

COLUMBIANA COUNTY, OHIO

Basic Financial Statements

Year Ended December 31, 2019

With Independent Auditors' Report

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPARreport@ohioauditor.gov
(800) 282-0370

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

We have reviewed the *Independent Auditors' Report* of Columbiana County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2019 through December 31, 2019. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is conducting an investigation. As of the date of this report, the investigation is ongoing. Dependent on the results of the investigation, results may be reported on at a later date.

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 cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 22, 2020

This page intentionally left blank.

TABLE OF CONTENTS

Independent Auditors' Report	1-3
Management's Discussion and Analysis	5 – 20
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	21
Statement of Activities	22 – 23
Fund Financial Statements	
Balance Sheet – Governmental Funds	24 – 25
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	28 – 29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30 – 31
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	32
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) - Job and Family Services Fund	33
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Motor Vehicle and Gasoline Tax Fund	34
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Mental Health Fund	35
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Board of Developmental Disabilities Fund	36
Statement of Net Position – Proprietary Funds	37
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	38
Statement of Cash Flows – Proprietary Funds	39 – 40
Statement of Fiduciary Net Position – Custodial Funds	41
Statement of Changes in Fiduciary Net Position– Custodial Funds	42
Notes to the Basic Financial Statements	43 – 104
Required Supplementary Information:	
Schedule of the County's Proportionate Share of the Net Pension Liability/Asset (OPERS)	106
Schedule of the County's Proportionate Share of the Net Pension Liability (STRS)	108
Schedule of the County's Pension Contributions (OPERS)	110
Schedule of the County's Pension Contributions (STRS)	112
Schedule of the County's Proportionate Share of the Net OPEB Liability (OPERS)	114
Schedule of the County's Proportionate Share of the Net OPEB Liability/Asset (STRS)	115
Schedule of the County's OPEB Contributions (OPERS)	116
Schedule of the County's OPEB Contributions (STRS)	118
Notes to the Required Supplementary Information	120
Additional Information:	
Schedule of Expenditures of Federal Awards	121 – 122
Notes to the Schedule of Expenditures of Federal Awards	123
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	124
Report on Compliance for each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	126
Schedule of Findings and Questioned Costs	128
Corrective Action Plan	130

This page intentionally left blank.

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Columbiana County, Ohio:

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 (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Job and Family Services Fund, Motor Vehicle and Gasoline Tax Fund, Mental Health Fund, and Board of Developmental Disabilities Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Subsequent Event Footnote

As discussed in Note 25 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the County. Our opinion is not modified with respect to this matter.

Change in Accounting Principles

During the year ended December 31, 2019, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*, and GASB Statement No. 90, *Majority Equity Interests* – an amendment to GASB Statements No. 14 and No. 61. As a result of the implementation of GASB Statement No. 84, the County restated net position at January 1, 2019 for the change in accounting principle (See Note 3). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the schedule of expenditures of federal awards 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 26, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 the County's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 26, 2020

This page is intentionally left blank

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019. 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 2019 are as follows:

- The total net position of the County increased \$5,229,137. Net position of governmental activities increased \$5,218,835, which represents a 8.78% increase from 2018's restated net position. Net position of business-type activities increased \$10,302 or 0.38% from 2018's net position.
- General revenues accounted for \$36,174,119 or 45.27% of total governmental activities revenue. Program specific revenues accounted for \$43,728,358 or 54.73% of total governmental activities revenue.
- The County had \$74,733,591 in expenses related to governmental activities; \$43,728,358 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$36,174,119 were adequate to provide for these programs.
- The general fund, the County's largest major governmental fund, had revenues and other financing sources of \$27,051,946 in 2019. The general fund had expenditures and other financing uses of \$24,449,061 in 2019. The fund balance of the general fund increased \$2,602,885 from 2018 to 2019.
- The job and family services fund, a major governmental fund, had revenues and other financing sources of \$9,012,846 in 2019. The job and family services fund had expenditures of \$8,915,240 in 2019. The job and family services fund balance increased \$97,606 from 2018 to 2019.
- The motor vehicle and gasoline tax fund, a major governmental fund, had revenues and other financing sources of \$11,005,137 in 2019. The motor vehicle and gasoline tax fund had expenditures of \$11,077,454 in 2019. The motor vehicle and gasoline tax fund balance decreased \$72,317 from 2018 to 2019.
- The mental health fund, a major governmental fund, had revenues of \$4,520,465 in 2019. The mental fund had expenditures of \$4,653,576 in 2019. The mental health fund balance decreased \$133,111 from 2018 to 2019.
- The board of developmental disabilities fund, a major governmental fund, had revenues of \$12,934,711 in 2019. The board of developmental disabilities fund had expenditures and other financing uses of \$10,853,821 in 2019. The board of developmental disabilities fund balance increased \$2,080,890 from 2018 to 2019.
- Net position for the business-type activities, which consists of the water and sewer operations and other enterprise funds, increased in 2019 by \$10,302.

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, 2019

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 2019?" 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.

The County's statement of net position and statement of activities can be found on pages 21-23 of this report.

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, 2019

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 basic fund financial statements can be found on pages 24-36 of this report.

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. The proprietary fund statements can be found on pages 37-40 of this report.

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 custodial funds. The basic fiduciary fund financial statement can be found on pages 41-42 of this report.

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. These notes to the basic financial statements can be found on pages 43-104 of this report.

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/asset and net OPEB liability/asset. The required supplementary information can be found on pages 106-120 of this report.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2018 and December 31, 2019. The 2018 amounts have been restated as described in Note 3.B.

	Governmental Activities		Business-Type Activities		Total	
	2019	Restated 2018	2019	2018	2019	Restated 2018
<u>Assets</u>						
Current assets	\$ 109,742,733	\$ 101,465,528	\$ 2,529,060	\$ 2,426,903	\$ 112,271,793	\$ 103,892,431
Capital assets, net	<u>43,066,598</u>	<u>40,047,982</u>	<u>9,195,353</u>	<u>9,396,311</u>	<u>52,261,951</u>	<u>49,444,293</u>
Total assets	<u>152,809,331</u>	<u>141,513,510</u>	<u>11,724,413</u>	<u>11,823,214</u>	<u>164,533,744</u>	<u>153,336,724</u>
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	79,443	93,337	-	-	79,443	93,337
Pension	11,984,641	5,794,006	402,736	237,140	12,387,377	6,031,146
OPEB	<u>1,491,233</u>	<u>1,234,968</u>	<u>82,481</u>	<u>79,260</u>	<u>1,573,714</u>	<u>1,314,228</u>
Total deferred outflows of resources	<u>13,555,317</u>	<u>7,122,311</u>	<u>485,217</u>	<u>316,400</u>	<u>14,040,534</u>	<u>7,438,711</u>
<u>Liabilities</u>						
Current liabilities	3,862,768	4,844,771	192,746	215,450	4,055,514	5,060,221
Long-term liabilities:						
Due within one year	2,016,823	1,871,831	246,569	261,477	2,263,392	2,133,308
Net pension liability	41,485,701	25,527,337	1,173,404	738,754	42,659,105	26,266,091
Net OPEB liability	18,683,437	16,467,307	540,382	494,266	19,223,819	16,961,573
Other amounts	<u>17,902,025</u>	<u>19,800,338</u>	<u>7,196,464</u>	<u>7,422,224</u>	<u>25,098,489</u>	<u>27,222,562</u>
Total liabilities	<u>83,950,754</u>	<u>68,511,584</u>	<u>9,349,565</u>	<u>9,132,171</u>	<u>93,300,319</u>	<u>77,643,755</u>
<u>Deferred inflows of resources</u>						
Property taxes	14,644,254	12,380,531	-	-	14,644,254	12,380,531
Pension	2,193,641	6,696,745	109,601	277,450	2,303,242	6,974,195
OPEB	<u>890,806</u>	<u>1,580,603</u>	<u>50,932</u>	<u>40,763</u>	<u>941,738</u>	<u>1,621,366</u>
Total deferred inflows of resources	<u>17,728,701</u>	<u>20,657,879</u>	<u>160,533</u>	<u>318,213</u>	<u>17,889,234</u>	<u>20,976,092</u>
<u>Net Position</u>						
Net investment in capital assets	26,798,466	22,431,446	1,846,181	1,809,425	28,644,647	24,240,871
Restricted	27,783,597	26,641,167	-	-	27,783,597	26,641,167
Unrestricted	<u>10,103,130</u>	<u>10,393,745</u>	<u>853,351</u>	<u>879,805</u>	<u>10,956,481</u>	<u>11,273,550</u>
Total net position	<u>\$ 64,685,193</u>	<u>\$ 59,466,358</u>	<u>\$ 2,699,532</u>	<u>\$ 2,689,230</u>	<u>\$ 67,384,725</u>	<u>\$ 62,155,588</u>

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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 OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension/OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability/asset. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability/asset to equal the County's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

In accordance with GASB 68 and GASB 75, the County's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

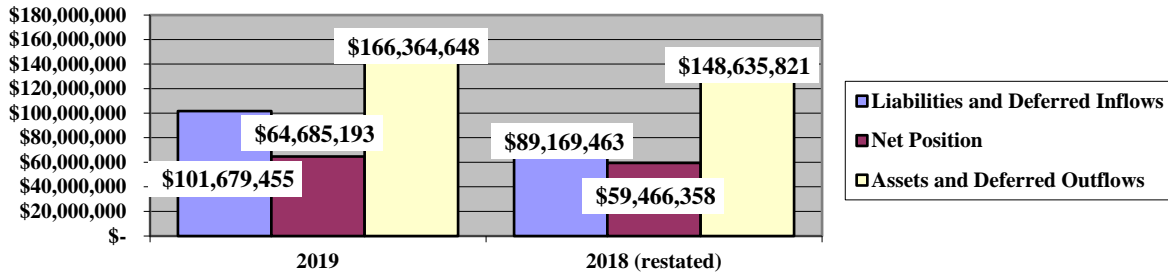
Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2019, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67,384,725. This amounts to \$64,685,193 in the governmental activities and \$2,699,532 in the business-type activities. This is an indication that the County's finances remained strong during 2019.

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 31.76% of total governmental and business-type assets. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. The County's net investment in capital assets at December 31, 2019 was \$28,644,647. 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.

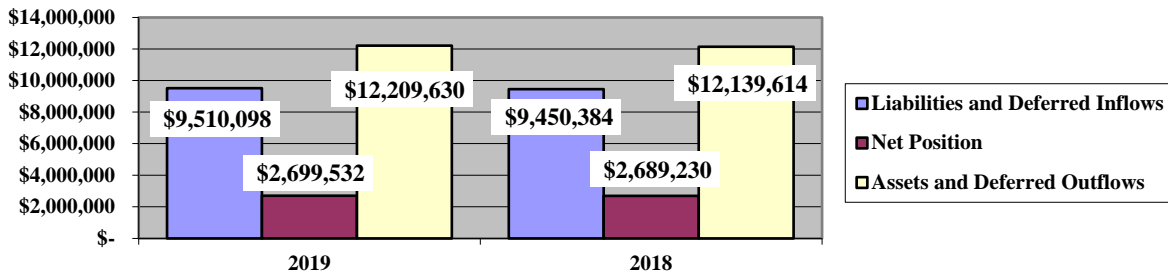
A portion of the County's governmental net position, \$27,783,597 or 42.95%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$10,103,130 or 15.62% may be used to meet the government's ongoing obligations to 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, 2018 and December 31, 2019 for the governmental activities and business-type activities. The 2018 amounts have been restated as described in Note 3.B.

Governmental Activities



Business-type Activities



COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

The table below shows the changes in net position for 2019 and 2018. The net position at December 31, 2018 has been restated as described in Note 3.B.

	Change in Net Position					
	Governmental	Restated	Business-type	Business-type	Total	Restated
	Activities	Governmental	Activities	Activities		Total
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 9,290,774	\$ 8,647,150	\$ 2,533,058	\$ 2,390,238	\$ 11,823,832	\$ 11,037,388
Operating grants and contributions	33,934,781	26,162,592	-	526,268	33,934,781	26,688,860
Capital grants and contributions	<u>502,803</u>	<u>303,674</u>	<u>-</u>	<u>-</u>	<u>502,803</u>	<u>303,674</u>
Total program revenues	<u>43,728,358</u>	<u>35,113,416</u>	<u>2,533,058</u>	<u>2,916,506</u>	<u>46,261,416</u>	<u>38,029,922</u>
General revenues:						
Property taxes	11,887,740	10,899,328	-	-	11,887,740	10,899,328
Sales tax	17,201,444	15,848,956	-	-	17,201,444	15,848,956
Unrestricted grants	4,222,030	7,794,022	-	-	4,222,030	7,794,022
Investment earnings	2,368,195	1,216,628	11,774	20,741	2,379,969	1,237,369
Gas and oil lease	13,507	20,716	-	-	13,507	20,716
Miscellaneous	<u>481,203</u>	<u>987,073</u>	<u>551,208</u>	<u>181,703</u>	<u>1,032,411</u>	<u>1,168,776</u>
Total general revenues	<u>36,174,119</u>	<u>36,766,723</u>	<u>562,982</u>	<u>202,444</u>	<u>36,737,101</u>	<u>36,969,167</u>
Total revenues	<u>79,902,477</u>	<u>71,880,139</u>	<u>3,096,040</u>	<u>3,118,950</u>	<u>82,998,517</u>	<u>74,999,089</u>

(continued)

THIS SPACE INTENTIONALLY LEFT BLANK

COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Change in Net Position (Continued)

	Governmental	Restated Governmental	Business-type	Business-type		Restated
	Activities	Activities	Activities	Activities	Total	Total
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Expenses</u>						
Program Expenses:						
General government						
Legislative and executive	9,546,871	7,574,419	-	-	9,546,871	7,574,419
Judicial	7,085,639	6,834,950	-	-	7,085,639	6,834,950
Public safety	10,787,293	9,840,864	-	-	10,787,293	9,840,864
Public works	9,348,118	9,463,579	-	-	9,348,118	9,463,579
Health	5,559,398	3,377,151	-	-	5,559,398	3,377,151
Human services	31,164,530	31,405,260	-	-	31,164,530	31,405,260
Conservation and recreation	17,345	6,759	-	-	17,345	6,759
Economic development	576,185	1,446,127	-	-	576,185	1,446,127
Interest and fiscal charges	648,212	770,116	-	-	648,212	770,116
Water and sewer	-	-	2,947,153	2,710,251	2,947,153	2,710,251
Other enterprise	-	-	88,636	157,785	88,636	157,785
	<u>74,733,591</u>	<u>70,719,225</u>	<u>3,035,789</u>	<u>2,868,036</u>	<u>77,769,380</u>	<u>73,587,261</u>
Total expenses						
Change in net position before transfers	5,168,886	1,160,914	60,251	250,914	5,229,137	1,411,828
Transfers	<u>49,949</u>	-	<u>(49,949)</u>	-	-	-
Change in net position	5,218,835	1,160,914	10,302	250,914	5,229,137	1,411,828
Net position at beginning of year (restated)	<u>59,466,358</u>	<u>58,305,444</u>	<u>2,689,230</u>	<u>2,438,316</u>	<u>62,155,588</u>	<u>60,743,760</u>
Net position at end of year	<u>\$ 64,685,193</u>	<u>\$ 59,466,358</u>	<u>\$ 2,699,532</u>	<u>\$ 2,689,230</u>	<u>\$ 67,384,725</u>	<u>\$ 62,155,588</u>

Governmental Activities

Governmental activities net position increased by \$5,218,835 from 2018 to 2019.

Human services expense, the largest expense of the County, accounted for \$31,164,530 or 41.70% of total governmental expenses. Human services primarily consists of job and family services and board of developmental disabilities activity. Public safety expenses accounted for \$10,787,293 or 14.43% of governmental expenses. Public safety expenses increased primarily due to an increase in pension and OBEP expense. Public works expenses primarily support the operations of the engineer's department, and accounts for \$9,348,118 or 12.51% of the total governmental expenses of the County. These expenses were funded by \$134,198 in direct charges to users, \$10,893,708 in operating grants and contributions, and \$502,803 in capital grants and contributions during 2019. General government expenses, which include legislative and executive and judicial programs, accounted for \$16,632,510 or 22.26% of the total governmental expenses of the County. General government expenses increased primarily due to an increase pension and OPEB related expenses. General government expenses were covered by \$5,854,259 in direct charges to users and \$611,296 in operating grants and contributions during 2019.

