



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

# **COLUMBIANA COUNTY, OHIO**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021



OHIO AUDITOR OF STATE  
KEITH FABER



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County Commissioners  
Columbiana County  
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We have reviewed the *Independent Auditor's Report* of Columbiana County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 22, 2022**

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## INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners  
Columbiana County, Ohio:

### Report on the Audit of the Financial Statements

#### Opinions

We have audited 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the County, as of December 31, 2021, 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, Board of Developmental Disabilities Fund, and the Local Fiscal Recovery Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to 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.



## **Supplementary 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. Such information 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. The 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, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022 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 27, 2022

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**COLUMBIANA COUNTY, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2021**  
*Unaudited*

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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, 2021. 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 basic financial statements to enhance their understanding of the County's financial performance.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

- The total net position of the County increased by \$30,818,455. Net position of governmental activities increased by \$30,470,614, which represents a 40% increase from 2020. Net position of business-type activities increased by \$347,841.
- General revenues accounted for 45%, or \$38,328,099, of total governmental activities revenue. Program specific revenues accounted for 55%, or \$45,922,048, of total governmental activities revenue.
- The County had \$56,231,896 in total expenses, a decrease of \$19,702,674 from 2020. Program revenue of \$48,467,689 reduced the net cost of the County's functions to be financed from property and sales taxes and other general revenue to \$7,764,207.
- The County's unassigned fund balance in the General Fund was \$14,594,881 at year end, or 66% of General Fund expenditures.

**Using this Annual Financial Report**

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 financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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 fund.

## **Reporting the County as a Whole**

### *Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all financial transactions and asks the question, “How did the County perform financially during 2021?” The statement of net position and the statement of activities answer this question. 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. This 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, required educational programs and other factors.

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

- **Governmental Activities** – Most of the County’s programs and services are reported here, including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

## **Reporting the County’s Most Significant Funds**

### *Fund Financial Statements*

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

Fund financial reports provide detailed information about the County’s major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County’s most significant funds. The County’s major funds are the General, Jobs and Family Services, Motor Vehicle and Gas Tax, Mental Health, Board of Developmental Disabilities, Local Fiscal Recovery and Sewer funds.

## Governmental Funds

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

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

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

## Proprietary Funds

The County maintains one type of proprietary fund. 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 sewer, water and sheriff dispatch communication operations.

## 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.

## *Notes to the Basic Financial Statements*

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

## *Required Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's net pension liabilities and net other postemployment benefit (OPEB) assets.

## 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 for 2021 compared to 2020.

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 140,505,721	\$ 119,177,847	\$ 2,496,617	\$ 2,274,541	\$ 143,002,338	\$ 121,452,388
Net OPEB assets	2,609,067	73,525	73,318	-	2,682,385	73,525
Capital assets	45,391,198	45,518,309	8,427,789	8,795,610	53,818,987	54,313,919
<b>Total Assets</b>	<b>188,505,986</b>	<b>164,769,681</b>	<b>10,997,724</b>	<b>11,070,151</b>	<b>199,503,710</b>	<b>175,839,832</b>
<b>Deferred Outflows of Resources</b>	<b>5,908,565</b>	<b>7,613,287</b>	<b>161,784</b>	<b>265,247</b>	<b>6,070,349</b>	<b>7,878,534</b>
<b>Liabilities</b>						
Long-term liabilities:						
Net pension liabilities	22,195,202	29,248,777	617,857	833,927	22,813,059	30,082,704
Net OPEB liabilities	-	19,147,161	-	565,486	-	19,712,647
Other long-term amounts	16,092,373	18,240,637	7,394,838	7,347,142	23,487,211	25,587,779
Other liabilities	13,403,884	4,374,786	280,333	218,846	13,684,217	4,593,632
<b>Total Liabilities</b>	<b>51,691,459</b>	<b>71,011,361</b>	<b>8,293,028</b>	<b>8,965,401</b>	<b>59,984,487</b>	<b>79,976,762</b>
<b>Deferred Inflows of Resources</b>	<b>36,845,891</b>	<b>25,965,020</b>	<b>509,577</b>	<b>360,935</b>	<b>37,355,468</b>	<b>26,325,955</b>
<b>Net Position</b>						
Net investment in capital assets	32,370,206	31,499,923	1,147,568	1,556,820	33,517,774	33,056,743
Restricted	40,739,689	33,409,778	-	-	40,739,689	33,409,778
Unrestricted	32,767,306	10,496,886	1,209,335	452,242	33,976,641	10,949,128
<b>Total Net Position</b>	<b>\$ 105,877,201</b>	<b>\$ 75,406,587</b>	<b>\$ 2,356,903</b>	<b>\$ 2,009,062</b>	<b>\$ 108,234,104</b>	<b>\$ 77,415,649</b>

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2021 and 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 OPEB assets are 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, and the net pension liabilities to the reported net position and subtracting the net OPEB assets and deferred outflows related to pension and OPEB.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 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* or *net OPEB liability*. GASB Statement No. 68 and GASB Statement No. 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 Statement No. 68 and GASB Statement No. 75 require the net pension liability and the net OPEB 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. 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 is satisfied, it is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statement No. 68 and GASB Statement No. 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 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, 2021, the County's assets and deferred outflows exceeded liabilities and deferred inflows by \$108,234,104. This amounts to \$105,877,201 in governmental activities and \$2,356,903 in business-type activities.

Capital assets reported on the government-wide statements represent a significant portion of the County's net position. At year-end, capital assets represented of total governmental and business-type assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, infrastructure and software. The net investment in capital assets at December 31, 2021 was \$33,517,774. 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.

As of December 31, 2021, the County reported positive balances in all of its categories of net position for governmental activities and business-type activities.

Total assets increased by \$23.7 million during 2021. The majority of this increase occurred in current and other assets, as the County experienced growth in its cash balances due to positive cash basis operating results and spending \$1.6 million of the \$9.9 million the County received in Federal American Rescue Plan Act (ARPA) funds to support public health costs, replace lost revenue, support essential workers and invest in water, sewer and broadband infrastructure. The remaining unspent amount of \$8.3 million was recorded as unearned revenue at year-end. Additionally, the County's net OPEB assets increased \$2.6 million; more on this in the next paragraph.

Total liabilities decreased \$20.0 million during 2021. The majority of this decrease occurred with net pension and OPEB liabilities. The decrease in these liabilities were primarily attributable to the increase in the investment portfolios managed by the Ohio Public Employees Retirement System (OPERS) and State Teachers Retirement System (STRS), which experienced double-digit investment returns during the measurement period, to provide more resources for future pension and OPEB benefits. The increase in the OPEB plan was more than sufficient to eliminate the net OPEB liability for OPERS and create a net OPEB asset.

A portion of the County's net position, \$40,739,689, represents resources that are subject to external restrictions on how they may be used.



The table below shows the changes in net position for years 2021 and 2020.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 11,085,692	\$ 9,018,220	\$ 2,445,990	\$ 2,201,511	\$ 13,531,682	\$ 11,219,731
Operating grants and contributions	32,498,386	35,200,575	-	-	32,498,386	35,200,575
Capital grants and contributions	2,337,970	1,240,471	99,651	-	2,437,621	1,240,471
<b>Total program revenues</b>	<b>45,922,048</b>	<b>45,459,266</b>	<b>2,545,641</b>	<b>2,201,511</b>	<b>48,467,689</b>	<b>47,660,777</b>
General revenues:						
Property and other taxes	13,857,596	14,002,178	-	-	13,857,596	14,002,178
Sales taxes	20,587,959	18,092,693	-	-	20,587,959	18,092,693
Grants and entitlements not restricted to specific programs	3,955,290	3,952,147	-	-	3,955,290	3,952,147
Oil and gas lease	51,688	1,904	-	-	51,688	1,904
Investment earnings	(338,526)	1,571,187	435	3,694	(338,091)	1,574,881
Miscellaneous	214,092	463,380	254,128	217,534	468,220	680,914
<b>Total general revenues</b>	<b>38,328,099</b>	<b>38,083,489</b>	<b>254,563</b>	<b>221,228</b>	<b>38,582,662</b>	<b>38,304,717</b>
<b>Total revenues</b>	<b>84,250,147</b>	<b>83,542,755</b>	<b>2,800,204</b>	<b>2,422,739</b>	<b>87,050,351</b>	<b>85,965,494</b>
<b>Expenses</b>						
General government	8,748,978	15,895,941	-	-	8,748,978	15,895,941
Public safety	9,582,038	10,736,866	-	-	9,582,038	10,736,866
Public works	7,191,301	11,334,967	-	-	7,191,301	11,334,967
Health	5,373,215	6,319,693	-	-	5,373,215	6,319,693
Human services	21,718,407	27,449,241	-	-	21,718,407	27,449,241
Community and economic development	697,685	502,556	-	-	697,685	502,556
Interest and fiscal charges	467,909	582,097	-	-	467,909	582,097
Sewer	-	-	2,128,976	2,672,804	2,128,976	2,672,804
Other enterprise	-	-	323,387	440,405	323,387	440,405
<b>Total expenses</b>	<b>53,779,533</b>	<b>72,821,361</b>	<b>2,452,363</b>	<b>3,113,209</b>	<b>56,231,896</b>	<b>75,934,570</b>
<b>Change in net position</b>	<b>30,470,614</b>	<b>10,721,394</b>	<b>347,841</b>	<b>(690,470)</b>	<b>30,818,455</b>	<b>10,030,924</b>
<b>Net position, beginning of year</b>	<b>75,406,587</b>	<b>64,685,193</b>	<b>2,009,062</b>	<b>2,699,532</b>	<b>77,415,649</b>	<b>67,384,725</b>
<b>Net position, end of year</b>	<b>\$ 105,877,201</b>	<b>\$ 75,406,587</b>	<b>\$ 2,356,903</b>	<b>\$ 2,009,062</b>	<b>\$ 108,234,104</b>	<b>\$ 77,415,649</b>

### **Governmental Activities**

The recognition of the County's proportionate share of the state retirement systems' net pension and OPEB assets and liabilities and the annual changes can have a significant impact on the County's financial reports, despite being outside the control of County management. That is the case this year, as pension expenses decreased \$4,290,690 and OPEB expenses decreased \$17,897,051, which resulted in recognizing \$840,769 in *negative* pension expenses and \$16,299,858 in *negative* OPEB expenses. The impact of these changes is allocated across all of the County's operations and is the primary reason for the decrease in several of the expense functions and enterprise operations.

Human services expenses, which supports the operations of jobs and family services, board of developmental disabilities, and the children services board accounted for \$21,718,407, or 40%, of total governmental activities expenses of the County during 2021. These expenses were funded by \$807,787 in charges to users of services and \$19,436,302 in operating grants and contributions.

General government represents activities related to the governing body as well as activities that directly support County programs. In 2021, general government expenses totaled \$8,748,978 or 16% of total governmental expenses. General government programs were supported \$7,798,012 in direct charges to users and \$1,811,409 in operating grants and contributions.

The County program public works, accounted for \$7,191,301 or 13% of total governmental expenses. Public works programs include the maintenance and construction of County roads and bridges. Public works programs are primarily supported by revenues from motor vehicle licenses and gasoline taxes. These activities were supported by \$409,057 in direct charges to users, \$7,679,547 in operating grants and contributions and \$2,337,970 in State Issue II and other capital grants and contributions.

Operating grants are a large part of program revenues. The state and federal government contributed revenues of \$32,498,386 in operating grants and contributions and \$2,337,970 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating and capital grants and contributions, \$19,436,302 subsidized human services programs and \$10,017,517 subsidized public works programs. Operating grants and contributions decreased by \$2,702,189 primarily due to receiving Federal Coronavirus Aid Relief and Economic Security (CARES) Act in 2020. The County received Federal ARPA funding of \$9,894,789 during 2021 but spent \$1,641,889 and recognized \$8,257,125 as unearned revenue.

Another type of program revenue, direct charges to users of governmental activities, made up \$11,085,692 of total governmental revenues. These charges for services and sales include fees for real estate transfers, licenses and permits, and fines and forfeitures related to judicial activities. In 2021, the increase in these revenues was primarily attributable to increases in activity in several departments with the pandemic-related restrictions in place in early 2020 being eased towards the end of 2020.

General revenues amounted to \$38,328,099, or 45%, of total revenues. These revenues primarily consist of property and sales tax revenue of \$34,445,555, or 90% total general revenues in 2021. Sales taxes also benefited from the lifting of pandemic-related restrictions and increased by \$2,495,266. The other primary source of general revenues is grants and entitlements not restricted to specific programs (which includes local government assistance from the State of Ohio) making up of \$3,955,290, or 10% total general revenues.

Table 3 for governmental activities indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, grants and contributions offsetting those services. The net cost of services identifies the cost of those services supported by general revenues.

**Table 3  
Governmental Activities Cost of Services**

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
General government	\$ 8,748,978	\$ (860,443)	\$ 15,895,941	\$ 7,178,353
Public safety	9,582,038	7,567,249	10,736,866	6,290,209
Public works	7,191,301	(3,235,273)	11,334,967	543,057
Health	5,373,215	2,750,142	6,319,693	2,241,268
Human services	21,718,407	1,474,318	27,449,241	10,989,315
Community and economic development	697,685	188,373	502,556	31,798
Interest and fiscal charges	467,909	(26,881)	582,097	88,095
	<u>\$ 53,779,533</u>	<u>\$ 7,857,485</u>	<u>\$ 72,821,361</u>	<u>\$ 27,362,095</u>

Governmental activities expenses experienced a decrease of \$19,041,828 during 2021, or 26%, primarily due to the recognition of negative pension and OPEB expenses, as previously discussed.

#### **Business-Type Activities**

Business-type activities include the sewer fund and other enterprise funds. For the year ended December 31, 2021, these operations had revenues of \$2,800,204 and expenses of \$2,452,363. Total revenue was up 16% from 2020, while expenses were down 21%. The increase in revenue was due to increased usage, while the decrease in expenses was due to the recognition of negative pension and OPEB expenses, as previously discussed.

#### **Financial Analysis of the County'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. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at year-end.

The County's governmental funds reported a combined fund balance of \$91,500,482, which was \$7,804,047 above last year's fund balance of \$83,696,435. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2021 and 2020, for all major and nonmajor governmental funds.

	<u>Fund Balance</u> <u>December 31, 2021</u>	<u>Fund Balance</u> <u>December 31, 2020</u>	<u>Change in</u> <u>Fund Balance</u>
Major Funds:			
General	\$ 25,461,750	\$ 24,822,560	\$ 639,190
Jobs and Family Services	1,807,475	1,538,248	269,227
Motor Vehicle and Gas Tax	8,814,744	7,384,302	1,430,442
Mental Health	7,547,106	7,928,567	(381,461)
Board of Developmental Disabilities	14,458,181	14,256,787	201,394
Nonmajor Governmental Funds	<u>33,411,226</u>	<u>27,765,971</u>	<u>5,645,255</u>
Total	<u>\$ 91,500,482</u>	<u>\$ 83,696,435</u>	<u>\$ 7,804,047</u>

### ***General Fund***

The General Fund, the County's primary operating fund, experienced an increase in fund balance during 2021 of \$639,190, comparable with prior year's increase of \$260,778. Revenues were up 7% from the prior year, while expenditures were up 13% from the prior year, as operations began to return to normal following the easing of pandemic-related restrictions in place during 2020. This included increases in sales tax revenue and charges for County services, as well as increases in departmental costs for increased usage and housing of prisoners.

### ***Jobs and Family Services Fund***

The Jobs and Family Service Fund, a County major fund, had revenue of \$8,069,286 and expenditures of \$7,982,976 in 2021. The fund experienced an increase in fund balance of \$269,227 during the year, \$692,233 higher than the prior year, due to increased usage of the County's various human services programs.

### ***Motor Vehicle and Gas Tax Fund***

The Motor Vehicle and Gas Tax Fund, a County major fund, had revenue of \$9,047,980 and expenditures of \$7,617,538 in 2021. The fund experienced an increase in fund balance of \$1,430,442 during the year, compared to a \$1,102,048 increase in fund balance in 2020, due to less spent on road salt and working on fewer bridge upgrades. The availability of bridge materials was constrained and the cost for bridge material went up significantly, limiting the amount of work that could've been done with the force account limits in place.

### ***Mental Health Fund***

The Mental Health Fund, a County major fund, had revenue of \$5,051,932 and expenditures of \$5,433,393 in 2021. The fund experienced a decrease of \$381,461, compared to an increase of \$458,403 in 2020, due to timing of several new grants from the Ohio Mental Health and Addiction Services, incurring expenditures on a reimbursement basis.

### ***Board of Developmental Disabilities Fund***

The Board of Developmental Disabilities Fund, a County major fund, had revenue of \$13,628,501 and expenditures of \$13,427,107 in 2021. The fund experienced an increase in fund balance of \$201,394, a decrease of \$1,971,959 from prior year's increase of \$2,173,353, due to incurring additional costs for COVID-related sanitation and increased costs to accommodate more employees working from home and students learning remotely.

### ***Local Fiscal Recovery Fund***

This was a new fund in 2021 to account for Federal ARPA funds. The County received \$9,894,789 during 2021 and spent \$1,641,889 by the end of the year, recognized unearned revenue for the difference of \$8,257,125. These funds can be used to support public health costs, replace lost revenue, support essential workers and invest in water, sewer and broadband infrastructure.

