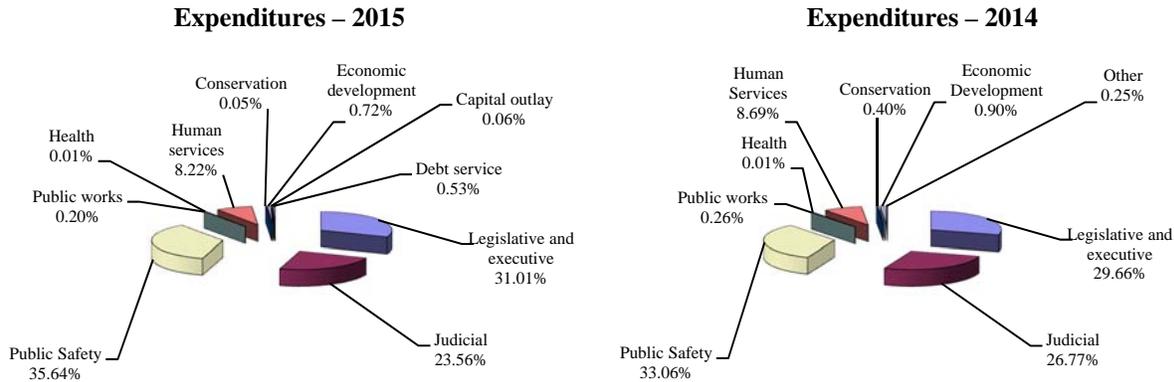
COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

The table that follows assists in illustrating the expenditures of the general fund. The largest expenditure of the general is public safety which total \$7,039,583 or 35.64% of general fund expenditures. Public safety expenditures consist of primarily County sheriff services and prison housing. The increase from 2014 resulted mainly from an increase in prisoner housing costs.

	<u>2015</u> <u>Amount</u>	<u>2014</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government				
Legislative and executive	\$ 6,127,380	\$ 5,585,573	\$ 541,807	9.70
Judicial	4,655,290	5,036,721	(381,431)	(7.57)
Public safety	7,039,583	6,290,856	748,727	11.90
Public works	39,453	49,796	(10,343)	(20.77)
Health	1,590	1,771	(181)	(10.22)
Human services	1,624,923	1,653,985	(29,062)	(1.76)
Conservation and recreation	9,585	76,444	(66,859)	100.00
Economic development	141,298	169,730	(28,432)	(16.75)
Other	-	47,049	(47,049)	(100.00)
Capital outlay	11,674	8,591	3,083	100.00
Debt service	105,477	105,323	154	0.15
Total	\$ 19,756,253	\$ 19,025,839	\$ 730,414	3.84

The graphs below illustrate the expenditures of the general fund for 2015 and 2014.



Job and Family Services Fund

The job and family services fund, a major governmental fund, had revenues and other financing sources of \$10,378,780 in 2015. The job and family services fund had expenditures of \$9,881,326 in 2015. The job and family services fund balance increased \$497,454 from 2014 to 2015. This increase was the result of raised grant support 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 \$8,335,569 in 2015. The motor vehicle and gasoline tax fund had expenditures of \$8,364,332 in 2015. The motor vehicle and gasoline tax fund balance decreased \$28,763 from 2014 to 2015. The decrease in fund balance is the result of increased costs in comparison to 2014 while revenues decreased from the prior year.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015

Mental Health Fund

The mental health fund, a major governmental fund, had revenues of \$3,871,433 in 2015. The mental health fund had expenditures of \$3,428,094 in 2015. The mental health fund balance increased \$443,339 from 2014 to 2015. While intergovernmental decreased and expenditures increased, the revenue support was enough to outweigh the costs.

Board of Developmental Disabilities Fund

The board of developmental disabilities fund, a major governmental fund, had revenues of \$13,895,859 in 2015. The board of developmental disabilities fund had expenditures of \$12,626,458 in 2015. The board of developmental disabilities fund balance increased \$1,269,401 from 2014 to 2015. This increase was due to a large decrease in costs.

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.

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 \$19,753,686 and were increased to \$21,932,500 in the final budget due to increases in sales tax revenue projections. Actual revenues and other financing sources of \$23,628,396 were more than the final budgeted revenues and other financing sources by \$1,695,896 or 7.73%. 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 \$19,684,231. These were increased to \$24,654,809 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 \$24,021,129 were less than final budgeted amounts by 633,680 or 2.57%. 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 2015, the County had \$51,669,416 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. Of this total, \$43,867,996 was reported in governmental activities and \$7,801,420 was reported in business-type activities.

COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

The following table shows December 31, 2015 balances compared to December 31, 2014:

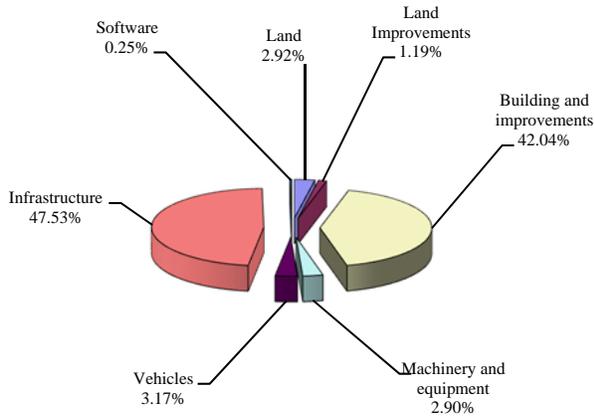
Capital Assets at December 2015 (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,281,026	\$ 1,281,026	\$ 62,433	\$ 47,435	\$ 1,343,459	\$ 1,328,461
Land improvements	519,980	590,977	10,644	15,393	530,624	606,370
Building and improvements	18,443,125	19,146,916	1,123,513	1,170,449	19,566,638	20,317,365
Machinery and equipment	1,273,920	1,389,359	398,961	403,882	1,672,881	1,793,241
Vehicles	1,391,595	1,556,851	180,148	242,138	1,571,743	1,798,989
Infrastructure	20,847,976	21,383,476	6,025,721	6,282,201	26,873,697	27,665,677
Software	110,374	212,381	-	-	110,374	212,381
Total	\$ 43,867,996	\$ 45,560,986	\$ 7,801,420	\$ 8,161,498	\$ 51,669,416	\$ 53,722,484

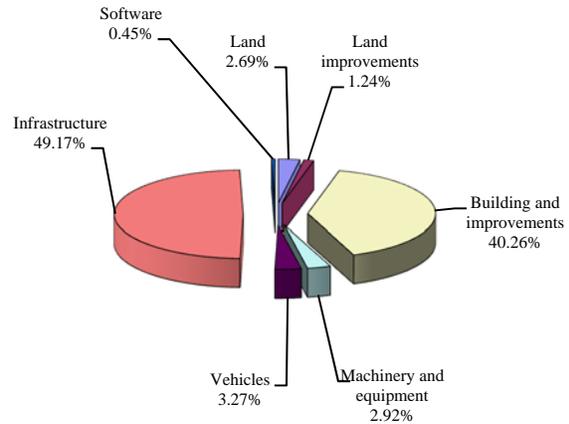
See Note 10 to the basic financial statements for detail on governmental activities and business-type activities capital assets.

The following graphs show the breakdown of governmental capital assets by category at December 31, 2014 and December 31, 2015.

Capital Assets - Governmental Activities 2015



Capital Assets - Governmental Activities 2014

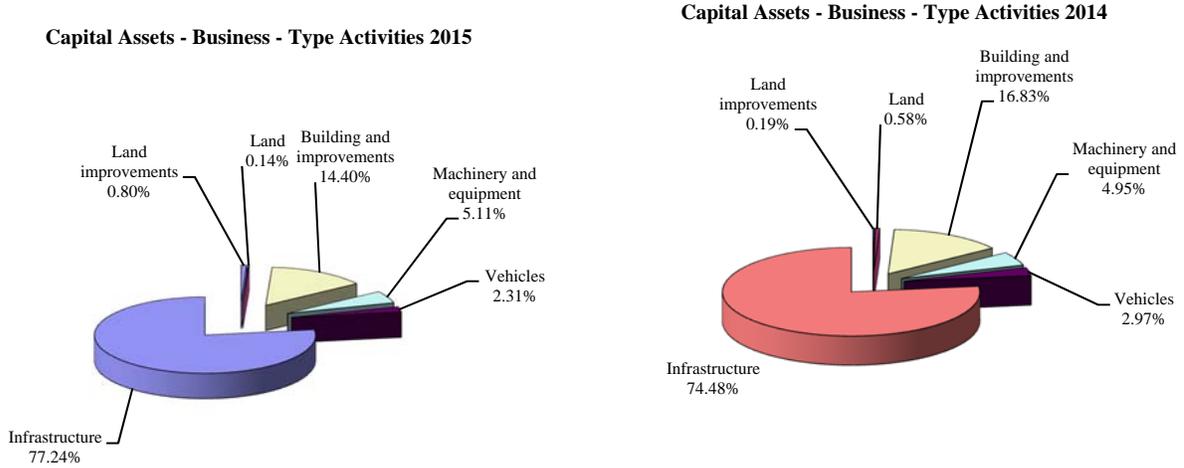


The County's largest governmental activities capital asset category is infrastructure, which includes roads and bridges. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 47.53% of the County's total governmental capital assets.

COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

The following graphs show the breakdown of business-type capital assets by category at December 31, 2015 and December 31, 2014.



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 77.24% of the County's total business-type capital assets.

Debt Administration

At December 31, 2015, the County had long-term obligations of \$611,752 in general obligation notes, \$20,373,471 in general obligation bonds, \$6,245,724 in mortgage revenue bonds, \$1,297,817 in OPWC loans, \$859,214 in OWDA loans and \$36,848 in capital lease obligations. Of this total, \$1,559,457 is due within one year and \$27,865,369 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, 2015.

	Outstanding Debt, at Year End			
	Governmental	Business-type	Governmental	Business-type
	Activities	Activities	Activities	Activities
	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
Long-Term Obligations:				
General obligation notes	\$ 611,752	\$ -	\$ 1,063,743	\$ -
General obligation bonds	20,373,471	-	21,966,003	-
Mortgage revenue notes	-	-	-	16,700
Mortgage revenue bonds	-	6,245,724	-	6,389,653
OPWC loans	-	1,297,817	-	1,387,311
OWDA loans	389,258	469,956	454,323	476,898
Capital lease obligations	<u>36,848</u>	<u>-</u>	<u>34,597</u>	<u>-</u>
Total	<u>\$ 21,411,329</u>	<u>\$ 8,013,497</u>	<u>\$ 23,518,666</u>	<u>\$ 8,270,562</u>

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

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015

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 S. Market Street, Lisbon, Ohio 44432.