COLUMBIANA COUNTY, OHIO

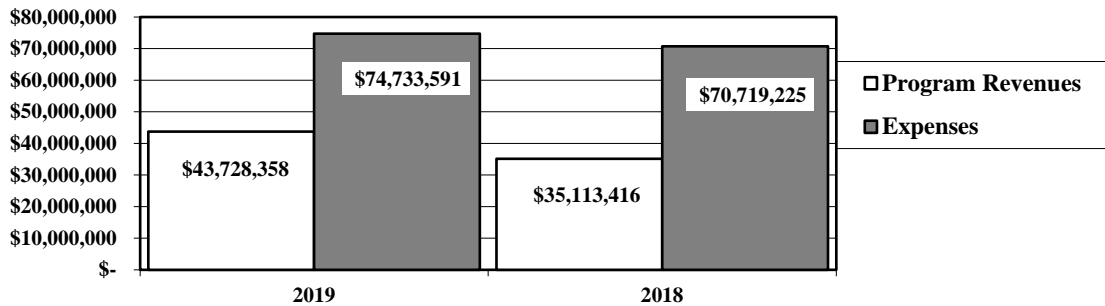
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

The State and federal government contributed to the County revenues of \$33,934,781 in operating grants and contributions and \$502,803 in capital grants and contributions. The large increases were in the areas of board of developmental disabilities grant revenue and motor vehicle and gasoline tax fund intergovernmental revenue which increased due to an increase Statewide in the tax charged on gas. Operating grants and contributions of \$18,850,264 or 55.55% subsidized human services. Operating grants and contributions of \$2,169,391 or 6.39% subsidized County health programs. Operating grants and contributions of \$10,893,708 or 32.10%, as well as the entire amount of capital grants and contributions, subsidized public works projects.

General revenues of governmental activities totaled \$36,174,119 and amounted to 45.27% of the total revenues of \$79,902,477. These revenues primarily consist of property and sales tax revenue of \$29,089,184 or 80.41% of total general revenues in 2019. Sales tax revenue primarily increased due to the County collecting more taxes receipts in 2019. 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 \$4,222,030, or 11.67%, of the total general revenues. The large decrease in these unrestricted grants was primarily due to the county no longer receiving the Medicaid sales tax transition funding from the State of Ohio. Investment earnings increased due to an increase in interest rates earned on investments.

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 2019. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted state grants and entitlements). As can be seen in the graph below, the County is reliant upon general revenues to finance operations as program revenues are not sufficient to cover total expenses.

Governmental Activities – Program Revenues vs. Total Expenses



COLUMBIANA COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

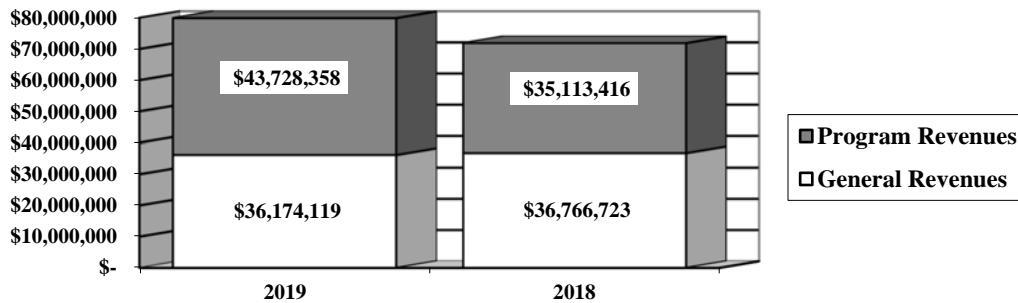
Governmental Activities

	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>
Program Expenses:				
General government				
Legislative and executive	\$ 9,546,871	\$ 6,493,737	\$ 7,574,419	\$ 4,203,810
Judicial	7,085,639	3,673,188	6,834,950	3,693,758
Public safety	10,787,293	9,262,470	9,840,864	8,723,560
Public works	9,348,118	(2,182,591)	9,463,579	1,006,410
Health	5,559,398	2,292,553	3,377,151	321,307
Human services	31,164,530	11,603,345	31,405,260	16,018,999
Conservation and recreation	17,345	17,345	6,759	6,759
Economic development	576,185	(306,181)	1,446,127	1,328,493
Interest and fiscal charges	<u>648,212</u>	<u>151,367</u>	<u>770,116</u>	<u>302,713</u>
Total	<u>\$ 74,733,591</u>	<u>\$ 31,005,233</u>	<u>\$ 70,719,225</u>	<u>\$ 35,605,809</u>

The dependence upon general revenues for governmental activities is apparent, with 41.49% of expenses supported through taxes and other general revenues during 2019.

The graph below illustrates the County's reliance upon general revenues for 2019 and 2018.

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 \$2,533,058, general revenues of \$562,982 and expenses of \$3,035,789 for 2019.

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 \$75,649,076 which is \$5,296,302 more than last year's restated total of \$70,352,774.

	Fund Balance	Restated Fund Balance	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>Change</u>
Major Funds:			
General	\$ 24,561,782	\$ 21,958,897	\$ 2,602,885
Job and Family Services	1,961,254	1,863,648	97,606
Motor Vehicle and Gasoline Tax	6,282,254	6,354,571	(72,317)
Mental Health	7,470,164	7,603,275	(133,111)
Board of Developmental Disabilities	12,083,434	10,002,544	2,080,890
Nonmajor Governmental Funds	<u>23,290,188</u>	<u>22,569,839</u>	<u>720,349</u>
Total	<u>\$ 75,649,076</u>	<u>\$ 70,352,774</u>	<u>\$ 5,296,302</u>

General Fund

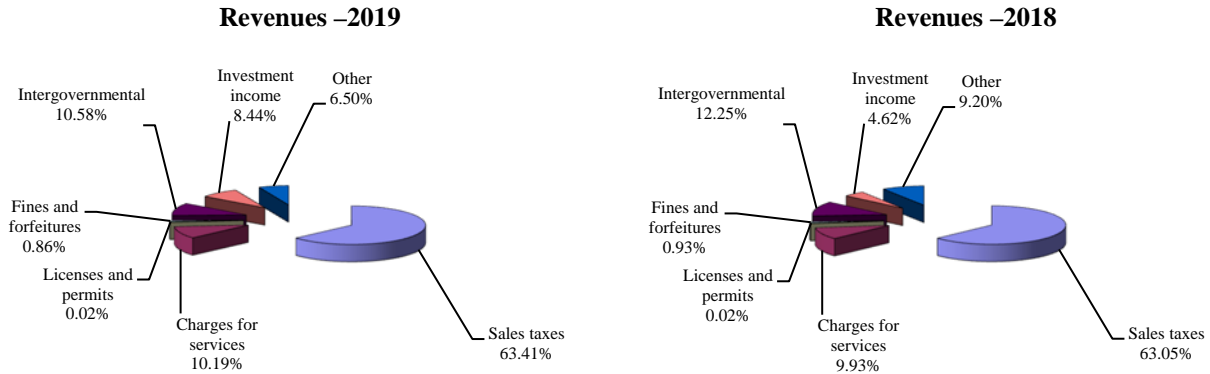
The County's general fund balance increased \$2,602,885. The primary revenue source of the general fund is sales tax revenues. Sales tax revenues represent \$17,120,592 or 63.40% of general fund revenues. This increase was the result of an increase in tax collections for 2019 compared to 2018. Intergovernmental revenue makes up \$2,857,575 or 10.58% 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 decrease was the result of no Medicaid sales tax transition funding from the State. The increase in investment income was the result of an increase in interest income. Charges for services increased due to an increase in fees charges by the sheriff's department, recorders fees and various court fees.

	2019	2018	
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Revenues</u>			
Sales taxes	\$ 17,120,592	\$ 15,841,112	\$ 1,279,480
Charges for services	2,751,318	2,496,032	255,286
Licenses and permits	5,330	4,695	635
Fines and forfeitures	232,233	234,933	(2,700)
Intergovernmental	2,857,575	3,078,750	(221,175)
Investment income	2,279,046	1,160,484	1,118,562
Rent income and other	<u>1,755,903</u>	<u>2,310,598</u>	<u>(554,695)</u>
Total	<u>\$ 27,001,997</u>	<u>\$ 25,126,604</u>	<u>\$ 1,875,393</u>

COLUMBIANA COUNTY, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

The graphs below illustrate the revenue of the general fund for 2019 and 2018.



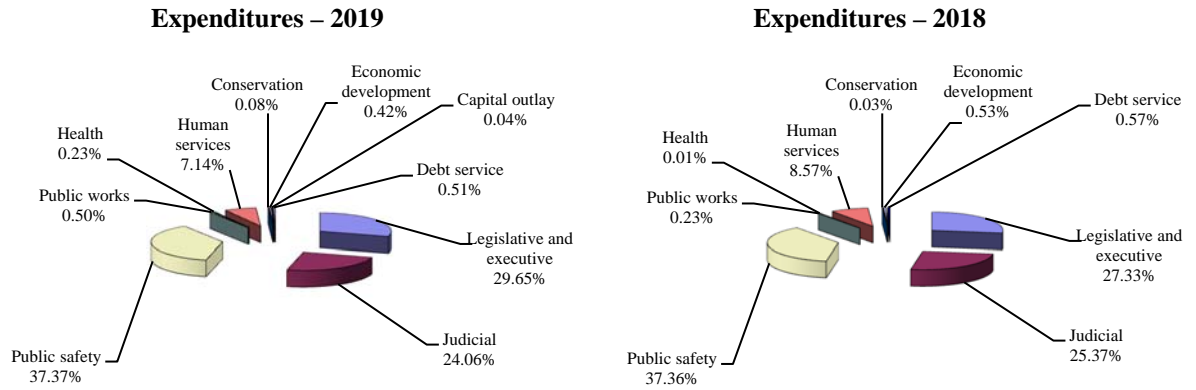
The table that follows assists in illustrating the expenditures of the general fund. The largest expenditure of the general fund is public safety which total \$8,078,891 or 37.37% of general fund expenditures. Public safety expenditures consist of primarily County sheriff services and prison housing. The increase from 2018 resulted mainly from an increase in prisoner housing costs.

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>		<u>Change</u>
<u>Expenditures</u>				
General government				
Legislative and executive	\$ 6,408,560	\$ 5,431,134	\$ 977,426	18.00
Judicial	5,200,953	5,040,799	160,154	3.18
Public safety	8,078,891	7,423,771	655,120	8.82
Public works	108,081	46,020	62,061	134.86
Health	49,484	1,462	48,022	3,284.68
Human services	1,544,111	1,701,956	(157,845)	(9.27)
Conservation and recreation	17,345	6,759	10,586	156.62
Economic development	90,603	104,939	(14,336)	(13.66)
Capital outlay	8,106	-	8,106	100.00
Debt service	<u>110,823</u>	<u>112,449</u>	<u>(1,626)</u>	<u>(1.45)</u>
Total	<u>\$ 21,616,957</u>	<u>\$ 19,869,289</u>	<u>\$ 1,747,668</u>	<u>8.80</u>

COLUMBIANA COUNTY, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

The graphs below illustrate the expenditures of the general fund for 2019 and 2018.



Job and Family Services Fund

The job and family services fund, a major governmental fund, had revenues and other financing sources of \$9,012,846 in 2019. The job and family services fund had expenditures of \$8,915,240 in 2019. The job and family services fund balance increased \$97,606 from 2018 to 2019. This increase was the result of a decrease in expenditures compared to the previous 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 \$11,005,137 in 2019. The motor vehicle and gasoline tax fund had expenditures of \$11,077,454 in 2019. The motor vehicle and gasoline tax fund balance decreased \$72,317 from 2018 to 2019. The decrease in fund balance is the result of an increase in expenditures related to more money spent on road projects during 2019.

Mental Health Fund

The mental health fund, a major governmental fund, had revenues of \$4,520,465 in 2019. The mental health fund had expenditures of \$4,653,576 in 2019. The mental health fund balance decreased \$133,111 from 2018 to 2019. This decrease is primarily the result of an increase in costs related to the State’s mental health program funds compared to the prior year.

Board of Developmental Disabilities Fund

The board of developmental disabilities fund, a major governmental fund, had revenues and other financing sources of \$12,934,711 in 2019. The board of developmental disabilities fund had expenditures and other financing uses of \$10,853,821 in 2019. The board of developmental disabilities fund balance increased \$2,080,890 from 2018 to 2019. This increase was due to a large decrease in costs related to Medicaid and Stability compared to the previous year.

Budgeting Highlights- General Fund

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

COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 \$19,139,011 and were increased to \$21,139,007 in the final budget due to increases in sales tax revenue projections. Actual revenues and other financing sources of \$25,068,677 were more than the final budgeted revenues and other financing sources by \$3,929,670 or 18.59%. 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 \$19,151,515. These were increased to \$23,827,173 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 \$23,124,059 were less than final budgeted amounts by \$703,114 or 2.95%. 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 2019, the County had \$52,261,951 (net of accumulated depreciation) invested in land, construction in progress (CIP), land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. Of this total, \$43,066,598 was reported in governmental activities and \$9,195,353 was reported in business-type activities.

The following table shows December 31, 2019 balances compared to December 31, 2018:

Capital Assets at December 2019 and 2018 (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 1,281,026	\$ 1,281,026	\$ 62,433	\$ 62,433	\$ 1,343,459	\$ 1,343,459
Construction in progress	4,010,092	126,691	-	-	4,010,092	126,691
Land improvements	429,113	448,907	1,824	2,345	430,937	451,252
Building and improvements	15,732,272	16,440,725	914,153	965,787	16,646,425	17,406,512
Machinery and equipment	959,170	1,096,741	259,117	319,687	1,218,287	1,416,428
Vehicles	971,330	762,699	158,315	2	1,129,645	762,701
Infrastructure	19,575,930	19,756,983	7,799,511	8,046,057	27,375,441	27,803,040
Software	107,665	134,210	-	-	107,665	134,210
Total	\$ 43,066,598	\$ 40,047,982	\$ 9,195,353	\$ 9,396,311	\$ 52,261,951	\$ 49,444,293

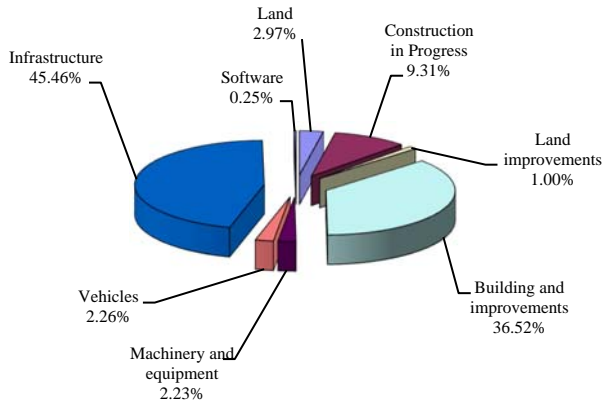
See Note 10 to the basic financial statements for detail on governmental activities and business-type activities capital assets.

COLUMBIANA COUNTY, OHIO

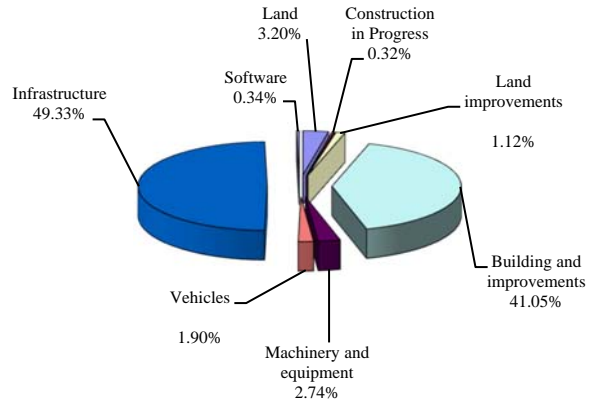
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

The following graphs show the breakdown of governmental capital assets by category at December 31, 2018 and December 31, 2019.

Capital Assets - Governmental Activities 2019



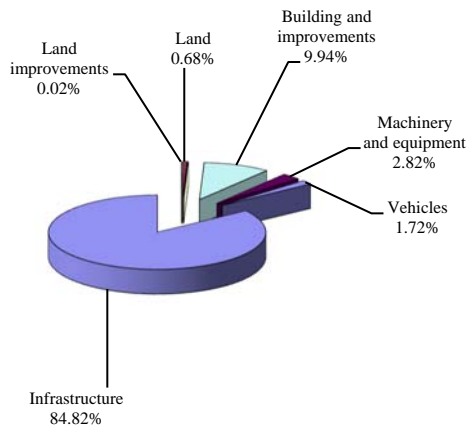
Capital Assets - Governmental Activities 2018



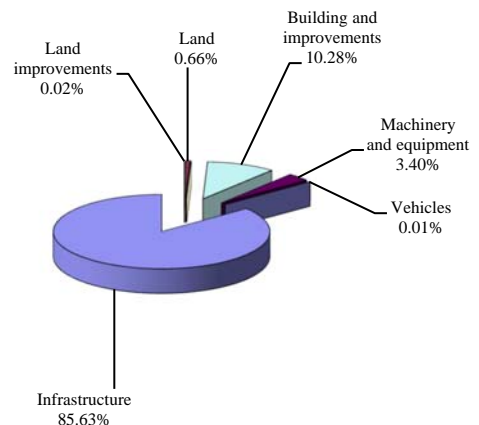
The County's largest governmental activities capital asset category is infrastructure, which includes roads and bridges. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 45.46% of the County's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category at December 31, 2019 and December 31, 2018.