### ***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.

There were a few amendments made to the budget throughout the year. Original budgeted revenues were \$19,065,067 and were increased to \$24,676,898 in the final budget. The main factor of this was an increase in sales taxes. Original appropriations were \$18,721,083 and were increased to \$21,841,743 in the final appropriations. Actual expenditures of \$21,268,572 were less than final budgeted appropriations by \$573,171, due to conservative budgeting.

### ***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 2021, the County had \$53,818,987 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, infrastructure and software. Of this total, \$45,391,198 was reported in governmental activities and \$8,427,789 was reported in business-type activities. See Note 9 to the basic financial statements for detail. The following table shows fiscal 2021 balances compared to 2020:

**Table 5**  
**Capital Assets at Year-End**  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,381,026	\$ 1,381,026	\$ 67,613	\$ 62,433	\$ 1,448,639	\$ 1,443,459
Construction in progress	1,345,465	2,469,884	-	-	1,345,465	2,469,884
Land improvements	293,871	354,945	782	1,303	294,653	356,248
Buildings and improvements	15,304,333	15,652,865	810,884	862,519	16,115,217	16,515,384
Furniture and equipment	2,415,651	2,573,241	166,522	199,448	2,582,173	2,772,689
Vehicles	972,371	1,370,255	87,953	123,134	1,060,324	1,493,389
Infrastructure	23,590,270	21,600,826	7,294,035	7,546,773	30,884,305	29,147,599
Software	88,211	115,267	-	-	88,211	115,267
Totals	<u>\$ 45,391,198</u>	<u>\$ 45,518,309</u>	<u>\$ 8,427,789</u>	<u>\$ 8,795,610</u>	<u>\$ 53,818,987</u>	<u>\$ 54,313,919</u>

### Debt Administration

At December 31, 2021, the County had \$20,283,971 in outstanding debt, a decrease of \$1,098,579 from 2020. The County had the following long-term debt outstanding at December 31, 2021 and 2020:

**Table 6**  
**Outstanding Debt**

	2021	2020
<b>Governmental Activities:</b>		
General obligation bonds	\$ 12,914,871	\$ 14,038,037
Recorder loan	62,500	70,000
Capital lease obligations	26,379	35,723
	<u>13,003,750</u>	<u>14,143,760</u>
<b>Business-Type Activities:</b>		
Revenue bonds	463,202	5,783,986
OPWC loans	936,852	988,845
OWDA loans	5,880,167	465,959
	<u>7,280,221</u>	<u>7,238,790</u>
<b>Totals</b>	<u>\$ 20,283,971</u>	<u>\$ 21,382,550</u>

During 2021, the County refinanced several of its revenue bonds with Ohio Water Development Authority (OWDA) loans at lower interest rates. See Note 15 to the basic financial statements for additional disclosures and detail regarding the County's debt activity.

### **Economic Factors and Next Year's Budgets and Rates**

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 \$2 million 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 South Market Street, Lisbon, Ohio 44432.

**COLUMBIANA COUNTY, OHIO**  
Statement of Net Position  
December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Columbiana County Land Reutilization Corporation
<b>Assets</b>				
Equity in pooled cash and investments	\$ 97,623,987	\$ 2,090,977	\$ 99,714,964	\$ 348,863
Cash and cash equivalents with fiscal agent	858,085	-	858,085	-
Cash and cash equivalents in segregated accounts	343,299	-	343,299	-
Receivables (net of allowances):				
Sales taxes	5,212,988	-	5,212,988	-
Property and other taxes	21,806,778	-	21,806,778	-
Accounts	222,365	212,036	434,401	-
Special assessments	-	270,253	270,253	-
Accrued interest	123,770	-	123,770	-
Due from other governments	12,888,985	-	12,888,985	86,909
Materials and supplies inventory	878,191	7,200	885,391	-
Prepaid items	459,080	4,344	463,424	-
Internal balances	88,193	(88,193)	-	-
Assets held for resale	-	-	-	687,200
Net OPEB assets	2,609,067	73,318	2,682,385	-
Nondepreciable capital assets	2,726,491	67,613	2,794,104	-
Depreciable capital assets, net	42,664,707	8,360,176	51,024,883	-
Total assets	<u>188,505,986</u>	<u>10,997,724</u>	<u>199,503,710</u>	<u>1,122,972</u>
<b>Deferred Outflows of Resources</b>				
Deferred charges on refunding	51,655	-	51,655	-
Pensions	4,177,602	113,195	4,290,797	-
OPEB	1,679,308	48,589	1,727,897	-
Total deferred outflows of resources	<u>5,908,565</u>	<u>161,784</u>	<u>6,070,349</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	1,456,868	193,848	1,650,716	7,045
Accrued wages and benefits payable	900,320	24,089	924,409	-
Retainage payable	68,897	-	68,897	-
Due to other governments	856,480	21,301	877,781	-
Unearned revenue	8,257,125	-	8,257,125	-
Payroll withholdings payable	1,296,653	-	1,296,653	-
Accrued interest payable	24,932	41,095	66,027	-
Matured compensated absences	174,959	-	174,959	-
Claims payable	367,650	-	367,650	-
Long-term liabilities:				
Due within one year	2,761,444	230,503	2,991,947	-
Due in more than one year:				
Net pension liability	22,195,202	617,857	22,813,059	-
Other amounts due more than one year	13,330,929	7,164,335	20,495,264	-
Total liabilities	<u>51,691,459</u>	<u>8,293,028</u>	<u>59,984,487</u>	<u>7,045</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for next year	18,543,943	-	18,543,943	-
Pensions	10,336,005	280,868	10,616,873	-
OPEB	7,965,943	228,709	8,194,652	-
Total deferred inflows of resources	<u>36,845,891</u>	<u>509,577</u>	<u>37,355,468</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	32,370,206	1,147,568	33,517,774	-
Restricted for:				
Debt service	4,522,671	-	4,522,671	-
Capital projects	1,246,832	-	1,246,832	-
Legislative and executive activities	1,567,844	-	1,567,844	-
Public safety activities	152,363	-	152,363	-
Public works activities	6,877,881	-	6,877,881	-
Health activities	8,114,884	-	8,114,884	-
Human service activities	18,051,842	-	18,051,842	-
Community and economic development activities	205,372	-	205,372	-
Unrestricted	<u>32,767,306</u>	<u>1,209,335</u>	<u>33,976,641</u>	<u>1,115,927</u>
Total net position	<u>\$ 105,877,201</u>	<u>\$ 2,356,903</u>	<u>\$ 108,234,104</u>	<u>\$ 1,115,927</u>

See accompanying notes to the basic financial statements.



**COLUMBIANA COUNTY, OHIO**  
Statement of Activities  
Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	Columbiana County Land Reutilization Corporation
<b>Primary Government:</b>								
<b>Governmental activities:</b>								
<b>General government:</b>								
Legislative and executive	\$ 5,363,598	\$ 4,761,931	\$ 1,653,124	\$ -	\$ 1,051,457	\$ -	\$ 1,051,457	\$ -
Judicial	3,385,380	3,036,081	158,285	-	(191,014)	-	(191,014)	-
Public safety	9,582,038	1,238,532	776,257	-	(7,567,249)	-	(7,567,249)	-
Public works	7,191,301	409,057	7,679,547	2,337,970	3,235,273	-	3,235,273	-
Health	5,373,215	319,390	2,303,683	-	(2,750,142)	-	(2,750,142)	-
Human services	21,718,407	807,787	19,436,302	-	(1,474,318)	-	(1,474,318)	-
Community and economic development	697,685	18,124	491,188	-	(188,373)	-	(188,373)	-
Interest and fiscal charges	467,909	494,790	-	-	26,881	-	26,881	-
Total governmental activities	<u>53,779,533</u>	<u>11,085,692</u>	<u>32,498,386</u>	<u>2,337,970</u>	<u>(7,857,485)</u>	<u>-</u>	<u>(7,857,485)</u>	<u>-</u>
<b>Business-type activities:</b>								
Sewer	2,128,976	2,009,362	-	99,651	-	(19,963)	(19,963)	-
Other enterprise	323,387	436,628	-	-	-	113,241	113,241	-
Total business-type activities	<u>2,452,363</u>	<u>2,445,990</u>	<u>-</u>	<u>99,651</u>	<u>-</u>	<u>93,278</u>	<u>93,278</u>	<u>-</u>
<b>Total</b>	<b>\$ 56,231,896</b>	<b>\$ 13,531,682</b>	<b>\$ 32,498,386</b>	<b>\$ 2,437,621</b>	<b>(7,857,485)</b>	<b>93,278</b>	<b>(7,764,207)</b>	<b>-</b>
<b>Component Unit:</b>								
Columbiana County Land Reutilization Corporation	<u>\$ 431,752</u>	<u>\$ -</u>	<u>\$ 101,108</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(330,644)</u>
<b>General revenues:</b>								
<b>Property taxes levied for:</b>								
Mental health					2,569,355	-	2,569,355	-
Human services					9,895,958	-	9,895,958	-
Senior services					998,181	-	998,181	-
Debt service					394,102	-	394,102	-
Sales taxes					20,587,959	-	20,587,959	-
Grants and contributions not restricted to specific programs					3,955,290	-	3,955,290	228,014
Contributions and donations not restricted to specific programs					-	-	-	58,700
Oil and gas lease revenues					51,688	-	51,688	-
Investment earnings					(338,526)	435	(338,091)	7,417
Miscellaneous					214,092	254,128	468,220	13,993
Total general revenues					<u>38,328,099</u>	<u>254,563</u>	<u>38,582,662</u>	<u>308,124</u>
Change in net position					30,470,614	347,841	30,818,455	(22,520)
Net position beginning of year					75,406,587	2,009,062	77,415,649	1,138,447
Net position end of year					<u>\$ 105,877,201</u>	<u>\$ 2,356,903</u>	<u>\$ 108,234,104</u>	<u>\$ 1,115,927</u>

See accompanying notes to the basic financial statements.

COLUMBIANA COUNTY, OHIO  
Balance Sheet  
Governmental Funds  
December 31, 2021

	General	Jobs and Family Services	Motor Vehicle and Gas Tax	Mental Health	Board of Developmental Disabilities	Local Fiscal Recovery
<b>Assets</b>						
Equity in pooled cash and investments	\$ 23,043,557	\$ 984,948	\$ 7,336,649	\$ 8,030,941	\$ 13,872,320	\$8,350,675
Cash and cash equivalents with fiscal agent	-	-	-	-	858,085	-
Cash and cash equivalents in segregated accounts	22,520	2,102	-	-	-	-
Receivables (net of allowances):						
Sales taxes	5,212,988	-	-	-	-	-
Property and other local taxes	-	-	-	3,969,870	13,952,674	-
Accounts	60,936	22,671	15,482	-	-	-
Due from other governments	1,493,576	5,847,646	3,654,531	149,675	578,516	-
Accrued interest	123,770	-	-	-	-	-
Due from other funds	25,508	207,046	-	-	-	-
Materials and supplies inventory	121,170	61,524	655,024	1,276	5,285	-
Prepaid items	368,919	12,480	6,410	9,588	32,042	-
Total assets	<u>\$ 30,472,944</u>	<u>\$ 7,138,417</u>	<u>\$11,668,096</u>	<u>\$12,161,350</u>	<u>\$ 29,298,922</u>	<u>\$8,350,675</u>
<b>Liabilities</b>						
Accounts payable	\$ 114,525	\$ 96,200	\$ 139,365	\$ 466,535	\$ 89,945	\$ 54,401
Accrued wages and benefits payable	374,158	158,757	110,631	14,286	115,073	-
Retainage payable	-	-	-	-	-	-
Matured compensated absences	14,136	-	25,588	-	80,533	-
Due to other governments	361,864	98,947	58,660	26,533	182,915	39,149
Unearned revenue	-	-	-	-	-	8,257,125
Due to other funds	9,336	14,362	-	1,127	-	-
Payroll withholdings payable	1,296,653	-	-	-	-	-
Total liabilities	<u>2,170,672</u>	<u>368,266</u>	<u>334,244</u>	<u>508,481</u>	<u>468,466</u>	<u>8,350,675</u>
<b>Deferred Inflows of Resources</b>						
Property taxes levied for next year	-	-	-	3,401,351	11,787,944	-
Unavailable revenue	2,840,522	4,962,676	2,519,108	704,412	2,584,331	-
Total deferred inflows of resources	<u>2,840,522</u>	<u>4,962,676</u>	<u>2,519,108</u>	<u>4,105,763</u>	<u>14,372,275</u>	<u>-</u>
<b>Fund balances</b>						
Nonspendable	798,068	74,004	661,434	10,864	37,327	-
Restricted	-	1,733,471	8,153,310	7,536,242	14,420,854	-
Committed	9,390,222	-	-	-	-	-
Assigned	678,579	-	-	-	-	-
Unassigned	14,594,881	-	-	-	-	-
Total fund balances	<u>25,461,750</u>	<u>1,807,475</u>	<u>8,814,744</u>	<u>7,547,106</u>	<u>14,458,181</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,472,944</u>	<u>\$ 7,138,417</u>	<u>\$11,668,096</u>	<u>\$12,161,350</u>	<u>\$ 29,298,922</u>	<u>\$8,350,675</u>

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**  
Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2021

Nonmajor Governmental Funds	Total Governmental Funds																																																																																																
<table border="0" style="width: 100%;"> <tr><td>\$ 33,406,794</td><td>\$ 95,025,884</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">858,085</td></tr> <tr><td style="text-align: right;">318,677</td><td style="text-align: right;">343,299</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">5,212,988</td></tr> <tr><td style="text-align: right;">3,884,234</td><td style="text-align: right;">21,806,778</td></tr> <tr><td style="text-align: right;">120,545</td><td style="text-align: right;">219,634</td></tr> <tr><td style="text-align: right;">1,165,041</td><td style="text-align: right;">12,888,985</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">123,770</td></tr> <tr><td style="text-align: right;">8,063</td><td style="text-align: right;">240,617</td></tr> <tr><td style="text-align: right;">33,912</td><td style="text-align: right;">878,191</td></tr> <tr><td style="text-align: right;">29,641</td><td style="text-align: right;">459,080</td></tr> <tr><td style="border-top: 1px solid black;">\$ 38,966,907</td><td style="border-top: 1px solid black;">\$ 138,057,311</td></tr> </table>	\$ 33,406,794	\$ 95,025,884	-	858,085	318,677	343,299	-	5,212,988	3,884,234	21,806,778	120,545	219,634	1,165,041	12,888,985	-	123,770	8,063	240,617	33,912	878,191	29,641	459,080	\$ 38,966,907	\$ 138,057,311	<table border="0" style="width: 100%;"> <tr><td>\$ 495,897</td><td>\$ 1,456,868</td></tr> <tr><td style="text-align: right;">127,415</td><td style="text-align: right;">900,320</td></tr> <tr><td style="text-align: right;">68,897</td><td style="text-align: right;">68,897</td></tr> <tr><td style="text-align: right;">54,702</td><td style="text-align: right;">174,959</td></tr> <tr><td style="text-align: right;">88,412</td><td style="text-align: right;">856,480</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">8,257,125</td></tr> <tr><td style="text-align: right;">225,128</td><td style="text-align: right;">249,953</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">1,296,653</td></tr> <tr><td style="border-top: 1px solid black;">1,060,451</td><td style="border-top: 1px solid black;">13,261,255</td></tr> <tr><td style="text-align: right;">3,354,648</td><td style="text-align: right;">18,543,943</td></tr> <tr><td style="text-align: right;">1,140,582</td><td style="text-align: right;">14,751,631</td></tr> <tr><td style="border-top: 1px solid black;">4,495,230</td><td style="border-top: 1px solid black;">33,295,574</td></tr> <tr><td style="text-align: right;">63,553</td><td style="text-align: right;">1,645,250</td></tr> <tr><td style="text-align: right;">21,297,761</td><td style="text-align: right;">53,141,638</td></tr> <tr><td style="text-align: right;">12,050,648</td><td style="text-align: right;">21,440,870</td></tr> <tr><td style="text-align: right;">-</td><td style="text-align: right;">678,579</td></tr> <tr><td style="text-align: right;">(736)</td><td style="text-align: right;">14,594,145</td></tr> <tr><td style="border-top: 1px solid black;">33,411,226</td><td style="border-top: 1px solid black;">91,500,482</td></tr> <tr><td style="border-top: 1px solid black;">\$ 38,966,907</td><td style="border-top: 1px solid black;">\$ 138,057,311</td></tr> </table>	\$ 495,897	\$ 1,456,868	127,415	900,320	68,897	68,897	54,702	174,959	88,412	856,480	-	8,257,125	225,128	249,953	-	1,296,653	1,060,451	13,261,255	3,354,648	18,543,943	1,140,582	14,751,631	4,495,230	33,295,574	63,553	1,645,250	21,297,761	53,141,638	12,050,648	21,440,870	-	678,579	(736)	14,594,145	33,411,226	91,500,482	\$ 38,966,907	\$ 138,057,311	<p><b>Total governmental fund balances</b> <span style="float: right;">\$ 91,500,482</span></p> <p><i>Amounts reported for governmental activities in the statement of net position are different because:</i></p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. <span style="float: right;">45,391,198</span></p> <p>Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds. <span style="float: right;">14,751,631</span></p> <p>Unamortized deferred amounts on refunding are not recognized in the governmental funds. <span style="float: right;">51,655</span></p> <p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:</p> <table border="0" style="width: 100%; margin-left: 20px;"> <tr><td>General obligation bonds payable</td><td style="text-align: right;">(12,914,871)</td><td></td></tr> <tr><td>Loans payable</td><td style="text-align: right;">(62,500)</td><td></td></tr> <tr><td>Capital leases payable</td><td style="text-align: right;">(26,379)</td><td></td></tr> <tr><td>Compensated absences payable</td><td style="text-align: right;">(3,088,623)</td><td></td></tr> <tr><td>Accrued interest on long-term debt</td><td style="text-align: right;">(24,932)</td><td style="text-align: right;">(16,117,305)</td></tr> </table> <p>The net pension and OPEB liabilities are not due and payable in the current period; net OPEB assets are not current financial resources; therefore, the assets, liabilities, and related deferred outflows and inflows are not reported in the governmental funds:</p> <table border="0" style="width: 100%; margin-left: 20px;"> <tr><td>Deferred outflows - pensions</td><td style="text-align: right;">4,177,602</td><td></td></tr> <tr><td>Deferred inflows - pensions</td><td style="text-align: right;">(10,336,005)</td><td></td></tr> <tr><td>Net pension liabilities</td><td style="text-align: right;">(22,195,202)</td><td></td></tr> <tr><td>Deferred outflows - OPEB</td><td style="text-align: right;">1,679,308</td><td></td></tr> <tr><td>Deferred inflows - OPEB</td><td style="text-align: right;">(7,965,943)</td><td></td></tr> <tr><td>Net OPEB assets</td><td style="text-align: right;">2,609,067</td><td style="text-align: right;">(32,031,173)</td></tr> </table> <p>An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position. <span style="float: right;">2,330,713</span></p> <p><b>Net position of governmental activities</b> <span style="float: right;">\$ <u>105,877,201</u></span></p>	General obligation bonds payable	(12,914,871)		Loans payable	(62,500)		Capital leases payable	(26,379)		Compensated absences payable	(3,088,623)		Accrued interest on long-term debt	(24,932)	(16,117,305)	Deferred outflows - pensions	4,177,602		Deferred inflows - pensions	(10,336,005)		Net pension liabilities	(22,195,202)		Deferred outflows - OPEB	1,679,308		Deferred inflows - OPEB	(7,965,943)		Net OPEB assets	2,609,067	(32,031,173)
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**COLUMBIANA COUNTY, OHIO**