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COLUMBIANA COUNTY, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Columbiana County Land Reutilization Corporation
Assets:				
Equity in pooled cash and investments	\$ 49,285,398	\$ 1,821,577	\$ 51,106,975	\$ 122,127
Cash and cash equivalents with fiscal agent	735,435	-	735,435	-
Cash and cash equivalents in segregated accounts	131,006	-	131,006	-
Receivables:				
Sales taxes	4,303,339	-	4,303,339	-
Real and other taxes	12,950,297	-	12,950,297	-
Accounts	122,837	247,026	369,863	-
Special assessments	-	458,558	458,558	-
Accrued interest	95,592	-	95,592	-
Due from other governments	14,285,147	-	14,285,147	-
Loans receivable	89,801	-	89,801	-
Due from component unit	100,000	-	100,000	-
Due from external parties	1,725	-	1,725	-
Materials and supplies inventory	845,478	6,566	852,044	-
Prepayments	334,665	2,483	337,148	5,235
Net pension asset	34,248	886	35,134	-
Assets held for resale	-	-	-	394,400
Internal balance	(1,837)	1,837	-	-
Capital assets:				
Nondepreciable capital assets	1,281,026	62,433	1,343,459	-
Depreciable capital assets, net	42,586,970	7,738,987	50,325,957	-
Total capital assets, net	43,867,996	7,801,420	51,669,416	-
Total assets	127,181,127	10,340,353	137,521,480	521,762
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	171,130	-	171,130	-
Pension - OPERS	3,489,438	90,294	3,579,732	-
Pension - STRS	126,158	-	126,158	-
Total deferred outflows of resources	3,786,726	90,294	3,877,020	-
Liabilities:				
Accounts payable	1,201,583	105,141	1,306,724	-
Accrued wages and benefits payable	1,229,789	31,782	1,261,571	-
Due to other governments	808,755	24,315	833,070	-
Due to primary government	-	-	-	100,000
Accrued interest payable	201,405	48,712	250,117	-
Claims payable	281,897	-	281,897	-
Long-term liabilities:				
Due within one year	1,981,077	258,731	2,239,808	-
Due in more than one year:				
Net pension liability	21,747,227	520,602	22,267,829	-
Other amounts	23,533,605	7,830,557	31,364,162	-
Total liabilities	50,985,338	8,819,840	59,805,178	100,000
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	11,569,204	-	11,569,204	-
Pension - OPERS	413,260	10,693	423,953	-
Pension - STRS	349,967	-	349,967	-
Total deferred inflows of resources	12,332,431	10,693	12,343,124	-
Net position:				
Net investment in capital assets	22,627,797	(212,077)	22,415,720	-
Restricted for:				
Debt service	2,182,424	-	2,182,424	-
Capital projects	195,628	-	195,628	-
Legislative and executive programs	984,502	-	984,502	-
Judicial programs	1,344,803	-	1,344,803	-
Public safety programs	2,619,873	-	2,619,873	-
Public works programs	4,425,587	-	4,425,587	-
Health programs	6,045,312	-	6,045,312	-
Human services programs	12,579,741	-	12,579,741	-
Economic development programs	1,892,392	-	1,892,392	-
Unclaimed monies	314,720	-	314,720	-
Unrestricted	12,437,305	1,812,191	14,249,496	421,762
Total net position	\$ 67,650,084	\$ 1,600,114	\$ 69,250,198	\$ 421,762

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program Revenues</u>			
	<u>Expenses</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	\$ 7,957,864	\$ 2,917,218	\$ 7,584	\$ -
Judicial	5,781,287	2,852,795	200,654	-
Public safety	8,948,256	719,386	664,225	-
Public works	9,925,039	188,678	7,366,755	109,836
Health	3,827,063	914,414	1,609,625	-
Human services	30,903,643	551,908	21,943,082	-
Conservation and recreation	9,585	-	-	-
Economic development and assistance	1,150,171	-	1,818,081	-
Other	16,600	-	-	-
Interest and fiscal charges	924,026	495,495	-	-
Total governmental activities	<u>69,443,534</u>	<u>8,639,894</u>	<u>33,610,006</u>	<u>109,836</u>
Business-type activities:				
Sewer	2,389,593	1,957,685	101,756	-
Water	363,168	356,444	38,022	-
Other enterprise	34,383	46,400	7,000	-
Total business-type activities	<u>2,787,144</u>	<u>2,360,529</u>	<u>146,778</u>	<u>-</u>
Totals	<u>\$ 72,230,678</u>	<u>\$ 11,000,423</u>	<u>\$ 33,756,784</u>	<u>\$ 109,836</u>
Component unit:				
Columbiana County Land Reutilization Corporation	<u>\$ 169,654</u>	<u>\$ -</u>	<u>\$ 134,682</u>	<u>\$ -</u>

General revenues:

Property taxes levied for:
Mental health - health
Board of developmental disabilities - human services
Childrens services - human services
Senior Services
Debt service
Sales taxes levied for:
General purposes
Grants and entitlements not restricted
to specific programs
Investment earnings
Gas and oil lease
Contributions and donations not
restricted for specific programs
Seller concessions
Sale of assets
Miscellaneous
Total general revenues
Change in net position
Net position at beginning of year (restated)
Net positon at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Columbiana County Land Reutilization Corporation
\$ (5,033,062)	\$ -	\$ (5,033,062)	\$ -
(2,727,838)	-	(2,727,838)	-
(7,564,645)	-	(7,564,645)	-
(2,259,770)	-	(2,259,770)	-
(1,303,024)	-	(1,303,024)	-
(8,408,653)	-	(8,408,653)	-
(9,585)	-	(9,585)	-
667,910	-	667,910	-
(16,600)	-	(16,600)	-
(428,531)	-	(428,531)	-
<u>(27,083,798)</u>	<u>-</u>	<u>(27,083,798)</u>	<u>-</u>
-	(330,152)	(330,152)	-
-	31,298	31,298	-
-	19,017	19,017	-
<u>-</u>	<u>(279,837)</u>	<u>(279,837)</u>	<u>-</u>
<u>(27,083,798)</u>	<u>(279,837)</u>	<u>(27,363,635)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,972)</u>
1,898,156	-	1,898,156	-
5,810,788	-	5,810,788	-
859,465	-	859,465	-
92,260	-	92,260	-
290,391	-	290,391	-
16,932,521	-	16,932,521	-
4,600,064	-	4,600,064	31,178
345,873	500	346,373	-
84,532	-	84,532	-
-	-	-	394,400
-	-	-	27,239
-	-	-	3,655
<u>384,861</u>	<u>156,428</u>	<u>541,289</u>	<u>112</u>
<u>31,298,911</u>	<u>156,928</u>	<u>31,455,839</u>	<u>456,584</u>
4,215,113	(122,909)	4,092,204	421,612
<u>63,434,971</u>	<u>1,723,023</u>	<u>65,157,994</u>	<u>150</u>
<u>\$ 67,650,084</u>	<u>\$ 1,600,114</u>	<u>\$ 69,250,198</u>	<u>\$ 421,762</u>

COLUMBIANA COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	<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	\$ 6,088,899	\$ 951,349	\$ 4,411,387	\$ 5,977,420
Cash and cash equivalents with fiscal agent . . .	-	-	-	-
Cash and cash equivalents in segregated accounts	-	-	-	-
Receivables:				
Sales taxes	4,303,339	-	-	-
Real and other taxes	-	-	-	2,462,840
Accounts	32,545	12,244	3,130	-
Accrued interest	93,774	-	-	-
Due from other funds	27,473	158,990	-	-
Due from other governments	1,390,112	5,989,733	2,048,227	165,468
Loans receivable	-	-	-	-
Due from component units	100,000	-	-	-
Due from external parties	1,725	-	-	-
Materials and supplies inventory	125,103	53,887	647,079	485
Prepayments	238,631	32,222	4,802	2,661
Total assets	<u>\$ 12,401,601</u>	<u>\$ 7,198,425</u>	<u>\$ 7,114,625</u>	<u>\$ 8,608,874</u>
Liabilities:				
Accounts payable	\$ 393,412	\$ 135,281	\$ 44,429	\$ 51,980
Accrued wages and benefits payable	454,185	236,288	129,933	14,564
Compensated absences payable	1,314	-	-	-
Due to other governments	232,078	124,218	68,581	24,328
Due to other funds	4,900	12,081	-	-
Total liabilities	<u>1,085,889</u>	<u>507,868</u>	<u>242,943</u>	<u>90,872</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year . . .	-	-	-	2,205,342
Delinquent property tax revenue not available . .	-	-	-	257,498
Accrued interest not available	48,334	-	-	-
Miscellaneous revenue not available	25,544	-	-	-
Intergovernmental revenues not available	835,332	4,774,623	1,053,430	144,434
Sales taxes not available	1,587,058	-	-	-
Total deferred inflows of resources	<u>2,496,268</u>	<u>4,774,623</u>	<u>1,053,430</u>	<u>2,607,274</u>
Fund balances:				
Nonspendable	678,454	86,109	651,881	3,146
Restricted	-	1,829,825	5,166,371	5,907,582
Committed	2,200,000	-	-	-
Assigned	117,128	-	-	-
Unassigned (deficit)	5,823,862	-	-	-
Total fund balances	<u>8,819,444</u>	<u>1,915,934</u>	<u>5,818,252</u>	<u>5,910,728</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,401,601</u>	<u>\$ 7,198,425</u>	<u>\$ 7,114,625</u>	<u>\$ 8,608,874</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Board of Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
\$ 9,681,568	\$ 20,508,501	\$ 47,619,124
735,435	-	735,435
-	131,006	131,006
-	-	4,303,339
8,021,981	2,465,476	12,950,297
8,989	65,929	122,837
-	1,818	95,592
-	10,467	196,930
1,675,960	3,015,647	14,285,147
-	89,801	89,801
-	-	100,000
-	-	1,725
17,771	1,153	845,478
26,223	30,126	334,665
<u>\$ 20,167,927</u>	<u>\$ 26,319,924</u>	<u>\$ 81,811,376</u>
\$ 127,677	\$ 448,804	\$ 1,201,583
245,599	148,951	1,229,520
24,708	894	26,916
251,900	107,512	808,617
-	184,849	201,830
<u>649,884</u>	<u>891,010</u>	<u>3,468,466</u>
7,145,395	2,218,467	11,569,204
876,586	247,009	1,381,093
-	567	48,901
-	693	26,237
1,045,984	2,167,344	10,021,147
-	-	1,587,058
<u>9,067,965</u>	<u>4,634,080</u>	<u>24,633,640</u>
43,994	31,279	1,494,863
10,406,084	13,895,754	37,205,616
-	6,868,950	9,068,950
-	-	117,128
-	(1,149)	5,822,713
<u>10,450,078</u>	<u>20,794,834</u>	<u>53,709,270</u>
<u>\$ 20,167,927</u>	<u>\$ 26,319,924</u>	<u>\$ 81,811,376</u>

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COLUMBIANA COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2015

Total governmental fund balances		\$ 53,709,270
<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.		43,867,996
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Sales taxes receivable	\$ 1,587,058	
Real and other taxes receivable	1,381,093	
Accounts receivable	26,237	
Accrued interest receivable	48,901	
Due from other governments	10,021,147	
Total	13,064,436	13,064,436
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.		1,382,985
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.		(201,405)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		171,130
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	34,240	
Deferred outflows of resources	3,614,766	
Deferred inflows of resources	(763,128)	
Net pension liability	(21,742,440)	
Total	(18,856,562)	(18,856,562)
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	(611,752)	
General obligation bonds payable	(20,373,471)	
OWDA loans payable	(389,258)	
Capital lease obligations	(36,848)	
Compensated absences payable	(4,076,437)	
Total	(25,487,766)	(25,487,766)
Net position of governmental activities		\$ 67,650,084