Capital Assets - Business - Type Activities 2019



Capital Assets - Business - Type Activities 2018



COLUMBIANA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 84.82% of the County's total business-type capital assets.

Debt Administration

At December 31, 2019, the County had \$15,897,779 in general obligation bonds, \$5,928,048 in mortgage revenue bonds, \$1,014,843 in OPWC loans, \$493,535 in OWDA loans, \$12,432 in capital lease obligations and \$80,000 in a Recorder loan. Of this total, \$1,484,766 is due within one year and \$21,941,871 is due in more than one year.

The following table summarizes the short-term and long-term obligations outstanding at December 31, 2018 and December 31, 2019.

	Outstanding Debt, at Year End			
	Governmental Activities <u>2019</u>	Business-type Activities <u>2019</u>	Governmental Activities <u>2018</u>	Business-type Activities <u>2018</u>
Long-Term Obligations:				
General obligation bonds	\$ 15,897,779	\$ -	\$ 17,507,757	\$ -
Mortgage revenue bonds	-	5,928,048	-	6,086,441
OPWC loans	-	1,014,843	-	1,066,836
OWDA loans	87,254	406,281	169,520	433,609
Recorder loan	80,000	-	90,000	-
Capital lease obligations	<u>12,432</u>	<u>-</u>	<u>22,461</u>	<u>-</u>
Total	<u>\$ 16,077,465</u>	<u>\$ 7,349,172</u>	<u>\$ 17,789,738</u>	<u>\$ 7,586,886</u>

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

Current Issues

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

Columbiana County is positioning itself to benefit from the gas and oil exploration with at least ten companies having a vested interest in our County's future. Over two hundred million dollars to date have been spent by these companies, with millions more to be spent in the coming decade.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nancy Milliken, Columbiana County Auditor, 105 Market Street, Lisbon, Ohio 44432.

COLUMBIANA COUNTY, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Columbiana County Land Reutilization Corporation
Assets:				
Equity in pooled cash and investments	\$ 72,596,970	\$ 1,807,441	\$ 74,404,411	\$ 212,732
Cash and cash equivalents with fiscal agent . . .	276,400	-	276,400	-
Cash and cash equivalents in segregated accounts	248,158	-	248,158	-
Receivables:				
Sales taxes	4,410,571	-	4,410,571	-
Real and other taxes	15,989,641	-	15,989,641	-
Accounts	84,542	222,103	306,645	-
Special assessments	-	518,712	518,712	-
Accrued interest	216,854	-	216,854	-
Due from other governments	13,912,270	-	13,912,270	266,729
Loans receivable	1,835	-	1,835	-
Due from component unit	100,704	-	100,704	-
Materials and supplies inventory	976,889	7,301	984,190	-
Prepayments	717,439	6,080	723,519	1,000
Net pension asset	106,217	3,072	109,289	-
Assets held for resale	-	-	-	1,035,900
Net OPEB asset	68,594	-	68,594	-
Internal balance	35,649	(35,649)	-	-
Capital assets:				
Nondepreciable capital assets	5,291,118	62,433	5,353,551	-
Depreciable capital assets, net	37,775,480	9,132,920	46,908,400	-
Total capital assets, net	43,066,598	9,195,353	52,261,951	-
Total assets	152,809,331	11,724,413	164,533,744	1,516,361
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	79,443	-	79,443	-
Pension	11,984,641	402,736	12,387,377	-
OPEB	1,491,233	82,481	1,573,714	-
Total deferred outflows of resources	13,555,317	485,217	14,040,534	-
Liabilities:				
Accounts payable	1,173,324	111,854	1,285,178	-
Contracts payable	347,696	-	347,696	-
Retainage payable	2,414	-	2,414	-
Accrued wages and benefits payable	622,286	21,379	643,665	-
Due to other governments	605,227	19,811	625,038	31
Due to primary government	-	-	-	100,704
Payroll withholdings payable	840,618	-	840,618	-
Accrued interest payable	85,544	39,702	125,246	-
Claims payable	178,426	-	178,426	-
Due to external parties	7,233	-	7,233	-
Long-term liabilities:				
Due within one year	2,016,823	246,569	2,263,392	-
Due in more than one year:				
Net pension liability	41,485,701	1,173,404	42,659,105	-
Net OPEB liability	18,683,437	540,382	19,223,819	-
Other amounts	17,902,025	7,196,464	25,098,489	-
Total liabilities	83,950,754	9,349,565	93,300,319	100,735
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	14,644,254	-	14,644,254	-
Pension	2,193,641	109,601	2,303,242	-
OPEB	890,806	50,932	941,738	-
Total deferred inflows of resources	17,728,701	160,533	17,889,234	-
Net position:				
Net investment in capital assets	26,798,466	1,846,181	28,644,647	-
Restricted for:				
Debt service	2,252,420	-	2,252,420	-
Capital projects	852,978	-	852,978	-
Legislative and executive programs	1,158,067	-	1,158,067	-
Judicial programs	1,172,979	-	1,172,979	-
Public safety programs	2,601,241	-	2,601,241	-
Public works programs	2,952,290	-	2,952,290	-
Health programs	6,745,959	-	6,745,959	-
Human services programs	8,879,779	-	8,879,779	-
Economic development programs	845,999	-	845,999	-
Unclaimed monies	321,885	-	321,885	-
Unrestricted	10,103,130	853,351	10,956,481	1,415,626
Total net position	\$ 64,685,193	\$ 2,699,532	\$ 67,384,725	\$ 1,415,626

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<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	\$ 9,546,871	\$ 3,000,133	\$ 53,001	\$ -
Judicial	7,085,639	2,854,156	558,295	-
Public safety	10,787,293	997,067	527,756	-
Public works	9,348,118	134,198	10,893,708	502,803
Health	5,559,398	1,097,454	2,169,391	-
Human services	31,164,530	710,921	18,850,264	-
Conservation and recreation	17,345	-	-	-
Economic development and assistance	576,185	-	882,366	-
Interest and fiscal charges	648,212	496,845	-	-
Total governmental activities	<u>74,733,591</u>	<u>9,290,774</u>	<u>33,934,781</u>	<u>502,803</u>
Business-type activities:				
Sewer	2,657,392	2,141,280	-	-
Water	289,761	314,882	-	-
Other enterprise	88,636	76,896	-	-
Total business-type activities	<u>3,035,789</u>	<u>2,533,058</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 77,769,380</u>	<u>\$ 11,823,832</u>	<u>\$ 33,934,781</u>	<u>\$ 502,803</u>
Component unit:				
Columbiana County Land				
Reutilization Corporation	<u>\$ 702,464</u>	<u>\$ -</u>	<u>\$ 551,285</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 fo specific programs
- Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

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**

<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Columbiana County</u>
<u>Activities</u>	<u>Activities</u>		<u>Land Reutilization</u>
			<u>Corporation</u>
\$ (6,493,737)	\$ -	\$ (6,493,737)	\$ -
(3,673,188)	-	(3,673,188)	-
(9,262,470)	-	(9,262,470)	-
2,182,591	-	2,182,591	-
(2,292,553)	-	(2,292,553)	-
(11,603,345)	-	(11,603,345)	-
(17,345)	-	(17,345)	-
306,181	-	306,181	-
(151,367)	-	(151,367)	-
<u>(31,005,233)</u>	<u>-</u>	<u>(31,005,233)</u>	<u>-</u>
-	(516,112)	(516,112)	-
-	25,121	25,121	-
-	(11,740)	(11,740)	-
<u>-</u>	<u>(502,731)</u>	<u>(502,731)</u>	<u>-</u>
<u>(31,005,233)</u>	<u>(502,731)</u>	<u>(31,507,964)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,179)</u>
2,239,603	-	2,239,603	-
7,400,837	-	7,400,837	-
1,018,982	-	1,018,982	-
893,220	-	893,220	-
335,098	-	335,098	-
17,201,444	-	17,201,444	-
4,222,030	-	4,222,030	185,996
2,368,195	11,774	2,379,969	-
13,507	-	13,507	-
-	-	-	291,900
<u>481,203</u>	<u>551,208</u>	<u>1,032,411</u>	<u>11,016</u>
<u>36,174,119</u>	<u>562,982</u>	<u>36,737,101</u>	<u>488,912</u>
<u>49,949</u>	<u>(49,949)</u>	<u>-</u>	<u>-</u>
<u>36,224,068</u>	<u>513,033</u>	<u>36,737,101</u>	<u>488,912</u>
5,218,835	10,302	5,229,137	337,733
59,466,358	2,689,230	62,155,588	1,077,893
<u>\$ 64,685,193</u>	<u>\$ 2,699,532</u>	<u>\$ 67,384,725</u>	<u>\$ 1,415,626</u>

COLUMBIANA COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<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	\$ 21,798,472	\$ 691,824	\$ 4,813,541	\$ 7,781,035
Cash and cash equivalents with fiscal agent . . .	-	-	-	-
Cash and cash equivalents in segregated accounts	15,836	2,173	-	-
Receivables:				
Sales taxes	4,410,571	-	-	-
Real and other taxes	-	-	-	2,967,588
Accounts	6,956	13,745	3,082	-
Accrued interest	215,677	-	-	-
Due from other funds	32,026	302,100	2,089	-
Due from other governments	1,292,924	5,809,869	3,676,739	148,358
Loans receivable	-	-	-	-
Due from component units	100,704	-	-	-
Materials and supplies inventory	136,495	58,175	768,504	437
Prepayments	422,874	13,670	647	4,807
Total assets	<u>\$ 28,432,535</u>	<u>\$ 6,891,556</u>	<u>\$ 9,264,602</u>	<u>\$ 10,902,225</u>
Liabilities:				
Accounts payable	\$ 110,852	\$ 109,117	\$ 114,260	\$ 275,888
Contracts payable	-	-	230,612	-
Retainage payable	-	-	2,414	-
Accrued wages and benefits payable	234,137	163,840	82,420	9,571
Compensated absences payable	826	-	-	-
Due to other governments	188,836	70,827	38,152	11,006
Due to other funds	6,534	55,640	1,783	31,125
Payroll withholdings payable	840,618	-	-	-
Due to external parties	-	7,233	-	-
Total liabilities	<u>1,381,803</u>	<u>406,657</u>	<u>469,641</u>	<u>327,590</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year . . .	-	-	-	2,717,644
Delinquent property tax revenue not available . .	-	-	-	249,944
Accrued interest not available	194,558	-	-	-
Intergovernmental revenues not available	708,327	4,523,645	2,512,707	136,883
Sales taxes not available	1,586,065	-	-	-
Total deferred inflows of resources	<u>2,488,950</u>	<u>4,523,645</u>	<u>2,512,707</u>	<u>3,104,471</u>
Fund balances:				
Nonspendable	881,254	71,845	769,151	5,244
Restricted	-	1,889,409	5,513,103	7,464,920
Committed	7,208,145	-	-	-
Assigned	164,089	-	-	-
Unassigned (deficit)	16,308,294	-	-	-
Total fund balances	<u>24,561,782</u>	<u>1,961,254</u>	<u>6,282,254</u>	<u>7,470,164</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,432,535</u>	<u>\$ 6,891,556</u>	<u>\$ 9,264,602</u>	<u>\$ 10,902,225</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Board of Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
\$ 11,959,196	\$ 23,026,558	\$ 70,070,626
276,400	-	276,400
-	230,149	248,158
-	-	4,410,571
10,064,752	2,957,301	15,989,641
3,265	57,494	84,542
-	1,177	216,854
940	88,168	425,323
551,956	2,432,424	13,912,270
-	1,835	1,835
-	-	100,704
2,556	10,722	976,889
35,302	240,139	717,439
<u>\$ 22,894,367</u>	<u>\$ 29,045,967</u>	<u>\$ 107,431,252</u>
\$ 112,564	\$ 445,975	\$ 1,168,656
-	117,084	347,696
-	-	2,414
75,911	56,273	622,152
-	-	826
134,510	161,821	605,152
535	334,958	430,575
-	-	840,618
-	-	7,233
<u>323,520</u>	<u>1,116,111</u>	<u>4,025,322</u>
9,211,776	2,714,834	14,644,254
852,976	242,467	1,345,387
-	442	195,000
422,661	1,681,925	9,986,148
-	-	1,586,065
<u>10,487,413</u>	<u>4,639,668</u>	<u>27,756,854</u>
37,858	250,861	2,016,213
12,045,576	16,360,637	43,273,645
-	6,681,370	13,889,515
-	-	164,089
-	(2,680)	16,305,614
<u>12,083,434</u>	<u>23,290,188</u>	<u>75,649,076</u>
<u>\$ 22,894,367</u>	<u>\$ 29,045,967</u>	<u>\$ 107,431,252</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

COLUMBIANA COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

Total governmental fund balances		\$ 75,649,076
<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.		43,066,598
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Sales taxes receivable	\$ 1,586,065	
Real and other taxes receivable	1,345,387	
Accrued interest receivable	195,000	
Due from other governments	<u>9,986,148</u>	
Total		13,112,600
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets, deferred outflows, liabilities and deferred inflows of the internal service fund are included in governmental activities on the statement of net position.		2,371,914
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.		(85,544)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		79,443
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	106,190	
Deferred outflows of resources	11,981,511	
Deferred inflows of resources	(2,193,283)	
Net pension liability	<u>(41,475,340)</u>	
Total		(31,580,922)
The net OPEB liability and asset is 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 OPEB asset	68,594	
Deferred outflows of resources	1,490,778	
Deferred inflows of resources	(890,656)	
Net OPEB liability	<u>(18,678,666)</u>	
Total		(18,009,950)
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 bonds payable	(15,897,779)	
OWDA loans payable	(87,254)	
Capital lease obligations	(12,432)	
Recorder loan	(80,000)	
Compensated absences payable	<u>(3,840,557)</u>	
Total		<u>(19,918,022)</u>
Net position of governmental activities		<u><u>\$ 64,685,193</u></u>

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, 2019

	<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.	\$ 17,120,592	\$ -	\$ -	\$ -
Real and other taxes.	-	-	-	2,169,746
Charges for services.	2,751,318	17,908	14,728	-
Licenses and permits	5,330	-	-	-
Fines and forfeitures	232,233	-	22,916	-
Intergovernmental.	2,857,575	7,265,003	9,569,450	2,284,257
Investment income.	2,279,046	-	-	-
Rental income	8,200	-	7,700	-
Contributions and donations.	2,455	-	-	-
Conveyance fees	1,253,023	-	-	-
Gas and oil lease	13,507	-	-	-
Other	478,718	1,526,403	932,495	66,462
Total revenues	<u>27,001,997</u>	<u>8,809,314</u>	<u>10,547,289</u>	<u>4,520,465</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	6,408,560	-	-	-
Judicial.	5,200,953	-	-	-
Public safety	8,078,891	-	-	-
Public works	108,081	-	11,077,454	-
Health	49,484	-	-	4,653,576
Human services.	1,544,111	8,915,240	-	-
Conservation and recreation	17,345	-	-	-
Economic development and assistance	90,603	-	-	-
Capital outlay	8,106	-	-	-
Debt service:				
Principal retirement.	99,847	-	-	-
Interest and fiscal charges	10,976	-	-	-
Total expenditures	<u>21,616,957</u>	<u>8,915,240</u>	<u>11,077,454</u>	<u>4,653,576</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>5,385,040</u>	<u>(105,926)</u>	<u>(530,165)</u>	<u>(133,111)</u>
Other financing sources (uses):				
Bond issuance.	-	-	380,868	-
Transfers in	49,949	203,532	76,980	-
Transfers (out).	(2,832,104)	-	-	-
Total other financing sources (uses)	<u>(2,782,155)</u>	<u>203,532</u>	<u>457,848</u>	<u>-</u>
Net change in fund balances	2,602,885	97,606	(72,317)	(133,111)
Fund balances at beginning of year (restated)	<u>21,958,897</u>	<u>1,863,648</u>	<u>6,354,571</u>	<u>7,603,275</u>
Fund balances at end of year	<u>\$ 24,561,782</u>	<u>\$ 1,961,254</u>	<u>\$ 6,282,254</u>	<u>\$ 7,470,164</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Board of Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 17,120,592
7,117,000	2,181,996	11,468,742
136,055	3,770,480	6,690,489
-	-	5,330
-	573,538	828,687
5,548,497	7,011,199	34,535,981
-	22,960	2,302,006
-	497,345	513,245
-	23,808	26,263
-	-	1,253,023
-	-	13,507
133,159	856,904	3,994,141
<u>12,934,711</u>	<u>14,938,230</u>	<u>78,752,006</u>
-	1,569,532	7,978,092
-	802,447	6,003,400
-	1,743,024	9,821,915
-	-	11,185,535
-	403,967	5,107,027
10,553,821	7,685,028	28,698,200
-	-	17,345
-	449,472	540,075
-	1,285,195	1,293,301
-	1,989,448	2,089,295
-	641,360	652,336
<u>10,553,821</u>	<u>16,569,473</u>	<u>73,386,521</u>
<u>2,380,890</u>	<u>(1,631,243)</u>	<u>5,365,485</u>
-	-	380,868
-	2,389,592	2,720,053
<u>(300,000)</u>	<u>(38,000)</u>	<u>(3,170,104)</u>
<u>(300,000)</u>	<u>2,351,592</u>	<u>(69,183)</u>
2,080,890	720,349	5,296,302
10,002,544	22,569,839	70,352,774
<u>\$ 12,083,434</u>	<u>\$ 23,290,188</u>	<u>\$ 75,649,076</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, 2019

Net change in fund balances - total governmental funds \$ 5,296,302

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	\$	5,802,668	
Current year depreciation		<u>(2,689,000)</u>	
Total			3,113,668

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (95,052)

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

Sales taxes		80,852	
Real and other taxes		418,998	
Intergovernmental revenues		584,432	
Investment income		<u>66,189</u>	
Total			1,150,471

Proceeds of general obligation bonds 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. (380,868)

Repayment of 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 bonds payable		1,987,000	
OWDA loans payable		82,266	
Recorder loan payable		10,000	
Capital lease obligations		<u>10,029</u>	
Total			2,089,295

- - 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, 2019
(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	\$	14,172	
Amortization of deferred amounts on refunding		(13,894)	
Amortization of bond premiums		3,846	
Total		4,124	\$ 4,124

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.