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2021

	General	Jobs and Family Services	Motor Vehicle and Gas Tax	Mental Health	Board of Developmental Disabilities	Local Fiscal Recovery
<b>Revenues</b>						
Property and other local taxes	\$ -	\$ -	\$ -	\$ 2,454,103	\$ 8,227,886	\$ -
Sales taxes	20,381,680	-	-	-	-	-
Intergovernmental	3,415,038	7,980,459	8,416,140	2,559,777	5,310,863	1,637,664
Investment income	(356,471)	-	63,043	-	-	-
Licenses and permits	5,605	-	-	-	-	-
Fines and forfeitures	234,625	-	19,180	-	-	-
Rental income	1,000	-	9,100	-	-	-
Charges for services	3,343,892	20,578	73,183	-	78,477	-
Contributions and donations	14,709	-	-	1,403	11,275	-
Conveyance fees	1,685,568	-	-	-	-	-
Gas and oil lease	51,688	-	-	-	-	-
Other	331,019	68,249	467,334	36,649	-	4,225
Total revenues	<u>29,108,353</u>	<u>8,069,286</u>	<u>9,047,980</u>	<u>5,051,932</u>	<u>13,628,501</u>	<u>1,641,889</u>
<b>Expenditures</b>						
Current:						
General government:						
Legislative and executive	6,681,665	-	-	-	-	343,570
Judicial	5,708,279	-	-	-	-	9,900
Public safety	8,826,873	-	-	-	-	231,932
Public works	43,541	-	7,466,665	-	-	889,000
Health	54,620	-	-	5,433,393	-	50,350
Human services	714,692	7,982,976	-	-	13,427,107	-
Community and economic development	84,562	-	-	-	-	117,137
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal retirement	12,082	-	140,320	-	-	-
Interest and fiscal charges	357	-	10,553	-	-	-
Total expenditures	<u>22,126,671</u>	<u>7,982,976</u>	<u>7,617,538</u>	<u>5,433,393</u>	<u>13,427,107</u>	<u>1,641,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,981,682</u>	<u>86,310</u>	<u>1,430,442</u>	<u>(381,461)</u>	<u>201,394</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	182,917	-	-	-	-
Transfers out	(6,342,492)	-	-	-	-	-
Total other financing sources (uses)	<u>(6,342,492)</u>	<u>182,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	639,190	269,227	1,430,442	(381,461)	201,394	-
Fund balance, beginning of year	24,822,560	1,538,248	7,384,302	7,928,567	14,256,787	-
Fund balance, end of year	<u>\$ 25,461,750</u>	<u>\$ 1,807,475</u>	<u>\$ 8,814,744</u>	<u>\$ 7,547,106</u>	<u>\$ 14,458,181</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended December 31, 2021

Nonmajor Governmental Funds	Total Governmental Funds		
		<b>Net change in fund balances - total governmental funds</b>	<b>\$ 7,804,047</b>
		<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
\$ 2,466,249	\$ 13,148,238		
-	20,381,680		
8,508,491	37,828,432	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:	
4,543	(288,885)	Capital asset additions	3,371,991
-	5,605	Depreciation expense	(3,499,102)
310,838	564,643		
494,790	504,890		
4,082,248	7,598,378	Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,627,349
27,920	55,307		
-	1,685,568		
-	51,688	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
487,369	1,394,845	Compensated absences	839,242
16,382,448	82,930,389	Interest on long-term debt	31,977
		Amortization of deferred charges on refund	(13,894)
		Amortization of bond premium	3,846
1,891,623	8,916,858	Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position. In the current year, these amounts consisted of general obligation bonds, loans and capital leases.	1,136,164
898,438	6,616,617		
1,514,925	10,573,730	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
-	8,399,206	Pensions	3,016,730
352,095	5,890,458	OPEB	19,113
7,127,173	29,251,948	Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net OPEB assets and are reported as pension and OPEB expenses in the statement of activities.	
625,230	826,929	Pensions	693,350
2,024,594	2,024,594	OPEB	15,828,975
983,762	1,136,164	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. The net revenue (expense) of the internal service fund is allocated amount the governmental activities.	(389,174)
478,928	489,838		
15,896,768	74,126,342		
485,680	8,804,047		
5,178,136	5,361,053		
(18,561)	(6,361,053)		
5,159,575	(1,000,000)		
5,645,255	7,804,047		
27,765,971	83,696,435		
<u>\$ 33,411,226</u>	<u>\$ 91,500,482</u>	<b>Change in net position of governmental activities</b>	<u>\$ 30,470,614</u>

**COLUMBIANA COUNTY, OHIO**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 General Fund  
 Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Sales taxes	\$13,904,907	\$17,933,233	\$ 20,098,207	\$ 2,164,974
Intergovernmental	2,312,109	2,981,940	3,341,932	359,992
Investment income	1,405	90,393	443,983	353,590
Licenses and permits	3,878	5,001	5,605	604
Fines and forfeitures	162,775	209,931	235,275	25,344
Rental income	692	892	1,000	108
Charges for services	1,378,630	1,778,026	1,992,677	214,651
Conveyance fees	1,166,157	1,503,999	1,685,568	181,569
Gas and oil lease	33,692	43,452	48,698	5,246
Other	100,822	130,031	145,729	15,698
Total revenues	<u>19,065,067</u>	<u>24,676,898</u>	<u>27,998,674</u>	<u>3,321,776</u>
<b>Expenditures</b>				
Current:				
General government:				
Legislative and executive	5,965,656	6,719,798	6,098,152	621,646
Judicial	4,483,777	5,102,797	4,996,022	106,775
Public safety	7,383,080	9,129,229	9,323,703	(194,474)
Public works	47,000	47,000	45,439	1,561
Health	1,880	1,880	1,207	673
Human services	754,990	756,338	719,616	36,722
Economic development and assistance	84,700	84,701	84,433	268
Total expenditures	<u>18,721,083</u>	<u>21,841,743</u>	<u>21,268,572</u>	<u>573,171</u>
Excess revenues over expenditures	<u>343,984</u>	<u>2,835,155</u>	<u>6,730,102</u>	<u>3,894,947</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	383,534	383,534
Transfers out	(210,552)	(7,867,843)	(7,865,843)	2,000
Total other financing sources (uses)	<u>(210,552)</u>	<u>(7,867,843)</u>	<u>(7,482,309)</u>	<u>385,534</u>
Net change in fund balances	133,432	(5,032,688)	(752,207)	<u>\$ 4,280,481</u>
Fund balance, beginning of year	5,032,680	5,032,680	5,032,680	
Prior year encumbrances appropriated	417,258	417,258	417,258	
Fund balance, end of year	<u>\$ 5,583,370</u>	<u>\$ 417,250</u>	<u>\$ 4,697,731</u>	

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 Jobs and Family Services Fund  
 Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 6,925,579	\$ 7,642,871	\$ 8,013,318	\$ 370,447
Charges for services	15,437	17,035	17,861	826
Other	58,984	65,094	68,249	3,155
Total revenues	<u>7,000,000</u>	<u>7,725,000</u>	<u>8,099,428</u>	<u>374,428</u>
<b>Expenditures</b>				
Current:				
Human services	<u>7,000,000</u>	<u>8,495,923</u>	<u>8,068,320</u>	<u>427,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(770,923)</u>	<u>31,108</u>	<u>802,031</u>
<b>Other Financing Sources</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>182,917</u>	<u>182,917</u>
Net change in fund balances	-	(770,923)	214,025	<u>\$ 984,948</u>
Fund balance, beginning of year	<u>770,923</u>	<u>770,923</u>	<u>770,923</u>	
Fund balance, end of year	<u>\$ 770,923</u>	<u>\$ -</u>	<u>\$ 984,948</u>	

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 Motor Vehicle and Gas Tax Fund  
 Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 6,186,206	\$ 7,299,452	\$ 8,557,430	\$ 1,257,978
Investment income	45,574	53,775	63,043	9,268
Fines and forfeitures	14,227	16,787	19,680	2,893
Rental income	6,578	7,762	9,100	1,338
Charges for services	52,904	62,425	73,183	10,758
Other	694,511	819,492	960,722	141,230
Total revenues	<u>7,000,000</u>	<u>8,259,693</u>	<u>9,683,158</u>	<u>1,423,465</u>
<b>Expenditures</b>				
Current:				
Public works	7,000,000	9,590,503	8,530,041	1,060,462
Debt Service:				
Principal retirement	-	13,400	13,400	-
Interest and fiscal charges	-	2,954	2,954	-
Total expenditures	<u>7,000,000</u>	<u>9,606,857</u>	<u>8,546,395</u>	<u>1,060,462</u>
Net change in fund balances	-	(1,347,164)	1,136,763	<u>\$ 2,483,927</u>
Fund balance, beginning of year	5,468,517	5,468,517	5,468,517	
Prior year encumbrances appropriated	200,746	200,746	200,746	
Fund balance, end of year	<u>\$ 5,669,263</u>	<u>\$ 4,322,099</u>	<u>\$ 6,806,026</u>	

See accompanying notes to the basic financial statements.



**COLUMBIANA COUNTY, OHIO**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 Mental Health Fund  
 Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<b>Revenues</b>				
Property and other local taxes	\$2,277,554	\$2,277,554	\$ 2,385,361	\$ 107,807
Intergovernmental	2,490,967	2,490,967	2,545,995	55,028
Contributions and donations	1,373	1,373	1,403	30
Other	42,045	42,045	42,974	929
Total revenues	<u>4,811,939</u>	<u>4,811,939</u>	<u>4,975,733</u>	<u>163,794</u>
<b>Expenditures</b>				
Current:				
Health	<u>4,868,190</u>	<u>12,951,198</u>	<u>5,152,793</u>	<u>7,798,405</u>
Net change in fund balances	(56,251)	(8,139,259)	(177,060)	<u>\$ 7,962,199</u>
Fund balance, beginning of year	<u>8,139,259</u>	<u>8,139,259</u>	<u>8,139,259</u>	
Fund balance, end of year	<u>\$ 8,083,008</u>	<u>\$ -</u>	<u>\$ 7,962,199</u>	

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 Board of Developmental Disabilities Fund  
 Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Property and other local taxes	\$ 6,790,925	\$6,664,834	\$ 7,948,620	\$ 1,283,786
Intergovernmental	4,033,340	3,960,889	4,567,240	606,351
Charges for services	69,303	68,058	78,477	10,419
Contributions and donations	9,957	9,778	11,275	1,497
Total revenues	<u>10,903,525</u>	<u>10,703,559</u>	<u>12,605,612</u>	<u>1,902,053</u>
<b>Expenditures</b>				
Current:				
Human services	<u>11,132,044</u>	<u>15,282,545</u>	<u>13,192,729</u>	<u>2,089,816</u>
Excess of expenditures over revenues	<u>(228,519)</u>	<u>(4,578,986)</u>	<u>(587,117)</u>	<u>3,991,869</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,200,656	4,200,656	4,200,656	-
Transfers out	<u>(4,200,656)</u>	<u>(4,200,656)</u>	<u>(4,200,656)</u>	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(228,519)	(4,578,986)	(587,117)	<u>\$ 3,991,869</u>
Fund balance, beginning of year	<u>14,180,171</u>	<u>14,180,171</u>	<u>14,180,171</u>	
Fund balance, end of year	<u>\$ 13,951,652</u>	<u>\$ 9,601,185</u>	<u>\$ 13,593,054</u>	

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual - Budgetary (Non-GAAP) Basis  
 Local Fiscal Recovery Fund  
 Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 9,890,564	\$ 9,894,789	\$ 4,225
Other	-	4,225	4,225	-
Total revenues	-	9,894,789	9,899,014	4,225
<b>Expenditures</b>				
Current:				
General government:				
Legislative and executive	-	2,195,612	343,570	1,852,042
Judicial	-	40,900	6,400	34,500
Public safety	-	1,156,894	181,031	975,863
Public works	-	5,681,228	889,000	4,792,228
Health	-	105,700	16,540	89,160
Human services	-	216,066	33,810	182,256
Economic development and assistance	-	498,389	77,988	420,401
Total expenditures	-	9,894,789	1,548,339	8,346,450
Net change in fund balances	-	-	8,350,675	\$ 8,350,675
Fund balance, beginning of year	-	-	-	
Fund balance, end of year	\$ -	\$ -	\$ 8,350,675	

See accompanying notes to the basic financial statements.