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, 2015

	<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.	\$ 16,856,138	\$ -	\$ -	\$ -
Real and other taxes.	-	-	-	1,950,059
Charges for services.	2,594,330	722	21,151	-
Licenses and permits	4,935	-	-	-
Fines and forfeitures	136,584	-	42,877	-
Intergovernmental.	2,709,770	9,181,079	8,256,232	1,921,374
Investment income.	322,089	-	-	-
Rental income	3,639	-	-	-
Contributions and donations.	100	-	-	-
Conveyance fees	1,048,031	-	-	-
Gas and oil lease	84,532	-	-	-
Other	384,842	981,349	-	-
Total revenues	<u>24,144,990</u>	<u>10,163,150</u>	<u>8,320,260</u>	<u>3,871,433</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	6,127,380	-	-	-
Judicial.	4,655,290	-	-	-
Public safety	7,039,583	-	-	-
Public works	39,453	-	8,140,638	-
Health	1,590	-	-	3,428,094
Human services.	1,624,923	9,881,326	-	-
Conservation and recreation	9,585	-	-	-
Economic development and assistance	141,298	-	-	-
Other	-	-	-	-
Capital outlay	11,674	-	-	-
Debt service:				
Principal retirement.	76,338	-	208,832	-
Interest and fiscal charges	29,139	-	14,862	-
Total expenditures	<u>19,756,253</u>	<u>9,881,326</u>	<u>8,364,332</u>	<u>3,428,094</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>4,388,737</u>	<u>281,824</u>	<u>(44,072)</u>	<u>443,339</u>
Other financing sources (uses):				
Capital lease transaction.	11,674	-	-	-
Transfers in	-	215,630	15,309	-
Transfers (out).	(3,914,677)	-	-	-
Total other financing sources (uses)	<u>(3,903,003)</u>	<u>215,630</u>	<u>15,309</u>	<u>-</u>
Net change in fund balances	485,734	497,454	(28,763)	443,339
Fund balances at beginning of year	<u>8,333,710</u>	<u>1,418,480</u>	<u>5,847,015</u>	<u>5,467,389</u>
Fund balances at end of year	<u>\$ 8,819,444</u>	<u>\$ 1,915,934</u>	<u>\$ 5,818,252</u>	<u>\$ 5,910,728</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Board of Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 16,856,138
6,247,573	1,178,196	9,375,828
9,927	3,853,492	6,479,622
-	-	4,935
-	442,334	621,795
7,627,407	7,353,544	37,049,406
-	5,074	327,163
-	495,495	499,134
10,002	-	10,102
-	-	1,048,031
-	-	84,532
950	192,964	1,560,105
<u>13,895,859</u>	<u>13,521,099</u>	<u>73,916,791</u>
-	1,728,437	7,855,817
-	792,742	5,448,032
-	1,527,153	8,566,736
-	-	8,180,091
-	255,042	3,684,726
12,626,458	6,429,298	30,562,005
-	-	9,585
-	1,008,117	1,149,415
-	16,600	16,600
-	944,947	956,621
-	1,836,936	2,122,106
-	885,909	929,910
<u>12,626,458</u>	<u>15,425,181</u>	<u>69,481,644</u>
<u>1,269,401</u>	<u>(1,904,082)</u>	<u>4,435,147</u>
-	11,627	23,301
-	3,518,243	3,749,182
-	(334,505)	(4,249,182)
-	<u>3,195,365</u>	<u>(476,699)</u>
1,269,401	1,291,283	3,958,448
9,180,677	19,503,551	49,750,822
<u>\$ 10,450,078</u>	<u>\$ 20,794,834</u>	<u>\$ 53,709,270</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, 2015

Net change in fund balances - total governmental funds \$ 3,958,448

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	\$ 1,769,320	
Current year depreciation	<u>(3,148,329)</u>	
Total		(1,379,009)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (313,981)

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

Sales taxes	76,383	
Real and other taxes	(424,768)	
Intergovernmental revenues	97,090	
Accounts receivable	(25,559)	
Investment income	<u>18,710</u>	
Total		(258,144)

Proceeds of 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. (23,301)

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	451,991	
General obligation bonds payable	1,584,000	
OWDA loans payable	65,065	
Capital lease obligations	<u>21,050</u>	
Total		2,122,106

-- Continued

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, 2015
(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.

Accrued interest payable	\$	15,141		
Amortization of deferred amounts on refunding		(17,789)		
Amortization of bond premiums		<u>8,532</u>		
Total	\$		\$	5,884

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. (6,515)

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,453,989

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities. (2,404,697)

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. 60,333

Change in net position of governmental activities \$ 4,215,113

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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Sales taxes	\$ 14,319,424	\$ 15,898,845	\$ 16,809,543	\$ 910,698
Charges for services	1,452,849	1,613,096	1,705,497	92,401
Licenses and permits	4,204	4,668	4,935	267
Fines and forfeitures	116,004	128,799	136,177	7,378
Intergovernmental	2,299,006	2,552,585	2,698,799	146,214
Investment income	282,286	313,422	331,375	17,953
Rental income	3,100	3,442	3,639	197
Contributions and donations	85	95	100	5
Conveyance fees	892,779	991,251	1,048,031	56,780
Gas and oil	72,010	79,952	84,532	4,580
Other	311,939	346,345	366,184	19,839
Total revenues	<u>19,753,686</u>	<u>21,932,500</u>	<u>23,188,812</u>	<u>1,256,312</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	5,675,489	6,093,937	5,663,160	430,777
Judicial	4,353,007	4,739,751	4,674,989	64,762
Public safety	6,733,452	7,267,817	7,184,620	83,197
Public works	50,000	50,000	49,764	236
Health	2,000	2,000	1,590	410
Human services	1,680,607	1,677,255	1,628,995	48,260
Conservation and recreation	38,179	37,764	9,585	28,179
Economic development and assistance	84,939	113,339	141,081	(27,742)
Debt service:				
Principal retirement	61,359	61,359	61,359	-
Interest and fiscal charges	31,147	31,147	31,147	-
Total expenditures	<u>18,710,179</u>	<u>20,074,369</u>	<u>19,446,290</u>	<u>628,079</u>
Excess of revenues over expenditures	<u>1,043,507</u>	<u>1,858,131</u>	<u>3,742,522</u>	<u>1,884,391</u>
Other financing sources (uses):				
Transfers in	-	-	439,584	439,584
Transfers (out)	(974,052)	(4,580,440)	(4,574,839)	5,601
Total other financing sources (uses)	<u>(974,052)</u>	<u>(4,580,440)</u>	<u>(4,135,255)</u>	<u>445,185</u>
Net change in fund balances	<u>69,455</u>	<u>(2,722,309)</u>	<u>(392,733)</u>	<u>2,329,576</u>
Fund balances at beginning of year	<u>2,694,519</u>	<u>2,694,519</u>	<u>2,694,519</u>	<u>-</u>
Prior year encumbrances appropriated	<u>535,334</u>	<u>535,334</u>	<u>535,334</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,299,308</u>	<u>\$ 507,544</u>	<u>\$ 2,837,120</u>	<u>\$ 2,329,576</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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 7,719,988	\$ 8,875,962	\$ 9,036,002	\$ 160,040
Other	780,012	896,809	912,979	16,170
Total revenues	<u>8,500,000</u>	<u>9,772,771</u>	<u>9,948,981</u>	<u>176,210</u>
Expenditures:				
Current:				
Human services	8,632,573	10,394,167	10,013,079	381,088
Total expenditures	<u>8,632,573</u>	<u>10,394,167</u>	<u>10,013,079</u>	<u>381,088</u>
Excess of expenditures over revenues	<u>(132,573)</u>	<u>(621,396)</u>	<u>(64,098)</u>	<u>557,298</u>
Other financing sources:				
Transfers in	-	-	215,630	215,630
Total other financing sources	<u>-</u>	<u>-</u>	<u>215,630</u>	<u>215,630</u>
Net change in fund balances	(132,573)	(621,396)	151,532	772,928
Fund balances at beginning of year	489,932	489,932	489,932	-
Prior year encumbrances appropriated	132,573	132,573	132,573	-
Fund balance at end of year	<u>\$ 489,932</u>	<u>\$ 1,109</u>	<u>\$ 774,037</u>	<u>\$ 772,928</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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 15,590	\$ 15,590	\$ 21,151	\$ 5,561
Fines and forfeitures	29,658	29,658	40,237	10,579
Intergovernmental	6,254,752	8,328,362	8,485,952	157,590
Total revenues	<u>6,300,000</u>	<u>8,373,610</u>	<u>8,547,340</u>	<u>173,730</u>
Expenditures:				
Current:				
Public works	6,492,138	9,065,748	8,640,297	425,451
Total expenditures	<u>6,492,138</u>	<u>9,065,748</u>	<u>8,640,297</u>	<u>425,451</u>
Excess of expenditures over revenues	<u>(192,138)</u>	<u>(692,138)</u>	<u>(92,957)</u>	<u>599,181</u>
Other financing sources:				
Transfers in	-	-	15,309	15,309
Total other financing sources	<u>-</u>	<u>-</u>	<u>15,309</u>	<u>15,309</u>
Net change in fund balances	(192,138)	(692,138)	(77,648)	614,490
Fund balances at beginning of year	4,053,302	4,053,302	4,053,302	-
Prior year encumbrances appropriated	192,138	192,138	192,138	-
Fund balance at end of year	<u>\$ 4,053,302</u>	<u>\$ 3,553,302</u>	<u>\$ 4,167,792</u>	<u>\$ 614,490</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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Real and other taxes	\$ 1,037,922	\$ 1,037,922	\$ 1,950,059	\$ 912,137
Intergovernmental	1,073,728	1,073,728	2,017,331	943,603
Other	4,350	4,350	8,173	3,823
Total revenues	<u>2,116,000</u>	<u>2,116,000</u>	<u>3,975,563</u>	<u>1,859,563</u>
Expenditures:				
Current:				
Health	<u>2,116,000</u>	<u>7,484,441</u>	<u>3,452,344</u>	<u>4,032,097</u>
Total expenditures	<u>2,116,000</u>	<u>7,484,441</u>	<u>3,452,344</u>	<u>4,032,097</u>
Net change in fund balances	-	(5,368,441)	523,219	5,891,660
Fund balances at beginning of year	<u>5,454,201</u>	<u>5,454,201</u>	<u>5,454,201</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,454,201</u>	<u>\$ 85,760</u>	<u>\$ 5,977,420</u>	<u>\$ 5,891,660</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)
 BOARD OF DEVELOPMENTAL DISABILITIES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Real and other taxes.	\$ 7,092,333	\$ 5,583,086	\$ 6,247,573	\$ 664,487
Charges for services.	11,099	8,737	9,777	1,040
Intergovernmental.	8,051,650	6,338,259	7,092,626	754,367
Contributions and donations.	11,354	8,938	10,002	1,064
Other	51,564	40,591	45,422	4,831
Total revenues	<u>15,218,000</u>	<u>11,979,611</u>	<u>13,405,400</u>	<u>1,425,789</u>
Expenditures:				
Current:				
Human services.	13,823,466	14,359,519	13,439,034	920,485
Total expenditures	<u>13,823,466</u>	<u>14,359,519</u>	<u>13,439,034</u>	<u>920,485</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,394,534</u>	<u>(2,379,908)</u>	<u>(33,634)</u>	<u>2,346,274</u>
Other financing uses:				
Transfers in	-	-	10,000	10,000
Transfers (out).	-	(10,000)	(10,000)	-
Total other financing uses	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Net change in fund balances	1,394,534	(2,389,908)	(33,634)	2,356,274
Fund balances at beginning of year	<u>9,715,202</u>	<u>9,715,202</u>	<u>9,715,202</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,109,736</u>	<u>\$ 7,325,294</u>	<u>\$ 9,681,568</u>	<u>\$ 2,356,274</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2015

	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	\$ 1,704,034	\$ 76,088	\$ 41,455	\$ 1,821,577	\$ 1,666,274
Receivables:					
Accounts	189,243	57,783	-	247,026	-
Special assessments	458,558	-	-	458,558	-
Due from other funds	4,900	-	-	4,900	-
Materials and supplies inventory	6,566	-	-	6,566	-
Prepayments	2,483	-	-	2,483	-
Total current assets	2,365,784	133,871	41,455	2,541,110	1,666,274
Noncurrent assets:					
Net pension asset	842	18	26	886	8
Capital assets:					
Nondepreciable capital assets	62,433	-	-	62,433	-
Depreciable capital assets, net	6,027,925	1,711,062	-	7,738,987	-
Total capital assets, net	6,090,358	1,711,062	-	7,801,420	-
Total noncurrent assets	6,091,200	1,711,080	26	7,802,306	8
Total assets	8,456,984	1,844,951	41,481	10,343,416	1,666,282
Deferred outflows of resources:					
Pension - OPERS	85,765	1,850	2,679	90,294	830
Total deferred outflows of resources	85,765	1,850	2,679	90,294	830
Liabilities:					
Current liabilities:					
Accounts payable	83,881	21,260	-	105,141	-
Accrued wages and benefits payable	28,248	2,507	1,027	31,782	269
Due to other governments	22,735	1,016	564	24,315	138
Accrued interest payable	48,712	-	-	48,712	-
Compensated absences payable - current	18,214	-	-	18,214	-
Mortgage revenue bonds payable - current	151,024	-	-	151,024	-
OPWC loans payable	44,693	44,800	-	89,493	-
Claims payable	-	-	-	-	281,897
Total current liabilities	397,507	69,583	1,591	468,681	282,304
Long-term liabilities:					
Compensated absences payable	57,577	-	-	57,577	-
Mortgage revenue bonds payable	6,094,700	-	-	6,094,700	-
OWDA loans payable	469,956	-	-	469,956	-
OPWC loans payable	1,125,874	82,450	-	1,208,324	-
Net pension liability	494,492	10,665	15,445	520,602	4,787
Total long-term liabilities	8,242,599	93,115	15,445	8,351,159	4,787
Total liabilities	8,640,106	162,698	17,036	8,819,840	287,091
Deferred inflows of resources:					
Pension - OPERS	10,157	219	317	10,693	99
Total deferred inflows of resources	10,157	219	317	10,693	99
Net position:					
Net investment in capital assets	(1,795,889)	1,583,812	-	(212,077)	-
Unrestricted	1,688,375	100,072	26,807	1,815,254	1,379,922
Total net position (deficit)	\$ (107,514)	\$ 1,683,884	\$ 26,807	1,603,177	\$ 1,379,922
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				(3,063)	
Net position of business-type activities				\$ 1,600,114	

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, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	Nonmajor Enterprise Funds	Total	
Operating revenues:					
Charges for services	\$ 1,957,685	\$ 356,444	\$ 46,400	\$ 2,360,529	\$ 4,438,120
Other operating revenues	156,428	-	-	156,428	408
Total operating revenues.	<u>2,114,113</u>	<u>356,444</u>	<u>46,400</u>	<u>2,516,957</u>	<u>4,438,528</u>
Operating expenses:					
Personal services	692,114	24,435	19,271	735,820	5,768
Contractual services.	734,084	291,038	-	1,025,122	821,973
Materials and supplies.	149,959	-	-	149,959	-
Claims expense	-	-	-	-	4,067,233
Depreciation.	400,958	35,984	-	436,942	-
Other	115,098	11,193	15,112	141,403	-
Total operating expenses.	<u>2,092,213</u>	<u>362,650</u>	<u>34,383</u>	<u>2,489,246</u>	<u>4,894,974</u>
Operating income (loss)	<u>21,900</u>	<u>(6,206)</u>	<u>12,017</u>	<u>27,711</u>	<u>(456,446)</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(281,119)	-	-	(281,119)	-
Interest income.	500	-	-	500	-
Intergovernmental	101,756	38,022	7,000	146,778	-
Total nonoperating revenues (expenses).	<u>(178,863)</u>	<u>38,022</u>	<u>7,000</u>	<u>(133,841)</u>	<u>-</u>
Income (loss) before contributions and transfers	(156,963)	31,816	19,017	(106,130)	(456,446)
Transfer in	-	-	-	-	500,000
Change in net position	(156,963)	31,816	19,017	(106,130)	43,554
Net position at beginning of year (restated) . .	<u>49,449</u>	<u>1,652,068</u>	<u>7,790</u>		<u>1,336,368</u>
Net position at end of year	<u>\$ (107,514)</u>	<u>\$ 1,683,884</u>	<u>\$ 26,807</u>		<u>\$ 1,379,922</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(16,779)	
Change in net position of business-type activities.				<u>\$ (122,909)</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	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	\$ 1,944,626	\$ 355,645	\$ 46,400	\$ 2,346,671	\$ 4,438,120
Cash received from other operations	161,095	-	-	161,095	408
Cash payments for personal services	(699,424)	(21,094)	(19,394)	(739,912)	(5,795)
Cash payments for contractual services	(743,427)	(292,094)	-	(1,035,521)	(830,495)
Cash payments for materials and supplies	(158,081)	-	-	(158,081)	-
Cash payments for claims	-	-	-	-	(3,820,157)
Cash payments for other expenses	(136,985)	(11,193)	(15,112)	(163,290)	-
Net cash provided by (used in) operating activities	367,804	31,264	11,894	410,962	(217,919)
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies	101,756	38,022	7,000	146,778	-
Cash received from transfers in	-	-	-	-	500,000
Net cash provided by noncapital financing activities	101,756	38,022	7,000	146,778	500,000
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(76,864)	-	-	(76,864)	-
Principal retirement on mortgage revenue notes	(16,700)	-	-	(16,700)	-
Principal retirement on mortgage revenue bonds	(143,929)	-	-	(143,929)	-
Principal retirement on OPWC loans	(44,694)	(44,800)	-	(89,494)	-
Principal retirement on OWDA loans	(8,731)	-	-	(8,731)	-
Interest and fiscal charges	(282,558)	-	-	(282,558)	-
Issuance of OWDA loans	1,789	-	-	1,789	-
Net cash used in capital and related financing activities	(571,687)	(44,800)	-	(616,487)	-
Cash flows from investing activities:					
Interest received	500	-	-	500	-
Net cash provided by investing activities	500	-	-	500	-
Net increase (decrease) in cash and cash equivalents	(101,627)	24,486	18,894	(58,247)	282,081
Cash and investments at beginning of year	1,805,661	51,602	22,561	1,879,824	1,384,193
Cash and investments at end of year	\$ 1,704,034	\$ 76,088	\$ 41,455	\$ 1,821,577	\$ 1,666,274

- - Continued

COLUMBIANA COUNTY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

	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)	\$ 21,900	\$ (6,206)	\$ 12,017	\$ 27,711	\$ (456,446)
Adjustments:					
Depreciation.	400,958	35,984	-	436,942	-
Changes in assets, deferred outflows of resources, liabilities and deferred outflows of resources:					
Accounts receivable.	3,190	(799)	-	2,391	-
Special assessments receivable	(10,042)	-	-	(10,042)	-
Due from other funds	(233)	-	-	(233)	-
Materials and supplies inventory	(741)	-	-	(741)	-
Prepayments	(2,226)	-	-	(2,226)	-
Net pension asset	(613)	(13)	(19)	(645)	(6)
Deferred outflows - OPERS	(26,202)	(565)	(819)	(27,586)	(253)
Accounts payable.	(30,363)	(1,056)	-	(31,419)	(8,522)
Accrued wages and benefits	112	2,507	146	2,765	28
Due to other governments	453	952	(97)	1,308	(3)
Compensated absences payable.	373	-	-	373	-
Due to other funds	(1,291)	-	-	(1,291)	-
Due to external parties	(8,797)	-	-	(8,797)	-
Net pension liability	10,157	241	349	10,747	108
Deferred inflows - OPERS	11,169	219	317	11,705	99
Claims payable	-	-	-	-	247,076
Net cash provided by (used in) operating activities	<u>\$ 367,804</u>	<u>\$ 31,264</u>	<u>\$ 11,894</u>	<u>\$ 410,962</u>	<u>\$ (217,919)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015

	<u>Private-Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and investments	\$ -	\$ 5,443,346
Cash and cash equivalents in segregated accounts	2,397	1,011,312
Receivables:		
Real and other taxes	-	83,113,589
Special assessments	-	880,145
Due from other governments	-	6,639,565
	<hr/>	<hr/>
Total assets	2,397	\$ 97,087,957
	<hr/>	<hr/>
Liabilities:		
Accounts payable	-	\$ 4,734
Intergovernmental payable	-	94,651,774
Deposits held and due to others	-	1,011,312
Undistributed assets	-	967,681
Payroll withholdings	-	450,731
Due to external parties	-	1,725
	<hr/>	<hr/>
Total liabilities	-	\$ 97,087,957
	<hr/>	<hr/>
Net position:		
Held in trust for children services	2,397	
	<hr/>	
Total net position.	\$ 2,397	
	<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, 2015

	Private-Purpose Trust
Additions:	
Contributions and donations.	\$ 6,253
Total additions	6,253
 Deductions:	
Payments in accordance with trust agreements	5,403
Total deductions.	5,403
Change in net position.	850
Net position at beginning of year.	1,547
Net position at end of year	\$ 2,397

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

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 East Liverpool 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 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 one component unit, the Columbiana County Land Reutilization Corporation. Information related to the component unit is presented in Note 24.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 18 and 20, 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 19 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, 2015

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, 2015

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 the mental health and recovery board 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 four (4) county-wide property tax levies.

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 funds are:

Sewer Fund - The sewer fund accounts for sanitary sewer services provided 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 provided 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.

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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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.

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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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 Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources have been reported for the following items related to the County's net pension liability: (1) difference between expected and actual experience, (2) the net difference between projected and actual investment earnings on pension plan assets, (3) differences between County's contributions and the County's proportional share of contributions/change in County's proportion percentage, (4) the County's contributions to the pension systems subsequent to the measurement date and (5) differences between employer's contributions and the employer's proportional share of contributions.

In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

The County also reports deferred inflow of resources for the following items related to the County's net pension liability: (1) differences between expected and actual experience, (2) the net difference between projected and actual investment earnings on pension plan assets and (3) differences between employer's contributions and the employer's proportional share of contributions/change in County's proportion percentage. These deferred inflows of resources are only reported on the government-wide statement of net position.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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.

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 2015, investments were limited to JP Morgan Commercial Paper, U.S. Treasury Bonds, 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).

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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.

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, 2015.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2015 amounted to \$322,089, which includes \$302,911 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 expensed/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, 2015, 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, 2015

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

All capital assets are depreciated, except for land. 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.

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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

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

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, net pension liability 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”.

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, 2015, 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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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.

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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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 2015.

U. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For 2015, the County implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68".

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 affected the County's pension plan disclosures, as presented in Note 12 to the financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

A net position restatement is required in order to implement GASB Statement No 68 and 71. The governmental activities and business-type activities at January 1, 2015 have been restated as follows:

	<u>Governmental Activities</u>	<u>Internal Service Fund</u>
Net position as previously reported	\$ 82,344,925	\$ 1,340,468
Net pension asset	9,333	2
Deferred outflows	2,480,762	577
Net pension liability	(21,129,081)	(4,679)
Deferred inflows	<u>(270,968)</u>	<u>-</u>
Restated net position at January 1, 2015	<u>\$ 63,434,971</u>	<u>\$ 1,336,368</u>

	<u>Business-Type Activities</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Nonmajor Enterprise Fund</u>	<u>Total Enterprise Funds</u>
Net position as previously reported	\$ 2,168,917	\$ 472,980	\$ 1,661,202	\$ 21,019	\$ 2,155,201
Net pension asset	241	229	5	7	241
Deferred outflows	62,708	59,563	1,285	1,860	62,708
Net pension liability	<u>(508,843)</u>	<u>(483,323)</u>	<u>(10,424)</u>	<u>(15,096)</u>	<u>(508,843)</u>
Restated net position at January 1, 2015	<u>\$ 1,723,023</u>	<u>\$ 49,449</u>	<u>\$ 1,652,068</u>	<u>\$ 7,790</u>	<u>\$ 1,709,307</u>

Other than employer contributions subsequent to the measurement date, the County made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available for the Ohio Public Employee Retirement System (OPERS). The restatement had no effect on governmental fund balances.

B. Deficit Fund Balances

Fund balances at December 31, 2015 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Office on aging	\$ 515
Domestic violence	634
 <u>Major enterprise fund</u>	
Sewer fund	107,514

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances in the governmental funds resulted from adjustments for accrued liabilities. The deficit fund balance in the sewer fund was primarily the result of adjustments for accrued liabilities and the reporting of the net pension liability.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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;
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;

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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 \$6,806 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 \$735,435 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, 2015, the carrying amount of all County deposits was \$17,123,436. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2015, \$5,779,813 of the County's bank balance of \$18,461,564 was exposed to custodial risk as discussed below, while \$12,681,751 was covered by the Federal Deposit Insurance Corporation (FDIC).

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

D. Investments

As of December 31, 2015, 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
Commercial Paper - JP Morgan	\$ 1,075,000	\$ -	\$ 1,075,000	\$ -	\$ -	\$ -
U.S. Treasury Bonds	488,710	-	-	-	-	488,710
FFCB	10,425,458	-	-	625,200	1,469,965	8,330,293
FHLB	10,217,747	1,449,836	-	2,243,955	1,843,236	4,680,720
FHLMC	8,752,168	1,000,090	-	748,710	997,250	6,006,118
FNMA	8,802,144	-	-	995,365	3,485,210	4,321,569
STAR Ohio	803,567	803,567	-	-	-	-
Total	\$ 40,564,794	\$ 3,253,493	\$ 1,075,000	\$ 4,613,230	\$ 7,795,661	\$ 23,827,410

The weighted average maturity of investments at December 31, 2015 is 2.18 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 investment in JP Morgan Commercial Paper was rated P-1 by Moody's Investor Services. The County's investments in U.S. Treasury bonds and 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. The County has no investment policy dealing with investment credit risk beyond the requirements in State statute.

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, 2015

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, 2015:

<u>Investment type</u>	<u>Amount</u>	<u>Percent of Total</u>
Commercial Paper - JP Morgan	\$ 1,075,000	2.65
U.S. Treasury Bonds	488,710	1.20
FFCB	10,425,458	25.70
FHLB	10,217,747	25.19
FHLMC	8,752,168	21.58
FNMA	8,802,144	21.70
STAR Ohio	<u>803,567</u>	<u>1.98</u>
Total	<u>\$ 40,564,794</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, 2015:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 17,123,436
Investments	40,564,794
Cash on hand	6,806
Cash with fiscal agent	<u>735,435</u>
Total	<u>\$ 58,430,471</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 50,151,839
Business-type activities	1,821,577
Private purpose trust	2,397
Agency funds	<u>6,454,658</u>
Total	<u>\$ 58,430,471</u>

NOTE 5 - INTERFUND RECEIVABLES/PAYABLES

A. Due to/from other funds at December 31, 2015, consisted of the following as reported on the fund statements:

	<u>General</u>	<u>Job and Family Services</u>	<u>Other Governmental</u>	<u>Sewer</u>	<u>Total Due to Other Funds</u>
General	\$ -	\$ -	\$ -	\$ 4,900	\$ 4,900
Job and Family Services	11,271	-	810	-	12,081
Other Governmental	<u>16,202</u>	<u>158,990</u>	<u>9,657</u>	<u>-</u>	<u>184,849</u>
Total due from other funds	<u>\$ 27,473</u>	<u>\$ 158,990</u>	<u>\$ 10,467</u>	<u>\$ 4,900</u>	<u>\$ 201,830</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - INTERFUND RECEIVABLES/PAYABLES - (Continued)

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, 2015, consisted of the following as reported on the fund statements:

	<u>Agency</u>	<u>Total Due from External Parties</u>
General	\$ 1,725	\$ 1,725

NOTE 6 - INTERFUND TRANSFERS

During 2015, the following transfers were made:

	<u>Transfers Out</u>		
<u>Transfers In</u>	<u>General</u>	<u>Other Governmental</u>	<u>Total</u>
Job and family services fund	\$ 215,630	\$ -	\$ 215,630
Motor vehicle and gasoline tax fund	15,309	-	15,309
Nonmajor governmental funds	3,183,738	334,505	3,518,243
Internal service fund	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total	<u>\$ 3,914,677</u>	<u>\$ 334,505</u>	<u>\$ 4,249,182</u>

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.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 \$16,856,138 in sales tax revenues on a modified accrual basis in 2015.

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.

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. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2015 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 authorities in the County. The County Auditor periodically remits to the taxing authorities their portion of the taxes collected.

The full tax rate for all County operations for the year ended December 31, 2015 was \$9.05 per \$1,000 of assessed value county-wide. Properties in Cities without their own health departments are assessed a full tax rate of \$9.25 per \$1,000 of assessed values which includes \$0.20 for the cancer clinic. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

<u>Real Property</u>	
Residential/Agricultural	\$ 1,378,090,190
Commercial/Industrial/Mineral	243,089,710
Public Utility	<u>112,252,650</u>
Total Assessed Value	<u>\$ 1,733,432,550</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - RECEIVABLES

Receivables at December 31, 2015, 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, 2015, were \$89,801. Loans receivable are net of \$230,847 in loans determined to be not collectible.

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

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

Fund	Description	Amount
General Fund	Local Government	\$ 721,827
	Casino revenue	640,314
	Miscellaneous	<u>27,971</u>
Total General Fund		<u>1,390,112</u>
Job and Family Services Fund	Grants	5,987,296
	Miscellaneous	<u>2,437</u>
Total Job and Family Services Fund		<u>5,989,733</u>
Motor Vehicle and Gasoline Tax Fund	Gas tax	756,917
	Motor vehicle license fees	<u>1,291,310</u>
Total Motor Vehicle and Gasoline Tax Fund		<u>2,048,227</u>
Mental Health Fund	Homestead and rollback	144,434
	Grants	<u>21,034</u>
Total Mental Health Fund		<u>165,468</u>
Board of Developmental Disabilities Fund	Homestead and rollback	445,984
	Grants	903,787
	Miscellaneous	<u>326,189</u>
Total Board of Development Disabilities Fund		<u>1,675,960</u>
Nonmajor governmental funds	Homestead and rollback	105,456
	Grants	2,743,616
	Miscellaneous	<u>166,575</u>
Total Governmental Funds		<u><u>\$ 14,285,147</u></u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/14</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/15</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	2,894,548	17,280	-	2,911,828
Buildings and improvements	31,402,543	9,160	(309,221)	31,102,482
Machinery and equipment	7,545,867	208,623	-	7,754,490
Vehicles	8,321,639	346,707	(42,473)	8,625,873
Infrastructure	31,619,033	1,187,550	(999,684)	31,806,899
Software	513,150	-	-	513,150
Total capital assets, being depreciated	<u>82,296,780</u>	<u>1,769,320</u>	<u>(1,351,378)</u>	<u>82,714,722</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,303,571)	(88,277)	-	(2,391,848)
Buildings and improvements	(12,255,627)	(712,951)	309,221	(12,659,357)
Machinery and equipment	(6,156,508)	(324,062)	-	(6,480,570)
Vehicles	(6,764,788)	(509,815)	40,325	(7,234,278)
Infrastructure	(10,235,557)	(1,411,217)	687,851	(10,958,923)
Software	(300,769)	(102,007)	-	(402,776)
Total accumulated depreciation	<u>(38,016,820)</u>	<u>(3,148,329)</u>	<u>1,037,397</u>	<u>(40,127,752)</u>
Total capital assets, being depreciated net	<u>44,279,960</u>	<u>(1,379,009)</u>	<u>(313,981)</u>	<u>42,586,970</u>
Governmental activities capital assets, net	<u>\$ 45,560,986</u>	<u>\$ (1,379,009)</u>	<u>\$ (313,981)</u>	<u>\$ 43,867,996</u>

Depreciation expense was charged to governmental functions as follows:

<u>Governmental activities:</u>	
Legislative and executive	\$ 99,184
Judicial	228,775
Public safety	437,696
Public works	1,744,079
Health	1,054
Human services	<u>637,541</u>
Total depreciation expense	<u>\$ 3,148,329</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-type activities</u>	<u>Balance</u> <u>12/31/14</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/15</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 47,435	\$ 14,998	\$ -	\$ 62,433
Total capital assets, not being depreciated	<u>47,435</u>	<u>14,998</u>	<u>-</u>	<u>62,433</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	167,067	-	-	167,067
Buildings and improvements	2,211,551	5,842	-	2,217,393
Machinery and equipment	4,549,033	56,024	-	4,605,057
Vehicles	1,035,831	-	-	1,035,831
Infrastructure	10,551,318	-	-	10,551,318
Total capital assets, being depreciated	<u>18,514,800</u>	<u>61,866</u>	<u>-</u>	<u>18,576,666</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(151,674)	(4,749)	-	(156,423)
Buildings and improvements	(1,041,102)	(52,778)	-	(1,093,880)
Machinery and equipment	(4,145,151)	(60,945)	-	(4,206,096)
Vehicles	(793,693)	(61,990)	-	(855,683)
Infrastructure	(4,269,117)	(256,480)	-	(4,525,597)
Total accumulated depreciation	<u>(10,400,737)</u>	<u>(436,942)</u>	<u>-</u>	<u>(10,837,679)</u>
Total capital assets, being depreciated net	<u>8,114,063</u>	<u>(375,076)</u>	<u>-</u>	<u>7,738,987</u>
Business-type activities capital assets, net	<u>\$ 8,161,498</u>	<u>\$ (360,078)</u>	<u>\$ -</u>	<u>\$ 7,801,420</u>

Depreciation expense was charged to business-type activities as follows:

Business-type activities:

Sewer	\$ 400,958
Water	<u>35,984</u>
Total depreciation expense	<u>\$ 436,942</u>

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 2015, 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, 2015

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	162,344,402
Business Income/Extra Expense	1,000,000
Collapse	Per statement of values
Crime	1,000,000
Equipment Breakdown	100,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there has been no significant reduction in coverage from the prior year.

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 \$281,897 reported on the basic financial statements at December 31, 2015, 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>	Balance at Beginning of <u>Year</u>	Current Year <u>Claims</u>	Claims <u>Payments</u>	Balance at End of <u>End of Year</u>
2015	\$ 34,821	\$ 4,067,233	\$ (3,820,157)	\$ 281,897
2014	228,540	3,288,321	(3,482,040)	34,821

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, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the County's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees participate 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 and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. County employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula:	Formula:	Formula:
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local		Public Safety		Law Enforcement	
2015 Statutory Maximum Contribution Rates						
Employer	14.0	%	18.1	%	18.1	%
Employee	10.0	%	12.0	%	12.0	%
2015 Actual Contribution Rates						
Employer:						
Pension	12.0	%	14.1	%	14.1	%
Post-employment Health Care Benefits	2.0	%	4.0	%	4.0	%
Total Employer	14.0	%	18.1	%	18.1	%
Employee	10.0	%	11.5	%	12.1	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The County's contractually required contribution for both the Traditional Pension Plan and the Combined Plan was \$2,476,329 for 2015. Of this amount, \$456,841 is reported as due to other governments.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description - County licensed teachers participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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 DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability 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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For January 1, 2015 through June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. For July 1, 2015 through December 31, 2015, plan members were required to contribute 13 percent of their annual covered salary. The County was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2015 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was \$84,594 for 2015. Of this amount, \$3,667 is reported as due to other governments.