6,979

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

Pension		2,775,519	
OPEB		18,265	
Total		2,793,784	2,793,784

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.

Pension		(8,063,197)	
OPEB		(1,286,304)	
Total		(9,349,501)	(9,349,501)

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.

589,633

Change in net position of governmental activities		5,218,835	\$
--	--	-----------	----

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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Sales taxes	\$ 13,141,867	\$ 14,515,172	\$ 16,923,642	\$ 2,408,470
Charges for services.	1,353,906	1,495,387	1,743,513	248,126
Licenses and permits	4,139	4,571	5,330	759
Fines and forfeitures	163,983	181,118	211,171	30,053
Intergovernmental.	2,212,237	2,443,412	2,848,842	405,430
Investment income.	1,228,388	1,356,752	1,581,875	225,123
Rental income	6,368	7,033	8,200	1,167
Contributions and donations.	1,906	2,106	2,455	349
Conveyance fees	973,021	1,074,701	1,253,023	178,322
Gas and oil	10,489	11,585	13,507	1,922
Other	42,707	47,170	54,997	7,827
Total revenues	<u>19,139,011</u>	<u>21,139,007</u>	<u>24,646,555</u>	<u>3,507,548</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	5,329,054	5,735,166	5,421,141	314,025
Judicial.	4,317,593	4,868,478	4,773,091	95,387
Public safety	6,661,293	8,358,028	8,210,814	147,214
Public works	49,620	49,620	43,032	6,588
Health	1,880	1,880	1,084	796
Human services.	1,624,298	1,624,302	1,556,742	67,560
Conservation and recreation	10,000	9,082	8,697	385
Economic development and assistance	102,259	110,905	90,732	20,173
Debt service:				
Principal retirement.	82,266	82,266	82,266	-
Interest and fiscal charges	10,240	10,240	10,240	-
Total expenditures	<u>18,188,503</u>	<u>20,849,967</u>	<u>20,197,839</u>	<u>652,128</u>
Excess of revenues over expenditures.	<u>950,508</u>	<u>289,040</u>	<u>4,448,716</u>	<u>4,159,676</u>
Other financing sources (uses):				
Transfers in	-	-	422,122	422,122
Transfers (out).	(963,012)	(2,977,206)	(2,926,220)	50,986
Total other financing sources (uses)	<u>(963,012)</u>	<u>(2,977,206)</u>	<u>(2,504,098)</u>	<u>473,108</u>
Net change in fund balances	(12,504)	(2,688,166)	1,944,618	4,632,784
Fund balances at beginning of year	3,757,137	3,757,137	3,757,137	-
Prior year encumbrances appropriated	364,105	364,105	364,105	-
Fund balance at end of year	<u>\$ 4,108,738</u>	<u>\$ 1,433,076</u>	<u>\$ 6,065,860</u>	<u>\$ 4,632,784</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services.	\$ 16,717	\$ 17,876	\$ 17,798	\$ (78)
Intergovernmental.	6,520,251	6,972,308	6,941,985	(30,323)
Other	1,463,032	1,564,466	1,557,662	(6,804)
Total revenues	<u>8,000,000</u>	<u>8,554,650</u>	<u>8,517,445</u>	<u>(37,205)</u>
Expenditures:				
Current:				
Human services.	8,219,597	9,490,111	9,065,041	425,070
Total expenditures	<u>8,219,597</u>	<u>9,490,111</u>	<u>9,065,041</u>	<u>425,070</u>
Excess of expenditures over revenues.	<u>(219,597)</u>	<u>(935,461)</u>	<u>(547,596)</u>	<u>387,865</u>
Other financing sources:				
Transfers in	-	-	203,532	203,532
Total other financing sources	<u>-</u>	<u>-</u>	<u>203,532</u>	<u>203,532</u>
Net change in fund balances	(219,597)	(935,461)	(344,064)	591,397
Fund balances at beginning of year	802,466	802,466	802,466	-
Prior year encumbrances appropriated	219,597	219,597	219,597	-
Fund balance at end of year	<u>\$ 802,466</u>	<u>\$ 86,602</u>	<u>\$ 677,999</u>	<u>\$ 591,397</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, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 8,471	\$ 12,639	\$ 14,728	\$ 2,089
Fines and forfeitures	13,180	19,666	22,916	3,250
Intergovernmental	5,401,972	8,060,440	9,392,525	1,332,085
Investment income	4,429	6,608	7,700	1,092
Other	871,948	1,301,058	1,516,074	215,016
Total revenues	<u>6,300,000</u>	<u>9,400,411</u>	<u>10,953,943</u>	<u>1,553,532</u>
Expenditures:				
Current:				
Public works	6,300,000	12,314,627	12,045,800	268,827
Total expenditures	<u>6,300,000</u>	<u>12,314,627</u>	<u>12,045,800</u>	<u>268,827</u>
Excess of expenditures over revenues	-	(2,914,216)	(1,091,857)	1,822,359
Other financing sources:				
Bond issuance	-	-	380,868	380,868
Transfers in	-	-	76,980	76,980
Total other financing sources	<u>-</u>	<u>-</u>	<u>457,848</u>	<u>457,848</u>
Net change in fund balances	-	(2,914,216)	(634,009)	2,280,207
Fund balances at beginning of year (restated)	4,855,484	4,855,484	4,855,484	-
Prior year encumbrances appropriated . . .	240,247	240,247	240,247	-
Fund balance at end of year	<u>\$ 5,095,731</u>	<u>\$ 2,181,515</u>	<u>\$ 4,461,722</u>	<u>\$ 2,280,207</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 1,124,692	\$ 1,124,692	\$ 2,169,746	\$ 1,045,054
Intergovernmental.	1,180,103	1,180,103	2,276,642	1,096,539
Other	34,805	34,805	67,145	32,340
Total revenues	<u>2,339,600</u>	<u>2,339,600</u>	<u>4,513,533</u>	<u>2,173,933</u>
Expenditures:				
Current:				
Health	1,822,290	9,505,035	4,472,930	5,032,105
Total expenditures	<u>1,822,290</u>	<u>9,505,035</u>	<u>4,472,930</u>	<u>5,032,105</u>
Net change in fund balances	517,310	(7,165,435)	40,603	7,206,038
Fund balances at beginning of year	<u>7,740,432</u>	<u>7,740,432</u>	<u>7,740,432</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,257,742</u>	<u>\$ 574,997</u>	<u>\$ 7,781,035</u>	<u>\$ 7,206,038</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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Real and other taxes.	\$ 5,879,398	\$ 7,527,381	\$ 7,117,000	\$ (410,381)
Charges for services.	112,396	143,900	136,055	(7,845)
Intergovernmental.	4,601,136	5,890,824	5,569,666	(321,158)
Other	109,970	140,795	133,119	(7,676)
Total revenues	10,702,900	13,702,900	12,955,840	(747,060)
Expenditures:				
Current:				
Human services.	10,112,340	13,112,340	11,575,961	1,536,379
Total expenditures	10,112,340	13,112,340	11,575,961	1,536,379
Excess of revenues over expenditures.	590,560	590,560	1,379,879	789,319
Other financing uses:				
Transfers (out).	-	(6,300,000)	(300,000)	6,000,000
Total other financing uses	-	(6,300,000)	(300,000)	6,000,000
Net change in fund balances	590,560	(5,709,440)	1,079,879	6,789,319
Fund balances at beginning of year	10,879,317	10,879,317	10,879,317	-
Fund balance at end of year	\$ 11,469,877	\$ 5,169,877	\$ 11,959,196	\$ 6,789,319

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2019

	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	\$ 1,668,428	\$ 80,796	\$ 58,217	\$ 1,807,441	\$ 2,526,344
Receivables:					
Accounts	161,071	61,032	-	222,103	-
Special assessments	518,712	-	-	518,712	-
Due from other funds	7,341	-	-	7,341	-
Materials and supplies inventory	7,301	-	-	7,301	-
Prepayments	6,080	-	-	6,080	-
Total current assets	<u>2,368,933</u>	<u>141,828</u>	<u>58,217</u>	<u>2,568,978</u>	<u>2,526,344</u>
Noncurrent assets:					
Net pension asset	2,692	178	202	3,072	27
Capital assets:					
Nondepreciable capital assets	62,433	-	-	62,433	-
Depreciable capital assets, net.	7,565,794	1,567,126	-	9,132,920	-
Total capital assets, net.	<u>7,628,227</u>	<u>1,567,126</u>	<u>-</u>	<u>9,195,353</u>	<u>-</u>
Total noncurrent assets	<u>7,630,919</u>	<u>1,567,304</u>	<u>202</u>	<u>9,198,425</u>	<u>27</u>
Total assets	<u>9,999,852</u>	<u>1,709,132</u>	<u>58,419</u>	<u>11,767,403</u>	<u>2,526,371</u>
Deferred outflows of resources:					
Pension	308,448	47,677	46,611	402,736	3,130
OPEB	43,646	19,910	18,925	82,481	455
Total deferred outflows of resources	<u>352,094</u>	<u>67,587</u>	<u>65,536</u>	<u>485,217</u>	<u>3,585</u>
Liabilities:					
Current liabilities:					
Accounts payable	107,554	4,300	-	111,854	4,668
Accrued wages and benefits payable	19,066	2,313	-	21,379	134
Due to other funds	2,089	-	-	2,089	-
Due to other governments	16,441	3,370	-	19,811	75
Accrued interest payable	39,702	-	-	39,702	-
Compensated absences payable - current	20,876	-	-	20,876	-
Mortgage revenue bonds payable - current	144,062	-	-	144,062	-
OWDA loans payable	29,638	-	-	29,638	-
OPWC loans payable	44,693	7,300	-	51,993	-
Claims payable	-	-	-	-	178,426
Total current liabilities	<u>424,121</u>	<u>17,283</u>	<u>-</u>	<u>441,404</u>	<u>183,303</u>
Long-term liabilities:					
Compensated absences payable	72,985	-	-	72,985	-
Mortgage revenue bonds payable	5,783,986	-	-	5,783,986	-
OWDA loans payable	376,643	-	-	376,643	-
OPWC loans payable	947,100	15,750	-	962,850	-
Net OPEB liability	473,564	31,238	35,580	540,382	4,771
Net pension liability	1,028,312	67,832	77,260	1,173,404	10,361
Total long-term liabilities	<u>8,682,590</u>	<u>114,820</u>	<u>112,840</u>	<u>8,910,250</u>	<u>15,132</u>
Total liabilities	<u>9,106,711</u>	<u>132,103</u>	<u>112,840</u>	<u>9,351,654</u>	<u>198,435</u>
Deferred inflows of resources:					
Pension	56,167	10,706	42,728	109,601	358
OPEB	23,208	2,143	25,581	50,932	150
Total deferred inflows of resources	<u>79,375</u>	<u>12,849</u>	<u>68,309</u>	<u>160,533</u>	<u>508</u>
Net position:					
Net investment in capital assets.	302,105	1,544,076	-	1,846,181	-
Unrestricted (deficit)	863,755	87,691	(57,194)	894,252	2,331,013
Total net position (deficit)	<u>\$ 1,165,860</u>	<u>\$ 1,631,767</u>	<u>\$ (57,194)</u>	<u>2,740,433</u>	<u>\$ 2,331,013</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds				(40,901)	
Net position of business-type activities				<u>\$ 2,699,532</u>	

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, 2019

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Fund
	Sewer	Water	Nonmajor Enterprise Funds		
Operating revenues:					
Charges for services	\$ 2,141,280	\$ 314,882	\$ 76,896	\$ 2,533,058	\$ 4,753,603
Other operating revenues	519,145	32,063	-	551,208	73,520
Total operating revenues.	<u>2,660,425</u>	<u>346,945</u>	<u>76,896</u>	<u>3,084,266</u>	<u>4,827,123</u>
Operating expenses:					
Personal services	889,427	(22,734)	72,487	939,180	7,646
Contractual services.	700,095	258,797	-	958,892	733,258
Materials and supplies.	86,397	-	-	86,397	-
Claims expense	-	-	-	-	3,993,950
Depreciation.	340,877	35,984	-	376,861	-
Other	386,366	17,914	16,149	420,429	-
Total operating expenses.	<u>2,403,162</u>	<u>289,961</u>	<u>88,636</u>	<u>2,781,759</u>	<u>4,734,854</u>
Operating income (loss)	<u>257,263</u>	<u>56,984</u>	<u>(11,740)</u>	<u>302,507</u>	<u>92,269</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(256,666)	-	-	(256,666)	-
Interest income.	11,774	-	-	11,774	-
Total nonoperating revenues (expenses).	<u>(244,892)</u>	<u>-</u>	<u>-</u>	<u>(244,892)</u>	<u>-</u>
Income (loss) before transfers	12,371	56,984	(11,740)	57,615	92,269
Transfer in	26,504	-	-	26,504	500,000
Transfer out	<u>(49,949)</u>	<u>(26,504)</u>	<u>-</u>	<u>(76,453)</u>	<u>-</u>
Change in net position	(11,074)	30,480	(11,740)	7,666	592,269
Net position at beginning of year	<u>1,176,934</u>	<u>1,601,287</u>	<u>(45,454)</u>		<u>1,738,744</u>
Net position at end of year	<u>\$ 1,165,860</u>	<u>\$ 1,631,767</u>	<u>\$ (57,194)</u>		<u>\$ 2,331,013</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.				<u>2,636</u>	
Change in net position of business-type activities.				<u>\$ 10,302</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	Nonmajor Enterprise Fund	Total	
Cash flows from operating activities:					
Cash received from sales/charges for services	\$ 2,076,069	\$ 300,778	\$ 76,896	\$ 2,453,743	\$ 4,808,394
Cash received from other operations	490,984	32,063	-	523,047	73,520
Cash payments for personal services	(712,098)	(25,571)	(43,049)	(780,718)	(5,770)
Cash payments for contractual services	(692,025)	(270,613)	-	(962,638)	(735,462)
Cash payments for materials and supplies	(87,097)	-	-	(87,097)	-
Cash payments for claims	-	-	-	-	(4,143,289)
Cash payments for other expenses	(382,891)	(17,914)	(16,149)	(416,954)	-
Net cash provided by (used in) operating activities	692,942	18,743	17,698	729,383	(2,607)
Cash flows from noncapital financing activities:					
Cash received from transfers in	26,504	-	-	26,504	500,000
Cash used in transfers out	(49,949)	(26,504)	-	(76,453)	-
Net cash provided by (used in) noncapital financing activities	(23,445)	(26,504)	-	(49,949)	500,000
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(175,903)	-	-	(175,903)	-
Principal retirement on mortgage revenue bonds	(158,393)	-	-	(158,393)	-
Principal retirement on OPWC loans	(44,693)	(7,300)	-	(51,993)	-
Principal retirement on OWDA loans	(27,328)	-	-	(27,328)	-
Interest and fiscal charges	(257,590)	-	-	(257,590)	-
Net cash used in capital and related financing activities	(663,907)	(7,300)	-	(671,207)	-
Cash flows from investing activities:					
Interest received	11,774	-	-	11,774	-
Net cash provided by investing activities	11,774	-	-	11,774	-
Net change in cash and investments	17,364	(15,061)	17,698	20,001	497,393
Cash and investments at beginning of year	1,651,064	95,857	40,519	1,787,440	2,028,951
Cash and investments at end of year	<u>\$ 1,668,428</u>	<u>\$ 80,796</u>	<u>\$ 58,217</u>	<u>\$ 1,807,441</u>	<u>\$ 2,526,344</u>