COLUMBIANA COUNTY, OHIO  
Statement of Net Position  
Proprietary Funds  
December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Nonmajor	Total	Activities
		Enterprise		Internal Service
<b>Assets</b>				
Current assets:				
Equity in pooled cash and investments	\$ 1,880,185	\$ 210,792	\$ 2,090,977	\$ 2,598,103
Receivables (net of allowances):				
Accounts	180,435	31,601	212,036	2,731
Special assessments	270,253	-	270,253	-
Due from other funds	5,682	3,654	9,336	-
Materials and supplies inventory	7,200	-	7,200	-
Prepaid items	4,344	-	4,344	-
Total current assets	<u>2,348,099</u>	<u>246,047</u>	<u>2,594,146</u>	<u>2,600,834</u>
Noncurrent assets:				
Net OPEB assets	70,021	3,297	73,318	-
Nondepreciable capital assets	67,613	-	67,613	-
Depreciable capital assets, net	6,865,018	1,495,158	8,360,176	-
Total noncurrent assets	<u>7,002,652</u>	<u>1,498,455</u>	<u>8,501,107</u>	<u>-</u>
Total assets	<u>9,350,751</u>	<u>1,744,502</u>	<u>11,095,253</u>	<u>2,600,834</u>
<b>Deferred Outflows of Resources</b>				
Pensions	108,388	4,807	113,195	-
OPEB	46,404	2,185	48,589	-
Total deferred outflows of resources	<u>154,792</u>	<u>6,992</u>	<u>161,784</u>	<u>-</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	149,683	44,165	193,848	-
Accrued wages and benefits payable	24,089	-	24,089	-
Due to other governments	18,891	2,410	21,301	-
Accrued interest payable	41,095	-	41,095	-
Compensated absences payable	46,690	-	46,690	-
Revenue bonds payable	28,509	-	28,509	-
OWDA loans payable	103,311	-	103,311	-
OPWC loans payable	44,693	7,300	51,993	-
Claims payable	-	-	-	367,650
Total current liabilities	<u>456,961</u>	<u>53,875</u>	<u>510,836</u>	<u>367,650</u>
Noncurrent liabilities:				
Compensated absences	67,927	-	67,927	-
Revenue bonds payable	434,693	-	434,693	-
OWDA loans payable	5,776,856	-	5,776,856	-
OPWC loans payable	880,059	4,800	884,859	-
Net pension liability	591,620	26,237	617,857	-
Total noncurrent liabilities	<u>7,751,155</u>	<u>31,037</u>	<u>7,782,192</u>	<u>-</u>
Total liabilities	<u>8,208,116</u>	<u>84,912</u>	<u>8,293,028</u>	<u>367,650</u>
<b>Deferred Inflows of Resources</b>				
Pensions	268,941	11,927	280,868	-
OPEB	218,425	10,284	228,709	-
Total deferred inflows of resources	<u>487,366</u>	<u>22,211</u>	<u>509,577</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	(335,490)	1,483,058	1,147,568	-
Unrestricted	<u>1,145,551</u>	<u>161,313</u>	<u>1,306,864</u>	<u>2,233,184</u>
Total net position	<u>\$ 810,061</u>	<u>\$ 1,644,371</u>	<u>2,454,432</u>	<u>\$ 2,233,184</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds			(97,529)	
Net position of business-type activities			<u>\$ 2,356,903</u>	

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**

Statement of Revenues, Expenses and Change in Net Position

Proprietary Funds

Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Nonmajor Enterprise	Total	Internal Service
<b>Operating Revenues</b>				
Charges for services	\$ 1,811,286	\$ 436,628	\$ 2,247,914	\$ 3,947,376
Special assessments	170,162	-	170,162	-
Other operating revenues	282,042	-	282,042	291
Total operating revenues	<u>2,263,490</u>	<u>436,628</u>	<u>2,700,118</u>	<u>3,947,667</u>
<b>Operating Expenses</b>				
Personal services	778,047	58,756	836,803	10,185
Pension and OPEB	(476,836)	(125,933)	(602,769)	-
Contractual services	793,102	324,835	1,117,937	820,857
Materials and supplies	56,154	-	56,154	-
Depreciation	351,802	35,984	387,786	-
Claims	-	-	-	4,556,764
Other operating expenses	326,550	25,712	352,262	-
Total operating expenses	<u>1,828,819</u>	<u>319,354</u>	<u>2,148,173</u>	<u>5,387,806</u>
Operating income (loss)	<u>434,671</u>	<u>117,274</u>	<u>551,945</u>	<u>(1,440,139)</u>
<b>Nonoperating revenues (expenses)</b>				
Interest and fiscal charges	(253,225)	-	(253,225)	-
Investment income	435	-	435	-
Total nonoperating revenues (expenses)	<u>(252,790)</u>	<u>-</u>	<u>(252,790)</u>	<u>-</u>
Income (loss) before transfers and contributions	181,881	117,274	299,155	(1,440,139)
Transfers in	26,503	-	26,503	1,000,000
Transfers out	-	(26,503)	(26,503)	-
Capital contributions	99,651	-	99,651	-
Change in net position	308,035	90,771	398,806	(440,139)
Net position beginning of year	502,026	1,553,600	2,055,626	2,673,323
Net position end of year	<u>\$ 810,061</u>	<u>\$ 1,644,371</u>	<u>2,454,432</u>	<u>\$ 2,233,184</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds			(50,965)	
Change in net position of business-type activities			<u>\$ 347,841</u>	

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**  
Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Nonmajor	Total	Internal
		Enterprise		Service
<b><i>Cash Flows from Operating Activities</i></b>				
Cash received from customers	\$ 2,008,709	\$ 411,222	\$ 2,419,931	\$ 3,945,325
Cash received from other receipts	282,042	-	282,042	291
Cash payments for employee services and benefits	(792,888)	(57,376)	(850,264)	(22,497)
Cash payments to suppliers for goods and services	(811,648)	(280,670)	(1,092,318)	(822,938)
Cash payments for other operating expenses	(326,550)	(25,712)	(352,262)	-
Cash payments for claims	-	-	-	(4,335,215)
Net cash flows from operating activities	<u>359,665</u>	<u>47,464</u>	<u>407,129</u>	<u>(1,235,034)</u>
<b><i>Cash Flows from Noncapital Financing Activities</i></b>				
Cash received from transfers in	26,503	-	26,503	1,000,000
Cash paid for transfers out	-	(26,503)	(26,503)	-
Net cash flows from noncapital financing activities	<u>26,503</u>	<u>(26,503)</u>	<u>-</u>	<u>1,000,000</u>
<b><i>Cash Flows from Capital and Related Financing Activities</i></b>				
Acquisition of capital assets	(19,965)	-	(19,965)	-
Capital grants	99,651	-	99,651	-
Proceeds from debt issuance	5,443,970	-	5,443,970	-
Principal paid on debt	(5,395,239)	(7,300)	(5,402,539)	-
Interest paid on bonds	(250,464)	-	(250,464)	-
Net cash flows from capital and related financing activities	<u>(122,047)</u>	<u>(7,300)</u>	<u>(129,347)</u>	<u>-</u>
<b><i>Cash Flows from Investing Activities</i></b>				
Interest on investments	<u>435</u>	<u>-</u>	<u>435</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	264,556	13,661	278,217	(235,034)
Cash and cash equivalents beginning of year	<u>1,615,629</u>	<u>197,131</u>	<u>1,812,760</u>	<u>2,833,137</u>
Cash and cash equivalents end of year	<u>\$ 1,880,185</u>	<u>\$ 210,792</u>	<u>\$ 2,090,977</u>	<u>\$ 2,598,103</u>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>				
Operating income (loss)	\$ 434,671	\$ 117,274	\$ 551,945	\$ (1,440,139)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	351,802	35,984	387,786	-
Changes in assets, liabilities and deferred outflows/inflows:				
Receivables	31,600	(21,752)	9,848	(2,051)
Due from other funds	(4,339)	(3,654)	(7,993)	-
Materials and supplies inventory	(2,940)	-	(2,940)	-
Prepaid items	777	-	777	-
Accounts payable	39,771	44,165	83,936	(2,081)
Accrued wages and benefits	(1,910)	(1,276)	(3,186)	-
Due to other governments	(24,237)	2,213	(22,024)	-
Compensated absences	6,265	-	6,265	-
Claims payable	-	-	-	221,549
Deferred outflows-pension and OPEB	69,470	33,993	103,463	1,589
Deferred inflows-pension and OPEB	218,570	(69,928)	148,642	(3,790)
Net pension and OPEB assets	(64,980)	(2,854)	(67,834)	40
Net pension and OPEB liabilities	<u>(694,855)</u>	<u>(86,701)</u>	<u>(781,556)</u>	<u>(10,151)</u>
Net cash from operating activities	<u>\$ 359,665</u>	<u>\$ 47,464</u>	<u>\$ 407,129</u>	<u>\$ (1,235,034)</u>

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**  
Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2021

**Assets**

Equity in pooled cash and investments	\$ 5,193,572
Cash and cash equivalents in segregated accounts	898,767
Receivables:	
Property and other taxes	129,114,701
Special assessments	884,279
Due from other governments	<u>5,001,570</u>
Total assets	<u>141,092,889</u>

**Liabilities**

Accounts payable	115,851
Due to other governments	<u>1,987,628</u>
Total liabilities	<u>2,103,479</u>

**Deferred Inflows of Resources**

Property taxes levied for next year	<u>112,935,500</u>
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**Net Position**

Restricted for individuals, organizations and other governments	<u>\$ 26,053,910</u>
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See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**

## Statement of Changes in Fiduciary Net Position

## Custodial Funds

Year Ended December 31, 2021

**Additions**

Collections for other governments and organizations:	
Property and other taxes	\$ 79,328,407
Grants and intergovernmental	10,930,959
Licenses, permits and fees	29,147,744
Investment income	3,403
Fines and forfeitures	5,553,054
Contributions and donations	150
Charges for services	3,359,228
Gas and oil lease	3,297
Other	<u>2,792,190</u>
Total additions	<u>131,118,432</u>

**Deductions**

Distributions to other governments and organizations	123,259,677
Distributions as fiscal agent	6,322,573
Distributions of property and other taxes	<u>783,176</u>
Total deductions	<u>130,365,426</u>

Change in net position	753,006
Net position beginning of year	<u>25,300,904</u>
Net position end of year	<u>\$ 26,053,910</u>

See accompanying notes to the basic financial statements.



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The most significant of the County’s accounting policies are described below:

**A. Reporting Entity**

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.

***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).

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

***Component Units***

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. The County has one component unit, the Columbiana County Land Reutilization Corporation. Information related to the component unit is presented in Note 24.

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 17 and 20, 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 19 to the basic financial statements.

**B. Basis of Presentation**

***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 statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**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 for the single business-type activity of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. The policy of the County is to not allocate indirect expenses to functions in the statement of activities. 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. 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 business segment or governmental function 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. Fiduciary funds are reported by type.

**C. Fund Accounting**

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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. There are three categories of funds: governmental, proprietary and fiduciary.

**Governmental Funds** - Governmental funds are those through which most governmental functions typically 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 purposes 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, deferred outflows of resources, liabilities and deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

General Fund – The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Jobs and Family Services Fund – This 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**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

*Motor Vehicle and Gas Tax Fund* – This 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 repairs and improvements.

*Mental Health Fund* – This fund accounts for the operation of the mental health and recovery services board that provides services to patients with mental health challenges. Revenue sources include Federal and State grants and two county-wide property tax levies.

*Board of Developmental Disabilities Fund* – This fund accounts for the operation and the costs of administering a workshop for developmentally disabled residents of the County. Revenue sources include Federal and State grant monies and four county-wide property tax levies.

*Local Fiscal Recovery Fund* – This fund accounts for and reports on the financial resources received from the Federal American Rescue Plan Act (ARPA) to support public health costs, replace lost revenue, support essential workers and invest in water, sewer and broadband infrastructure.

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*** - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The County's proprietary funds include enterprise funds, which are used to account for any activity for which a fee is charged to external users for goods or services, and an internal service fund used to account for the operation of the County's health self-insurance program. The County has presented the following major enterprise fund:

*Sewer* - This fund accounts for sanitary sewer services provided to individual and commercial users in the majority of the unincorporated areas of the County.

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

***Fiduciary Funds*** - Fiduciary fund reporting focuses on fiduciary net position and changes in fiduciary net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. The County's only fiduciary funds are custodial funds. The County's custodial funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for taxes, State-levied shared revenues and fines and forfeitures collected and distributed to other political subdivisions.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

**D. Measurement Focus**

***Government-wide Financial Statements*** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and 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 liabilities and deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on 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 financial statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on 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 changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

**E. 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 and agency funds also 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 and deferred outflows, 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 full accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that 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 of year end.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On a full accrual basis, revenue from sales taxes is recognized in the year in which the sales are made (see Note 6). Revenue from property taxes is recognized in the year for which the taxes are levied (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 a modified accrual basis, revenue from all other nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales tax, interest, federal and State grants and subsidies, State-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the statements of net position for deferred charge on refunding, pensions and other postemployment benefits (OPEB). A deferred charge on refunding results from the difference in 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. The deferred outflows of resources related to pensions and OPEB are explained in Notes 11 and 12, respectively.

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, unavailable revenue, pensions and other postemployment benefits. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance the subsequent year's operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflows of resources related to pensions and OPEB are explained in Notes 11 and 12, respectively.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

**Expense/Expenditures** - On the full 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.

**F. Budgetary Data**

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The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners.

**Tax Budget** - A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The purpose of the Tax Budget is to reflect the need for existing (or increased) tax rates.

**Estimated Resources** - The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund.

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the County Auditor determines that revenue to be collected will be greater than or less than the prior estimates and the Budget Commission find the revised estimates to be reasonable. The amounts set forth in the budgetary statements represent estimates from the original and final amended certificate issued during 2021.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

**Appropriations** - A temporary appropriation resolution to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual Appropriation Resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The County legally adopted several supplemental appropriations during the year. The original budget and all budgetary amendments and supplemental appropriations necessary during 2021 are included in the final budget amounts in the budget-to-actual comparisons.

**Lapsing of Appropriations** - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

**G. Cash and Investments**

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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 2021, investments were limited to commercial paper, negotiable certificates of deposit, U.S. Treasury securities, municipal securities, U.S. agency securities, corporate bonds, money market funds, and State Treasury Asset Reserve of Ohio (STAR Ohio).

STAR Ohio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but 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**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

For 2021, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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.

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.

**H. Materials and Supplies Inventory**

On government-wide and fund financial statements, purchased inventories are presented at cost. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies 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.

Inventory consists of expendable supplies held for consumption.

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2021, 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 prepaid items are equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though they are a component of net current assets.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

**J. Capital Assets**

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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.

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:

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Activities Estimated Lives</u>
Land improvements	10 – 40 years
Buildings and improvements	10 – 40 years
Furniture and equipment	5 – 15 years
Vehicles	2 – 6 years
Infrastructure	20 – 50 years
Software	5 years

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

**K. Compensated Absences**

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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**

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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**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and loans are recognized as a liability in the fund financial statements when due. Net pension and OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the retirement systems' fiduciary net position is not sufficient for payment of those benefits.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

**N. Interfund Transactions**

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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.

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.

**O. Fund Balance**

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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.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Commissioners (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of 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 Commissioners.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is 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.

**P. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for the sewer and water operations and other revenues related to sheriff communication dispatching. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued**

**Q. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component “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 its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net position restricted for other purposes consists primarily of programs to enhance the security of persons and property and the community environment.

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

**R. Pensions and Other Postemployment Benefits (OPEB)**

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

**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.

**NOTE 3 – ACCOUNTABILITY AND COMPLIANCE**

The nonmajor Domestic Violence Shelter governmental fund had a deficit fund balance of \$736 at December 31, 2021. This fund complied with State law, which does not permit a cash basis deficit at year end. The general fund is liable for any deficits in the funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 4 – DEPOSITS AND INVESTMENTS**

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

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

1. United States Treasury Notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States, or any book entry zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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;

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 4 – DEPOSITS AND INVESTMENTS—continued**

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.

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.



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 4 – DEPOSITS AND INVESTMENTS—continued**

**A. Cash with Fiscal Agent**

At year-end, the County had \$858,085 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.” This amount is included in the amount of “Deposits with Financial Institutions” below.

**B. Cash in Segregated Accounts**

At year-end, the County had \$1,242,066 in cash and cash equivalents deposited separate from the County’s internal deposit and investment pool. This amount is included in the amount of “Deposits with Financial Institutions” below.

**C. Deposits with Financial Institutions**

At December 31, 2021, the carrying amount of all County deposits was \$6,359,969. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2021, \$6,787,718 of the County’s bank balance of \$7,697,521 was exposed to custodial risk, as discussed below, while \$909,803 was covered by the FDIC.

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. As permitted by Ohio Revised Code, the County’s deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System in the name of the depository bank. Financial institutions participating in the OPCS must pledge eligible securities equal to at least 102% of the carrying value of all public deposits held by each institution. Financial institutions choosing not to participate in the OPCS must pledge eligible securities equal to at least 105% of the carrying value of all public deposits held by each institution. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and all the 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**  
**Year Ended December 31, 2021**

**NOTE 4 – DEPOSITS AND INVESTMENTS—continued**

**D. Investments**

At December 31, 2021, the County had the following investments:

	Balance at 12/31/21	Average Weighted Maturity (Yrs)	Concentration	S&P Ratings
<i>Fair Value</i>				
<i>Level 1</i>				
US Treasury	\$ 8,647,498	2.74	8.6%	<i>not rated</i>
<i>Level 2</i>				
Commercial Paper	3,398,563	0.21	3.4%	A-1
Corporate Bond	4,123,293	1.93	4.1%	AA to A
Municipal Securities	2,412,516	1.26	2.4%	AA to AA-
Negotiable CD	9,085,444	1.63	9.0%	not rated
U.S. Agency Security	<u>38,806,823</u>	3.00	38.5%	AA+
	66,474,137			
<i>Amortized Cost</i>				
Money Market	1,001,930	0.07	1.0%	AAAm
STAR Ohio	<u>33,172,651</u>	0.14	<u>33.0%</u>	AAAm
Total	<u>\$ 100,648,718</u>		<u>100.0%</u>	

The County's investments in U.S. Treasury securities are valued using quoted market prices (Level 1 inputs). The County's investments in commercial paper, corporate bonds, municipal securities, negotiable CDs, and U.S. agency securities are valued using broker quotes that utilize observable market inputs (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.

*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.

*Concentration of Credit Risk:* The County places no limit on the amount that may be invested in any one issuer.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 4 – DEPOSITS AND INVESTMENTS—continued**

**E. Reconciliation of Deposits to the Statement of Net Position**

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The following is a reconciliation of deposits and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2021:

<u>Deposits and investments per note</u>	
Carrying amount of deposits	\$ 6,359,969
Investments	<u>100,648,718</u>
	<u>\$ 107,008,687</u>
 <u>Cash and investments per statement of net position</u>	
Equity in pooled cash and investments:	
Governmental Activities	\$ 97,623,987
Business-Type Activities	2,090,977
Custodial Funds	5,193,572
Cash and cash equivalents with fiscal agent:	
Governmental Activities	858,085
Cash and cash equivalents in segregated accounts:	
Governmental Activities	343,299
Custodial Funds	<u>898,767</u>
	<u>\$ 107,008,687</u>

**NOTE 5 – INTERFUND TRANSACTIONS**

**A. Interfund Transfers**

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Interfund transfers for the year ended December 31, 2021, consisted of the following, as reported on the fund financial statements:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 6,342,492
Jobs and Family Services	182,917	-
Nonmajor Governmental Funds	5,178,136	18,561
Sewer Fund	26,503	-
Nonmajor Enterprise Funds	-	26,503
Internal Service Fund	1,000,000	-
	<u>\$ 6,387,556</u>	<u>\$ 6,387,556</u>

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 5 – INTERFUND TRANSACTIONS—continued**

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. These transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Transfers between governmental funds are eliminated for reporting on the statement of activities.