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2014, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. STRS total pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability or asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 20,639,436	\$ 1,628,393	\$ 22,267,829
Proportionate share of the net pension asset	35,134		35,134
Proportion of the net pension liability	0.172642%	0.005892060%	
Proportion of the net pension asset	0.092063%		
Pension expense	\$ 2,247,262	\$ 214,641	\$ 2,461,903

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 84,810	\$ 84,810
Net difference between projected and actual earnings on pension plan investments	1,103,403	-	1,103,403
Difference between employer contributions and proportionate share of contributions/ change in proportion percentage	-	652	652
County contributions subsequent to the measurement date	<u>2,476,329</u>	<u>40,696</u>	<u>2,517,025</u>
Total deferred outflows of resources	<u>\$ 3,579,732</u>	<u>\$ 126,158</u>	<u>\$ 3,705,890</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 373,318	\$ -	\$ 373,318
Net difference between projected and actual earnings on pension plan investments	-	320,338	320,338
Difference between employer contributions and proportionate share of contributions/ change in proportion percentage	<u>50,635</u>	<u>29,629</u>	<u>80,264</u>
Total deferred inflows of resources	<u>\$ 423,953</u>	<u>\$ 349,967</u>	<u>\$ 773,920</u>

\$2,517,025 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Year Ending December 31:			
2016	\$ 83,907	\$ (82,180)	\$ 1,727
2017	83,907	(82,180)	1,727
2018	242,681	(82,179)	160,502
2019	274,576	(17,966)	256,610
2020	(1,275)	-	(1,275)
Thereafter	<u>(4,346)</u>	<u>-</u>	<u>(4,346)</u>
Total	<u>\$ 679,450</u>	<u>\$ (264,505)</u>	<u>\$ 414,945</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or ad hoc COLA	3 percent, simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target		Weighted Average	
	Allocation		Long-Term Expected	
			Real Rate of Return	
			(Arithmetic)	
Fixed income	23.00	%	2.31	%
Domestic equities	19.90		5.84	
Real estate	10.00		4.25	
Private equity	10.00		9.25	
International equities	19.10		7.40	
Other investments	18.00		4.59	
Total	100.00	%	5.28	%

Discount Rate - The discount rate used to measure the total pension liability/asset was 8 percent for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the County's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 8 percent, as well as what the County's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease	Current	1% Increase
	(7.00%)	Discount Rate	(9.00%)
		(8.00%)	(9.00%)
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 38,307,533	\$ 20,639,436	\$ 6,095,989
Combined Plan	\$ 4,603	\$ (35,134)	\$ (67,206)

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS’ investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	3.00
 Total	 <u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
County's proportionate share of the net pension liability	\$ 2,261,961	\$ 1,628,393	\$ 1,092,617

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (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 2015 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 2015 was 2.00% for members in the state and local category and 4.00% for members in the public safety and law enforcement categories.

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, 2015, 2014, and 2013 were \$405,038, \$425,937, and \$212,164, respectively; 84.14% has been contributed for 2015 and 100% has been contributed for 2014 and 2013. The remaining 2015 post-employment health care benefits liability has been reported as pension and postemployment benefits payable 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, 2015

NOTE 13 - POSTEMPLOYMENT 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) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS 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. 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. For 2015, STRS 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, 2015, 2014 and 2013 were \$0, \$6,211 and \$6,507, respectively. The full amount has been contributed for 2015, 2014 and 2013.

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 \$121,270. 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 \$82,718 leaving a current book value of \$38,552. Principal payments in 2015 totaled \$11,273 in the general fund and \$9,777 in the motor vehicle and gasoline tax fund.

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, 2015:

<u>Year Ending</u> <u>December 31,</u>	<u>Equipment</u>
2016	\$ 14,620
2017	8,438
2018	7,240
2019	5,613
2020	<u>4,627</u>
Total minimum lease payments	40,538
Less: amount representing interest	<u>(3,690)</u>
Present value of future minimum lease payments	<u>\$ 36,848</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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.

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	2015
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	2015
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 2012 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, 2015

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	2015
<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, 2015

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

The changes in governmental long-term obligations during the year were as follows. The long-term obligations at December 31, 2014 have been restated as described in Note 3.A.

<u>Governmental Activities:</u>	<u>Restated Balance 12/31/14</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/15</u>	<u>Amount Due In One Year</u>
<u>General Obligation Notes:</u>					
County EMA	\$ 22,400	\$ -	\$ (22,400)	\$ -	\$ -
Clerk of Courts Server Upgrade	290,641	-	(191,154)	99,487	99,487
Clerk of Courts Office Equipment	24,030	-	(7,795)	16,235	8,007
Auditors & Veterans Services Upgrades	80,463	-	(31,587)	48,876	32,427
Engineer's Property	58,389	-	(27,659)	30,730	28,231
Engineer's Salt Storage Building	241,371	-	(57,281)	184,090	58,958
Engineer's Truck	346,449	-	(114,115)	232,334	114,767
Total General Obligation Notes	<u>1,063,743</u>	<u>-</u>	<u>(451,991)</u>	<u>611,752</u>	<u>341,877</u>
<u>General Obligation Bonds:</u>					
Refunding Jail Facilities Bonds	5,680,000	-	(470,000)	5,210,000	500,000
Unamortized Premium	46,862	-	(4,686)	42,176	-
Total Refunding Jail Facilities Bonds	<u>5,726,862</u>	<u>-</u>	<u>(474,686)</u>	<u>5,252,176</u>	<u>500,000</u>
Government Services Bldg 2012 Bonds	7,100,000	-	(155,000)	6,945,000	155,000
Unamortized Premium	146,141	-	(3,846)	142,295	-
Total Government Services Bldg 2012 Bonds	<u>7,246,141</u>	<u>-</u>	<u>(158,846)</u>	<u>7,087,295</u>	<u>155,000</u>
Courthouse Window Renovations	727,000	-	(727,000)	-	-
Courthouse Renovations	2,283,000	-	(65,000)	2,218,000	68,000
Ohio Wellsville Water Systems	1,018,000	-	(27,000)	991,000	28,000
Murray Trucking Old Farm Village	421,000	-	(8,000)	413,000	9,000
Municipal Court Bonds #1	240,000	-	(8,000)	232,000	8,000
Municipal Court Bonds #2	2,278,000	-	(74,000)	2,204,000	77,000
Government Services Bldg 2010A Bonds	340,000	-	(50,000)	290,000	50,000
Series 2013 Refunding Bonds	1,686,000	-	-	1,686,000	-
Total General Obligation Bonds	<u>21,966,003</u>	<u>-</u>	<u>(1,592,532)</u>	<u>20,373,471</u>	<u>895,000</u>
<u>Ohio Water Development Authority Loan:</u>					
Hanoverton Planning Permanent Financing	454,323	-	(65,065)	389,258	68,995
<u>Other Long-Term Obligations:</u>					
Capital Leases	34,597	23,301	(21,050)	36,848	13,068
Compensated Absences	4,071,566	1,624,786	(1,592,999)	4,103,353	662,137
Net pension liability	21,129,081	618,146	-	21,747,227	-
Total Governmental Activities	<u>\$ 48,719,313</u>	<u>\$ 2,266,233</u>	<u>\$ (3,723,637)</u>	<u>\$ 47,261,909</u>	<u>\$ 1,981,077</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

<u>Business-Type Activities:</u>	Restated Balance 12/31/14	<u>Additions</u>	<u>Reductions</u>	Balance 12/31/15	Amount Due In One Year
<u>Mortgage Revenue Notes:</u>					
Vodry State Route 170 Duke Road Sewer	\$ 16,700	\$ -	\$ (16,700)	\$ -	\$ -
<u>Mortgage Revenue Bonds:</u>					
Guilford Lake Sewer	90,000	-	(16,000)	74,000	17,000
Ohio Elkrun Sewer	1,653,000	-	(37,000)	1,616,000	39,000
Winona Area Waste System #1	532,000	-	(9,000)	523,000	9,000
Winona Area Waste System #2	328,000	-	(5,000)	323,000	5,000
Winona Sanitary Sewer	56,450	-	(13,146)	43,304	13,771
Beaver Local Wastewater #1	295,408	-	(15,331)	280,077	16,034
Roseview Acres	20,795	-	(4,452)	16,343	5,219
Glenmoor/Lacroft Sanitary Sewer	3,414,000	-	(44,000)	3,370,000	46,000
Total Mortgage Revenue Bonds	<u>6,389,653</u>	<u>-</u>	<u>(143,929)</u>	<u>6,245,724</u>	<u>151,024</u>
<u>OPWC Loans:</u>					
State Route 7 Water Line Extension #1	18,750	-	(2,500)	16,250	2,500
State Route 7 Water Line Extension #2	40,800	-	(4,800)	36,000	4,800
State Route 45 Water Line Extension	112,500	-	(37,500)	75,000	37,500
Roseview Acres Treatment Plant	148,322	-	(6,054)	142,268	6,054
Glenmoor Sewer System	187,298	-	(8,144)	179,154	8,143
Home Road Sewer Project	570,000	-	(20,000)	550,000	20,000
County Home Road Waterline Project	309,641	-	(10,496)	299,145	10,496
Total OWPC Loans	<u>1,387,311</u>	<u>-</u>	<u>(89,494)</u>	<u>1,297,817</u>	<u>89,493</u>
<u>OWDA Loans:</u>					
County Home Road Sanitary Sewer	255,970	-	-	255,970	-
County Home Road Waterline Extension	220,928	-	(6,942)	213,986	-
Household Sewage Treatment Repair	-	1,789	(1,789)	-	-
Total OWDA Loans	<u>476,898</u>	<u>1,789</u>	<u>(8,731)</u>	<u>469,956</u>	<u>-</u>
<u>Other Long-Term Obligations:</u>					
Compensated Absences	75,418	51,468	(51,095)	75,791	18,214
Net Pension Liability	508,843	11,759	-	520,602	-
Total Business-Type Activities	<u>\$ 8,854,823</u>	<u>\$ 65,016</u>	<u>\$ (309,949)</u>	<u>\$ 8,609,890</u>	<u>\$ 258,731</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, 2015**

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.

Net pension liability: See Note 12 for details.

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, 2015 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, 2015 were \$1,297,817.

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, 2015, 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 115.50 percent and 21.16 percent, respectively. The total principal and interest remaining to be paid on the debt is \$12,731,569. Principal and interest paid for the current year, total net revenues and total operating revenues were \$522,772, \$452,636 and \$2,470,557, respectively.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015 are as follows:

Governmental Activities

<u>Year Ended</u>	<u>General Obligation Notes</u>		<u>General Obligation Bonds</u>		<u>OWDA Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 341,877	\$ 15,732	\$ 895,000	\$ 820,830	\$ 68,995	\$ 23,511
2017	205,365	6,953	916,000	876,505	73,162	19,344
2018	64,510	1,769	951,000	751,783	77,581	14,925
2019	-	-	974,000	713,688	82,267	10,239
2020	-	-	1,003,000	674,358	87,253	5,251
2021 - 2025	-	-	4,962,000	2,728,369	-	-
2026 - 2030	-	-	3,031,000	1,923,911	-	-
2031 - 2035	-	-	2,885,000	1,283,250	-	-
2036 - 2040	-	-	1,361,000	853,200	-	-
2041 - 2045	-	-	1,311,000	583,238	-	-
2046 - 2050	-	-	1,345,000	299,032	-	-
2051 - 2052	-	-	555,000	36,531	-	-
Total	<u>\$ 611,752</u>	<u>\$ 24,454</u>	<u>\$ 20,189,000</u>	<u>\$ 11,544,695</u>	<u>\$ 389,258</u>	<u>\$ 73,270</u>

Business-Type Activities

<u>Year Ended</u>	<u>Mortgage Revenue Bonds</u>		<u>OPWC Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 151,024	\$ 271,601	\$ 89,493	\$ -
2017	157,764	264,649	89,493	-
2018	394,936	257,455	51,993	-
2019	132,000	239,198	51,993	-
2020	117,000	233,273	51,993	-
2021 - 2025	665,000	1,083,835	239,217	-
2026 - 2030	826,000	924,411	223,467	-
2031 - 2035	1,018,000	726,301	223,467	-
2036 - 2040	1,153,000	484,158	189,956	-
2041 - 2045	930,000	281,637	86,745	-
2046 - 2049	701,000	74,806	-	-
Total	<u>\$ 6,245,724</u>	<u>\$ 4,841,324</u>	<u>\$ 1,297,817</u>	<u>\$ -</u>

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 \$39,104,801 at December 31, 2015.

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COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 17 - 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	\$ 125,103	\$ 53,887	\$ 647,079	\$ 485
Prepays	238,631	32,222	4,802	2,661
Unclaimed monies	<u>314,720</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonspendable	<u>678,454</u>	<u>86,109</u>	<u>651,881</u>	<u>3,146</u>
Restricted:				
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Legislative and executive	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	5,166,371	-
Health services	-	-	-	5,907,582
Human services	-	1,829,825	-	-
Economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total restricted	<u>-</u>	<u>1,829,825</u>	<u>5,166,371</u>	<u>5,907,582</u>
Committed:				
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Legislative & executive	-	-	-	-
General escrow	<u>2,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total committed	<u>2,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned:				
Legislative & executive	52,669	-	-	-
Judicial	572	-	-	-
Human services	110	-	-	-
Public works	11,490	-	-	-
Other purposes	<u>52,287</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assigned	<u>117,128</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned (deficit)	<u>5,823,862</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 8,819,444</u>	<u>\$ 1,915,934</u>	<u>\$ 5,818,252</u>	<u>\$ 5,910,728</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 17 - FUND BALANCE - (Continued)

<u>Fund balance</u>	<u>Board of Developmental Disabilities</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:			
Materials and supplies inventory	\$ 17,771	\$ 1,153	\$ 845,478
Prepays	26,223	30,126	334,665
Unclaimed monies	-	-	314,720
Total nonspendable	<u>43,994</u>	<u>31,279</u>	<u>1,494,863</u>
Restricted:			
Debt service	-	2,291,073	2,291,073
Capital outlay	-	195,628	195,628
Legislative and executive	-	1,306,230	1,306,230
Judicial	-	1,608,870	1,608,870
Public safety	-	2,988,632	2,988,632
Public works	-	-	5,166,371
Health services	-	203,065	6,110,647
Human services	10,406,084	4,786,277	17,022,186
Economic development	-	515,979	515,979
Total restricted	<u>10,406,084</u>	<u>13,895,754</u>	<u>37,205,616</u>
Committed:			
Debt service	-	21,452	21,452
Capital outlay	-	6,766,174	6,766,174
Legislative & executive	-	81,324	81,324
General escrow	-	-	2,200,000
Total committed	<u>-</u>	<u>6,868,950</u>	<u>9,068,950</u>
Assigned:			
Legislative & executive	-	-	52,669
Judicial	-	-	572
Human services	-	-	110
Public works	-	-	11,490
Other purposes	-	-	52,287
Total assigned	<u>-</u>	<u>-</u>	<u>117,128</u>
Unassigned (deficit)	<u>-</u>	<u>(1,149)</u>	<u>5,822,713</u>
Total fund balances	<u>\$ 10,450,078</u>	<u>\$ 20,794,834</u>	<u>\$ 53,709,270</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 18 - 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 19 - 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 2015, 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 2015, 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 \$948,662 to the System during 2015.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 19 - 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 20 - 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 \$3,324 to the Airport Authority in 2015.

NOTE 21 - 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, 2015

NOTE 21 - 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	\$ (392,733)	\$ 151,532	\$ (77,648)	\$ 523,219	\$ (33,634)
Net adjustment for revenue accruals	11,889	214,169	(227,080)	(104,130)	490,459
Net adjustment for expenditure accruals	(35,404)	(45,559)	32,370	24,250	812,576
Net adjustment for other sources/uses	108,902	-	-	-	-
Funds budgeted elsewhere	390,354	-	-	-	-
Adjustment for encumbrances	<u>402,726</u>	<u>177,312</u>	<u>243,595</u>	<u>-</u>	<u>-</u>
GAAP Basis	<u>\$ 485,734</u>	<u>\$ 497,454</u>	<u>\$ (28,763)</u>	<u>\$ 443,339</u>	<u>\$ 1,269,401</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, unclaimed monies funds and the sheriff policing and revolving fund.

NOTE 22 - 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, 2015.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 22 - 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 23 - 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 Encumbrances</u>
General fund	\$ 64,841
Job and family services fund	57,374
Motor vehicle and gasoline tax fund	210,097
Other governmental funds	<u>999,556</u>
Total	<u>\$ 1,331,868</u>

NOTE 24 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION

Description of the Corporation

The Columbiana County Land Reutilization Corporation (the “Corporation”) is a county land reutilization corporation that was formed on May 9, 2014, when the Columbiana County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to included (1) the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed or other real property within the County for whose benefit the Corporation Is being organized; (2) efficiently holding and managing vacant, abandoned or tax-foreclosed real property pending its reclamation, rehabilitation and reutilization; (3) assisting governmental entities and other non-profit or for-profit persons to assemble, clear, and clear the title of property described in division (B)(2) of ORC Section 1724.01 in a coordinated manner; or (4) promoting economic and housing development of the County or region. The Corporation has been designated as the County’s agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of at least seven members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of office of each appointed director is two years.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 24 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION -
(Continued)**

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organization Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus", the Corporation's primary government and basic financial statements include components units which are defined as legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board and (1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization's resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of an organization. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable. The Corporation is a component unit of Columbiana County, Ohio.

Summary of Significant Accounting Policies

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Corporation's significant accounting policies are described below.

Basis of Presentation

The Corporation's basic financial statements consist of government-wide statements, including a 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 Corporation as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business-type. The Corporation, however, does not have any business-type activities or fiduciary funds.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE 24 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION -
(Continued)**

The statement of net position presents the financial condition of the governmental activities of the Corporation at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Corporation's governmental 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 earned on grants 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 Corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Corporation.

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 Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Basis of Accounting

Basis of accounting determines when transactions are recorded on the financial records and reported on the financial statements. Government-wide statements are prepared using the accrual basis of accounting.

Under the modified accrual basis, intergovernmental revenue and operating grant sources are considered to be both measurable and available at year-end.

Revenues and Expenses

On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time they are incurred.

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities.

Federal Income Tax

The Corporation is exempt from federal income tax under Section 115(1) of the Internal Revenue Code.

Cash and Cash Equivalents

All monies received by the Corporation are deposited in a demand deposit account. The Corporation had no investments during the year or at the end of the year.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 24 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION - (Continued)

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. For donated or forfeited properties, the asset is reported at fair value. The Corporation holds the properties until the home is either sold to a new homeowner, sold to an individual who will rehabilitate the home, or the home on the property is demolished. Properties with demolished homes could be transferred to the city or township they are in after demolition, until those parcels may be merged with adjacent parcels for development or green space projects, or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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 fund.

The Corporation did not report any payables, accrued liabilities, or long-term obligations for the year ended December 31, 2015.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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 creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2015.

Intergovernmental Revenue

The Corporation receives operating income through Columbiana County. For 2015, this amount represents start-up funding. In addition, the Corporation receives State grant funding for the Neighborhood Initiative Program (NIP) grant.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 24 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION -
(Continued)**

Deposits and Investments

Deposits with Financial Institutions

At December 31, 2015, the carrying amount of all Corporation deposits was \$122,127. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2015, all of the Corporation's bank balance of \$124,827 was covered by the Federal Deposit Insurance Corporation (FDIC).

Risk Management

Public Officials Liability and Employment Practices Liability and Commercial General Liability Insurance

The Corporation 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 2015, the Corporation contracted with Darwin National Assurance Company and United Specialty Insurance for Public Officials Liability and Employment Practices Liability Insurance and Commercial General Liability Insurance, respectively.

The limitations of coverages are as follows:

Public Officials and Employment Practices:

Public Officials Liability	\$1,000,000
Non-Monetary - Defense Only	\$50,000 - \$100,000
Employment Practices and Third Party Liability	\$1,000,000
Policy Aggregate Limit of Liability	\$1,000,000
Public Official Crisis Management Limit of Insurance	\$25,000

Commercial General Liability:

General Aggregate Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000

There has been no reduction in coverage from the prior year and settled claims have not exceeded the Corporation's coverage in the past two years and there was no significant change in insurance coverage from the prior year.

Transactions with Columbiana County

During 2015, the Corporation received \$31,178 in start-up funding from the County. The Corporation also received a \$100,000 in an advance from the County that will be repaid with future revenues. This amount is recorded as "due to primary government" on the basic financial statements.

During 2015, the Corporation paid \$10,530 in various costs to the Columbiana County Auditor and Clerk of Courts.

Start Up Period

The Corporation began operations on November 7, 2014. During the period November 7, 2014 through December 31, 2014, the Corporation had revenues of \$735 and expenditures/expenses of \$585 for an ending net position and fund balance of \$150 at December 31, 2014.

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REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIANA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TWO YEARS

	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>		
County's proportion of the net pension liability	0.172642%	0.172642%
County's proportionate share of the net pension liability	\$ 20,639,436	\$ 20,173,260
County's covered-employee payroll	\$ 20,380,933	\$ 21,546,108
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	101.27%	93.63%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	86.36%
<i>Combined Plan:</i>		
County's proportion of the net pension asset	0.092063%	0.092063%
County's proportionate share of the net pension asset	\$ 35,134	\$ 9,574
County's covered-employee payroll	\$ 336,525	\$ 319,162
County's proportionate share of the net pension asset as a percentage of its covered-employee payroll	10.44%	3.00%
Plan fiduciary net position as a percentage of the total pension asset	114.83%	104.56%

Note: Information prior to 2013 was unavailable.

Amounts presented as of the County's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIANA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TWO YEARS

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability	0.00589206%	0.00601610%
County's proportionate share of the net pension liability	\$ 1,628,393	\$ 1,464,664
County's covered-employee payroll	\$ 576,707	\$ 650,654
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	282.36%	225.11%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%

Note: Information prior to 2014 was unavailable.

Amounts presented as of the County's measurement date which is as of June 30 of the respective year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIANA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 2,437,346	\$ 2,445,712	\$ 2,800,994	\$ 2,169,916
Contributions in relation to the contractually required contribution	<u>(2,437,346)</u>	<u>(2,445,712)</u>	<u>(2,800,994)</u>	<u>(2,169,916)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 20,311,217	\$ 20,380,933	\$ 21,546,108	\$ 21,699,160
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%	10.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 38,983	\$ 40,383	\$ 41,491	\$ -
Contributions in relation to the contractually required contribution	<u>(38,983)</u>	<u>(40,383)</u>	<u>(41,491)</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 324,858	\$ 336,525	\$ 319,162	\$ -
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%	7.95%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 2,232,797	\$ 1,638,540	\$ 1,601,995	\$ 1,597,062	\$ 1,781,543	\$ 2,829,376
<u>(2,232,797)</u>	<u>(1,638,540)</u>	<u>(1,601,995)</u>	<u>(1,597,062)</u>	<u>(1,781,543)</u>	<u>(2,829,376)</u>
<u>\$ -</u>					
\$ 22,327,970	\$ 18,376,150	\$ 19,716,862	\$ 22,815,171	\$ 21,335,844	\$ 30,754,087
10.00%	8.92%	8.13%	7.00%	8.35%	9.20%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7.95%	9.69%	8.13%	7.00%	8.35%	9.20%

COLUMBIANA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 84,594	\$ 80,739	\$ 84,585	\$ 93,779
Contributions in relation to the contractually required contribution	<u>(84,594)</u>	<u>(80,739)</u>	<u>(84,585)</u>	<u>(93,779)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 604,243	\$ 576,707	\$ 650,654	\$ 721,377
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 101,287	\$ 103,249	\$ 104,970	\$ 110,688	\$ 110,430	\$ 125,730
<u>(101,287)</u>	<u>(103,249)</u>	<u>(104,970)</u>	<u>(110,688)</u>	<u>(110,430)</u>	<u>(125,730)</u>
<u>\$ -</u>					
\$ 779,131	\$ 794,223	\$ 807,462	\$ 851,446	\$ 849,462	\$ 967,154
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

COLUMBIANA COUNTY, OHIO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

SUPPLEMENTARY INFORMATION

**COLUMBIANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through/ Entity Number	Federal CFDA Number	(K) Passed Through to Subrecipients	(A),(B) Cash Federal Disbursements
<u>U.S DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
(C),(D) School Breakfast Program	EDU01-3L60	10.553		\$ 7,034
(C),(D) National School Lunch Program	EDU01-3L70	10.555		14,295
Total Child Nutrition Cluster				<u>21,329</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		657,021
Total U.S. Department of Agriculture				<u>678,350</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed Through Ohio Department of Development:</i>				
(J) Community Development Block Grant	B-C-13-1A0-1	14.228		44,292
(J) Community Development Block Grant	B-C-14-1A0-1	14.228		214,863
(J) Community Development Block Grant	B-F-12-1A0-1	14.228		993
(J) Community Development Block Grant	B-F-13-1A0-1	14.228		128,061
(J) Community Development Block Grant	B-F-14-1A0-1	14.228		2,049
(J) Community Development Block Grant	C-W-14-2NL-1	14.228		84,974
Total Community Development Block Grant				<u>475,232</u>
Home Investment Partnerships Program	B-F-13-1A0-2	14.239		254,540
Total U.S. Department of Housing and Urban Development				<u>729,772</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Passed Through Ohio Attorney General's Office:</i>				
Crime Victim Assistance	2016VAGENE174	16.575		68,598
Crime Victim Assistance	2016SAGENE174	16.575		16,754
(E) Crime Victim Assistance	N/A	16.575		38,357
Total Crime Victim Assistance				<u>123,709</u>
(E) Edward Byrne Memorial Justice Assistance Grant Program	N/A	16.738		17,000
Total U.S. Department of Justice				<u>140,709</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
<i>Passed Through Ohio Department of Jobs & Family Services:</i>				
Senior Community Service Employment Program	Project 319	17.235		199,332
Total U.S. Department of Labor				<u>199,332</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION / FEDERAL HIGHWAY ADMINISTRATION</u>				
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction	PID 89468	20.205		6,365
Highway Planning and Construction	PID 24452	20.205		41,952
Highway Planning and Construction	PID 95514	20.205		12,490
Highway Planning and Construction	PID 22329	20.205		12,728
Highway Planning and Construction	PID 99399	20.205		37,938
Highway Planning and Construction	PID 84763	20.205		12,946
Highway Planning and Construction	PID 84859	20.205		30,231
Total Highway Planning and Construction				<u>154,650</u>
<i>Passed Through Ohio Environmental Protection Agency:</i>				
State Emergency Response Commission	HME01016090	20.703		24,948
Total U.S. Department of Transportation / Federal Highway Administration				<u>179,598</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through Ohio Department of Education:</i>				
Special Education Part B Flowthru 2015	EDU01-3M20-065920	84.027		30,433
Special Education Part B Flowthru 2016	EDU01-3M20-065920	84.027		18,452
Total Special Education Part B Flowthru				<u>48,885</u>
Special Education Grants for Infants and Toddlers (Help Me Grow Part C)	3920-DOH-FY14/15	84.181		79,060
Total U.S. Department of Education				<u>127,945</u>

(Continued)

COLUMBIANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through/ Entity Number	Federal CFDA Number	(K) Passed Through to Subrecipients	(A),(B) Cash Federal Disbursements
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<u>Passed Through Ohio Department of Jobs & Family Services:</u>				
(E), (G)	Promoting Safe and Stable Families	G-1415-11-5343 / G-1617-11-5498	\$ 5,358	97,797
	Promoting Safe and Stable Families	N/A	-	15,111
	Total Promoting Safe and Stable Families		<u>5,358</u>	<u>112,908</u>
(E), (G)	Temporary Assistance for Needy Families	G-1415-11-5343 / G-1617-11-5498	61,596	3,156,040
	Temporary Assistance for Needy Families	N/A	-	1,665
	Total Temporary Assistance for Needy Families		<u>61,596</u>	<u>3,157,705</u>
	Child Support Enforcemen	G-1415-11-5343 / G-1617-11-5498		1,119,169
	Child Care and Development Block Gran	G-1415-11-5343 / G-1617-11-5498		167,099
	Stephanie Tubbs Jones Child Welfare Services Program	G-1415-11-5343 / G-1617-11-5498	1,278	72,787
	Foster Care _Title IV-E	G-1415-11-5343 / G-1617-11-5498		922,993
	Foster Care _Title IV-E	G-1415-11-5343 / G-1617-11-5498		95,178
	Foster Care _Title IV-E	#75-5-1545		380
	Total Foster Care			<u>1,018,551</u>
	Adoption Assistance	G-1415-11-5343 / G-1617-11-5498		154,012
(E), (G)	Social Services Block Grant	G-1415-11-5343 / G-1617-11-5498		1,157,823
(H)	Social Services Block Grant	N/A		75,219
	Social Services Block Grant	DMR01-100912		58,670
				<u>1,291,712</u>
	Chaffee Foster Care Independence Program	G-1415-11-5343 / G-1617-11-5498		23,470
(E)	Medical Assistance Program (Family Caregiver)	N/A		1,688,228
(H)	Medical Assistance Program (Medicaid Title XIX) (MAC)	DMR01-100912		119,639
	Total Medical Assistance Program (Family Caregiver)			<u>1,807,867</u>
<u>Passed Through Ohio Department of Mental Health and Addiction Services:</u>				
(E)	Projects for Assistance in Transition from Homelessness (PATH)	N/A		27,750
(E)	Substance Abuse and Mental Health Services	N/A		5,000
(E), (F)	Mental Health Suicide Prevention Grant	N/A		1,000
(E), (F)	Suicide/Substance Abuse Prevention Mini Grant	N/A		1,000
	Total Substance Abuse and Mental Health Services			<u>7,000</u>
	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood	3920-DOH12W4		60,720
	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood	3920-DOH12W5		31,680
	Total Affordable Care Act (ACA) Maternal, Infant, and Early Childhood			<u>92,400</u>
(E)	Forensic Monitoring	N/A		1,650
(E)	Treatment Grant	N/A		72,584
(E)	Supportive Housing	N/A		29,500
(E)	Funding Initatives	N/A		100
	Total Block Grants for Community Mental Health Services			<u>103,834</u>
(E)	Women Treatment	N/A		93,848
(E)	Per Capita-Treatment	N/A		183,048
(E)	Preventon Services	N/A		24,006
(E)	Youth Led Prevention Grant	N/A		2,977
	Total Block Grant for Prevention and Treatment of Substance Abuse			<u>303,879</u>
	Total U.S. Department of Health and Human Services		<u>68,232</u>	<u>9,460,143</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<u>Passed Through Emergency Food and Shelter Board:</u>				
	Emergency Food and Shelter Program	671000-099		6,000
<u>Passed Through Ohio Emergency Management Agency:</u>				
	Emergency Management Performance Grant	EMW-2014-EP-00064		90,834
	Emergency Management Performance Grant	EMW-2015-EP-00034		89,819
	Total Emergency Management Performance Grant			<u>180,653</u>
	State Homeland Security Program	EMW-2014-SS-00101		25,394
	State Homeland Security Program	EMW-2014-SS-00101		40,660
	Total State Homeland Security Program			<u>66,054</u>
	Total U.S. Department of Homeland Security			<u>252,707</u>
	Total Federal Financial Assistance		<u>\$ 68,232</u>	<u>\$ 11,768,556</u>

(Continued)

COLUMBIANA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015
(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) Amounts were passed-through Ohio Suicide Prevention Foundation
- (G) Amounts were passed-through Ohio Department of Mental Health and Addiction Services
- (H) Amounts were passed-through Ohio Department of Developmental Disabilities
- (I) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The County has not elected to use the 10% de minimis indirect cost rate.
- (J) 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 2015 is as follows:

Beginning loans receivable balance as of January 1, 2015	\$ 247,165
Loans Disbursed	-
Loans Repaid	(23,222)
Ending loans receivable balance as of December 31, 2015	<u>\$ 223,943</u>
Cash balance on hand as of December 31, 2015	\$ 62,472
Administrative cost expended during 2015	\$ 1

The table above reports the gross receivable. Of the loans receivable as of December 31, 2015, Columbiana County estimates \$144,386 to be uncollectible.

Activity in the Community Development Block Grant microenterprise fund during 2015 is as follows:

Beginning loans receivable balance as of January 1, 2015 (restated)	\$97,201
Loans Disbursed	-
Loans Repaid	(496)
Ending loans receivable balance as of December 31, 2015	<u>\$96,705</u>

The table above reports the gross receivable. Of the loans receivable as of December 31, 2015, Columbiana County estimates \$86,461 to be uncollectible.

- (K) The County passes certain federal awards received from various agencies to other governments or not-for-profit agencies (subrecipients). As Note A describes, the County reports expenditures of Federal awards to subrecipients when paid in cash. As a subrecipient, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.



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**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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio as of and for the year ended December 31, 2015, 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 24, 2016, wherein we noted as discussed in Note 3, Columbiana County adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68.

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 24, 2016



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 *Uniform Guidance*

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), *Compliance Supplement* that could directly and materially affect each of Columbiana County's major federal programs for the year ended December 31, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies Columbiana County's major federal programs.

Management's Responsibility

Columbiana County's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance 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 each of 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 2015-001 in the accompanying schedule of findings, Columbiana County did not comply with requirements regarding cash management applicable to its Community Development Block Grant - CFDA #14.228 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, 2015.

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 for the year ended December 31, 2015.

Other Matters

Columbiana County's response to our noncompliance finding is described in the accompanying corrective action plan. 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 Uniform Guidance, 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.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over 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, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2015-001.

Board of Commissioners
Columbiana County

Columbiana County's response to our internal control over compliance finding is described in the accompanying corrective action plan. 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 and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

Julian & Grube, Inc.
June 24, 2016

COLUMBIANA COUNTY
SCHEDULE OF FINDINGS
UNIFORM GUIDANCE 2 CFR § 200.515
DECEMBER 31, 2015

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 #93.558); (CFDA #93.778)
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Community Development Block Grant - CFDA #14.228; Temporary Assistance for Needy Families - CFDA #93.558; Medical Assistance Program - CFDA #93.778
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2CFR § 200.520?</i>	No

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

None

COLUMBIANA COUNTY
SCHEDULE OF FINDINGS
UNIFORM GUIDANCE 2 CFR § 200.515
DECEMBER 31, 2015

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	2015-001		
CFDA Title and Number	Community Development Block Grant 14.228		
Federal Award Identification Number/Year	B-C-13-1A0-1; B-C-14-1A0-1; B-F-12-1A0-1; B-F-13-1A0-1; B-F-14-1A0-1; C-W-14-2NL-1		
Federal Agency	U.S. Department of Housing and Urban Development		
Pass-Through Entity	Ohio Department of Development		
Repeat Finding from Prior Audit	Yes	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 2014 CDBG Formula Program, and the 2014 Low-and-Moderate-Income Housing Trust Fund, we noted thirteen draw-downs did not comply with the 15 day rule. For example, the County Development Department drew-down \$74,750 in the 2013 CDBG Formula Program on January 29, 2015 and it was fully expended on June 19, 2015.

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.

COLUMBIANA COUNTY
CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2015

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-001	The County Commissioners 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.	The client anticipates they are in compliance in 2016.	Nancy Milliken, County Auditor

COLUMBIANA COUNTY
STATUS OF PRIOR AUDIT FINDINGS
UNIFORM GUIDANCE 2 CFR § 200.515
DECEMBER 31, 2015

Finding Number	Year Initially Occurred	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2014-001	2013	OHCP Management Rules - Regulations, Section (A)(3)(F), The County did not comply with the Fifteen-Day Rule	No	Repeated as finding 2015-001

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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
AUGUST 18, 2016