- - Continued

COLUMBIANA COUNTY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2019

	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)	\$ 257,263	\$ 56,984	\$ (11,740)	\$ 302,507	\$ 92,269
Adjustments:					
Depreciation	340,877	35,984	-	376,861	-
Changes in assets, deferred outflows of resources, liabilities and deferred outflows of resources:					
Accounts receivable	(17,938)	(14,104)	-	(32,042)	54,791
Special assessments receivable	(45,325)	-	-	(45,325)	-
Due from other funds	(1,948)	-	-	(1,948)	-
Materials and supplies inventory	(1,104)	-	-	(1,104)	-
Prepayments	(2,041)	-	-	(2,041)	-
Net pension asset	694	(178)	335	851	6
Deferred outflows - Pension	(146,595)	(47,601)	28,600	(165,596)	(1,495)
Deferred outflows - OPEB	(271)	(19,910)	16,960	(3,221)	-
Accounts payable	37,117	3,726	-	40,843	(2,204)
Accrued wages and benefits	3,893	1,989	-	5,882	19
Due to other governments	(53,515)	(14,990)	-	(68,505)	3
Compensated absences payable	(2,954)	-	-	(2,954)	-
Due to other funds	2,089	-	-	2,089	-
Net pension liability	390,600	67,832	(23,782)	434,650	4,121
Net OPEB liability	46,900	31,238	(32,022)	46,116	596
Deferred inflows - Pension	(106,224)	(80,427)	18,802	(167,849)	(1,213)
Deferred inflows - OPEB	(8,576)	(1,800)	20,545	10,169	(161)
Claims payable	-	-	-	-	(149,339)
Net cash provided by (used in) operating activities	<u>\$ 692,942</u>	<u>\$ 18,743</u>	<u>\$ 17,698</u>	<u>\$ 729,383</u>	<u>\$ (2,607)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF FIUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2019

	Custodial
Assets:	
Equity in pooled cash and investments	\$ 3,833,915
Cash in segregated accounts	811,976
Receivables (net of allowances for uncollectibles):	
Real and other taxes	101,066,810
Special assessments	666,148
Due from other governments	8,101,319
Due from external parties	7,233
Total assets	114,487,401
Liabilities:	
Accounts payable	49,275
Due to other governments	1,705,319
Total liabilities	1,754,594
Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	91,394,384
Total deferred inflows of resources	91,394,384
Net position:	
Restricted for individuals, organizations and other governments .	21,338,423
Total net position	\$ 21,338,423

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Custodial
Additions:	
Intergovernmental	\$ 12,472,996
Amounts received as fiscal agent	2,721,644
Licenses, permits and fees for other governments	375,449
Fines and forfeitures for other governments	27,670,413
Property tax collection for other governments	68,501,315
Sheriff sales collections for others	1,350,147
Total additions	113,091,964
Deductions:	
Distributions to the State of Ohio	471,797
Distributions of state funds to other governments	11,686,920
Distributions as fiscal agent	2,445,046
Fines and forfeitures distributions to other governments	27,899,800
Property tax distributions to other governments	66,521,335
Sheriff sales distributions to other governments	1,357,066
Total deductions	110,381,964
Net change in fiduciary net position	2,710,000
Net position beginning of year (restated)	18,628,423
Net position end of year	\$ 21,338,423

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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 26.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 custodial funds within the County's financial statements:

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

The County is associated with one shared risk pool and one related organization, the County Risk Sharing Authority, Inc. and the Columbiana County Airport Authority, which are presented in Notes 19 and 21, respectively, to the basic financial statements. The County is also involved in the following jointly governed organizations:

Carroll/Columbiana/Harrison Solid Waste Management District
Multi-County Juvenile Attention System
North East Ohio Network (N.E.O.N.)

These organizations are presented in Note 20 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further under Basis of Accounting, these financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial principles. 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, 2019

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, 2019

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 custodial 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. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County's fiduciary funds are custodial funds. The County's custodial 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, 2019

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.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

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, 2019

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, see Notes 12 and 13 for deferred outflows of resources related the County's net pension liability and net OPEB liability, respectively. 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 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, 2019, but which were levied to finance 2020 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, sales taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the County, see Notes 12 and 13 for deferred inflows of resources related to the County's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position and proprietary funds' statement of net position.

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

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

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

E. Budgetary Process

All funds, except custodial 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 Investments

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 2019, investments were limited to commercial paper, negotiable certificates of deposit, 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).

During 2019, the County invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted GASB Statement No. 79, "Certain External Investment Pools and Pool Participants." The County measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2019 amounted to \$2,279,046, which includes \$2,124,806 assigned from other County funds.

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

G. Inventory

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

H. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepayments 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 acquisition 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, 2019

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

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

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

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

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

K. Compensated Absences

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

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

L. Loans Receivable

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

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, 2019

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 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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 custodial 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, 2019, 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, 2019

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, 2019

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. Pensions/Other Postemployment Benefits (OPEB)

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

U. Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2019, the County has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84, "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" and GASB Statement No. 90, "Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the County.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the County will no longer be reporting agency funds. The County reviewed its agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental or proprietary funds. These fund reclassifications resulted in the restatement of the County's financial statements.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the County.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the County.

B. Restatement of Net Position and Fund Balances

The implementation of GASB 84 had the following effect on fund balance as reported at December 31, 2018:

	<u>General</u>	<u>Job and Family Services</u>	<u>Motor Vehicle and Gasoline Tax</u>	<u>Mental Health</u>	<u>Board of Developmental Disabilities</u>
Fund Balance as previously reported	\$ 21,472,788	\$ 1,861,409	\$ 5,767,363	\$ 7,603,275	\$ 10,002,544
GASB Statement No. 84	<u>486,109</u>	<u>2,239</u>	<u>587,208</u>	-	-
Restated Fund Balance, at December 31, 2018	<u>\$ 21,958,897</u>	<u>\$ 1,863,648</u>	<u>\$ 6,354,571</u>	<u>\$ 7,603,275</u>	<u>\$ 10,002,544</u>
	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>			
Fund Balance as previously reported	\$ 21,862,872	\$ 68,570,251			
GASB Statement No. 84	<u>706,967</u>	<u>1,782,523</u>			
Restated Fund Balance, at December 31, 2018	<u>\$ 22,569,839</u>	<u>\$ 70,352,774</u>			

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at December 31, 2018:

	<u>Governmental Activities</u>
Net position as previously reported	\$ 57,683,835
GASB Statement No. 84	<u>1,782,523</u>
Restated net position at December 31, 2018	<u>\$ 59,466,358</u>

Due to the implementation of GASB Statement No.84, the new classification of custodial funds is reporting a beginning net position of \$18,628,423. Also, related to the implementation of GASB Statement No. 84, the County will no longer be reporting agency funds. At December 31, 2018, agency funds reported assets and liabilities of \$100,481,976. Also, related to the implementation of GASB Statement No. 84, the County will no longer be reporting private purpose trust funds. At December 31, 2018, private purpose trust funds reported a net position of \$2,239.

C. Deficit Fund Balances

Fund balances at December 31, 2019 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Selective traffic grant	\$ 1,317
Domestic violence shelter	1,363
 <u>Nonmajor enterprise fund</u>	
Sheriff's department communication	57,194

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 resulted from adjustments for accrued liabilities.

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;

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, and Government National Mortgage 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 fair 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
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, the State Treasury Asset Reserve of Ohio (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 forty 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 and seventy days after purchase;
 - b. Bankers acceptances eligible for purchase by the federal reserve system and which mature within one hundred eighty days after purchase;
10. Up to 15 percent of the County's average portfolio in notes issued by United States corporations or by depository institutions that are doing business under authority granted by the United States provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rated commercial paper; and,
12. Up to 1 percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial 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. Except as noted above, 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 \$5,153 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 \$276,400 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. Cash in Segregated Accounts

At year end, the County had \$1,060,134 cash and cash equivalents deposited separately from the County’s internal deposit and investment pool. This amount is included in the amount of “Deposits with Financial Institutions” below.

D. Deposits with Financial Institutions

At December 31, 2019, the carrying amount of all County deposits was \$5,897,504 and the bank balance of all County deposits was \$6,923,429. Of the bank balance, \$809,535 was covered by the FDIC and the remaining was either covered by the Ohio Pooled Collateral System or exposed to custodial credit risk as described on the next page.

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the County’s and deposited with a qualified trustee by the financial institution as security for repayment whose fair market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the County’s financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

E. Investments

As of December 31, 2019, the County had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 - 12 months	13 - 18 months	19 - 24 months	More than 24 months
<i>Amortized cost:</i>						
STAR Ohio	\$ 16,972,688	\$ 16,972,688	\$ -	\$ -	\$ -	\$ -
<i>Fair Value:</i>						
Commerical paper	3,124,446	1,173,096	1,951,350	-	-	-
Negotiable CDs	5,263,254	-	-	-	247,426	5,015,828
US Treasury Bonds	1,517,976	-	551,203	-	644,617	322,156
FFCB	10,880,697	1,018,455	1,997,671	599,410	510,372	6,754,789
FHLB	11,887,539	500,909	2,497,861	2,177,627	3,465,156	3,245,986
FHLMC	14,914,184	3,448,875	1,184,556	1,099,409	1,041,614	8,139,730
FNMA	8,835,019	2,048,412	2,049,368	1,494,796	2,239,603	1,002,840
Total	\$ 73,395,803	\$ 25,162,435	\$ 10,232,009	\$ 5,371,242	\$ 8,148,788	\$ 24,481,329

The weighted average maturity of investments at December 31, 2019 is 1.70 years.

The County's investments in U.S. Treasury bonds are valued using quoted market prices (Level 1 inputs). The County's investments in commercial paper, negotiable CDs and federal agency securities (FFCB, FHLB, FHLMC, FNMA) are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

Credit Risk: The County's investments in Commercial Paper were 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.

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, 2019

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, 2019:

<u>Measurement/ Investment type</u>	<u>Masurement Value</u>	<u>Percent of Total</u>
<i>Amortized cost:</i>		
STAR Ohio	\$ 16,972,688	23.12
<i>Fair Value:</i>		
Commerical paper	3,124,446	4.26
Negotiable CDs	5,263,254	7.17
US Treasury Bonds	1,517,976	2.07
FFCB	10,880,697	14.82
FHLB	11,887,539	16.20
FHLMC	14,914,184	20.32
FNMA	<u>8,835,019</u>	<u>12.04</u>
Total	<u>\$ 73,395,803</u>	<u>100.00</u>

F. 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, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 5,897,504
Investments	73,395,803
Cash on hand	5,153
Cash with fiscal agent	<u>276,400</u>
Total	<u>\$ 79,574,860</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 73,121,528
Business-type activities	1,807,441
Custodial funds	<u>4,645,891</u>
Total	<u>\$ 79,574,860</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - INTERFUND RECEIVABLES/PAYABLES

A. Due to/from other funds at December 31, 2019, consisted of the following as reported on the fund statements:

	General	Job and Family Services	Motor Vehicle and Gasoline Tax	Board of Developmental Disabilities	Other Governmental	Sewer	Total Due to Other Funds
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,534	\$ 6,534
Job and Family Services	11,398	-	-	940	43,302	-	55,640
Motor Vehicle and Gasoline Tax	1,783	-	-	-	-	-	1,783
Mental Health	-	-	-	-	31,125	-	31,125
Board of Developmental Disabilities	-	-	-	-	-	535	535
Other Governmental	18,845	302,100	-	-	13,741	272	334,958
Sewer	-	-	2,089	-	-	-	2,089
Total due from other funds	<u>\$ 32,026</u>	<u>\$ 302,100</u>	<u>\$ 2,089</u>	<u>\$ 940</u>	<u>\$ 88,168</u>	<u>\$ 7,341</u>	<u>\$ 432,664</u>

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

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

B. Due to/from external parties at December 31, 2019, consisted of the following as reported on the fund statements:

	Job and Family Services	Total Due from External Parties
Custodial	<u>\$ 7,233</u>	<u>\$ 7,233</u>
Total due to external parties	<u>\$ 7,233</u>	<u>\$ 7,233</u>

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

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 - INTERFUND TRANSFERS

During 2019, the following transfers were made:

<u>Transfers In</u>	<u>Transfers Out</u>					<u>Total</u>
	<u>General</u>	<u>Board of Developmental Disabilities</u>	<u>Other Governmental</u>	<u>Sewer</u>	<u>Water</u>	
General	\$ -	\$ -	\$ -	\$ 49,949	\$ -	\$ 49,949
Job and family services	203,532	-	-	-	-	203,532
Motor vehicle and gasoline tax	76,980	-	-	-	-	76,980
Nonmajor governmental	2,051,592	300,000	38,000	-	-	2,389,592
Internal service	500,000	-	-	-	-	500,000
Sewer	-	-	-	-	26,504	26,504
Total	\$ 2,832,104	\$ 300,000	\$ 38,000	\$ 49,949	\$ 26,504	\$ 3,246,557

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. The \$300,000 transfer out of the board of developmental disabilities fund to the capital projects fund (a nonmajor governmental fund) was to fund capital projects related to the board of developmental disabilities. The \$38,000 transfer out of the common pleas rehab, acquisition and transfer fund (a nonmajor governmental fund) to the debt service fund (a nonmajor governmental fund) was for debt service payments. The transfer of \$26,504 from the sewer enterprise fund to the water enterprise fund was for debt service payments.

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 funds and enterprise funds are reported as transfers on the government-wide financial statements.

All transfers were made in accordance with Ohio Revised Code Sections 5704.14, 5705.15 and 5705.16.

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 Ohio Department of Budget and Management. 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 \$17,120,592 in sales tax revenues on a modified accrual basis in 2019.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 8 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property 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 revalued 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. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 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, 2019 was \$9.55 per \$1,000 of assessed value county-wide. Properties in Cities without their own health departments are assessed a full tax rate of \$9.75 per \$1,000 of assessed values which includes \$020 for the cancer clinic. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

<u>Real Property</u>	
Residential/Agricultural	\$ 1,367,863,870
Commercial/Industrial/Mineral	278,349,760
Public Utility	<u>222,946,940</u>
Total Assessed Value	<u>\$ 1,869,160,570</u>

NOTE 9 - RECEIVABLES

Receivables at December 31, 2019, 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), special assessments and due from component unit. 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, 2019, were \$1,835. Loans receivable are net of \$270,688 in loans determined to be not collectible.