**B. Due From/To Other Funds**

Due from/to other funds consisted of the following at December 31, 2021, as reported on the fund financial statements:

	General Fund	Jobs and Family Services	Mental Health	Nonmajor Governmental Funds	Total Due From Other Funds
General Fund	\$ -	\$ 7,426	\$ -	\$ 18,082	\$ 25,508
Jobs and Family Services	-	-	-	207,046	207,046
Nonmajor Governmental Funds	-	6,936	1,127	-	8,063
Sewer Fund	5,682	-	-	-	5,682
Nonmajor Enterprise Funds	3,654	-	-	-	3,654
Total Due To Other Funds	<u>\$ 9,336</u>	<u>\$ 14,362</u>	<u>\$ 1,127</u>	<u>\$ 225,128</u>	<u>\$ 249,953</u>

Amounts due from/to other funds represent amounts owed between funds for goods or services provided. The balances resulted from the time lag between the dates that payments between the funds are made. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**NOTE 6 – PERMISSIVE SALES TAXES**

Beginning in 2001, the County levied a 1% 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% to 1.5%. On May 3, 2005, the County renewed 1% of the 1.5% sales tax. In November 2005, the County's remaining 0.5% of the sales tax did not get renewed. The County Commissioners subsequently imposed an additional 0.5% sales tax that brought the current sales tax rate to 1.5%. 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 \$20,381,680 in sales tax revenues on a modified accrual basis in 2021.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 7 – PROPERTY TAXES**

Public utility real and tangible personal 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 preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the County its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2021 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2021 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is considered a deferred inflow of resources.

The full tax rate for all County operations for the year ended December 31, 2021 was \$9.55 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

Real Property:	
Residential/Agricultural	\$ 1,502,064,800
Commercial/Industrial/Mineral	281,467,580
Public Utility Personal Property	445,216,580
	<u>\$ 2,228,748,960</u>

**NOTE 8 – RECEIVABLES**

Receivables at December 31, 2021, consisted of accounts (billings for user charged services, including unbilled utility services); sales taxes; accrued interest; amounts due from other governments including grants, entitlements, and shared revenues; interfund; real and other taxes, loans (microenterprise and economic development revolving loan fund monies loaned to County residents), and special assessments. All receivables are considered collectible in full and within one year, except for real and other taxes (property taxes), loans and special assessments. Real and other taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

As of December 31, 2021, the County has \$264,287 outstanding low-interest loans for development projects granted to eligible County residents under micro-enterprise and economic development revolving loan funds programs. The loans have various interest rates and are to be repaid over various period of years. Loan receivable are fully reserved, with \$264,287 in allowance for uncollectible amounts.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 9 – CAPITAL ASSETS**

Governmental activities capital asset activity for the year ended December 31, 2021 follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b><i>Governmental Activities</i></b>				
<i>Capital assets not being depreciated</i>				
Land	\$ 1,381,026	\$ -	\$ -	\$ 1,381,026
Construction in progress	<u>2,469,884</u>	<u>1,351,103</u>	<u>(2,475,522)</u>	<u>1,345,465</u>
Total capital assets not being depreciated	<u>3,850,910</u>	<u>1,351,103</u>	<u>(2,475,522)</u>	<u>2,726,491</u>
<i>Capital assets being depreciated</i>				
Land improvements	3,084,988	-	-	3,084,988
Building and improvements	31,862,039	386,192	-	32,248,231
Furniture and equipment	9,990,068	153,303	-	10,143,371
Vehicles	9,907,737	9,699	-	9,917,436
Infrastructure	35,988,391	3,934,907	-	39,923,298
Software	<u>697,663</u>	<u>12,309</u>	-	<u>709,972</u>
Total capital assets being depreciated	<u>91,530,886</u>	<u>4,496,410</u>	-	<u>96,027,296</u>
<i>Less: Accumulated depreciation:</i>				
Land improvements	(2,730,043)	(61,074)	-	(2,791,117)
Building and improvements	(16,209,174)	(734,724)	-	(16,943,898)
Furniture and equipment	(7,416,827)	(310,893)	-	(7,727,720)
Vehicles	(8,537,482)	(407,583)	-	(8,945,065)
Infrastructure	(14,387,565)	(1,945,463)	-	(16,333,028)
Software	<u>(582,396)</u>	<u>(39,365)</u>	-	<u>(621,761)</u>
Total accumulated depreciations	<u>(49,863,487)</u>	<u>(3,499,102)</u>	-	<u>(53,362,589)</u>
Total capital assets being depreciated, net	<u>41,667,399</u>	<u>997,308</u>	-	<u>42,664,707</u>
Net governmental activities capital assets	<u>\$ 45,518,309</u>	<u>\$ 2,348,411</u>	<u>\$ (2,475,522)</u>	<u>\$ 45,391,198</u>

Depreciation expense was charged to governmental functions as follows:

Legislative and executive	\$ 144,416
Judicial	100,671
Public safety	527,540
Public works	2,286,836
Health	1,168
Human Services	<u>438,471</u>
Total depreciation expense	<u>\$ 3,499,102</u>

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 9 – CAPITAL ASSETS—continued**

Business-type activities capital asset activity for the year ended December 31, 2021 follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b><i>Business-Type Activities</i></b>				
<i>Capital assets not being depreciated</i>				
Land	\$ 62,433	\$ 5,180	\$ -	\$ 67,613
<i>Capital assets being depreciated</i>				
Land improvements	167,067	-	-	167,067
Building and improvements	2,217,393	-	-	2,217,393
Furniture and equipment	4,715,849	14,785	-	4,730,634
Vehicles	1,211,734	-	-	1,211,734
Infrastructure	13,293,782	-	-	13,293,782
Total capital assets being depreciated	21,605,825	14,785	-	21,620,610
<i>Less: Accumulated depreciation:</i>				
Land improvements	(165,764)	(521)	-	(166,285)
Building and improvements	(1,354,874)	(51,635)	-	(1,406,509)
Furniture and equipment	(4,516,401)	(47,711)	-	(4,564,112)
Vehicles	(1,088,600)	(35,181)	-	(1,123,781)
Infrastructure	(5,747,009)	(252,738)	-	(5,999,747)
Total accumulated depreciations	(12,872,648)	(387,786)	-	(13,260,434)
Total capital assets being depreciated, net	8,733,177	(373,001)	-	8,360,176
Net business-type activities capital assets	\$ 8,795,610	\$ (367,821)	\$ -	\$ 8,427,789

Depreciation expense was charged to the following enterprise funds:

Sewer	\$ 351,802
Water	35,984
	\$ 387,786

**NOTE 10 – 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 2021, the County contracted with County Risk Sharing Authority, Inc. (CORSA) for liability, property and crime insurance. The CORSA program has a \$2,500 deductible. See Note 17 for additional information on CORSA.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 10 – RISK MANAGEMENT—continued**

Coverages provided by CORSA are as follows:

Type of Coverage	Amount
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	\$2,000,000
Attorney Disciplinary Proceedings	\$25,000
Declaratory, Injunctive or Equitable Relief	\$25,000
Excess Liability	\$10,000,000
Property - Direct Physical Loss or Damage	Per schedules on file
Property - Equipment Breakdown	\$100,000,000
Time Element	\$2,500,000
Business Income/Extrax 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 \$367,650 reported on the basic financial statements at December 31, 2021, 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:

Year	Beginning of Year	Current Year Claims	Claims Payment	End of Year
2020	\$ 178,426	\$3,349,742	\$ (3,382,067)	\$ 146,101
2021	146,101	4,556,764	(4,335,215)	367,650

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



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 10 – RISK MANAGEMENT—continued**

**C. Workers' Compensation**

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

**NOTE 11 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

The net pension liability 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 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 Statement No. 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. County employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Plan.

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

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 ACFR referenced above for additional information):

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

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued**

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

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

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

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

	<b>State and Local</b>	<b>Public Safety</b>	<b>Law Enforcement</b>
<b>2021 Statutory Maximum Contribution Rates</b>			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
<b>2021 Actual Contribution Rates</b>			
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>

\* For the Member-Directed Plan, employer contribution rates were 10% and 4% for pension and post-employment health benefits, respectively.

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

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 was \$3,160,799 for 2021. Of this amount, \$508,555 is reported as due to other governments.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued**

***Plan Description – State Teachers Retirement System (STRS)***

County licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://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. Members are eligible to retire at age 65 with five years of qualifying service credit, or at 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 2% goes 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 services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination.

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 Ohio 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 Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 11 – 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 that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

**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 the fiscal year ended June 30, 2021, 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 fiscal year 2021 contribution rates were equal to the statutory maximum rates.

The County’s contractually required contribution to STRS was \$37,812 for 2021.

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

The net pension liability for the OPERS Traditional Pension Plan was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. STRS total pension liability was measured as of June 30, 2021, 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 was based on the County’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 22,275,080	\$ 537,979	\$ 22,813,059
Proportion of Net Pension Liability	0.150426%	0.004208%	
Change in Proportion	-0.003113%	0.000024%	
Pension Expense	\$ (759,297)	\$ (81,472)	\$ (840,769)

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued**

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ -	\$ 16,621	\$ 16,621
Change in assumptions	-	149,244	149,244
Change in County's proportionate share and difference in employer contributions	920,112	6,209	926,321
County contributions subsequent to the measurement date	<u>3,160,799</u>	<u>37,812</u>	<u>3,198,611</u>
Total deferred outflows of resources	<u>\$ 4,080,911</u>	<u>\$ 209,886</u>	<u>\$ 4,290,797</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ 931,785	\$ 3,372	\$ 935,157
Net differences between projected and actual investment earnings	8,682,177	463,635	9,145,812
Change in County's proportionate share and difference in employer contributions	<u>511,911</u>	<u>23,993</u>	<u>535,904</u>
Total deferred inflows of resources	<u>\$ 10,125,873</u>	<u>\$ 491,000</u>	<u>\$ 10,616,873</u>

\$3,198,611 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 in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Year Ending December 31:			
2022	\$ (3,491,163)	\$ (96,579)	\$ (3,587,742)
2023	(991,327)	(63,708)	(1,055,035)
2024	(3,539,150)	(67,662)	(3,606,812)
2025	<u>(1,184,121)</u>	<u>(90,977)</u>	<u>(1,275,098)</u>
	<u>\$ (9,205,761)</u>	<u>\$ (318,926)</u>	<u>\$ (9,524,687)</u>

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued**

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Wage inflation	3.25%
Future salary increases, Including inflation	3.25% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 0.5% simple through 2021, then 2.15% simple
Investment rate of return	7.20%
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 Health 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 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.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued**

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees 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 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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board’s investment consultant.

For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00%	1.32%
Domestic Equities	21.00%	5.64%
Real Estate	10.00%	5.39%
Private Equity	12.00%	10.42%
International Equities	23.00%	7.36%
Other Investments	<u>9.00%</u>	4.75%
Total	<u>100.00%</u>	5.43%

**Discount Rate.** The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following table represents the County’s proportionate share of the net pension liability 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 would be if it were calculated using a discount rate that is one-percentage point lower (6.20%) and one-percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate of 7.20%	1% Increase (8.20%)
County's proportionate share of the net pension liability	\$ 42,489,324	\$ 22,275,080	\$ 5,466,480



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued**

**Changes Subsequent to the Measurement Date.** In September 2021, the Board approved several changes to the pension plan based on the completed five-year experience study covering the period 2016-2020. In addition to other changes, the Board approved to decrease the assumed pension investment rate of return from 7.20% to 6.90%. These changes are not reflected in the current measurement period but are expected to increase the associated pension liability.

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	12.50% at age 20 to 2.50% at age 65
Payroll increases	3.00%
Investment rate of return:	
Current measurement period	7.00%, net of investment expenses, including inflation
Prior measurement period	7.45%, net of investment expenses, including inflation
Discount rate of return	
Current measurement period	7.00%
Prior measurement period	7.45%
Cost-of-living adjustments (COLA)	0%

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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disability 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.

The actuarial assumptions were based on the results of an actual experience study for the period July 1, 2011 through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued**

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
<b>Total</b>	<b>100.00 %</b>	

*\* 10-year annualized 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.*

**Discount Rate** – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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. 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, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

**Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate of 7.00%	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 1,007,432	\$ 537,979	\$ 141,291

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS**

***Net OPEB Assets***

The net OPEB assets reported on the statement of net position represent assets for 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 assets represent 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 asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, health care cost trends 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 to annual 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 Statement No. 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 health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset. Resulting adjustments to the net OPEB 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 a retirement system’s unfunded benefits is presented as a long-term *net OPEB asset* on the accrual basis of accounting. The proportionate share of a retirement system’s fully funded benefits is presented as a long-term *net OPEB asset* on the accrual basis of accounting. Any liability for contractually-required OPEB contributions 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)***

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

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued**

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 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.

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 No. 75. See OPERS' ACFR 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 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. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. 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. The portion of Traditional Pension and Combined plans' employer contributions allocated to health care was zero in 2021. 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 2021 was 4.0%.

The County's contractually required contribution to OPERS for the Member-Directed Plan was \$19,669 for 2021.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued**

***Plan Description - State Teachers Retirement System (STRS)***

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](http://www.strsoh.org) or by calling (888) 227-7877.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and partial reimbursement of the monthly Medicare Part B premiums.

*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 the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

***OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The net OPEB asset for STRS was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB asset was based on the County's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	OPERS	STRS	Total
Proportionate Share of Net OPEB Asset	\$ 2,593,671	\$ 88,714	\$ 2,682,385
Proportion of Net OPEB Asset	0.145630%	0.004208%	
Change in Proportion	-0.003357%	0.000024%	
(Negative) OPEB Expense	\$ (16,290,295)	\$ (9,563)	\$ (16,299,858)

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued**

At December 31, 2021, 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>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ -	\$ 3,158	\$ 3,158
Change in assumptions	1,275,079	5,668	1,280,747
Change in County's proportionate share and difference in employer contributions	424,109	214	424,323
County contributions subsequent to the measurement date	<u>19,669</u>	<u>-</u>	<u>19,669</u>
Total deferred outflows of resources	<u>\$ 1,718,857</u>	<u>\$ 9,040</u>	<u>\$ 1,727,897</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ 2,340,772	\$ 16,254	\$ 2,357,026
Net differences between projected and actual investment earnings	1,381,425	24,590	1,406,015
Change in assumptions	4,202,524	52,924	4,255,448
Change in County's proportionate share and difference in employer contributions	<u>166,059</u>	<u>10,104</u>	<u>176,163</u>
Total deferred inflows of resources	<u>\$ 8,090,780</u>	<u>\$ 103,872</u>	<u>\$ 8,194,652</u>

\$19,669 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows resources related to OPEB will be recognized as OPEB expense as follows:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Year Ending December 31:			
2022	\$ (3,375,452)	\$ (27,595)	\$ (3,403,047)
2023	(2,253,056)	(26,980)	(2,280,036)
2024	(600,311)	(26,599)	(626,910)
2025	(162,773)	(10,292)	(173,065)
2026	-	(3,449)	(3,449)
2027	-	83	83
	<u>\$ (6,391,592)</u>	<u>\$ (94,832)</u>	<u>\$ (6,486,424)</u>

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued**

***Actuarial Assumptions—OPERS***

Actuarial valuations of an ongoing plan involve estimates of the value 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 coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OBEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	3.25%
Projected salary increases	3.25% to 10.75%, including wage inflation
Single discount rate:	
Current measurement period	6.00%
Prior measurement period	3.16%
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement period	2.00%
Prior measurement period	2.75%
Health care cost trend rate:	
Current measurement period	8.5% initial, 3.50% ultimate in 2035
Prior measurement period	10.5% initial, 3.50% ultimate in 2030
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 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 tables.

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

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued**

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. 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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board’s investment consultant.

For each major asset class that is included in the Health Care portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	1.07%
Domestic Equities	25.00%	5.64%
REITs	7.00%	6.48%
International Equities	25.00%	7.36%
Other Investments	<u>9.00%</u>	4.02%
Total	<u>100.00%</u>	4.43%

**Discount Rate.** A single discount rate of 6.00% was used to measure the OPEB liability on the measurement date of December 31, 2020. 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued**

***Sensitivity of the County’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate.***

The following table presents the County’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the County’s proportionate share of the net OPEB asset if it were calculated using a discount rate that is 1.0% point lower (5.00%) or 1.0% point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate of 6.00%	1% Increase (7.00%)
County's proportionate share of the net OPEB asset	\$ 645,141	\$ 2,593,671	\$ 4,197,058

***Sensitivity of the County’s Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% 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 2021 is 8.50%. 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 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	\$ 2,657,748	\$ 2,593,671	\$ 2,523,769

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued**

***Actuarial Assumptions - STRS***

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	12.50% at age 20 to 2.50% at age 65	
Payroll increases	3.00%	
Investment rate of return:		
Current measurement period	7.00%, net of investment expenses, including inflation	
Prior measurement period	7.45%, net of investment expenses, including inflation	
Discount rate of return:		
Current measurement period	7.00%	
Prior measurement period	7.45%	
Health care cost trends	Initial	Ultimate
Medical		
Pre-Medicare	5.00%	4.00%
Medicare	-16.18%	4.00%
Prescription Drug		
Pre-Medicare	6.50%	4.00%
Medicare	29.98%	4.00%

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, 2021 valuation are based on the results of the latest available actuarial experience study for the period July 1, 2011 through June 30, 2016. An actuarial experience study is done on a quinquennial basis.

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued**

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
<b>Total</b>	<b>100.00 %</b>	

*\* 10-year annualized 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.*

**Discount Rate** – The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2021. 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 of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets of 7.00% was used to measure the total OPEB liability as of June 30, 2021.

**Sensitivity of the County's Proportionate Share of the Net OPEB Assets to Changes in the Discount Rate and the Health Care Cost Trend Rates** – The following table presents the County's proportionate share of the net OPEB assets calculated using the current period discount rate assumption of 7.00%, as well as what the County's proportionate share of the net OPEB assets would be if it were calculated using a discount rate that is one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate. Also shown is the net OPEB assets as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

	1% Decrease (6.00%)	Current Discount Rate of 7.00%	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	\$ 74,861	\$ 88,714	\$ 100,286

  

	1% Decrease	Current Trend Rates	1% Increase
County's proportionate share of the net OPEB asset	\$ 99,817	\$ 88,714	\$ 74,983

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 13 – CAPITAL LEASES - LESSEE DISCLOSURE**

The County has entered into capitalized leases obligations for the acquisition of copiers. These leases meet the criteria of a capital lease, which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Governmental activities capital assets consisting of equipment and vehicles have been capitalized in the amount of \$49,440. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2021:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2022	\$ 7,943
2023	7,943
2024	7,123
2025	<u>5,973</u>
Total minimum lease payments	28,982
Less: amount representing interest	<u>(2,603)</u>
Present value of minimum lease payments	<u><u>\$ 26,379</u></u>

**NOTE 14 – 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% 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**  
**Year Ended December 31, 2021**

**NOTE 15 – LONG-TERM OBLIGATIONS**

The following activity occurred in the County's governmental activities long-term obligations during 2021:

	Issue Date	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
<b>General Obligation Bonds:</b>							
Government Services Building - 2%-4%	2012	2052	\$ 6,190,000	\$ -	\$ (150,000)	\$ 6,040,000	\$ 150,000
Unamortized premiums			123,065	-	(3,846)	119,219	-
			6,313,065	-	(153,846)	6,159,219	150,000
<b>Direct Placement:</b>							
Series 2013 Refunding - 3.5%	2013	2033	1,686,000	-	(65,000)	1,621,000	65,000
Series 2018 Refunding - 2.64%	2018	2024	2,480,000	-	(595,000)	1,885,000	610,000
Ohio Wellsville Water System - 3.25%	1999	2039	841,000	-	(33,000)	808,000	34,000
Murray Trucking Old Farm Village - 4.5%	2001	2041	365,000	-	(11,000)	354,000	11,000
Municipal Court Bonds 2018 Refinancing - 2.82%	2018	2033	1,949,000	-	(125,000)	1,824,000	129,000
County Engineer - Vehicle Purchase -2.95%	2019	2022	257,772	-	(126,920)	130,852	130,852
County Engineer - Trackhoe Purchase - 2.13%	2020	2030	146,200	-	(13,400)	132,800	13,600
			7,724,972	-	(969,320)	6,755,652	993,452
<b>Direct Borrowing:</b>							
<b>Loans:</b>							
Recorder's Loan - 0%	2012	2027	70,000	-	(7,500)	62,500	10,000
<b>Other Long-Term Obligations:</b>							
Capital Leases			35,723	-	(9,344)	26,379	6,778
Compensated Absences			4,096,877	831,969	(1,840,223)	3,088,623	1,601,214
<b>Total Governmental Activities</b>			<b>\$ 18,240,637</b>	<b>\$ 831,969</b>	<b>\$ (2,980,233)</b>	<b>\$ 16,092,373</b>	<b>\$ 2,761,444</b>

**General Obligation Bonds:** The general obligation bonds are supported by the full faith and credit of the County. The bonds were issued to provide resources for various building renovations and improvements. The bonds are being retired from the motor vehicle and gas tax fund, bond retirement funds and the municipal court special projects fund.

**Recorder's Loan:** The County Recorder received a \$100,000 Local Government Initiative loan to assist in upgrading County land recorder software. This loan has an interest rate of 0% and has a final maturity of December 1, 2027.

**Capital Leases:** Capital lease obligations represent leases entered into for the acquisition of copiers. The capital lease obligations will be paid from the fund that maintains custody of the related asset. See Note 13 for further detail.

**Compensated Absences:** Sick leave and vacation benefits are presented net of actual increases and decreases because of the practicality of determining these values. Compensated absences, along with net pension liabilities, will be paid from the fund from which the person is paid, which, for the County, is primarily the major governmental funds and the sewer fund.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 15 – LONG-TERM OBLIGATIONS—continued**

*Debt Margin:* The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed 1% 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% of the first \$100,000,000, plus 1.5% of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus 2.5% of such valuation in excess of \$300,000,000.

The effect of the debt limitations described above is an overall debt margin of \$54,218,724 at December 31, 2021.

*Future Debt Service Requirements:* The principal and interest requirements to retire governmental activities long-term obligations at December 31, 2021 are as follows:

Year Ended December 31,	General Obligation Bonds		Direct Placement General Obligation Bonds		Direct Borrowing Recorder's Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 150,000	\$ 255,156	\$ 993,452	\$ 204,984	\$ 10,000	\$ -
2023	145,000	249,156	893,800	177,167	10,000	-
2024	150,000	243,356	913,100	152,322	10,000	-
2025	145,000	237,356	354,400	126,928	10,000	-
2026	145,000	231,556	359,700	115,587	10,000	-
2027-2031	710,000	1,067,105	1,925,200	399,479	12,500	-
2032-2036	665,000	915,255	1,028,000	119,976	-	-
2037-2041	1,000,000	771,755	288,000	27,700	-	-
2042-2046	1,295,000	527,762	-	-	-	-
2047-2051	1,355,000	240,188	-	-	-	-
2052	280,000	12,250	-	-	-	-
<b>Total</b>	<b>\$ 6,040,000</b>	<b>\$ 4,750,895</b>	<b>\$ 6,755,652</b>	<b>\$ 1,324,143</b>	<b>\$ 62,500</b>	<b>\$ -</b>

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 15 – LONG-TERM OBLIGATIONS—continued**

The following activity occurred in the County's business-type activities long-term obligations during 2021:

	Issue Date	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities:</b>							
Revenue Bonds:							
<i>Direct Placement:</i>							
Ohio Elkrun Sewer - 4.5%	1999	2021	\$ 1,404,000	\$ -	\$ (1,404,000)	\$ -	\$ -
Winona Area Waste System #1 - 4.25%	2005	2021	474,000	-	(474,000)	-	-
Winona Area Waste System #2 - 4.50%	2006	2021	295,000	-	(295,000)	-	-
Beaver Local Wastewater #1 - 2.95%	2018	2028	188,808	-	(21,241)	167,567	21,876
Glenmoor/LaCroft Sanitary Sewer - 4.25%		2021	3,120,000	-	(3,120,000)	-	-
Kensington Sewer - 1.38%		2056	302,178	-	(6,543)	295,635	6,633
			<u>5,783,986</u>	<u>-</u>	<u>(5,320,784)</u>	<u>463,202</u>	<u>28,509</u>
Loans:							
<i>Direct Borrowing:</i>							
Ohio Public Works Commission (OPWC) Loans:							
State Route 7 Water Line Extension #1 - 0%	2002	2022	5,000	-	(2,500)	2,500	2,500
State Route 7 Water Line Extension #2 - 0%	2003	2023	14,400	-	(4,800)	9,600	4,800
Roseview Acres Treatment Plant - 0%	2009	2039	115,025	-	(6,054)	108,971	6,054
Glenmoor Sewer System - 0%	2012	2038	142,509	-	(8,143)	134,366	8,143
County Home Road Sewer Project - 0%	2016	2043	460,000	-	(20,000)	440,000	20,000
County Home Road Waterline Project - 0%	2014	2044	251,911	-	(10,496)	241,415	10,496
			<u>988,845</u>	<u>-</u>	<u>(51,993)</u>	<u>936,852</u>	<u>51,993</u>
Ohio Water Development Authority (OWDA) Loans:							
County Home Road Sanitary Sewer - 0%	2013	2033	215,229	-	(17,218)	198,011	17,218
County Home Road Waterline Extension - 2%	2013	2033	176,263	-	(12,544)	163,719	12,796
Hanoverton Sanitary Sewer - 1.78%	2020	2026	74,467	45,281	-	119,748	-
Ohio Elkrun Sewer Refinance - 2.1%	2021	2039	-	1,384,442	-	1,384,442	28,637
Winona Waste #1 Refinance - 1.72%	2021	2045	-	472,302	-	472,302	6,875
Winona Waste #2 Refinance - 1.72%	2021	2046	-	292,908	-	292,908	3,876
Glenmoor/LaCroft Sewer Refinance - 1.87%	2021	2049	-	3,249,037	-	3,249,037	33,909
			<u>465,959</u>	<u>5,443,970</u>	<u>(29,762)</u>	<u>5,880,167</u>	<u>103,311</u>
Other Long-Term Obligations:							
Compensated Absences			108,352	28,685	(22,420)	114,617	46,690
<b>Total Business-Type Activities</b>			<u>\$ 7,347,142</u>	<u>\$ 5,472,655</u>	<u>\$ (5,424,959)</u>	<u>\$ 7,394,838</u>	<u>\$ 230,503</u>

**Revenue Bonds:** The direct placement revenue bonds were issued to provide resources for improvements to various sewer, water and waste system infrastructure. During 2021, the County refinanced four of the revenue bonds with lower interest bearing OWDA loans. The remaining revenue bonds are being retired from the sewer fund.

**OPWC Loans:** In previous years, the County was awarded direct borrowing loans from OPWC for various sewer and water projects. 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**  
**Year Ended December 31, 2021**

**NOTE 15 – LONG-TERM OBLIGATIONS—continued**

OWDA Loans: In previous years, the County was awarded direct borrowing loans from OWDA for various sewer and water projects. During 2021, the County refinanced four of its revenue bonds with four additional direct borrowing OWDA loans with lower interest rates. The OWDA loans are paid with user charges from the sewer fund. 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 \$8,664,436 of mortgage revenue bonds, OPWC and 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 88% and 14%, respectively. The total principal and interest remaining to be paid on the debt is \$8,664,436. Principal and interest paid for the current year, total net revenues and total operating revenues were \$423,210, \$478,483 and \$3,077,818, respectively.

Future Debt Service Requirements: The principal and interest requirements to retire governmental activities long-term obligations at December 31, 2021 are as follows:

Year Ended December 31,	Direct Placement Revenue Bonds		Direct Borrowing OPWC Loans		Direct Borrowing OWDA Loans**	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 28,509	\$ 9,077	\$ 51,993	\$ -	\$ 103,311	\$ 74,733
2023	29,256	8,332	49,493	-	219,247	103,616
2024	30,011	7,575	44,693	-	223,184	99,682
2025	30,809	6,778	44,693	-	227,193	95,672
2026	31,619	5,968	44,693	-	231,281	91,585
2027-2031	87,956	19,313	223,465	-	1,220,602	393,721
2032-2036	39,081	14,411	223,470	-	1,217,531	280,512
2037-2041	41,842	11,650	182,861	-	1,036,958	167,104
2042-2046	44,799	8,693	71,491	-	839,078	83,302
2047-2051	47,965	5,527	-	-	442,034	14,575
2052-2056	51,355	2,137	-	-	-	-
<b>Total</b>	<b>\$ 463,202</b>	<b>\$ 99,461</b>	<b>\$ 936,852</b>	<b>\$ -</b>	<b>\$5,760,419</b>	<b>\$1,404,502</b>

\*\* The Hanoverton Sanitary Sewer OWDA loan project was still in progress as of December 31, 2021, and thus, the repayment amortization was not yet finalized and excluded from the schedule above.



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 16 – TAX ABATEMENTS**

**A. Tax Abatements Entered Into By The County**

The County has entered into tax abatement agreements with Leftonia Leasing, LLC for the abatement of property taxes. The Community Urban Redevelopment agreements were authorized under 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 2021, the County abated approximately \$1,086 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, Village of Columbiana, 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 2021, property taxes of the County were abated by approximately \$1,724.

**NOTE 17 – PUBLIC ENTITY RISK POOL**

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

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

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 18 – FUND BALANCES**

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	Jobs and Family Services	Motor Vehicle and Gas Tax	Mental Health	Board of Developmental Disabilities	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>							
Materials and supplies inventory	\$ 121,170	\$ 61,524	\$ 655,024	\$ 1,276	\$ 5,285	\$ 33,912	\$ 878,191
Prepaid items	368,919	12,480	6,410	9,588	32,042	29,641	459,080
Unclaimed monies	307,979	-	-	-	-	-	307,979
<i>Total Nonspendable</i>	<u>798,068</u>	<u>74,004</u>	<u>661,434</u>	<u>10,864</u>	<u>37,327</u>	<u>63,553</u>	<u>1,645,250</u>
<i>Restricted:</i>							
Legislative and executive	-	-	-	-	-	1,567,844	1,567,844
Judicial	-	-	-	-	-	1,478,428	1,478,428
Public safety	-	-	-	-	-	3,406,552	3,406,552
Public works	-	-	8,153,310	-	-	1,179	8,154,489
Health	-	-	-	7,536,242	-	108,226	7,644,468
Human services	-	1,733,471	-	-	14,420,854	8,604,506	24,758,831
Economic development	-	-	-	-	-	437,907	437,907
Debt service payments	-	-	-	-	-	4,446,287	4,446,287
Capital projects	-	-	-	-	-	1,246,832	1,246,832
<i>Total Restricted</i>	<u>-</u>	<u>1,733,471</u>	<u>8,153,310</u>	<u>7,536,242</u>	<u>14,420,854</u>	<u>21,297,761</u>	<u>53,141,638</u>
<i>Committed:</i>							
Legislative and executive	9,390,222	-	-	-	-	670,023	10,060,245
Capital projects	-	-	-	-	-	11,380,625	11,380,625
<i>Total Committed</i>	<u>9,390,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,050,648</u>	<u>21,440,870</u>
<i>Assigned:</i>							
Legislative and executive	678,579	-	-	-	-	-	678,579
<i>Unassigned</i>	<u>14,594,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(736)</u>	<u>14,594,145</u>
<b>Total Fund Balances</b>	<u>\$ 25,461,750</u>	<u>\$ 1,807,475</u>	<u>\$ 8,814,744</u>	<u>\$ 7,547,106</u>	<u>\$ 14,458,181</u>	<u>\$ 33,411,226</u>	<u>\$ 91,500,482</u>

**NOTE 19 – 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 2021, the County did not make any payments to the District.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS—continued**

***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 \$389,669 to the System during 2021.

***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.

**NOTE 20 – RELATED ORGANIZATIONS**

***Columbiana County Airport Authority***

The Columbiana County Airport Authority (the “Airport Authority”), was created by resolution of the County Commissioners under the authority of Section 308 of the Ohio Revised Code. The Airport Authority is governed by a seven-member Board of Trustees appointed by the County Commissioners. The Board of Trustees has the authority to exercise all of the powers and privileges provided under law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rentals and other charges; the authority to acquire, construct, operate, manage and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing a facility or permanent improvement. The Airport Authority serves as custodian of its own funds and maintains all records and accounts independent of Columbiana County. The County paid \$15,350 to the Airport Authority in 2021.

**NOTE 21 – BUDGETARY BASIS OF ACCOUNTING**

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**NOTE 21 – BUDGETARY BASIS OF ACCOUNTING—continued**

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 assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

	<b>Net Change in Fund Balance</b>					
	<u>General</u>	<u>Jobs and Family Services</u>	<u>Motor Vehicle and Gas Tax</u>	<u>Mental Health</u>	<u>Board of Developmental Disabilities</u>	<u>Local Fiscal Recovery</u>
GAAP Basis	\$ 639,190	\$ 269,227	\$ 1,430,442	\$ (381,461)	\$ 201,394	\$ -
Funds reclassified	(290,750)	-	-	-	-	-
Revenue accruals	443,550	30,142	635,178	(76,199)	(1,022,889)	8,257,125
Expenditure accruals	90,970	(85,344)	(398,234)	280,600	234,378	93,550
Encumbrances	(479,936)	-	(530,623)	-	-	-
Other Financing	(1,155,231)	-	-	-	-	-
Budget Basis	<u>\$ (752,207)</u>	<u>\$ 214,025</u>	<u>\$ 1,136,763</u>	<u>\$ (177,060)</u>	<u>\$ (587,117)</u>	<u>\$ 8,350,675</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the 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 fund and payroll withholding fund.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 22 – CONTINGENCIES**

**A. Grants**

The County receives significant financial assistance from numerous 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 a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the County at December 31, 2021.

**B. Litigation**

The County is party to legal proceedings. The County’s management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material adverse effect, if any, on the financial condition of the County at December 31, 2021.

**NOTE 23 – 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:

General	\$ 479,936
Motor Vehicle and Gas Tax	530,623
Nonmajor Governmental Funds	<u>39,354</u>
	<u>\$ 1,049,913</u>

**NOTE 24 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**

**Description of the Corporation**

The Columbiana County Land Reutilization Corporation (the “Corporation”) is a county land reutilization corporation that was formed on May 9, 2014, when the Columbiana County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation includes (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.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 24 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION—  
continued**

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.

**Summary of Significant Accounting Policies**

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

The Corporation’s significant accounting policies are described below.

*Basis of Presentation*

The Corporation’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business-type. The Corporation, however, does not have any business-type activities or fiduciary funds.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 24 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION—  
continued**

The statement of net position presents the financial condition of the governmental activities of the Corporation at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Corporation's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Corporation.

*Measurement Focus*

Government-Wide Financial Statements

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

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 24 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION—  
continued**

*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.

*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.



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 24 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION—**  
**continued**

*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, 2020.

*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, 2021, the carrying amount of all Corporation deposits was \$348,863. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2021, \$250,000 of the Corporation's bank balance of \$98,863 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.

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 2020, 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.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

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**NOTE 24 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION—  
continued**

**Receivables**

Receivables at December 31, 2021, consisted of due from other governments of \$86,909. 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 2021, the Corporation was covered under the County's property and liability insurance with the 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, 2021, the Corporation recognized revenues of \$228,0104 for these fees that were collected by the County in 2021.

During 2021, the Corporation paid \$57,733 in various costs to the Columbiana County Auditor and Treasurer and Development.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**COLUMBIANA COUNTY**

Required Supplementary Information  
 Schedule of County's Proportionate Share of the Net Pension Liability  
 Ohio Public Employees Retirement System - Traditional Pension Plan  
 Last Eight Years (1) (2)

	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.172642%	\$ 20,173,260	\$ 21,546,108	93.63%	86.36%
2015	0.172642%	20,639,436	20,380,933	101.27%	86.45%
2016	0.176199%	29,314,078	20,311,217	144.32%	81.08%
2017	0.171630%	37,369,555	20,355,042	183.59%	77.25%
2018	0.168887%	25,351,559	21,062,962	120.36%	84.66%
2019	0.159142%	41,743,222	18,352,729	227.45%	74.70%
2020	0.153539%	29,070,441	19,410,779	149.76%	82.17%
2021	0.150426%	22,275,080	19,940,471	111.71%	86.88%

(1) Information prior to 2014 is not available. The County will continue to present information for years available until a full ten-year trend is compiled.

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

**Notes to Schedule:**

*Change in assumptions.* In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

**COLUMBIANA COUNTY**

Required Supplementary Information  
 Schedule of County's Proportionate Share of the Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Eight Years (1) (2)

	County's Proportion of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.006022%	\$ 1,464,664	\$ 650,654	225.11%	74.7%
2015	0.005892%	1,628,393	576,707	282.36%	72.1%
2016	0.005047%	1,689,376	604,243	279.59%	66.8%
2017	0.004722%	1,121,833	525,521	213.47%	75.3%
2018	0.004159%	914,532	488,143	187.35%	77.3%
2019	0.004142%	915,883	480,200	190.73%	77.4%
2020	0.004184%	1,012,263	499,771	202.55%	75.5%
2021	0.004208%	537,979	500,979	107.39%	87.8%

(1) Information prior to 2014 is not available. The County will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the County's measurement date, which is a June 30th fiscal-year end.

**Notes to Schedule:**

*Change in assumptions.* In 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and 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. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

In measurement year 2021, the discount rate was adjusted to 7.00% from 7.45%.

*Change in benefit terms.* Effective July 1, 2017, the COLA was reduced to zero.

**COLUMBIANA COUNTY**

Required Supplementary Information

Schedule of County Pension Contributions

Ohio Public Employees Retirement System - Traditional Pension Plan

Last Ten Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2012	\$ 2,196,916	\$ (2,196,916)	\$ -	\$ 21,699,160	10.00%
2013	2,800,994	(2,800,994)	-	21,546,108	10.00%
2014	2,445,712	(2,445,712)	-	20,380,933	13.00%
2015	2,437,346	(2,437,346)	-	20,311,217	12.00%
2016	2,442,605	(2,442,605)	-	20,355,042	12.00%
2017	2,738,185	(2,738,185)	-	21,062,962	13.00%
2018	2,569,382	(2,569,382)	-	18,352,279	14.00%
2019	2,717,509	(2,717,509)	-	19,410,779	14.00%
2020	2,791,666	(2,791,666)	-	19,940,471	14.00%
2021	3,160,799	(3,160,799)	-	21,446,264	14.74%

**COLUMBIANA COUNTY**

Required Supplementary Information  
Schedule of County Pension Contributions  
State Teachers Retirement System of Ohio  
Last Ten Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2012	\$ 93,779	\$ (93,779)	\$ -	\$ 721,377	13.00%
2013	84,585	(84,585)	-	650,654	13.00%
2014	80,739	(80,739)	-	621,069	13.00%
2015	84,594	(84,594)	-	604,243	14.00%
2016	73,573	(73,573)	-	525,521	14.00%
2017	68,340	(68,340)	-	488,143	14.00%
2018	67,228	(67,228)	-	480,200	14.00%
2019	69,968	(69,968)	-	499,771	14.00%
2020	70,137	(70,137)	-	500,979	14.00%
2021	74,310	(74,310)	-	530,786	14.00%



**COLUMBIANA COUNTY**

Required Supplementary Information

Schedule of County's Proportionate Share of the Net OPEB Liability/(Asset)

Ohio Public Employees Retirement System

Last Five Years (1) (2)

	County's Proportion of the Net OPEB Liability/ (Asset)	County's Proportionate Share of the Net OPEB Liability/ (Asset)	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability/ (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.165674%	\$ 16,733,673	\$ 21,090,359	79.34%	54.05%
2018	0.163240%	16,961,573	21,850,788	77.62%	54.14%
2019	0.153957%	19,223,819	19,155,632	100.36%	46.33%
2020	0.148987%	19,712,647	20,283,575	97.19%	47.80%
2021	0.145630%	(2,593,671)	20,775,601	(12.48%)	115.57%

(1) Information prior to 2017 is not available. The County will continue to present information for years available until a full ten-year trend is compiled.

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

**Notes to Schedule:**

*Change in assumptions.* In 2018, the single discount rate changed from 4.23% to 3.85%.

In 2019, the single discount rate changed from 3.85% to 3.96%, the investment rate of return changed from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.50% ultimate in 2030.

In 2021, the single discount rate changed from 3.16% to 6.00% and the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

**COLUMBIANA COUNTY**

Required Supplementary Information  
 Schedule of County's Proportionate Share of the Net OPEB Liability (Asset)  
 State Teachers Retirement System of Ohio  
 Last Five Years (1) (2)

	County's Proportion of the Net OPEB Liability/ (Asset)	County's Share of the Net OPEB Liability/ (Asset)	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability/ (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.004722%	\$ 184,253	\$ 525,521	35.06%	47.1%
2018	0.004159%	(67,000)	488,143	(13.73%)	176.0%
2019	0.004142%	(68,594)	480,200	(14.28%)	174.7%
2020	0.004184%	(73,525)	499,771	(14.71%)	182.1%
2021	0.004208%	(88,714)	500,979	(17.71%)	174.7%

(1) Information prior to 2017 is not available. The County will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the County's measurement date, which is a June 30th fiscal-year end.

**Notes to Schedule:**

*Change in assumption.* For measurement year 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For measurement year 2018, the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74. Valuation year per capital health care costs were updated.

*Change in benefit terms.* For measurement year 2017, the subsidy multiplier for non-Medicare benefit recipient was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

For measurement year 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For measurement year 2020, claim curves were updated to reflect the projected FYE 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

**COLUMBIANA COUNTY**

Required Supplementary Information  
Schedule of County OPEB Contributions  
Ohio Public Employees Retirement System  
Last Ten Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2012	\$ 850,861	\$ (850,861)	\$ -	\$ 21,699,160	3.92%
2013	212,164	(212,164)	-	21,865,270	0.97%
2014	425,937	(425,937)	-	20,717,458	2.06%
2015	405,038	(405,038)	-	21,088,617	1.92%
2016	451,825	(451,825)	-	21,090,359	2.14%
2017	240,077	(240,077)	-	21,850,788	1.10%
2018	15,651	(15,651)	-	19,155,632	0.08%
2019	18,798	(18,798)	-	20,283,575	0.09%
2020	16,546	(16,546)	-	20,775,601	0.08%
2021	19,669	(19,669)	-	21,446,264	0.09%

**COLUMBIANA COUNTY**

Required Supplementary Information  
Schedule of County OPEB Contributions  
State Teachers Retirement System of Ohio  
Last Ten Years

	Contractually Required Contributions (1)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2012	\$ 7,234	\$ (7,234)	\$ -	\$ 721,377	1.00%
2013	6,507	(6,507)	-	650,654	1.00%
2014	6,211	(6,211)	-	621,069	1.00%
2015	-	-	-	604,243	0.00%
2016	-	-	-	525,521	0.00%
2017	-	-	-	488,143	0.00%
2018	-	-	-	480,200	0.00%
2019	-	-	-	499,771	0.00%
2020	-	-	-	500,979	0.00%
2021	-	-	-	530,786	0.00%

(1) STRS allocated the entire 14% employer contribution rate toward pension benefits beginning in 2015.

COLUMBIANA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTER/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<b>PASSED THROUGH OHIO DEPARTMENT OF EDUCATION</b>			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	EDU01-3L70	\$ 8,093
National School Lunch Program	10.555	EDU01-3L60	13,715
<b>Total Child Nutrition Cluster</b>			<b>21,808</b>
<b>PASSED THROUGH OHIO DEPARTMENT OF JOB AND FAMILY SERVICES</b>			
<i>Supplemental Nutrition Assistance Program Cluster:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-1819-11-5725	443,975
<b>Total Supplemental Nutrition Assistance Program Cluster</b>			<b>443,975</b>
<b>Total U.S. Department of Agriculture</b>			<b>465,783</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT OFFICE OF HOUSING AND COMMUNITY PARTNERSHIP</b>			
Community Development Block Grant	14.228	B-F-18-IA0-1	147,800
Community Development Block Grant	14.228	B-F-20-IA0-1	155,000
			<b>302,800</b>
FY18 Home Investment Partnerships Program	14.239	B-C-18-IA0-1	5,456
FY18 Home Investment Partnerships Program	14.239	S-C-18-IA0-1	3,603
FY20 Home Investment Partnerships Program	14.239	B-C-20-IA0-1	67,141
FY20 Home Investment Partnerships Program	14.239	B-C-20-IA0-2	216,669
			<b>292,869</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>595,669</b>
<b>U.S. DEPARTMENT OF JUSTICE PASSED THROUGH THE OFFICE OF CRIMINAL JUSTICE</b>			
Crime Victim Assistance	16.575	2022 VOCA 134716954	74,871
Crime Victim Assistance	16.575	N/A	40,895
<b>Total Crime Victim Assistance</b>			<b>115,766</b>
Edward Byrne Memorial Justice Assistance Grant	16.738	20636569	23,705
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-JG-D02-6852	73,237
			<b>96,942</b>
<b>Total U.S. Department of Justice</b>			<b>212,708</b>

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COLUMBIANA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTER/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF TREASURY</b>			
COVID-19 - Coronavirus Relief Fund (Passed through Ohio OBM)	21.019	N/A	24,750
COVID-19 - State and Local Recovery Relief Fund (Direct Award)	21.027	N/A	798,339
<b>Total U.S. Department of Treasury</b>			<b>823,089</b>
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH OHIO DEPARTMENT OF EDUCATION</b>			
<i>Special Education Cluster (IDEA):</i>			
Special Education Grants to States Part B Flowthrough	84.027	3M20-065920-6B-2021	17,571
Special Education Grants to States Part B Flowthrough	84.027	3M20-065920-6B-2020	8,908
<b>Total Special Education Grant Cluster (IDEA)</b>			<b>26,479</b>
Special Education Grants for Infants and Families	84.181	3920-DOH-FY 19/20	207,413
COVID-19 Governor's Emergency Relief Fund	84.425C	EDUFGR20	31,762
<b>Total U.S. Department of Education</b>			<b>265,654</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH VARIOUS SOURCES (SEE TICKMARKS)</b>			
{a} Promoting Safe and Stable Families	93.556	G-2020-11-5725/G2021-11-5912	61,902
{a} Temporary Assistance for Needy Families (TANF)	93.558	G-2020-11-5725/G2021-11-5912	1,843,613
{a} COVID -19 Temporary Assistance for Needy Families (TANF)	93.558	N/A	160,329
{d} Temporary Assistance for Needy Families (TANF)	93.558	N/A	23,233
<b>Total TANF</b>			<b>2,027,175</b>
{a} Child Support Enforcement	93.563	G-1617-11-5498	1,185,763
{a} Child Care and Development Block Grant Cluster	93.575	G-2020-11-5725/G2021-11-5912	87,470
{a} Child Welfare Services - State Grants	93.645	G-2020-11-5725/G2021-11-5912	71,353
{a} Foster Care Title IV-E	93.658	G-2020-11-5725/G2021-11-5912	1,147,126
{a} Adoption Assistance	93.659	G-2020-11-5725/G2021-11-5912	218,984
{a} Social Services Block Grant	93.667	G-2020-11-5725/G2021-11-5912	696,540
{b} Social Services Block Grant	93.667	DMR01-100912	71,810
{c} Social Services Block Grant	93.667	N/A	67,457
<b>Total Social Services Block Grant</b>			<b>835,807</b>
{a} John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2020-11-5725/G2021-11-5912	26,408
{a} COVID - 19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	N/A	4,000
<b>Total John H. Chafee Foster Care Program for Successful Transition to Adulthood</b>			<b>30,408</b>
{a} COVID - 19 Elder Abuse Prevention Interventions Program	93.747	N/A	1,270
{a} Children's Health Insurance Program	93.767	G-2020-11-5725/G2021-11-5912	355,767
<i>Medicaid Cluster:</i>			
{a} Medical Assistance Program	93.778	G-2020-11-5725/G2021-11-5912	1,408,063
{b} Medical Assistance Program	93.778	DMR01-100912	340,009
<b>Total Medicaid Cluster</b>			<b>1,748,072</b>
{c} Opioid STR	93.788	N/A	185,312
{a} Maternal, Infant, and Early Childhood Home Visiting Grant Program Cluster	93.870	3920-DOH-12W4	99,746
{c} Block Grants for Community Mental Health Services	93.958	N/A	186,331
{c} Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	349,101
<b>Total U.S. Department of Health and Human Services</b>			<b>8,591,587</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH OHIO EMERGENCY MANAGEMENT AGENCY</b>			
Disaster Grants - Public Assistance	97.036	FEMA-4360-DR-029-UJYFK-00	129,825
Emergency Performance Grant	97.042	EMC-2020-EP-0004	6,478
<b>Total U.S. Department of Homeland Security</b>			<b>136,303</b>
<b>Total Federal Expenditures</b>			<b>\$ 11,090,793</b>
<b>Tickmarks:</b>			
{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			
{d} Passed Through Ohio Department of Health to CC Educational Service			

**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, 2021. 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 2021 is as follows:

Beginning loans receivable balance as of January 1, 2021	\$272,523
Loans Disbursed	0
Loans Repaid	0
Write-offs and Adjustments	<u>(8,236)</u>
Ending loans receivable balance as of December 31, 2021	<u>\$264,287</u>
Cash balance on hand as of December 31, 2021	\$73,218
Administrative costs expended during 2021	0
Interest received	0

The table above reports the gross receivable. Of the loans receivable as of December 31, 2021, Columbiana County estimates \$264,287 to be uncollectible.

**NOTE E - MATCHING REQUIREMENTS**

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



**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, 2021, 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 27, 2022.

**Report on 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) as a basis for designing 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a deficiency.

## **Report on 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 financial statements. 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 Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Columbus, Ohio  
June 27, 2022

**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**

***Qualified and Unmodified Opinions***

We have audited Columbiana County, Ohio's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Qualified Opinion on the Coronavirus State and Local Fiscal Recovery Funds***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2021.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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 of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2021.

***Basis for Qualified and Unmodified Opinions***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

### *Matter Giving Rise to Qualified Opinion on the Coronavirus State and Local Fiscal Recovery Funds*

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds as described in finding number 2021-002 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

*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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 27, 2022

Columbiana County, Ohio  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2021

**Section I - Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

Internal Control over major program:	
• Material weakness(es) identified?	yes
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Type of auditors' report issued on compliance for major programs:	qualified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	yes
Identification of major programs:	
<i>ALN 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds</i> <i>ALN 93.558 – Temporary Assistance for Needy Families (TANF)</i> <i>ALN 93.778 – Medicaid Cluster</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	no

## **Section II - Financial Statement Findings**

### **2021-001 Open Enrollment**

During the course of our audit, we identified deficiencies in internal control related to the management of the open enrollment process that were not initially identified by the County's internal controls. 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 open enrollment process did not operate as designed.

Effective January 1, 2020, the County changed provisions of its group health plan to exclude spouses from coverage if they are eligible to participate in a group health plan sponsored by their employer. The County required a Working Spouse Verification form be filled out along with a statement provided by the spouse's employer documenting the spouse is not eligible for their employer's group health coverage to be covered under the County's group health plan. The County did not consistently manage this policy change and several employees continued coverage for working spouses over the course of two years.