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

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - RECEIVABLES - (Continued)

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

Fund	Description	Amount
General Fund	Local Government	\$ 640,693
	Casino revenue	602,758
	Miscellaneous	<u>49,473</u>
Total General Fund		<u>1,292,924</u>
Job and Family Services Fund	Grants	5,807,170
	Miscellaneous	<u>2,699</u>
Total Job and Family Services Fund		<u>5,809,869</u>
Motor Vehicle and Gasoline Tax Fund	Gas tax	1,881,908
	Motor vehicle license fees	1,792,332
	Miscellaneous	<u>2,499</u>
Total Motor Vehicle and Gasoline Tax Fund		<u>3,676,739</u>
Mental Health Fund	Homestead and rollback	136,883
	Grants	<u>11,475</u>
Total Mental Health Fund		<u>148,358</u>
Board of Developmental Disabilities Fund	Homestead and rollback	422,661
	Miscellaneous	<u>129,295</u>
Total Board of Development Disabilities Fund		<u>551,956</u>
Nonmajor governmental funds	Homestead and rollback	99,894
	Grants	2,138,515
	Miscellaneous	<u>194,015</u>
		<u>2,432,424</u>
Total Governmental Funds		<u>\$ 13,912,270</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

<u>Governmental activities:</u>	Balance <u>12/31/18</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/19</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,281,026	\$ -	\$ -	\$ 1,281,026
Construction in progress	<u>126,691</u>	<u>4,010,092</u>	<u>(126,691)</u>	<u>4,010,092</u>
Total capital assets, not being depreciated	<u>1,407,717</u>	<u>4,010,092</u>	<u>(126,691)</u>	<u>5,291,118</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	3,001,588	83,400	-	3,084,988
Buildings and improvements	31,255,323	-	-	31,255,323
Machinery and equipment	8,134,044	91,129	-	8,225,173
Vehicles	8,809,745	582,696	-	9,392,441
Infrastructure	32,858,915	1,152,670	(570,316)	33,441,269
Software	<u>677,761</u>	<u>9,372</u>	<u>-</u>	<u>687,133</u>
Total capital assets, being depreciated	<u>84,737,376</u>	<u>1,919,267</u>	<u>(570,316)</u>	<u>86,086,327</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,552,681)	(103,194)	-	(2,655,875)
Buildings and improvements	(14,814,598)	(708,453)	-	(15,523,051)
Machinery and equipment	(7,037,303)	(228,700)	-	(7,266,003)
Vehicles	(8,047,046)	(374,065)	-	(8,421,111)
Infrastructure	(13,101,932)	(1,238,671)	475,264	(13,865,339)
Software	<u>(543,551)</u>	<u>(35,917)</u>	<u>-</u>	<u>(579,468)</u>
Total accumulated depreciation	<u>(46,097,111)</u>	<u>(2,689,000)</u>	<u>475,264</u>	<u>(48,310,847)</u>
Total capital assets, being depreciated net	<u>38,640,265</u>	<u>(769,733)</u>	<u>(95,052)</u>	<u>37,775,480</u>
Governmental activities capital assets, net	<u>\$ 40,047,982</u>	<u>\$ 3,240,359</u>	<u>\$ (221,743)</u>	<u>\$ 43,066,598</u>

Depreciation expense was charged to governmental functions as follows:

<u>Governmental activities:</u>	
Legislative and executive	\$ 78,104
Judicial	115,457
Public safety	471,937
Public works	1,574,650
Health	1,168
Human services	<u>447,684</u>
Total depreciation expense	<u>\$ 2,689,000</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-type activities</u>	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/19</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 62,433	\$ -	\$ -	\$ 62,433
Total capital assets, not being depreciated	<u>62,433</u>	<u>-</u>	<u>-</u>	<u>62,433</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	167,067	-	-	167,067
Buildings and improvements	2,217,393	-	-	2,217,393
Machinery and equipment	4,715,849	-	-	4,715,849
Vehicles	1,035,831	175,903	-	1,211,734
Infrastructure	13,293,782	-	-	13,293,782
Total capital assets, being depreciated	<u>21,429,922</u>	<u>175,903</u>	<u>-</u>	<u>21,605,825</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(164,722)	(521)	-	(165,243)
Buildings and improvements	(1,251,606)	(51,634)	-	(1,303,240)
Machinery and equipment	(4,396,162)	(60,570)	-	(4,456,732)
Vehicles	(1,035,829)	(17,590)	-	(1,053,419)
Infrastructure	(5,247,725)	(246,546)	-	(5,494,271)
Total accumulated depreciation	<u>(12,096,044)</u>	<u>(376,861)</u>	<u>-</u>	<u>(12,472,905)</u>
Total capital assets, being depreciated net	<u>9,333,878</u>	<u>(200,958)</u>	<u>-</u>	<u>9,132,920</u>
Business-type activities capital assets, net	<u>\$ 9,396,311</u>	<u>\$ (200,958)</u>	<u>\$ -</u>	<u>\$ 9,195,353</u>

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

Business-type activities:

Sewer	\$ 340,877
Water	<u>35,984</u>
Total depreciation expense	<u>\$ 376,861</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 2019, 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, 2019

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 Liability	1,000,000
Automobile Liability	1,000,000
Public Officials Errors and Omissions Liability	1,000,000
Ohio Stop Gap Employer's Liability	1,000,000
Employee Benefits Liability	1,000,000
Privacy and Security Liability	1,000,000
Attorney Disciplinary Proceedings	25,000
Declaratory, Injunctive or Equitable Relief	25,000
Excess Liability	10,000,000
Property - Direct Physical Loss or Damage	Per schedule on file
Property - Equipment Breakdown	100,000,000
Time Element	2,500,000
Business Income/Extra Expense	1,000,000
Crime	1,000,000

B. Self-Insurance

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

The claims liability of \$178,426 reported on the basic financial statements at December 31, 2019, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim. Changes in the internal service fund's claims liability amounts in the past two years follows:

<u>Year</u>	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>End of Year</u>
2019	\$ 327,765	\$ 3,993,950	\$ (4,143,289)	\$ 178,426
2018	77,832	5,179,516	(4,929,583)	327,765

Settle claims have not exceed this coverage in the past three years. There has been no significant reduction in coverage from the prior year.

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, 2019

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/asset 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 is presented as a long-term net pension liability/asset 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, other than full-time teachers, 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 Pension 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, 2019

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 Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan 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	Traditional Plan 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	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: 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 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: 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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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

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 3.00% 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 3.00%.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 1.00% 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 1.00% 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 3.00% 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:

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2019 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee ***	10.0 %	*	**
2019 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0 %	0.0 %	0.0 %
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

*** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$2,820,902 for 2019. Of this amount, \$323,319 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - 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 website 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% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% 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, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member 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 service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 to 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.

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. For 2019, plan members were required to contribute 14% of their annual covered salary. The County was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The 2019 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was \$69,968 for 2019. Of this amount, \$1,910 is reported as due to other governments.

Net 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, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2018, 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's total pension liability was measured as of June 30, 2019, 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:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.16888700%	0.10144300%	0.07411300%	0.00415928%	
Proportion of the net pension liability/asset current measurement date	<u>0.15914200%</u>	<u>0.10059100%</u>	<u>0.07153400%</u>	<u>0.00414157%</u>	
Change in proportionate share	<u>-0.00974500%</u>	<u>-0.00085200%</u>	<u>-0.00257900%</u>	<u>-0.00001771%</u>	
Proportionate share of the net pension liability	\$ 41,743,222	\$ -	\$ -	\$ 915,883	\$ 42,659,105
Proportionate share of the net pension asset	-	(107,728)	(1,561)	-	(109,289)
Pension expense	8,215,959	29,894	(404)	1,218	8,246,667

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 1,926	\$ -	\$ 6,499	\$ 7,458	\$ 15,883
Net difference between projected and actual earnings on pension plan investments	5,665,725	23,208	520	-	5,689,453
Changes of assumptions	3,633,851	24,061	484	107,588	3,765,984
Changes in employer's proportionate percentage/difference between employer contributions	60,542	-	-	-	60,542
Contributions subsequent to the measurement date	2,717,509	56,397	46,996	34,613	2,855,515
Total deferred outflows of resources	\$ 12,079,553	\$ 103,666	\$ 54,499	\$ 149,659	\$ 12,387,377
Deferred inflows of resources					
Differences between expected and actual experience	\$ 548,113	\$ 43,996	\$ -	\$ 3,966	\$ 596,075
Net difference between projected and actual earnings on pension plan investments	-	-	-	44,760	44,760
Changes in employer's proportionate percentage/difference between employer contributions	1,508,246	-	-	154,161	1,662,407
Total deferred inflows of resources	\$ 2,056,359	\$ 43,996	\$ -	\$ 202,887	\$ 2,303,242

\$2,855,515 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, 2020.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
2020	\$ 2,912,137	\$ 3,637	\$ 1,079	\$ (32,690)	\$ 2,884,163
2021	1,232,960	(995)	990	(30,202)	1,202,753
2022	525,609	(509)	1,004	(28,816)	497,288
2023	2,634,979	6,754	1,210	3,867	2,646,810
2024	-	(2,779)	893	-	(1,886)
Thereafter	-	(2,835)	2,327	-	(508)
Total	\$ 7,305,685	\$ 3,273	\$ 7,503	\$ (87,841)	\$ 7,228,620

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 was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.50%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected 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.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

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. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.79 %
Domestic equities	19.00	6.21
Real estate	10.00	4.90
Private equity	10.00	10.81
International equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2018 was 7.50%. 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 contractually required rates, as actuarially determined. 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 for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the County's Proportionate Share of the Net Pension Liability/Asset 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 7.20%, 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 (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 61,666,877	\$ 41,743,222	\$ 25,186,484
Combined Plan	(35,645)	(107,728)	(159,922)
Member-Directed Plan	(685)	(1,561)	(2,740)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

	<u>July 1, 2019</u>
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

For the July 1, 2019, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation**	Long-Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2019. 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, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	County's proportionate share of the net pension liability	\$ 1,338,461	\$ 915,883

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

The net OPEB liability/asset reported on the statement of net position represents a liability/asset to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability/asset represents the County’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB 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 these estimates annually.

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net OPEB liability/asset on the accrual basis of accounting. Any liability for the contractually-required OPEB 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 - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$18,798 for 2019. Of this amount, \$2,155 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For 2019, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. STRS’s total OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.16324000%	0.00415928%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.15395700%</u>	<u>0.00414157%</u>	
Change in proportionate share	<u>-0.00928300%</u>	<u>-0.00001771%</u>	
Proportionate share of the net OPEB liability	\$ 19,223,819	\$ -	\$ 19,223,819
Proportionate share of the net OPEB asset	\$ -	\$ (68,594)	\$ (68,594)
OPEB expense	\$ 1,364,620	\$ (24,283)	\$ 1,340,337

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 6,509	\$ 6,218	\$ 12,727
Net difference between projected and actual earnings on OPEB plan investments	881,298	-	881,298
Changes of assumptions	619,800	1,442	621,242
Changes in employer's proportionate percentage/difference between employer contributions	39,649	-	39,649
Contributions subsequent to the measurement date	18,798	-	18,798
Total deferred outflows of resources	<u>\$ 1,566,054</u>	<u>\$ 7,660</u>	<u>\$ 1,573,714</u>
	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 52,161	\$ 3,491	\$ 55,652
Net difference between projected and actual earnings on OPEB plan investments	-	4,307	4,307
Changes of assumptions	-	75,206	75,206
Changes in employer's proportionate percentage/difference between employer contributions	789,745	16,828	806,573
Total deferred inflows of resources	<u>\$ 841,906</u>	<u>\$ 99,832</u>	<u>\$ 941,738</u>

\$18,798 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	STRS	Total
2020	\$ 277,037	\$ (19,823)	\$ 257,214
2021	(151,066)	(19,821)	(170,887)
2022	135,411	(18,095)	117,316
2023	443,968	(17,494)	426,474
2024	-	(17,117)	(17,117)
Thereafter	-	178	178
Total	\$ 705,350	\$ (92,172)	\$ 613,178

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 health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.50%
Municipal Bond Rate	
Current measurement date	3.71%
Prior Measurement date	3.31%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.25% ultimate in 2029
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care 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.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is a loss of 5.60% for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB liability	\$ 24,594,429	\$ 19,223,819	\$ 14,952,764

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	\$ 18,478,260	\$ 19,223,819	\$ 20,082,501

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
	Initial	Ultimate	Initial	Ultimate
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Health care cost trends				
Medical				
Pre-Medicare	5.87%	4.00%	6.00%	4.00%
Medicare	4.93%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	7.73%	4.00%	8.00%	4.00%
Medicare	9.62%	4.00%	-5.23%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation**	Long-Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

** The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
	County's proportionate share of the net OPEB asset	\$ 58,532	\$ 68,594
		Current Trend Rate	
	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	\$ 77,783	\$ 68,594	\$ 57,341

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the County entered into capital lease agreements for copiers.

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 \$55,838. 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 \$46,324 leaving a current book value of \$9,514. Principal payments in 2019 totaled \$7,581 in the general fund and \$2,448 in the juvenile court fund (a nonmajor governmental 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, 2019:

<u>Year Ending</u> <u>December 31,</u>	<u>Equipment</u>
2020	\$ 9,974
2021	<u>2,969</u>
Total minimum lease payments	12,943
Less: amount representing interest	<u>(511)</u>
Present value of future minimum lease payments	<u>\$ 12,432</u>

NOTE 15 - OPERATING LEASE

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

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

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 Bonds:</u>			
Government Services Building 2010A Bonds	2.00 - 4.00%	\$ 490,000	2020
Government Services Building 2012	2.00 - 4.375%	7,405,000	2052
Series 2013 Refunding Bonds	3.50%	1,686,000	2033
<u>General Obligation Bonds - Direct Placement:</u>			
2018 Refunding Jail Facilities Bonds	2.64%	4,200,000	2024
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 2018 Refinance	2.82%	2,170,000	2033
County Engineer - Vehicle Purchase	2.95%	380,868	2022
<u>Ohio Water Development Authority Loan - Direct Borrowing:</u>			
Hanoverton Planning Permanent Financing	6.04%	1,178,054	2021
<u>Other Long-Term Obligations:</u>			
Recorder's Loan	0.00%	100,000	2027
Business-Type Activities Debt			
<u>Mortgage Revenue Bonds - Direct Placement:</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
Beaver Local Wastewater #1 2018 Refinance	2.95%	229,441	2028
Glenmoor/Lacroft Sanitary Sewer	4.25%	3,534,000	2049
Kensington Sewer	1.38%	315,000	2056
<u>Ohio Public Works Commission Loans - Direct Borrowing:</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
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 - Direct Borrowing:</u>			
County Home Road Sanitary Sewer	0.00%	344,367	2033
County Home Road Waterline Extension	2.00%	262,793	2032

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Governmental Activities:</u>	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/19</u>	<u>Amount Due</u> <u>In One Year</u>
<u>General Obligation Bonds:</u>					
Government Services Bldg 2010A Bonds	\$ 120,000	\$ -	\$ (60,000)	\$ 60,000	\$ 60,000
Government Services Bldg 2012 Bonds	6,490,000	-	(150,000)	6,340,000	150,000
Unamortized Premium	<u>130,757</u>	<u>-</u>	<u>(3,846)</u>	<u>126,911</u>	<u>-</u>
Total Government Services Bldg 2012 Bonds	<u>6,620,757</u>	<u>-</u>	<u>(153,846)</u>	<u>6,466,911</u>	<u>150,000</u>
Series 2013 Refunding Bonds	<u>1,686,000</u>	<u>-</u>	<u>-</u>	<u>1,686,000</u>	<u>-</u>
Total General Obligation Bonds	<u>8,426,757</u>	<u>-</u>	<u>(213,846)</u>	<u>8,212,911</u>	<u>210,000</u>
<u>General Obligation Bonds - Direct Placement:</u>					
2018 Refunding Bonds, Jail Facilities Bonds	3,615,000	-	(560,000)	3,055,000	575,000
Courthouse Renovations	2,007,000	-	(1,077,000)	930,000	80,000
Ohio Wellsville Water System	904,000	-	(31,000)	873,000	32,000
Murray Trucking Old Farm Village	385,000	-	(10,000)	375,000	10,000
Municipal Court Bonds 2018 Refinance	2,170,000	-	(99,000)	2,071,000	122,000
County Engineer - Vehicle Purchase	<u>-</u>	<u>380,868</u>	<u>-</u>	<u>380,868</u>	<u>123,283</u>
Total General Obligation Bonds - Direct Placement	<u>9,081,000</u>	<u>380,868</u>	<u>(1,777,000)</u>	<u>7,684,868</u>	<u>942,283</u>
<u>OWDA Loan - Direct Borrowing:</u>					
Hanoverton Planning Permanent Financing	<u>169,520</u>	<u>-</u>	<u>(82,266)</u>	<u>87,254</u>	<u>87,254</u>
<u>Other Long-Term Obligations:</u>					
Recorder's Loan - direct borrowing	90,000	-	(10,000)	80,000	10,000
Capital Leases	22,461	-	(10,029)	12,432	9,536
Compensated Absences	3,882,431	1,387,071	(1,428,119)	3,841,383	757,750
Net pension liability	25,527,337	15,958,364	-	41,485,701	-
Net OPEB liability	<u>16,467,307</u>	<u>2,216,130</u>	<u>-</u>	<u>18,683,437</u>	<u>-</u>
Total Governmental Activities	<u>\$ 63,666,813</u>	<u>\$ 19,942,433</u>	<u>\$ (3,521,260)</u>	<u>\$ 80,087,986</u>	<u>\$ 2,016,823</u>