We recommend the County enhance its internal controls over the open enrollment process with steps such as requiring each employee to complete an open enrollment form each year, even if there are no changes in coverage.

**Views of Responsible Officials:** *See Corrective Action Plan*

### **Section III – Federal Award Findings and Questioned Costs**

#### **2021-002 –Reporting – Coronavirus State and Local Fiscal Recovery Funds**

*ALN 21.027*

*U.S. Department of Treasury*

*Criteria:* The U.S. Department of Treasury established reporting requirements for local governments. These requirements established methods and timelines for reporting Coronavirus State and Local Fiscal Recovery Fund (SLFRF) expenditures to the U.S. Department of Treasury.

*Condition:* The County had multiple errors in the accuracy of the reporting of subrecipients, subawards, and accuracy in the amount reported on the quarterly project and expenditure report.

*Context:* During our review of the quarterly project and expenditure report, we noted the County incorrectly reported six beneficiaries as subrecipients and ten subawards that were expenditures of the County. In addition, the County over reported \$750,000 in expenditures on the quarterly project and expenditure report.

*Effect:* The County was not in compliance with reporting requirements in 2021.

*Cause:* Lack of sufficient internal controls over the reporting requirements of the SLFRF program.

*Recommendation:* We recommend the County enhance its internal controls over the reporting requirements of the SLFRF program by reviewing the U.S. Department of Treasury's Final Rule and Project and Expenditure Report User Guide – State and Local Fiscal Recovery Funds.

***Views of Responsible Officials:*** See Corrective Action Plan



# Nancy Gause Milliken

## COLUMBIANA COUNTY AUDITOR



105 S. Market Street Lisbon, OH 44432 \* Phone 330-424-9515 ext.1000 \* Fax 330-424-9745

Email: [auditor@columbianacntyauditor.org](mailto:auditor@columbianacntyauditor.org) Website: <http://oh-columbiana-auditor.publicaccessnow.com>

### SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR § 200.511(c)

December 31, 2021

Finding Number	Status	Explanation
2020-001	Corrected	

Sincerely,

A handwritten signature in cursive script that reads "Nancy Milliken".

Nancy Milliken  
County Auditor

# Nancy Gause Milliken

## COLUMBIANA COUNTY AUDITOR



105 S. Market Street Lisbon, OH 44432 \* Phone 330-424-9515 ext.1000 \* Fax 330-424-9745

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Date: June 13, 2022  
To: Sandra Hegarty  
From: Tim Weigle  
Columbiana County Commissioner  
Re: Section II Financial Statement Findings  
2021-001 Open Enrollment

In response to the above referenced finding, the Board of Columbiana County Commissioners have reviewed multiple open enrollment documents and realize the internal controls were not adequate during the 2021 open enrollment period when employee working spouses were required to use their employer's health care insurance if it was available to them.

For 2022, the Board of Commissioners changed brokers from Oswald to CEBCO and have now allowed spouses to be on the county insurance plan. In hindsight the decision to remove spouses from the insurance plan in 2021 created additional paperwork for our office staff and became difficult in communicating with employees to get the correct information.

Please find attached the open enrollment election forms for 2021 year using my name (as an example), I signed on 11-12-2020 and the new CEBCO form that will require all information at each open enrollment period in the future. Additionally, attached is the Working Spouse Provision, I signed on 10-29-2019. This form will not be required in the future.

The Commissioners and County Health Care coordinator are implementing an enhanced process during the open enrollment period and each form will be thoroughly reviewed for the correct information.

Respectfully,

A handwritten signature in blue ink that reads "Tim Weigle".

Tim Weigle  
Columbiana County Commissioner

A handwritten signature in blue ink that reads "Nancy Milliken".

Nancy Milliken  
Columbiana County Auditor

# Nancy Gause Milliken

## COLUMBIANA COUNTY AUDITOR



105 S. Market Street Lisbon, OH 44432 \* Phone 330-424-9515 ext.1000 \* Fax 330-424-9745

Email: [auditor@columbianacntyauditor.org](mailto:auditor@columbianacntyauditor.org) Website: <http://oh-columbiana-auditor.publicaccessnow.com>

---

Date: June 21, 2022

To: Sandra Hegarty

From: Tim Weigle  
Columbiana County Commissioner

Re: Section III 2021 -Reporting-State and Local Fiscal Recovery Funds

In response to your findings of incorrect reporting of subrecipients, subawards, and over reported expenditures, the Commissioners have reviewed the established methods that guided us to meeting reporting deadlines recently. There were hundreds of unanswered questions from all counties throughout the state that were unsure of how this reporting should be established in the portal.

As we filled in the information in the portal the only way to receive a green check mark to continue through the reporting process was to list our expenditures as you found them in your audit. Our staff did the best we could to meet the reporting deadline and correctly enter the information, however, many of the questions that were submitted didn't get answered.

Today, we have a little better understanding of the reporting process and have put more internal controls in place to hopefully get the SLFRF information correct in the future. We will enhance the internal controls before the next reporting date.

Respectfully,

*Tim Weigle*

Tim Weigle  
Columbiana County Commissioner

*Nancy Milliken*

Nancy Milliken  
Columbiana County Auditor



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

**COLUMBIANA COUNTY LAND REUTILIZATION  
CORPORATION (A COMPONENT UNIT OF COLUMBIANA  
COUNTY, OHIO)**

COLUMBIANA COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Columbiana County Land Reutilization Corporation  
Columbiana County, Ohio:

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities and the major fund of Columbiana County Land Reutilization Corporation (the "Corporation"), a component unit of Columbiana County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Columbiana County Land Reutilization Corporation, Columbiana County Ohio as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government*

*Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022 on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Columbus, Ohio  
June 27, 2022



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**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2021**  
Unaudited

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The management's discussion and analysis of the Columbiana County Reutilization Corporation's (the Corporation) financial performance provides an overall review of the Corporation's financial activities for the period ended December 31, 2021. While the intent of this discussion and analysis is to look at the Corporation's financial performance, readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Corporation's fiscal performance.

## **FINANCIAL HIGHLIGHTS**

Key highlights for 2021:

- The total net position of the Corporation decreased by \$22,520.
- The general fund had revenues of \$409,232 and expenditures of \$431,752, resulting in an ending fund balance of \$1,115,927.

## **USING THIS ANNUAL REPORT**

This annual report consists of two parts – management's discussion and analysis and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the Corporation. These statements are as follows:

- *Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the Corporation's overall financial status.
- *Fund Financial Statements* – These statements focus on individual parts of the Corporation, reporting the Corporation's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

### **Government-wide Statements**

The government-wide statements report information about the Corporation as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Corporation's assets and liabilities. All current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Corporation's net position and how it has changed. Net position (the difference between the Corporation's assets and liabilities) is one way to measure the Corporation's financial health or condition.

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
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**Management’s Discussion and Analysis**  
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Over time, increases or decreases in the Corporation’s net position is an indicator of whether its financial health is improving or deteriorating, respectively. The government-wide financial statements of the Corporation reflect the following category for its activities:

Governmental Activities – The Corporation’s programs and services are reported as governmental activities and include general governmental operations.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Corporation’s funds, not the Corporation as a whole. Funds are accounting devices that the Corporation uses to keep track of specific sources of funding and spending for particular purposes.

*Governmental Funds* – All of the Corporation’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Corporation’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements when there are differences. Currently, the Corporation’s governmental fund consists of a General Fund.

**CORPORATION SUMMARY**

**Financial Analysis**

The following table provides a summary of the Corporation’s net position at December 31, 2021 and 2020:

**Table 1**  
**Net Position**

	2021	2020
Assets:		
Current and other assets	\$ 1,122,972	\$ 1,138,582
Liabilities:		
Other liabilities	7,045	135
Net position:		
Unrestricted	\$ 1,115,927	\$ 1,138,447

Net position may serve over time as a useful indicator of financial position. In the case of the Corporation, assets exceeded liabilities by a total \$1,115,927 at December 31, 2021.

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The following table provides a summary of the changes in the Corporation's net position for the years ended December 31, 2021 and 2020:

**Table 2**  
**Change in Net Position**

	<u>2021</u>	<u>2020</u>
Program revenues:		
Operating grants and contributions	\$ 101,108	\$ 20,050
General revenues:		
Unrestricted grants and contributions	286,714	359,876
Other revenue	21,410	16,509
Total general revenues	<u>308,124</u>	<u>376,385</u>
Total revenue	<u>409,232</u>	<u>396,435</u>
Expenses:		
General government	<u>431,752</u>	<u>673,614</u>
Change in net position	(22,520)	(277,179)
Net position - beginning of year	<u>1,138,447</u>	<u>1,415,626</u>
Net position - end of year	<u>\$ 1,115,927</u>	<u>\$ 1,138,447</u>

Governmental activities net position decreased by \$22,520.

Expenses for 2021 totaled \$431,752. The main expenses of the Corporation are disposal of properties and demolition costs related to the Neighborhood Initiative Program (NIP) grant. The demolition costs were funded by \$86,909 in grant money. There was a significant decrease in demolition activity due to the NIP grant no longer available and the significant progress made in prior years on number of structures that needed demolished. The Corporation is beginning to transition its focus towards rehabbing, beautification and economic development, incurring \$10,000 in rehabilitation and \$6,338 in beautification projects in 2021. Also in 2021, the Corporation initiated a \$31,045 promissory note to a private rehabber for a pilot rehabilitation program. This loan was repaid in 2021.

General revenue totaled \$308,124, or 75% of total governmental revenue. The primary source of general revenue is 5% of all collections on delinquent taxes. These revenues made up \$228,014, or 74% of all general revenue.

**CURRENT FINANCIAL RELATED ACTIVITIES**

The County formed the Corporation on May 9, 2014 and operations began on November 7, 2014. The Corporation is Columbiana County's agent to help local County municipalities reclaim, rehabilitate, and reutilize vacant, abandon, tax foreclosed, and other real property in Columbiana County. The purpose of the Corporation is to help the County's municipalities strengthen neighborhoods in Columbiana County by returning vacant and abandoned properties to productive use.

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
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Unaudited

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**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, customers, taxpayers, creditors, investors and elected officials with an overview of the Corporation's finances and to show accountability for the money it receives. If you have any questions about this report or need additional information, contact the Chairperson of the Corporation, 105 South Market Street, Lisbon, Ohio 44432.

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Statement of Net Position**  
**December 31, 2021**

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	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 348,863
Receivables:	
Due from other governments	86,909
Assets held for resale	<u>687,200</u>
Total assets	<u>1,122,972</u>
<b>Liabilities:</b>	
Accounts payable	<u>7,045</u>
<b>Net position:</b>	
Unrestricted	<u>\$ 1,115,927</u>

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
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**Statement of Activities**  
**For the Year Ended December 31, 2021**

	<u>Expenses</u>	<u>Program Revenues Operating Grants &amp; Contributions</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
			<u>Governmental Activities</u>
<u>Governmental Activities</u>			
General government:			
NIP costs	\$ 70,377	\$ 86,909	\$ 16,532
Professional services	109,094	1,500	(107,594)
Taxes	2,512	-	(2,512)
Disposal of properties	230,500	-	(230,500)
Rehabilitation of properties	10,000	12,699	2,699
Beautification projects	6,338	-	(6,338)
Other	2,931	-	(2,931)
Total	<u>\$ 431,752</u>	<u>\$ 101,108</u>	<u>(330,644)</u>
General Revenues:			
Contributions and donations not restricted to specific programs			58,700
Grants and entitlements not restricted to specific programs			228,014
Interest			7,417
Other revenue			<u>13,993</u>
Total general revenues			<u>308,124</u>
Change in net position			(22,520)
Net position - beginning of year			<u>1,138,447</u>
Net position - end of year			<u>\$ 1,115,927</u>

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Balance Sheet**  
**December 31, 2021**

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	<u>General Fund</u>
<b>Assets:</b>	
Equity in cash and cash equivalents	\$ 348,863
Receivables:	
Due from other governments	86,909
Assets held for resale	<u>687,200</u>
<b>Total assets</b>	<b><u>\$ 1,122,972</u></b>
<b>Liabilities:</b>	
Accounts payable	\$ 7,045
<b>Fund balances:</b>	
Nonspendable -	
Assets held for resale	687,200
Unassigned	<u>428,727</u>
Total fund balances	<u>1,115,927</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,122,972</u></b>



**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2021**

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	General Fund
<b>Revenues:</b>	
NIP grant	\$ 86,909
Contributions and donations	58,700
Intergovernmental	229,514
Interest	7,417
Other	<u>26,692</u>
Total revenue	<u>409,232</u>
<b>Expenditures:</b>	
Current:	
General government	
NIP costs	70,377
Property rehabilitation	10,000
Beautification project	6,338
Professional services	109,094
Taxes	2,512
Disposition of properties	230,500
Other	<u>2,931</u>
Total expenditures	<u>431,752</u>
Net change in fund balance	(22,520)
Fund balance - beginning of year	<u>1,138,447</u>
Fund balance - end of year	<u>\$ 1,115,927</u>

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2021**

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**NOTE 1—REPORTING ENTITY**

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.

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 component 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.

**NOTE 2—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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies are described as follows.

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2021**

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**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Basis of Presentation**

The Corporation's basic financial statements consist of government-wide financial 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.

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 are 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 limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Corporation.

*Fund Financial Statements.* During the year, the Corporation segregates transactions related to certain Corporation functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at a more detailed level. The focus of governmental fund financial statements is on major funds. The Corporation's general fund is its only governmental fund.

**Fund Accounting**

The Corporation 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 Corporation only utilizes one category of funds; governmental funds.

*Governmental Funds.* Governmental funds are those through which all of the governmental functions 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 purposes for which they may or must be used. Current liabilities are assigned to the fund form which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The Corporation's general fund is its only governmental fund:

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
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**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2021**

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**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

*General Fund* is used to account for all financial that are received from the County Treasurer from penalties collected on delinquent property taxes and interest on those delinquencies. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio. In addition, the fund receives State grant revenues.

**Measurement Focus**

Government-wide Financial Statements. The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the Corporation 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. The fund financial statements report detailed information about the Corporation's governmental funds. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and liabilities and deferred inflows of resources are generally included on the Balance Sheet.

The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (e.g., revenues and other financing sources) and uses (e.g., 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 will include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds, as needed.

Classification of Fund Balance

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Corporation's fund balances will fall under five classifications based primarily on the extent to which the Corporation must observe constraints imposed upon the use of its governmental fund resources. The five classifications are:

1. Nonspendable

The Corporation classifies a fund balance as *nonspendable* when amounts are not in a spendable form or are legally or contractually required to be maintained intact.

2. Restricted

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

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
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**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2021**

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**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

3. Committed

The Corporation's Board can *commit* amounts via formal action (resolution). The Corporation must adhere to these commitments unless the Corporation's Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

*Assigned* fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Corporation's Board or by State statute.

5. Unassigned

*Unassigned* fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

**Basis of Accounting**

The 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. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

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

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2021**

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**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Non-exchange transactions, in which the Corporation receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal 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 fiscal year when use is first permitted, matching requirements, in which the Corporation must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Corporation on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

*Expenses/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.

**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.

**Assets Held for Resale**

Assets held for resale represent properties purchased 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 Corporation or local jurisdiction 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.

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
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**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2021**

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**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provision, enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**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 Ohio Revised Code Section 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.

**Estimates**

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**NOTE 3—DEPOSITS**

Monies held by the Corporation are classified by State statute into three categories.

Active deposits are public deposits necessary to meet current demands upon the Corporation. Active deposits must be maintained either as cash by the Corporation, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Corporation has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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. Although all statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the Federal Deposit Insurance Corporation (FDIC).

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2021**

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**NOTE 3—DEPOSITS** (continued)

The Corporation has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

- Eligible securities pledged to the Corporation and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or
- 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 market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State. For 2021, the Corporation's financial institution was approved for a collateral rate of 102% through the OPCS.

At year-end, the Corporation's carrying balance and bank balance was \$348,863. Of the bank balance of \$348,863, \$98,863 was exposed to custodial credit risk and was collateralized with the OPCS, while \$250,000 was covered by the FDIC.

**NOTE 4—RECEIVABLES**

Receivables at December 31, 2021, consisted of due from other governments of \$86,909. These amounts are expected to be collected in the subsequent year.

In 2021, the Corporation issued a \$31,045 promissory note to a private rehabber for a pilot rehabilitation program. The note bears an interest rate of 10.75% and 12 months. This note was repaid in full in 2021. The Corporation received \$7,417 in interest and fees.

**NOTE 5—RISK MANAGEMENT**

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 2021, the Corporation was covered under Columbiana County's property and liability insurance with the County Risk Share Authority.

**NOTE 6—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, 2021, the Corporation recognized revenues of \$228,014 for these fees that were collected by the County in 2021.

During 2021, the Corporation paid \$57,733 in various costs to the Columbiana County Auditor, Treasurer and Development.



**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2021**

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**NOTE 7—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.

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**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 Directors  
Columbiana County Land Reutilization Corporation  
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 and the major fund of the Columbiana County Land Reutilization Corporation, Columbiana County Ohio (the "Corporation"), a component unit of Columbiana County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 27, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation'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 financial statements. 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*.

### **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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Columbus, Ohio  
June 27, 2022

# 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 8/4/2022**

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](http://www.ohioauditor.gov)