THIS SPACE IS INTENTIONALLY LEFT BLANK

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

<u>Business-Type Activities:</u>	<u>Balance</u>			<u>Balance</u>	<u>Amount Due</u>
	<u>12/31/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/19</u>	<u>In One Year</u>
<u>Mortgage Revenue Bonds - Direct Placement:</u>					
Guilford Lake Sewer	\$ 20,000	\$ -	\$ (20,000)	\$ -	\$ -
Ohio Elkrun Sewer	1,494,000	-	(44,000)	1,450,000	46,000
Winona Area Waste System #1	495,000	-	(10,000)	485,000	11,000
Winona Area Waste System #2	307,000	-	(6,000)	301,000	6,000
Beaver Local Wastewater #1 - 2018 Refinancing	229,441	-	(20,026)	209,415	54,000
Glenmoor/Lacroft Sanitary Sewer	3,226,000	-	(52,000)	3,174,000	6,455
Kensington Sewer	315,000	-	(6,367)	308,633	20,607
	<u>6,086,441</u>	<u>-</u>	<u>(158,393)</u>	<u>5,928,048</u>	<u>144,062</u>
<u>OPWC Loans - Direct Borrowing:</u>					
State Route 7 Water Line Extension #1	8,750	-	(2,500)	6,250	2,500
State Route 7 Water Line Extension #2	21,600	-	(4,800)	16,800	4,800
Roseview Acres Treatment Plant	124,106	-	(6,054)	118,052	6,054
Glenmoor Sewer System	154,723	-	(8,143)	146,580	8,143
Home Road Sewer Project	490,000	-	(20,000)	470,000	20,000
County Home Road Waterline Project	267,657	-	(10,496)	257,161	10,496
	<u>1,066,836</u>	<u>-</u>	<u>(51,993)</u>	<u>1,014,843</u>	<u>51,993</u>
<u>OWDA Loans - Direct Borrowing:</u>					
County Home Road Sanitary Sewer	241,057	-	(17,218)	223,839	17,218
County Home Road Waterline Extension	192,552	-	(10,110)	182,442	12,420
	<u>433,609</u>	<u>-</u>	<u>(27,328)</u>	<u>406,281</u>	<u>29,638</u>
<u>Other Long-Term Obligations:</u>					
Compensated Absences	96,815	54,896	(57,850)	93,861	20,876
Net Pension Liability	738,754	434,650	-	1,173,404	-
Net OPEB Liability	494,266	46,116	-	540,382	-
	<u>\$ 8,916,721</u>	<u>\$ 535,662</u>	<u>\$ (295,564)</u>	<u>\$ 9,156,819</u>	<u>\$ 246,569</u>

The general obligation bonds are paid from the bond retirement debt service fund (a nonmajor governmental fund) and the municipal court special project fund (a nonmajor governmental fund). The mortgage revenue bonds are paid with user charges from the sewer enterprise fund. In event of default, bondholders may bring various actions against the County including requiring the County to assess, levy, charge, collect or apply pledged receipts.

General Obligation 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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

On June 26, 2013, the County issued \$1,686,000 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, 2019 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 by \$290,895 and resulted in an economic gain of \$116,697.

On April 5, 2018, the County issued \$4,200,000 in general obligation refunding bonds to refund \$4,200,000 of the refunding jail facilities bonds. The issuance was considered a current refunding, and therefore, didn't require an irrevocable trust to be set up to pay for future debt service payments on the refunded debt. The previous refunding jail facilities bonds are considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

On August 27, 2018, the County issued \$2,170,000 in general obligation refunding bonds to refund \$207,000 of the municipal court bonds #1 and \$1,963,000 of the municipal court bonds #2. The issuance was considered a current refunding, and therefore, did not require an irrevocable trust to be set up to pay for future debt service payments on the refunded debt. The previous refunding jail facilities bonds are considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

General Obligation Bonds - Direct Placement

These bonds are considered direct placements. Direct placements have terms negotiated directly between the County and the lender and not offered for public sale.

Mortgage Revenue Bonds - Direct Placement

These bonds are considered direct placements. Direct placements have terms negotiated directly between the County and the lender and not offered for public sale.

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.

Ohio Public Works Commission (OPWC) Loans

In previous years, the County was awarded loans from Ohio Public Works Commission (OPWC) for various sewer and water projects. The remaining balance on these loans at December 31, 2019 was \$1,014,843. The OPWC loans are paid with user charges from the water and sewer enterprise funds.

These loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the County and the lender and not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the County for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the County Treasurer of the County to pay the amount of the default from funds that would otherwise be appropriated to the County from such County's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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. The OWDA loans are paid with user charges from the general fund and the water and sewer enterprise funds.

These loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the County and the lender and not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the County to pay any fines, penalties, interest, or late charges associated with the default.

The County has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$7,349,172 of mortgage revenue 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 64.08 percent and 14.98 percent, respectively. The total principal and interest remaining to be paid on the debt is \$11,293,059. Principal and interest paid for the current year, total net revenues and total operating revenues were \$450,304, \$702,882 and \$3,007,370, respectively.

Recorder's Loan: The County recorder received a \$100,000 Local Government Initiative (LGI) loan to assist in upgrading county land recorder software. This loan is considered a direct borrowing. Direct borrowings have terms negotiated directly between the County and the lender and not offered for public sale. The loan has a 0% interest rate and has a final maturity of December 1, 2027.

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 only the sewer fund.

Net pension liability and net OPEB liability: See Notes 12 and 13 for details.

THIS SPACE IS INTENTIONALLY LEFT BLANK

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019 are as follows:

Governmental Activities

Year Ended	General Obligation Bonds		General Obligation Bonds - Direct Placement		OWDA Loan - Direct Borrowing		Recorder's Loan - Direct Borrowing
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
	2020	\$ 210,000	\$ 328,566	\$ 942,283	\$ 250,460	\$ 87,254	\$ 5,251
2021	215,000	320,166	973,920	206,152	-	-	10,000
2022	215,000	311,891	1,000,665	178,025	-	-	10,000
2023	215,000	303,616	900,000	149,117	-	-	10,000
2024	220,000	295,366	923,000	123,190	-	-	10,000
2025 - 2029	1,479,000	1,323,460	1,512,000	379,289	-	-	30,000
2030 - 2034	1,347,000	1,031,655	1,000,000	154,785	-	-	-
2035 - 2039	750,000	836,555	382,000	53,848	-	-	-
2040 - 2044	1,275,000	634,999	51,000	3,465	-	-	-
2045 - 2049	1,330,000	357,219	-	-	-	-	-
2050 - 2052	830,000	72,844	-	-	-	-	-
Total	\$ 8,086,000	\$ 5,816,337	\$ 7,684,868	\$ 1,498,331	\$ 87,254	\$ 5,251	\$ 80,000

Business-Type Activities

Year Ended	Mortgage Revenue Bonds - Direct Placement		OPWC Loans - Direct Borrowing		OWDA Loans - Direct Borrowing	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 144,062	\$ 243,797	\$ 51,993	\$ -	\$ 29,638	\$ 3,587
2021	149,785	237,922	51,994	-	29,887	3,337
2022	155,509	231,832	50,744	-	30,142	3,083
2023	162,256	225,479	47,094	-	30,402	2,823
2024	168,011	218,176	44,694	-	30,667	2,558
2025-2029	927,484	984,868	223,470	-	157,503	8,625
2030-2034	1,015,028	784,779	223,470	-	98,042	1,636
2035-2039	1,249,714	547,694	204,141	-	-	-
2040-2044	935,593	319,642	117,243	-	-	-
2045-2049	949,672	120,095	-	-	-	-
2050-2054	49,971	3,521	-	-	-	-
2055-2056	20,963	433	-	-	-	-
Total	\$ 5,928,048	\$ 3,918,238	\$ 1,014,843	\$ -	\$ 406,281	\$ 25,649

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 \$44,299,014 at December 31, 2019.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 17 - TAX ABATEMENTS

A. Tax Abatements Entered into by the County

The County has entered into tax abatement agreements in Center Township for the abatement of property taxes. The Community Urban Redevelopment agreements were authorized under Ohio Revised Code (ORC) section 3735.65. Under the agreements, new construction is eligible for the reduction of 80% of the assessed value on the improvements of the property. During 2019, the County abated approximately \$2,000 in property taxes.

The County has entered into tax abatement agreements with Leetonia Leasing, LLC for the abatement of property taxes. The Community Urban Redevelopment agreements were authorized under Ohio Revised Code (ORC) sections 5709.62 and 5709.63. Under the agreement, new construction is eligible for reduction of 100% of the assessed value of the property in exchange for investment in property improvements and job creation. During 2019, the County abated approximately \$12,000 in property taxes.

B. Tax Abatements Entered into by Other Governments

Within the County, the taxing districts of the City of East Liverpool, the Village of East Palestine, the City of Salem, the Ohio Air Quality and the Ohio Environmental Protection Agency have entered into tax abatement agreements that forgo property taxes assessed to the County. During 2019, property taxes of the County were abated by approximately \$70,000.

THIS SPACE IS INTENTIONALLY LEFT BLANK

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 18 - FUND BALANCE

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

Fund balance	General	Job and Family Services	Motor Vehicle and Gas Tax	Mental Health
Nonspendable:				
Materials and supplies inventory	\$ 136,495	\$ 58,175	\$ 768,504	\$ 437
Prepays	422,874	13,670	647	4,807
Unclaimed monies	321,885	-	-	-
Total nonspendable	<u>881,254</u>	<u>71,845</u>	<u>769,151</u>	<u>5,244</u>
Restricted:				
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Legislative and executive	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	5,513,103	-
Health services	-	-	-	7,464,920
Human services	-	1,889,409	-	-
Total restricted	<u>-</u>	<u>1,889,409</u>	<u>5,513,103</u>	<u>7,464,920</u>
Committed:				
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Legislative & executive	-	-	-	-
Accumulated sick leave	8,145	-	-	-
General escrow	7,200,000	-	-	-
Total committed	<u>7,208,145</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned:				
Legislative & executive	43,014	-	-	-
Public safety	120,049	-	-	-
Public works	800	-	-	-
Human services	226	-	-	-
Total assigned	<u>164,089</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned (deficit)	<u>16,308,294</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 24,561,782</u>	<u>\$ 1,961,254</u>	<u>\$ 6,282,254</u>	<u>\$ 7,470,164</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 18 - FUND BALANCE - (Continued)

Fund balance	Board of Developmental Disabilities	Other Governmental Funds	Total
Nonspendable:			
Materials and supplies inventory	\$ 2,556	\$ 10,722	\$ 976,889
Prepays	35,302	240,139	717,439
Unclaimed monies	-	-	321,885
Total nonspendable	<u>37,858</u>	<u>250,861</u>	<u>2,016,213</u>
Restricted:			
Debt service	-	2,265,955	2,265,955
Capital outlay	-	735,894	735,894
Legislative and executive	-	1,966,030	1,966,030
Judicial	-	1,890,969	1,890,969
Public safety	-	3,211,003	3,211,003
Public works	-	1,179	5,514,282
Health services	-	62,561	7,527,481
Human services	12,045,576	5,761,961	19,696,946
Economic development	-	465,085	465,085
Total restricted	<u>12,045,576</u>	<u>16,360,637</u>	<u>43,273,645</u>
Committed:			
Debt service	-	9,183	9,183
Capital outlay	-	6,607,572	6,607,572
Legislative & executive	-	64,615	64,615
Accumulated sick leave	-	-	8,145
General escrow	-	-	7,200,000
Total committed	<u>-</u>	<u>6,681,370</u>	<u>13,889,515</u>
Assigned:			
Legislative & executive	-	-	43,014
Public safety	-	-	120,049
Public works	-	-	800
Human services	-	-	226
Total assigned	<u>-</u>	<u>-</u>	<u>164,089</u>
Unassigned (deficit)	<u>-</u>	<u>(2,680)</u>	<u>16,305,614</u>
Total fund balances	<u>\$ 12,083,434</u>	<u>\$ 23,290,188</u>	<u>\$ 75,649,076</u>

NOTE 19 - PUBLIC ENTITY RISK POOL

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

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 19 - PUBLIC ENTITY RISK POOL - (Continued)

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board of Trustees. No county may have more than one representative on the Board of Trustees at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

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 2019, 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 \$699,818 to the System during 2019.

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.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 21 - RELATED ORGANIZATIONS

Columbiana County Airport Authority

The Columbiana County Airport Authority (the "Airport Authority"), was created by resolution of the County Commissioners under the authority of Section 308 of the Ohio Revised Code. The Airport Authority is governed by a seven-member Board of Trustees appointed by the County Commissioners. The Board of Trustees has the authority to exercise all of the powers and privileges provided under law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rentals and other charges; the authority to acquire, construct, operate, manage and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing a facility or permanent improvement. The Airport Authority serves as custodian of its own funds and maintains all records and accounts independent of Columbiana County. The County did not contribute to the Airport Authority in 2019.

NOTE 22 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, job and family services fund, the motor vehicle and gasoline tax, mental health, 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);
- (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).

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 22 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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:

	Net Change in Fund Balances				
	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	\$ 1,944,618	\$ (344,064)	\$ (634,009)	\$ 40,603	\$ 1,079,879
Net adjustment for revenue accruals	776,619	291,869	(406,654)	6,932	(21,129)
Net adjustment for expenditure accruals	617,584	135,976	616,527	(180,646)	1,022,140
Net adjustment for other sources/uses	(275,473)	-	-	-	-
Funds budgeted elsewhere	(597,267)	-	-	-	-
Adjustment for encumbrances	136,804	13,825	351,819	-	-
GAAP Basis	<u>\$ 2,602,885</u>	<u>\$ 97,606</u>	<u>\$ (72,317)</u>	<u>\$ (133,111)</u>	<u>\$ 2,080,890</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, sheriff revolving fund, Medicaid sales tax transition fund, CSEA Title IV contract fund, auditor's sales Ffund and payroll withholding fund.

NOTE 23 - CONTINGENCIES

A. Grants

The County received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have an overall effect on the overall financial position of the County at December 31, 2019.

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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 73,252
Job and family services fund	5,601
Motor vehicle and gasoline tax fund	284,387
Other governmental funds	<u>67,896</u>
Total	<u>\$ 431,136</u>

NOTE 25 - SIGNIFICANT SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the County. The County's investment portfolio and the investments of the pension and other employee benefit plan in which the County participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 26 - 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 include (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, 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, 2019

**NOTE 26 - 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.

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.

COLUMBIANA COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 26 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION -
(Continued)**

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities 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.

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 prepayments 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.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 26 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION -
(Continued)**

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 County 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.

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, 2019.

Intergovernmental Revenue

The Corporation receives operating income through Columbiana County. This money represents 5% of all collections on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation. In addition, the Corporation receives State grant funding for the Neighborhood Initiative Program (NIP) grant.

Deposits and Investments

Deposits with Financial Institutions

At December 31, 2019, the carrying amount of all Corporation deposits was \$212,732. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2019, \$250,000 of the Corporation's bank balance of \$278,931 was covered by the Federal Deposit Insurance Corporation (FDIC) while the remaining balance was either covered by the Ohio Pooled Collateral System (OPCS) or subject to custodial credit risk as described below.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 26 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION -
(Continued)**

Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Corporation's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the Corporation's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the FDIC.

Receivables

Receivables at December 31, 2019, consisted of due from other governments of \$266,729. These amounts are expected to be collected in the subsequent year.

Risk Management

Property and Liability

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 2019, the Corporation was covered under the County's property and liability insurance with the County Risk Sharing Authority (CORSA).

Transactions with Columbiana County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Columbiana County Board of Commissioners to receive 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax Assessment and Collection (DTAC) fund and will be available for appropriation by the Corporation to fund operations. At December 31, 2019, the Corporation recognized revenues of \$185,996 for these fees that were collected by the County in 2019.

During 2019, the Corporation paid \$165,913 in various costs to the Columbiana County Auditor and Treasurer. The Corporation also had \$100,000 due to Columbiana County for an advance of funds and \$704 in other amounts.

Contingencies

The Corporation received financial assistance from State agencies in the form of grants. The disbursements of funds received under these programs generally require 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. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Corporation.

REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIANA COUNTY, OHIO

SCHEDULES OF THE 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 SIX YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
County's proportion of the net pension liability	0.159142%	0.168887%	0.171630%	0.176199%
County's proportionate share of the net pension liability	\$ 41,743,222	\$ 25,351,559	\$ 37,369,555	\$ 29,314,078
County's covered payroll	\$ 18,352,729	\$ 21,062,962	\$ 20,355,042	\$ 20,311,217
County's proportionate share of the net pension liability as a percentage of its covered payroll	227.45%	120.36%	183.59%	144.32%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	84.66%	77.25%	81.08%
<i>Combined Plan:</i>				
County's proportion of the net pension asset	0.100591%	0.101443%	0.100582%	0.113280%
County's proportionate share of the net pension asset	\$ 107,728	\$ 132,137	\$ 53,676	\$ 52,946
County's covered payroll	\$ 411,643	\$ 398,346	\$ 391,475	\$ 324,858
County's proportionate share of the net pension asset as a percentage of its covered payroll	26.17%	33.17%	13.71%	16.30%
Plan fiduciary net position as a percentage of the total pension asset	126.64%	137.28%	116.55%	116.90%
<i>Member Directed Plan:</i>				
County's proportion of the net pension asset	0.071534%	0.074113%	0.083671%	0.081257%
County's proportionate share of the net pension asset	\$ 1,561	\$ 2,475	\$ 335	\$ 297
County's covered payroll	\$ 391,260	\$ 389,480	\$ 343,842	\$ 452,542
County's proportionate share of the net pension asset as a percentage of its covered payroll	0.40%	0.64%	0.10%	0.07%
Plan fiduciary net position as a percentage of the total pension asset	113.42%	124.46%	103.40%	103.91%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.172642%	0.172642%
\$ 20,639,436	\$ 20,173,260
\$ 20,380,933	\$ 21,546,108
101.27%	93.63%
86.45%	86.36%
0.092063%	0.092063%
\$ 35,134	\$ 9,574
\$ 336,525	\$ 319,162
10.44%	3.00%
114.83%	104.56%
n/a	n/a
n/a	n/a
n/a	n/a
n/a	n/a
n/a	n/a

COLUMBIANA COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST SIX YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net pension liability	0.00414157%	0.00415928%	0.00472247%	0.00504698%
County's proportionate share of the net pension liability	\$ 915,883	\$ 914,532	\$ 1,121,833	\$ 1,689,376
County's covered payroll	\$ 480,200	\$ 488,143	\$ 525,521	\$ 604,243
County's proportionate share of the net pension liability as a percentage of its covered payroll	190.73%	187.35%	213.47%	279.59%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.30%	75.30%	66.80%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.00589206%	0.06021610%
\$ 1,628,393	\$ 1,464,664
\$ 576,707	\$ 650,654
282.36%	225.11%
72.10%	74.70%

COLUMBIANA COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 2,717,509	\$ 2,569,382	\$ 2,738,185	\$ 2,442,605
Contributions in relation to the contractually required contribution	<u>(2,717,509)</u>	<u>(2,569,382)</u>	<u>(2,738,185)</u>	<u>(2,442,605)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 19,410,779	\$ 18,352,729	\$ 21,062,962	\$ 20,355,042
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 56,397	\$ 57,630	\$ 51,785	\$ 46,977
Contributions in relation to the contractually required contribution	<u>(56,397)</u>	<u>(57,630)</u>	<u>(51,785)</u>	<u>(46,977)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 402,836	\$ 411,643	\$ 398,346	\$ 391,475
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 46,996	\$ 39,126	\$ 38,948	\$ 41,261
Contributions in relation to the contractually required contribution	<u>(46,996)</u>	<u>(39,126)</u>	<u>(38,948)</u>	<u>(41,261)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 469,960	\$ 391,260	\$ 389,480	\$ 343,842
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	12.00%

Note: Information prior to 2013 for the County's combined plan and prior to 2015 for the County's member directed plan was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 2,437,346	\$ 2,445,712	\$ 2,800,994	\$ 2,169,916	\$ 2,232,797	\$ 1,638,540
<u>(2,437,346)</u>	<u>(2,445,712)</u>	<u>(2,800,994)</u>	<u>(2,169,916)</u>	<u>(2,232,797)</u>	<u>(1,638,540)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20,311,217	\$ 20,380,933	\$ 21,546,108	\$ 21,699,160	\$ 22,327,970	\$ 18,369,283
12.00%	12.00%	13.00%	10.00%	10.00%	8.92%
\$ 38,983	\$ 40,383	\$ 41,491			
<u>(38,983)</u>	<u>(40,383)</u>	<u>(41,491)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 324,858	\$ 336,525	\$ 319,162			
12.00%	12.00%	13.00%			
\$ 54,305					
<u>(54,305)</u>					
<u>\$ -</u>					
\$ 452,542					
12.00%					

COLUMBIANA COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 69,968	\$ 67,228	\$ 68,340	\$ 73,573
Contributions in relation to the contractually required contribution	<u>(69,968)</u>	<u>(67,228)</u>	<u>(68,340)</u>	<u>(73,573)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 499,771	\$ 480,200	\$ 488,143	\$ 525,521
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 84,594	\$ 80,739	\$ 84,585	\$ 93,779	\$ 101,287	\$ 103,249
<u>(84,594)</u>	<u>(80,739)</u>	<u>(84,585)</u>	<u>(93,779)</u>	<u>(101,287)</u>	<u>(103,249)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 604,243	\$ 621,069	\$ 650,654	\$ 721,377	\$ 779,131	\$ 794,223
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

COLUMBIANA COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability	0.153957%	0.163240%	0.165674%
County's proportionate share of the net OPEB liability	\$ 19,223,819	\$ 16,961,573	\$ 16,733,673
County's covered payroll	\$ 19,155,632	\$ 21,850,788	\$ 21,090,359
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	100.36%	77.62%	79.34%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIANA COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO**

LAST THREE YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability (asset)	0.00414157%	0.00415928%	0.00472247%
County's proportionate share of the net OPEB liability (asset)	\$ (68,594)	\$ (67,000)	\$ 184,253
County's covered payroll	\$ 480,200	\$ 488,143	\$ 525,521
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	14.28%	13.73%	35.06%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	174.70%	176.00%	47.10%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIANA COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 18,798	\$ 15,651	\$ 240,077	\$ 451,825
Contributions in relation to the contractually required contribution	<u>(18,798)</u>	<u>(15,651)</u>	<u>(240,077)</u>	<u>(451,825)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 20,283,575	\$ 19,155,632	\$ 21,850,788	\$ 21,090,359
Contributions as a percentage of covered payroll	0.09%	0.08%	1.10%	2.14%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 405,038	\$ 425,937	\$ 212,164	\$ 850,861	\$ 873,900	\$ 1,590,838
<u>(405,038)</u>	<u>(425,937)</u>	<u>(212,164)</u>	<u>(850,861)</u>	<u>(873,900)</u>	<u>(1,590,838)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,088,617	\$ 20,717,458	\$ 21,865,270	\$ 21,699,160	\$ 22,327,970	\$ 18,369,283
1.92%	2.06%	0.97%	3.92%	3.91%	8.66%

COLUMBIANA COUNTY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 499,771	\$ 480,200	\$ 488,143	\$ 525,521
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ 6,211	\$ 6,507	\$ 7,234	\$ 7,791	\$ 7,942
-	(6,211)	(6,507)	(7,234)	(7,791)	(7,942)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 604,243	\$ 621,069	\$ 650,654	\$ 721,377	\$ 779,131	\$ 794,223
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

COLUMBIANA COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2016. For 2017, STRS decreased the Cost of Living Adjustment (COLA) to zero effective July 1, 2017. There were no changes in benefit terms for 2018-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes of assumption for 2018-2019.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in the discount rate from 4.13% to 7.45% and (b) decrease in trend rates from 6.00%-11.00% initial; 4.50% ultimate down to 5.23%-9.62% initial; 4.00% ultimate. For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in prescription drug trend rates from -5.23%-9.62% initial; 4.00% ultimate up to 4.00%-9.62% initial; 4.00% ultimate.

COLUMBIANA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTER/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
PASSED THROUGH OHIO DEPARTMENT OF EDUCATION			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	EDU01-3L60	\$ 10,287
National School Lunch Program	10.555	EDU01-3L70	16,785
Total Child Nutrition Cluster			27,072
PASSED THROUGH OHIO DEPARTMENT OF JOB AND FAMILY SERVICES			
<i>Supplemental Nutrition Assistance Program Cluster:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-1819-11-5725	555,137
Total Supplemental Nutrition Assistance Program Cluster			555,137
Total U.S. Department of Agriculture			582,209
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT			
OFFICE OF HOUSING AND COMMUNITY PARTNERSHIP			
Community Development Block Grant	14.228	B-F-18-IA0-1	90,000
FY16 Home Investment Partnerships Program	14.239	S-C-16-IA0-1	1,475
FY16 Home Investment Partnerships Program	14.239	B-C-16-IA0-1	76,218
FY16 Home Investment Partnerships Program	14.239	B-C-16-IA0-2	6,108
FY18 Home Investment Partnerships Program	14.239	B-C-18-IA0-1	50,983
FY18 Home Investment Partnerships Program	14.239	S-C-18-IA0-1	25,652
FY18 Home Investment Partnerships Program		B-C-18-IA0-2	194,802
			355,238
Total U.S. Department of Housing and Urban Development			445,238
U.S. DEPARTMENT OF JUSTICE			
PASSED THROUGH THE OFFICE OF CRIMINAL JUSTICE			
Crime Victim Assistance	16.575	2020 VOCA 132922170	119,875
Crime Victim Assistance	16.575	N/A	88,301
Total Crime Victim Assistance			208,176
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	16,882
Total U.S. Department of Justice			225,058
U.S. DEPARTMENT OF TRANSPORTATION			
PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION			
<i>Highway Planning and Construction Cluster:</i>			
Highway Planning and Construction	20.205	PID 24452	1,202,374
Highway Planning and Construction	20.205	PID 22329	115,000
Highway Planning and Construction	20.205	COL-CR 430-0.30	41,414
Highway Planning and Construction	20.205	Load Rating	7,650
Total Highway Planning and Construction Cluster			1,366,438
Total U.S. Department of Transportation			1,366,438

--CONTINUED--

COLUMBIANA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTER/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION			
PASSED THROUGH OHIO DEPARTMENT OF EDUCATION			
<i>Special Education Cluster (IDEA):</i>			
Special Education Grants to States Part B Flowthrough 2017	84.027	3M20-065920-6B-2017	9,309
Special Education Grants to States Part B Flowthrough 2018	84.027	3M20-065920-6B-2018	19,115
Total Special Education Grant Cluster (IDEA)			<u>28,424</u>
Special Education Grants for Infants and Families	84.181	3920-DOH-FY 18/19	74,320
Total U.S. Department of Education			<u>102,744</u>
U.S. ELECTION ASSISTANCE COMMISSION			
PASSED THROUGH OHIO SECRETARY OF STATE			
Elections Security Grant	90.404	N/A	1,820
Total U.S. Election Assistance Commission			<u>1,820</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
PASSED THROUGH VARIOUS SOURCES (SEE TICKMARKS)			
{a} Promoting Safe and Stable Families	93.556	G-1819-11-5725/G2021-11-5912	64,304
{a} Temporary Assistance for Needy Families (TANF) Cluster	93.558	G-1819-11-5725/G2021-11-5912	1,863,411
{a} Child Support Enforcement	93.563	G-1617-11-5498	1,312,224
{a} Child Care and Development Block Grant Cluster	93.575	G-1819-11-5725/G2021-11-5912	132,425
{a} Child Welfare Services - State Grants	93.645	G-1819-11-5725/G2021-11-5912	70,985
{a} Foster Care Title IV-E	93.658	G-1819-11-5725/G2021-11-5912	1,269,263
{a} Adoption Assistance	93.659	G-1819-11-5725/G2021-11-5912	203,834
{a} Social Services Block Grant	93.667	G-1819-11-5725/G2021-11-5912	949,979
{b} Social Services Block Grant	93.667	DMR01-100912	68,563
{c} Social Services Block Grant	93.667	N/A	78,555
Total Social Services Block Grant			<u>1,097,097</u>
{a} Chafee Foster Care Independence Program	93.674	G-1819-11-5725/G2021-11-5912	14,789
{a} Children's Health Insurance Program	93.767	G-1819-11-5725/G2021-11-5912	468,754
<i>Medicaid Cluster:</i>			
{a} Medical Assistance Program	93.778	G-1819-11-5725/G2021-11-5912	1,673,516
{b} Medical Assistance Program	93.778	DMR01-100912	248,015
{c} Medical Assistance Program	93.778	N/A	20,000
Total Medicaid Cluster			<u>1,941,531</u>
{c} Opioid STR	93.788	N/A	172,445
{a} Maternal, Infant, and Early Childhood Home Visiting Grant Program Cluster	93.870	3920-DOH-12W3	132,000
{c} Block Grants for Community Mental Health Services	93.958	N/A	199,290
{c} Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	478,172
Total U.S. Department of Health and Human Services			<u>9,420,524</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
PASSED THROUGH OHIO EMERGENCY MANAGEMENT AGENCY			
Disaster Grants - Public Assistance	97.036	4360-DR-029-OJYFK-00	72,368
Emergency Performance Grant	97.042	EMC-2017-EP-0006-S01	1,657
Emergency Performance Grant	97.042	EMC-2018-EP-0008-S01	182,977
			<u>184,634</u>
Pre-Disaster Mitigation	97.047	EMC 2018 PC 0006	4,360
Total U.S. Department of Homeland Security			<u>261,362</u>
Total Federal Expenditures			<u>\$ 12,405,393</u>

Tickmarks:

- {a} Passed Through Ohio Department of Job and Family Services
- {b} Passed Through Ohio Department of Development Disabilities
- {c} Passed Through Ohio Department of Mental Health and Addiction Services

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Columbiana County (the County) under programs of the federal government for the year ended December 31, 2019. The information on this Schedule is prepared in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS with REVOLVING LOAN CASH BALANCE

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 2019 is as follows:

Beginning loans receivable balance as of January 1, 2019	\$303,450
Loans Disbursed	0
Loans Repaid	(27,202)
Write-offs and Adjustments	<u>(3,725)</u>
Ending loans receivable balance as of December 31, 2019	<u>\$272,523</u>
Cash balance on hand as of December 31, 2019	\$157,047
Administrative costs expended during 2019	\$180
Interest received	\$328

The table above reports the gross receivable. Of the loans receivable as of December 31, 2019, Columbiana County estimates \$270,688 to be uncollectible.

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

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Columbiana County, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 26, 2020, wherein we noted the County implemented GASB Statement Nos. 83, 84, 88 and 90 and the potential financial impact of COVID-19 on subsequent periods.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 26, 2020

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE****INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners
Columbiana County, Ohio:

Report on Compliance for each Major Federal Program

We have audited Columbiana County, Ohio's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 26, 2020

Columbiana County, Ohio
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued :	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	yes
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

Federal Awards

Internal Control over major program:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	none
Identification of major programs:	
<i>CFDA 93.658 – Foster Care Title IV-E</i>	
<i>CFDA 93.563 – Child Support Enforcement</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

2019-001 Financial Reporting

During the course of our audit, we identified misstatements in the financial statements that were not initially identified by the County's internal control over financial reporting. A deficiency in internal control exists when the design of operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. In this case, the internal controls over the preparation and review of the County's financial statements did not operate as designed. The County contracts with a third-party consultant to prepare its year-end financial statements. While the County may rely on the consultant to provide technical assistance and financial statement preparation, it is still the responsibility of the County to review the financials prepared by the consultant for errors and omissions.

An audit adjustment was necessary to record sewer receipts that were incorrectly posted to the water fund.

We recommend the County enhance its internal controls over financial reporting with steps such as management's review of conversion documentation for completeness and accuracy and improved communication with hired consultants to ensure the preparation of complete, accurate and reliable financial statements in conformity with generally accepted accounting principles.

***Views of Responsible Officials:** During the year, the County Auditor's Office correctly posted the sewer receipts to the fund in which they belonged. However, this fund was incorrectly grouped in the Water Fund for year-end financial reporting by the third-party consultant.*

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Schedule of Prior Audit Findings

None

Nancy Gause Milliken

COLUMBIANA COUNTY AUDITOR

105 S. Market Street Lisbon, OH 44432 * Phone 330-424-9515 * Fax 330-424-9745
Email: auditor@columbianacntyauditor.org Website: <http://oh-columbiana-auditor.publicaccessnow.com>



#

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) December 31, 2019

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2019-001	The County will implement procedures to ensure receipts are deposited into the correct fund.	12/31/2020	Nancy Milliken, County Auditor

OHIO AUDITOR OF STATE KEITH FABER



COLUMBIANA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/4/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov