



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

# **COLUMBIANA COUNTY, OHIO**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

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OHIO AUDITOR OF STATE  
KEITH FABER



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Board of County Commissioners  
Columbiana County  
105 South Market Street  
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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, 2022 through December 31, 2022. 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

**June 28, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners  
Columbiana County, Ohio:

### 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, 2022, 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, 2022, 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 (*Government Auditing Standards*). 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 GAAS, 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 GAAS. 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 13, 2023 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 13, 2023

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**COLUMBIANA COUNTY, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2022**  
*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, 2022. 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 2022 are as follows:

- The total net position of the County increased by \$23,654,555. Net position of governmental activities increased by \$23,503,958, which represents a 22% increase from 2021. Net position of business-type activities increased by \$150,597.
- General revenues accounted for 43%, or \$39,054,385, of total governmental activities revenue. Program specific revenues accounted for 57%, or \$52,758,933, of total governmental activities revenue.
- The County had \$71,134,828 in total expenses, an increase of \$14,902,932 from 2021. Program revenue of \$55,724,517 reduced the net cost of the County's functions to be financed from property and sales taxes and other general revenue to \$15,410,311.
- The County's unassigned fund balance in the General Fund was \$13,404,459 at year end, or 57% 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 six 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 2022?” 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, community and economic development, 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 two types of proprietary funds: enterprise and internal service funds. These 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 and an internal service fund to account for its health self-insurance program.

## 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 2022 compared to 2021.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	Restated 2021	2022	2021	2022	Restated 2021
<b>Assets</b>						
Current and other assets	\$ 155,280,671	\$ 140,505,721	\$ 3,533,839	\$ 2,496,617	\$ 158,814,510	\$ 143,002,338
Net OPEB assets	4,579,709	2,609,067	139,102	73,318	4,718,811	2,682,385
Capital assets	51,093,369	45,391,198	8,211,261	8,427,789	59,304,630	53,818,987
<b>Total Assets</b>	<b>210,953,749</b>	<b>188,505,986</b>	<b>11,884,202</b>	<b>10,997,724</b>	<b>222,837,951</b>	<b>199,503,710</b>
<b>Deferred Outflows of Resources</b>	<b>6,069,329</b>	<b>5,908,565</b>	<b>193,259</b>	<b>161,784</b>	<b>6,262,588</b>	<b>6,070,349</b>
<b>Liabilities</b>						
Long-term liabilities:						
Net pension liabilities	13,751,373	22,195,202	426,184	617,857	14,177,557	22,813,059
Other long-term amounts	14,477,481	16,065,994	7,011,886	7,394,838	21,489,367	23,460,832
Other liabilities	19,313,751	13,403,884	1,471,878	280,333	20,785,629	13,684,217
<b>Total Liabilities</b>	<b>47,542,605</b>	<b>51,665,080</b>	<b>8,909,948</b>	<b>8,293,028</b>	<b>56,452,553</b>	<b>59,958,108</b>
<b>Deferred Inflows of Resources</b>	<b>40,072,935</b>	<b>36,845,891</b>	<b>660,013</b>	<b>509,577</b>	<b>40,732,948</b>	<b>37,355,468</b>
<b>Net Position</b>						
Net investment in capital assets	39,361,057	32,396,585	1,328,634	1,147,568	40,689,691	33,544,153
Restricted	50,963,528	40,739,689	-	-	50,963,528	40,739,689
Unrestricted	39,082,953	32,767,306	1,178,866	1,209,335	40,261,819	33,976,641
<b>Total Net Position</b>	<b>\$ 129,407,538</b>	<b>\$ 105,903,580</b>	<b>\$ 2,507,500</b>	<b>\$ 2,356,903</b>	<b>\$ 131,915,038</b>	<b>\$ 108,260,483</b>

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2022 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, 2022, the County's assets and deferred outflows exceeded liabilities and deferred inflows by \$131,915,038. This amounts to \$129,407,538 in governmental activities and \$2,507,500 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 27% 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, 2022 was \$40,689,691. 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, 2022, the County reported positive balances in all of its categories of net position for governmental activities and business-type activities.

Total assets increased by \$23.3 million during 2022. The majority of this increase occurred in current and other assets, as the County limited expenses to 74% of revenue in governmental activities and 97% in business-type activities. Additionally, County has spent to date approximately \$3.4 million of the \$19.8 million total award 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 \$16.4 million was recorded as unearned revenue at year-end. Additionally, capital assets increased \$5.5 million as the County continued to invest in equipment and infrastructure.

Total liabilities decreased \$3.5 million during 2022. This decrease was driven by net pension liabilities. The decrease in these liabilities was 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 their respective measurement periods, to provide more resources for future pension benefits. This decrease was offset by an increase in unearned revenue related to ARPA funds the County has yet to disburse, as discussed above.

A portion of the County's net position, \$50,963,528, 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 2022 and 2021.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 12,207,648	\$ 11,085,692	\$ 2,622,915	\$ 2,445,990	\$ 14,830,563	\$ 13,531,682
Operating grants and contributions	32,119,638	32,498,386	-	-	32,119,638	32,498,386
Capital grants and contributions	8,431,647	2,337,970	342,669	99,651	8,774,316	2,437,621
<b>Total program revenues</b>	<b>52,758,933</b>	<b>45,922,048</b>	<b>2,965,584</b>	<b>2,545,641</b>	<b>55,724,517</b>	<b>48,467,689</b>
General revenues:						
Property and other taxes	14,548,584	13,857,596	-	-	14,548,584	13,857,596
Sales taxes	21,252,574	20,587,959	-	-	21,252,574	20,587,959
Grants and entitlements not restricted to specific programs	4,098,014	3,955,290	-	-	4,098,014	3,955,290
Oil and gas lease	79,979	51,688	-	-	79,979	51,688
Investment earnings	(2,028,847)	(338,526)	10,481	435	(2,018,366)	(338,091)
Miscellaneous	1,104,081	214,092	-	254,128	1,104,081	468,220
<b>Total general revenues</b>	<b>39,054,385</b>	<b>38,328,099</b>	<b>10,481</b>	<b>254,563</b>	<b>39,064,866</b>	<b>38,582,662</b>
<b>Total revenues</b>	<b>91,813,318</b>	<b>84,250,147</b>	<b>2,976,065</b>	<b>2,800,204</b>	<b>94,789,383</b>	<b>87,050,351</b>
<b>Expenses</b>						
General government	12,656,184	8,748,978	-	-	12,656,184	8,748,978
Public safety	11,258,446	9,582,038	-	-	11,258,446	9,582,038
Public works	10,851,511	7,191,301	-	-	10,851,511	7,191,301
Health	5,582,729	5,373,215	-	-	5,582,729	5,373,215
Human services	25,095,009	21,718,407	-	-	25,095,009	21,718,407
Community and economic development	2,310,290	697,685	-	-	2,310,290	697,685
Interest and fiscal charges	492,578	467,909	-	-	492,578	467,909
Sewer	-	-	2,387,695	2,128,976	2,387,695	2,128,976
Other enterprise	-	-	500,386	323,387	500,386	323,387
<b>Total expenses</b>	<b>68,246,747</b>	<b>53,779,533</b>	<b>2,888,081</b>	<b>2,452,363</b>	<b>71,134,828</b>	<b>56,231,896</b>
Transfers	(62,613)	-	62,613	-	-	-
<b>Change in net position</b>	<b>23,503,958</b>	<b>30,470,614</b>	<b>150,597</b>	<b>347,841</b>	<b>23,654,555</b>	<b>30,818,455</b>
<i>Net position, beginning of year, restated</i>	<u>105,903,580</u>	<u>75,432,966</u>	<u>2,356,903</u>	<u>2,009,062</u>	<u>108,260,483</u>	<u>77,442,028</u>
<i>Net position, end of year</i>	<u>\$ 129,407,538</u>	<u>\$ 105,903,580</u>	<u>\$ 2,507,500</u>	<u>\$ 2,356,903</u>	<u>\$ 131,915,038</u>	<u>\$ 108,260,483</u>

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 amounts, despite being outside the control of County management. That is the case this year, as the County recognized \$12.5 million less in *negative* OPEB expenses (\$3.8 million in negative OPEB expenses in 2022 compared to \$16.3 million in negative OPEB expenses in 2021). In the prior year, OPERS made changes to the benefit terms by making changes to base allowances and eligibility for Medicare retirees, as well as replacing the self-insured medical plans for non-Medicare retirees with monthly allowances.

The impact of these changes is allocated across all of the County's operations and is the primary reason for the increase in several of the expense functions and enterprise operations.

### ***Governmental Activities***

Human services expenses, which supports the operations of jobs and family services, board of developmental disabilities, and the children services board accounted for \$25,095,009, or 37%, of total governmental activities expenses of the County during 2022. These expenses were funded by \$867,002 in charges to users of services and \$18,748,766 in operating grants and contributions.

General government represents activities related to the governing body as well as activities that directly support County programs. In 2022, general government expenses totaled \$12,656,184 or 19% of total governmental expenses. General government programs were supported \$8,713,476 in direct charges to users and \$1,682,405 in operating grants and contributions.

The County program public works, accounted for \$10,851,511 or 16% 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 \$507,133 in direct charges to users, \$7,099,332 in operating grants and contributions and \$8,431,647 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 \$32,119,638 in operating grants and contributions and \$8,431,647 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating and capital grants and contributions, \$18,748,766 subsidized human services programs and \$15,530,979 subsidized public works programs. Capital grants and contributions increased by \$6,093,677 primarily due to receiving more state funding for several ongoing road and bridge improvements.

Another type of program revenue, direct charges to users of governmental activities, made up \$12,207,648 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.

General revenues amounted to \$39,054,385, or 43%, of total revenues. These revenues primarily consist of property and sales tax revenue of \$35,801,158, or 92% total general revenues in 2022. Both revenue sources benefitted from improving local economic conditions. Investment earnings of negative \$2,028,847 was due to recognizing unrealized losses in the County's investment portfolio, which was impacted by macroeconomic conditions.

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 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
General government	\$ 12,656,184	\$ 2,260,303	\$ 8,748,978	\$ (860,443)
Public safety	11,258,446	9,151,958	9,582,038	7,567,249
Public works	10,851,511	(5,186,601)	7,191,301	(3,235,273)
Health	5,582,729	2,295,661	5,373,215	2,750,142
Human services	25,095,009	5,479,241	21,718,407	1,474,318
Community and economic development	2,310,290	1,466,339	697,685	188,373
Interest and fiscal charges	492,578	20,913	467,909	(26,881)
	<u>\$ 68,246,747</u>	<u>\$ 15,487,814</u>	<u>\$ 53,779,533</u>	<u>\$ 7,857,485</u>

Governmental activities expenses experienced an increase of \$14,467,214 during 2022, or 27%, primarily due to the recognition of less negative OPEB expenses, as previously discussed and inflationary increases.

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

Business-type activities include the sewer fund and other enterprise funds. For the year ended December 31, 2022, these operations had revenues of \$2,976,065 and expenses of \$2,888,081. Total revenue was up 6% from 2021, while expenses were up 18%. The increase in revenue was primarily due to an increase in capital grants and contributions funded with ARPA monies for sanitary sewer projects, while the increase in expenses was due to the recognition of less negative 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 \$98,074,049, which was \$6,573,567 above last year's fund balance of \$91,500,482. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2022 and 2021, for all major and nonmajor governmental funds.

	<u>Fund Balance</u> <u>December 31, 2022</u>	<u>Fund Balance</u> <u>December 31, 2021</u>	<u>Change in</u> <u>Fund Balance</u>
<b>Major Funds:</b>			
General	\$ 28,157,227	\$ 25,461,750	\$ 2,695,477
Jobs and Family Services	2,137,791	1,807,475	330,316
Motor Vehicle and Gas Tax	8,119,741	8,814,744	(695,003)
Mental Health	7,894,512	7,547,106	347,406
Board of Developmental Disabilities	15,646,196	14,458,181	1,188,015
Local Fiscal Recover	112,334	-	112,334
Nonmajor Governmental Funds	<u>36,006,248</u>	<u>33,411,226</u>	<u>2,595,022</u>
<b>Total</b>	<u>\$ 98,074,049</u>	<u>\$ 91,500,482</u>	<u>\$ 6,573,567</u>

### ***General Fund***

The General Fund, the County's primary operating fund, experienced an increase in fund balance during 2022 of \$2,695,477, compared with prior year's increase of \$639,190. Revenues were comparable with the prior year, while expenditures were up 6% from the prior year, due to increased inflation. This increase was offset by \$3,402,861 less in transfers out to other funds, as the County made a \$4 million transfer in 2021 for future capital improvements.

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

The Jobs and Family Service Fund, a County major fund, had revenue of \$8,761,659 and expenditures of \$8,614,116 in 2022. The fund experienced an increase in fund balance of \$330,316 during the year, comparable with prior year's increase of \$269,227.

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

The Motor Vehicle and Gas Tax Fund, a County major fund, had revenue of \$15,220,417 and expenditures of \$15,915,420 in 2022. The fund experienced a decrease in fund balance of \$695,003 during the year, compared to a \$1,430,442 increase in fund balance in 2021. Both revenue and expenditure amounts were up significantly during the year, due to activity on several state-funded road and bridge projects.

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

The Mental Health Fund, a County major fund, had revenue of \$5,761,252 and expenditures of \$5,413,846 in 2022. The fund experienced an increase of \$347,406, compared to a decrease of \$381,461 in 2021, due to receiving additional funding from the Ohio Mental Health and Addiction Services for substance use disorder treatment.

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

The Board of Developmental Disabilities Fund, a County major fund, had revenue of \$12,754,416 and expenditures of \$11,566,401 in 2022. The fund experienced an increase in fund balance of \$1,188,015, an improvement over last year's increase of \$201,394, due to advanced payments made in 2021 to North East Ohio Network for supported living funds and to state for Medicaid waiver matching.

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

The County received its second tranche of ARPA funds of \$9,894,789 during 2022 and spent \$1,519,714. In total, the County has been advanced \$19,789,578. The County moved \$1,468,000 into the Sewer Fund for sanitary sewer projects and spent \$3,157,378, recognized unearned revenue for the difference of \$15,164,200. These funds will be used to support public health costs, replace lost revenue, support essential workers and invest in 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 and other financing sources of \$21,464,830 were increased to \$28,164,830 in the final budget. The main factor of this was an increase in sales taxes. Original appropriations were \$19,876,205 and were increased to \$30,474,757 in the final appropriations. This was mainly due to an increase in transfers out, as the need in other funds was determined. Actual expenditures and other financing uses of \$29,851,445 were less than final budgeted appropriations by \$623,312, 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 2022, the County had \$59,304,630 (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, \$51,093,369 was reported in governmental activities and \$8,211,261 was reported in business-type activities. See Note 9 to the basic financial statements for detail. The following table shows fiscal 2022 balances compared to 2021:

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,387,436	\$ 1,381,026	\$ 67,613	\$ 67,613	\$ 1,455,049	\$ 1,448,639
Construction in progress	6,446,741	1,345,465	62,613	-	6,509,354	1,345,465
Land improvements	243,147	293,871	261	782	243,408	294,653
Buildings and improvements	14,626,987	15,304,333	759,250	810,884	15,386,237	16,115,217
Furniture and equipment	2,522,291	2,415,651	195,290	166,522	2,717,581	2,582,173
Vehicles	983,452	972,371	84,936	87,953	1,068,388	1,060,324
Infrastructure	24,839,378	23,590,270	7,041,298	7,294,035	31,880,676	30,884,305
Software	43,937	88,211	-	-	43,937	88,211
Totals	<u>\$ 51,093,369</u>	<u>\$ 45,391,198</u>	<u>\$ 8,211,261</u>	<u>\$ 8,427,789</u>	<u>\$ 59,304,630</u>	<u>\$ 53,818,987</u>

### Debt Administration

At December 31, 2022, the County had \$18,652,700 in outstanding debt, a decrease of \$1,604,892 from 2021. The County had the following long-term debt outstanding at December 31, 2022 and 2021:

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

	2022	Restated 2021
Governmental Activities:		
General obligation bonds	\$ 11,767,573	\$ 12,914,871
Recorder loan	2,500	62,500
	<u>11,770,073</u>	<u>12,977,371</u>
Business-Type Activities:		
Revenue bonds	434,693	463,202
OPWC loans	884,859	936,852
OWDA loans	5,563,075	5,880,167
	<u>6,882,627</u>	<u>7,280,221</u>
Totals	<u>\$ 18,652,700</u>	<u>\$ 20,257,592</u>

Debt activity during the year was primarily limited to debt service repayment. See Note 13 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.

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COLUMBIANA COUNTY, OHIO  
Statement of Net Position  
December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Columbiana County Land Reutilization Corporation
<b>Assets</b>				
Equity in pooled cash and investments	\$ 109,452,630	\$ 3,250,855	\$ 112,703,485	\$ 293,961
Cash and cash equivalents with fiscal agent	749,791	-	749,791	-
Cash and cash equivalents in segregated accounts	369,586	-	369,586	-
Receivables (net of allowances):				
Sales taxes	5,669,161	-	5,669,161	-
Property and other taxes	23,913,315	-	23,913,315	-
Accounts	98,206	156,836	255,042	-
Special assessments	-	216,915	216,915	-
Accrued interest	371,283	-	371,283	-
Due from other governments	12,817,824	-	12,817,824	193,256
Notes	-	-	-	5,116
Materials and supplies inventory	1,180,679	4,781	1,185,460	-
Prepaid items	552,763	9,885	562,648	-
Internal balances	105,433	(105,433)	-	-
Assets held for resale	-	-	-	536,500
Net OPEB assets	4,579,709	139,102	4,718,811	-
Nondepreciable capital assets	7,834,177	130,226	7,964,403	-
Depreciable capital assets, net	43,259,192	8,081,035	51,340,227	-
Total assets	<u>210,953,749</u>	<u>11,884,202</u>	<u>222,837,951</u>	<u>1,028,833</u>
<b>Deferred Outflows of Resources</b>				
Deferred charges on refunding	37,761	-	37,761	-
Pensions	5,847,793	187,800	6,035,593	-
OPEB	183,775	5,459	189,234	-
Total deferred outflows of resources	<u>6,069,329</u>	<u>193,259</u>	<u>6,262,588</u>	-
<b>Liabilities</b>				
Accounts payable	1,605,265	156,753	1,762,018	34,845
Accrued wages and benefits payable	980,413	25,226	1,005,639	-
Due to other governments	570,594	24,966	595,560	-
Unearned revenue	15,164,200	1,259,461	16,423,661	-
Payroll withholdings payable	498,687	-	498,687	-
Accrued interest payable	47,595	5,472	53,067	-
Matured compensated absences	66,025	-	66,025	-
Claims payable	380,972	-	380,972	-
Long-term liabilities:				
Due within one year	2,574,305	252,205	2,826,510	-
Due in more than one year:				
Net pension liability	13,751,373	426,184	14,177,557	-
Other amounts due more than one year	11,903,176	6,759,681	18,662,857	-
Total liabilities	<u>47,542,605</u>	<u>8,909,948</u>	<u>56,452,553</u>	<u>34,845</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for next year	19,724,241	-	19,724,241	-
Pensions	15,628,548	516,277	16,144,825	-
OPEB	4,720,146	143,736	4,863,882	-
Total deferred inflows of resources	<u>40,072,935</u>	<u>660,013</u>	<u>40,732,948</u>	-
<b>Net Position</b>				
Net investment in capital assets	39,361,057	1,328,634	40,689,691	-
Restricted for:				
Debt service	5,844,846	-	5,844,846	-
Capital projects	774,551	-	774,551	-
Legislative and executive activities	1,919,209	-	1,919,209	-
Public safety activities	1,642,967	-	1,642,967	-
Public works activities	6,769,159	-	6,769,159	-
Health activities	8,865,489	-	8,865,489	-
Human service activities	24,971,016	-	24,971,016	-
Community and economic development activities	176,291	-	176,291	-
Unrestricted	<u>39,082,953</u>	<u>1,178,866</u>	<u>40,261,819</u>	<u>993,988</u>
Total net position	<u>\$ 129,407,538</u>	<u>\$ 2,507,500</u>	<u>\$ 131,915,038</u>	<u>\$ 993,988</u>

See accompanying notes to the basic financial statements.

COLUMBIANA COUNTY, OHIO  
Statement of Activities  
Year Ended December 31, 2022

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
Primary Government:								
Governmental activities:								
General government:								
Legislative and executive	\$ 6,999,497	\$ 5,780,850	\$ 1,549,817	\$ -	\$ 331,170	\$ -	\$ 331,170	\$ -
Judicial	5,656,687	2,932,626	132,588	-	(2,591,473)	-	(2,591,473)	-
Public safety	11,258,446	1,304,450	802,038	-	(9,151,958)	-	(9,151,958)	-
Public works	10,851,511	507,133	7,099,332	8,431,647	5,186,601	-	5,186,601	-
Health	5,582,729	331,239	2,955,829	-	(2,295,661)	-	(2,295,661)	-
Human services	25,095,009	867,002	18,748,766	-	(5,479,241)	-	(5,479,241)	-
Community and economic development	2,310,290	12,683	831,268	-	(1,466,339)	-	(1,466,339)	-
Interest and fiscal charges	492,578	471,665	-	-	(20,913)	-	(20,913)	-
Total governmental activities	<u>68,246,747</u>	<u>12,207,648</u>	<u>32,119,638</u>	<u>8,431,647</u>	<u>(15,487,814)</u>	<u>-</u>	<u>(15,487,814)</u>	<u>-</u>
Business-type activities:								
Sewer	2,387,695	2,218,973	-	342,669	-	173,947	173,947	-
Other enterprise	500,386	403,942	-	-	-	(96,444)	(96,444)	-
Total business-type activities	<u>2,888,081</u>	<u>2,622,915</u>	<u>-</u>	<u>342,669</u>	<u>-</u>	<u>77,503</u>	<u>77,503</u>	<u>-</u>
Total	<u>\$ 71,134,828</u>	<u>\$ 14,830,563</u>	<u>\$ 32,119,638</u>	<u>\$ 8,774,316</u>	<u>(15,487,814)</u>	<u>77,503</u>	<u>(15,410,311)</u>	<u>-</u>
Component Unit:								
Columbiana County Land Reutilization Corporation	<u>\$ 1,349,092</u>	<u>\$ -</u>	<u>\$ 819,713</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(529,379)</u>
General revenues:								
Property taxes levied for:								
Mental health					2,687,352	-	2,687,352	-
Human services					10,407,980	-	10,407,980	-
Senior services					1,037,406	-	1,037,406	-
Debt service					415,846	-	415,846	-
Sales taxes					21,252,574	-	21,252,574	-
Grants and contributions not restricted to specific programs					4,098,014	-	4,098,014	211,049
Contributions and donations not restricted to specific programs					-	-	-	173,900
Oil and gas lease revenues					79,979	-	79,979	-
Investment earnings					(2,028,847)	10,481	(2,018,366)	6
Miscellaneous					1,104,081	-	1,104,081	22,485
Transfers					(62,613)	62,613	-	-
Total general revenues and transfers					<u>38,991,772</u>	<u>73,094</u>	<u>39,064,866</u>	<u>407,440</u>
Change in net position					23,503,958	150,597	23,654,555	(121,939)
Net position beginning of year, restated					<u>105,903,580</u>	<u>2,356,903</u>	<u>108,260,483</u>	<u>1,115,927</u>
Net position end of year					<u>\$ 129,407,538</u>	<u>\$ 2,507,500</u>	<u>\$ 131,915,038</u>	<u>\$ 993,988</u>

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**  
Balance Sheet  
Governmental Funds  
December 31, 2022

	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	\$ 24,541,147	\$ 929,612	\$ 6,507,133	\$ 8,260,576	\$ 15,134,100	\$ 15,286,534
Cash and cash equivalents with fiscal agent	-	-	-	-	749,791	-
Cash and cash equivalents in segregated accounts	19,742	2,092	-	-	-	-
Receivables (net of allowances):						
Sales taxes	5,669,161	-	-	-	-	-
Property and other local taxes	-	-	-	4,308,006	15,350,043	-
Accounts	35,156	4,477	5,812	-	-	-
Due from other governments	1,557,428	5,657,657	3,476,991	129,573	430,120	-
Accrued interest	371,283	-	-	-	-	-
Due from other funds	28,517	305,319	-	-	-	-
Materials and supplies inventory	151,359	58,991	910,529	1,017	4,672	-
Prepaid items	454,434	-	2,655	9,314	41,071	-
Total assets	<u>\$ 32,828,227</u>	<u>\$ 6,958,148</u>	<u>\$10,903,120</u>	<u>\$12,708,486</u>	<u>\$ 31,709,797</u>	<u>\$ 15,286,534</u>
<b>Liabilities</b>						
Accounts payable	\$ 261,816	\$ 36,238	\$ 273,859	\$ 351,275	\$ 96,356	\$ 10,000
Accrued wages and benefits payable	405,680	185,658	128,032	15,081	124,783	-
Matured compensated absences	33,417	31,786	-	-	-	-
Due to other governments	238,595	80,508	63,494	10,039	92,341	-
Unearned revenue	-	-	-	-	-	15,164,200
Due to other funds	-	29,903	-	-	-	-
Payroll withholdings payable	498,687	-	-	-	-	-
Total liabilities	<u>1,438,195</u>	<u>364,093</u>	<u>465,385</u>	<u>376,395</u>	<u>313,480</u>	<u>15,174,200</u>
<b>Deferred Inflows of Resources</b>						
Property taxes levied for next year	-	-	-	3,588,589	12,548,070	-
Unavailable revenue	3,232,805	4,456,264	2,317,994	848,990	3,202,051	-
Total deferred inflows of resources	<u>3,232,805</u>	<u>4,456,264</u>	<u>2,317,994</u>	<u>4,437,579</u>	<u>15,750,121</u>	<u>-</u>
<b>Fund balances</b>						
Nonspendable	994,593	58,991	913,184	10,331	45,743	-
Restricted	-	2,078,800	7,206,557	7,884,181	15,600,453	-
Committed	13,419,819	-	-	-	-	-
Assigned	338,356	-	-	-	-	112,334
Unassigned	13,404,459	-	-	-	-	-
Total fund balances	<u>28,157,227</u>	<u>2,137,791</u>	<u>8,119,741</u>	<u>7,894,512</u>	<u>15,646,196</u>	<u>112,334</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,828,227</u>	<u>\$ 6,958,148</u>	<u>\$10,903,120</u>	<u>\$12,708,486</u>	<u>\$ 31,709,797</u>	<u>\$ 15,286,534</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, 2022

Nonmajor Governmental Funds	Total Governmental Funds		
\$ 36,019,468	\$ 106,678,570	<b>Total governmental fund balances</b>	\$ 98,074,049
-	749,791	<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
347,752	369,586		
-	5,669,161	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	51,093,369
4,255,266	23,913,315		
52,761	98,206		
1,566,055	12,817,824	Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds.	15,718,305
-	371,283		
19,492	353,328		
54,111	1,180,679	Unamortized deferred amounts on refunding are not recognized in the governmental funds.	37,761
45,289	552,763		
\$ 42,360,194	\$ 152,754,506		
\$ 572,345	\$ 1,601,889	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
121,179	980,413	General obligation bonds payable	(11,767,573)
822	66,025	Loans payable	(2,500)
85,617	570,594	Compensated absences payable	(2,707,408)
-	15,164,200	Accrued interest on long-term debt	(47,595)
326,200	356,103		(14,525,076)
-	498,687		
1,106,163	19,237,911	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:	
3,587,582	19,724,241	Deferred outflows - pensions	5,847,793
1,660,201	15,718,305	Deferred inflows - pensions	(15,628,548)
5,247,783	35,442,546	Net pension liabilities	(13,751,373)
99,400	2,122,242	Deferred outflows - OPEB	183,775
24,697,660	57,467,651	Deferred inflows - OPEB	(4,720,146)
11,209,924	24,629,743	Net OPEB assets	4,579,709
-	450,690		(23,488,790)
(736)	13,403,723	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.	2,497,920
36,006,248	98,074,049		
\$ 42,360,194	\$ 152,754,506	<b>Net position of governmental activities</b>	\$ 129,407,538

**COLUMBIANA COUNTY, OHIO**

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2022

	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	\$ -	\$ -	\$ -	\$ 2,536,454	\$ 8,538,373	\$ -
Sales taxes	21,024,222	-	-	-	-	-
Intergovernmental	3,730,821	8,600,228	14,795,861	3,205,680	4,136,642	1,519,714
Investment income	(2,294,549)	-	36,979	-	-	112,334
Licenses and permits	6,230	-	-	-	-	-
Fines and forfeitures	275,187	-	18,442	-	-	-
Rental income	1,200	-	7,700	-	-	-
Charges for services	2,937,788	35,672	21,357	-	62,202	-
Contributions and donations	28,635	-	-	-	17,199	-
Conveyance fees	1,689,406	-	-	-	-	-
Gas and oil lease	79,979	-	-	-	-	-
Other	1,554,985	125,759	340,078	19,118	-	-
Total revenues	<u>29,033,904</u>	<u>8,761,659</u>	<u>15,220,417</u>	<u>5,761,252</u>	<u>12,754,416</u>	<u>1,632,048</u>
<b>Expenditures</b>						
Current:						
General government:						
Legislative and executive	6,760,692	-	-	-	-	17,853
Judicial	6,106,971	-	-	-	-	5,750
Public safety	9,614,031	-	-	-	-	260,994
Public works	40,060	-	15,764,139	-	-	105,285
Health	1,210	-	-	5,413,846	-	25,565
Human services	731,299	8,614,116	-	-	11,566,401	17,364
Community and economic development	84,533	-	-	-	-	1,086,903
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal retirement	60,000	-	144,452	-	-	-
Interest and fiscal charges	-	-	6,829	-	-	-
Total expenditures	<u>23,398,796</u>	<u>8,614,116</u>	<u>15,915,420</u>	<u>5,413,846</u>	<u>11,566,401</u>	<u>1,519,714</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,635,108</u>	<u>147,543</u>	<u>(695,003)</u>	<u>347,406</u>	<u>1,188,015</u>	<u>112,334</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	182,773	-	-	-	-
Transfers out	(2,939,631)	-	-	-	-	-
Total other financing sources (uses)	<u>(2,939,631)</u>	<u>182,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,695,477	330,316	(695,003)	347,406	1,188,015	112,334
Fund balance, beginning 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>
Fund balance, end of year	<u>\$ 28,157,227</u>	<u>\$ 2,137,791</u>	<u>\$ 8,119,741</u>	<u>\$ 7,894,512</u>	<u>\$ 15,646,196</u>	<u>\$ 112,334</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, 2022

Nonmajor Governmental Funds	Total Governmental Funds		
		<b>Net change in fund balances - total governmental funds</b>	<b>\$ 6,573,567</b>
		<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
\$ 2,547,518	\$ 13,622,345		
-	21,024,222		
8,770,828	44,759,774	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:	
1,821	(2,143,415)	Capital asset additions	9,463,113
-	6,230	Depreciation expense	(3,719,878)
327,744	621,373		
471,665	480,565		
3,942,030	6,999,049		
129,055	174,889	In the statement of activities, loss on disposal of capital assets is reported, whereas only proceeds from sales are reported in the funds.	(41,064)
-	1,689,406		
-	79,979		
1,442,439	3,482,379	Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	966,674
17,633,100	90,796,796		
		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:	
1,501,960	8,280,505	Compensated absences	381,215
865,965	6,978,686	Interest on long-term debt	(22,663)
1,625,141	11,500,166	Amortization of deferred charges on refund	(13,894)
-	15,909,484	Amortization of bond premium	3,846
303,307	5,743,928		
7,922,752	28,851,932	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 and loans.	1,203,452
1,181,606	2,353,042		
2,442,167	2,442,167		
999,000	1,203,452		
453,038	459,867	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
17,294,936	83,723,229		
		Pensions	3,189,160
338,164	7,073,567	OPEB	16,909
		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.	
2,256,858	2,439,631		
-	(2,939,631)		
2,256,858	(500,000)	Pensions	1,632,317
		OPEB	3,703,997
2,595,022	6,573,567		
33,411,226	91,500,482	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.	
\$ 36,006,248	\$ 98,074,049	The net revenue (expense) of the internal service fund is allocated amount the governmental activities.	167,207
		<b>Change in net position of governmental activities</b>	<b>\$ 23,503,958</b>

**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, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<b>Revenues</b>				
Sales taxes	\$14,467,450	\$18,777,361	\$ 20,796,401	\$ 2,019,040
Intergovernmental	2,585,344	3,355,528	3,716,332	360,804
Investment income	777,510	1,009,134	1,117,641	108,507
Licenses and permits	4,334	5,625	6,230	605
Fines and forfeitures	188,233	244,308	270,577	26,269
Rental income	835	1,083	1,200	117
Charges for services	1,351,373	1,753,952	1,942,546	188,594
Contributions and donations	13,985	18,151	20,103	1,952
Conveyance fees	1,175,270	1,525,388	1,689,406	164,018
Gas and oil lease	57,719	74,914	82,969	8,055
Other	842,777	1,093,844	1,211,460	117,616
Total revenues	<u>21,464,830</u>	<u>27,859,288</u>	<u>30,854,865</u>	<u>2,995,577</u>
<b>Expenditures</b>				
Current:				
General government:				
Legislative and executive	6,053,213	7,136,755	6,678,862	457,893
Judicial	4,794,201	5,377,524	5,279,630	97,894
Public safety	7,874,614	9,625,321	9,773,123	(147,802)
Public works	42,000	42,000	41,539	461
Health	1,880	1,880	1,210	670
Human services	765,045	765,582	733,278	32,304
Economic development and assistance	84,700	84,700	83,808	892
Total expenditures	<u>19,615,653</u>	<u>23,033,762</u>	<u>22,591,450</u>	<u>442,312</u>
Excess revenues over expenditures	<u>1,849,177</u>	<u>4,825,526</u>	<u>8,263,415</u>	<u>3,437,889</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	305,542	305,542	-
Transfers out	(260,552)	(7,440,995)	(7,259,995)	181,000
Total other financing sources (uses)	<u>(260,552)</u>	<u>(7,135,453)</u>	<u>(6,954,453)</u>	<u>181,000</u>
Net change in fund balances	1,588,625	(2,309,927)	1,308,962	<u>\$ 3,618,889</u>
Fund balance, beginning of year	4,697,731	4,697,731	4,697,731	
Prior year encumbrances appropriated	479,936	479,936	479,936	
Fund balance, end of year	<u>\$ 6,766,292</u>	<u>\$ 2,867,740</u>	<u>\$ 6,486,629</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, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 6,387,099	\$ 7,484,920	\$ 8,219,859	\$ 734,939
Charges for services	15,182	17,792	19,539	1,747
Other	97,719	114,514	125,759	11,245
Total revenues	<u>6,500,000</u>	<u>7,617,226</u>	<u>8,365,157</u>	<u>747,931</u>
<b>Expenditures</b>				
Current:				
Human services	<u>6,500,000</u>	<u>8,784,947</u>	<u>8,603,266</u>	<u>181,681</u>
Excess expenditures over revenues	<u>-</u>	<u>(1,167,721)</u>	<u>(238,109)</u>	<u>929,612</u>
<b>Other Financing Sources</b>				
Transfers in	<u>-</u>	<u>182,773</u>	<u>182,773</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(984,948)</u>	<u>(55,336)</u>	<u>\$ 929,612</u>
Fund balance, beginning of year	<u>984,948</u>	<u>984,948</u>	<u>984,948</u>	
Fund balance, end of year	<u>\$ 984,948</u>	<u>\$ -</u>	<u>\$ 929,612</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, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 6,624,349	\$ 13,809,030	\$ 15,002,444	\$ 1,193,414
Investment income	16,328	34,037	36,979	2,942
Fines and forfeitures	8,026	16,731	18,177	1,446
Rental income	3,400	7,087	7,700	613
Charges for services	9,430	19,659	21,357	1,698
Other	338,467	705,562	766,539	60,977
Total revenues	<u>7,000,000</u>	<u>14,592,106</u>	<u>15,853,196</u>	<u>1,261,090</u>
<b>Expenditures</b>				
Current:				
Public works	7,000,000	17,829,785	17,300,110	529,675
Debt Service:				
Principal retirement	-	13,600	13,600	-
Interest and fiscal charges	-	2,822	2,822	-
Total expenditures	<u>7,000,000</u>	<u>17,846,207</u>	<u>17,316,532</u>	<u>529,675</u>
Net change in fund balances	-	(3,254,101)	(1,463,336)	<u>\$ 1,790,765</u>
Fund balance, beginning of year	6,806,026	6,806,026	6,806,026	
Prior year encumbrances appropriated	530,623	530,623	530,623	
Fund balance, end of year	<u>\$ 7,336,649</u>	<u>\$ 4,082,548</u>	<u>\$ 5,873,313</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, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<b>Revenues</b>				
Property and other local taxes	\$ 2,090,336	\$ 2,090,336	\$ 2,523,111	\$ 432,775
Intergovernmental	2,667,245	2,667,245	3,219,462	552,217
Other	15,839	15,839	19,118	3,279
Total revenues	<u>4,773,420</u>	<u>4,773,420</u>	<u>5,761,691</u>	<u>988,271</u>
<b>Expenditures</b>				
Current:				
Health	<u>4,773,420</u>	<u>7,773,420</u>	<u>5,545,399</u>	<u>2,228,021</u>
Net change in fund balances	-	(3,000,000)	216,292	<u>\$ 3,216,292</u>
Fund balance, beginning of year	<u>7,962,199</u>	<u>7,962,199</u>	<u>7,962,199</u>	
Fund balance, end of year	<u>\$ 7,962,199</u>	<u>\$ 4,962,199</u>	<u>\$ 8,178,491</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, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<b>Revenues</b>				
Property and other local taxes	\$ 5,775,135	\$3,430,547	\$ 8,484,168	\$ 5,053,621
Intergovernmental	2,903,517	1,724,748	4,265,515	2,540,767
Charges for services	42,341	25,151	62,202	37,051
Contributions and donations	11,707	6,954	17,199	10,245
Total revenues	<u>8,732,700</u>	<u>5,187,400</u>	<u>12,829,084</u>	<u>7,641,684</u>
<b>Expenditures</b>				
Current:				
Human services	<u>7,355,897</u>	<u>12,142,794</u>	<u>11,621,509</u>	<u>521,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,376,803</u>	<u>(6,955,394)</u>	<u>1,207,575</u>	<u>8,162,969</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	3,475,000	3,475,000	-
Transfers out	-	(3,475,000)	(3,475,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,376,803	(6,955,394)	1,207,575	<u>\$ 8,162,969</u>
Fund balance, beginning of year	<u>13,593,054</u>	<u>13,593,054</u>	<u>13,593,054</u>	
Fund balance, end of year	<u>\$ 14,969,857</u>	<u>\$ 6,637,660</u>	<u>\$ 14,800,629</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, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 9,894,789	\$ 9,894,789
Investment income	-	-	112,334	112,334
Total revenues	-	-	10,007,123	10,007,123
<b>Expenditures</b>				
Current:				
General government:				
Legislative and executive	-	4,679,263	1,914,142	2,765,121
Judicial	-	14,056	5,750	8,306
Public safety	-	638,019	260,994	377,025
Public works	-	257,377	105,285	152,092
Health	-	62,496	25,565	36,931
Human services	-	42,448	17,364	25,084
Economic development and assistance	-	2,657,016	1,086,903	1,570,113
Total expenditures	-	8,350,675	3,416,003	4,934,672
Net change in fund balances	-	(8,350,675)	6,591,120	\$ 14,941,795
Fund balance, beginning of year	8,350,675	8,350,675	8,350,675	
Fund balance, end of year	\$ 8,350,675	\$ -	\$ 14,941,795	

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**  
Statement of Net Position  
Proprietary Funds  
December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Nonmajor	Total	Activities
		Enterprise		Internal Service
<b>Assets</b>				
Current assets:				
Equity in pooled cash and investments	\$ 3,102,853	\$ 148,002	\$ 3,250,855	\$ 2,774,060
Receivables (net of allowances):				
Accounts	153,130	3,706	156,836	-
Special assessments	216,915	-	216,915	-
Due from other funds	-	2,775	2,775	-
Materials and supplies inventory	4,781	-	4,781	-
Prepaid items	9,885	-	9,885	-
Total current assets	<u>3,487,564</u>	<u>154,483</u>	<u>3,642,047</u>	<u>2,774,060</u>
Noncurrent assets:				
Net OPEB assets	128,260	10,842	139,102	-
Nondepreciable capital assets	130,226	-	130,226	-
Depreciable capital assets, net	6,621,860	1,459,175	8,081,035	-
Total noncurrent assets	<u>6,880,346</u>	<u>1,470,017</u>	<u>8,350,363</u>	<u>-</u>
Total assets	<u>10,367,910</u>	<u>1,624,500</u>	<u>11,992,410</u>	<u>2,774,060</u>
<b>Deferred Outflows of Resources</b>				
Pensions	174,088	13,712	187,800	-
OPEB	5,035	424	5,459	-
Total deferred outflows of resources	<u>179,123</u>	<u>14,136</u>	<u>193,259</u>	<u>-</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	125,302	31,451	156,753	3,376
Accrued wages and benefits payable	25,226	-	25,226	-
Due to other governments	24,966	-	24,966	-
Accrued interest payable	5,472	-	5,472	-
Compensated absences payable	48,242	-	48,242	-
Unearned revenue	1,259,461	-	1,259,461	-
Revenue bonds payable	29,256	-	29,256	-
OWDA loans payable	125,214	-	125,214	-
OPWC loans payable	44,693	4,800	49,493	-
Claims payable	-	-	-	380,972
Total current liabilities	<u>1,687,832</u>	<u>36,251</u>	<u>1,724,083</u>	<u>384,348</u>
Noncurrent liabilities:				
Compensated absences	81,017	-	81,017	-
Revenue bonds payable	405,437	-	405,437	-
OWDA loans payable	5,437,861	-	5,437,861	-
OPWC loans payable	835,366	-	835,366	-
Net pension liability	395,067	31,117	426,184	-
Total noncurrent liabilities	<u>7,154,748</u>	<u>31,117</u>	<u>7,185,865</u>	<u>-</u>
Total liabilities	<u>8,842,580</u>	<u>67,368</u>	<u>8,909,948</u>	<u>384,348</u>
<b>Deferred Inflows of Resources</b>				
Pensions	478,582	37,695	516,277	-
OPEB	132,531	11,205	143,736	-
Total deferred inflows of resources	<u>611,113</u>	<u>48,900</u>	<u>660,013</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	(125,741)	1,454,375	1,328,634	-
Unrestricted	1,219,081	67,993	1,287,074	2,389,712
Total net position	<u>\$ 1,093,340</u>	<u>\$ 1,522,368</u>	<u>2,615,708</u>	<u>\$ 2,389,712</u>
Adjustment to reflect the consolidation of the internal service fund				
activities related to enterprise funds			(108,208)	
Net position of business-type activities			<u>\$ 2,507,500</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, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Nonmajor Enterprise	Total	Internal Service
<b>Operating Revenues</b>				
Charges for services	\$ 1,871,302	\$ 403,942	\$ 2,275,244	\$ 4,857,947
Special assessments	31,686	-	31,686	-
Other operating revenues	315,985	-	315,985	18,394
Total operating revenues	<u>2,218,973</u>	<u>403,942</u>	<u>2,622,915</u>	<u>4,876,341</u>
<b>Operating Expenses</b>				
Personal services	841,439	123,860	965,299	23,760
Pension and OPEB	(155,376)	16,880	(138,496)	-
Contractual services	919,843	302,907	1,222,750	23,865
Materials and supplies	130,577	-	130,577	-
Depreciation	342,835	35,983	378,818	-
Claims	-	-	-	5,172,188
Other operating expenses	199,667	19,812	219,479	-
Total operating expenses	<u>2,278,985</u>	<u>499,442</u>	<u>2,778,427</u>	<u>5,219,813</u>
Operating loss	<u>(60,012)</u>	<u>(95,500)</u>	<u>(155,512)</u>	<u>(343,472)</u>
<b>Nonoperating revenues (expenses)</b>				
Interest and fiscal charges	(98,975)	-	(98,975)	-
Investment income	10,481	-	10,481	-
Total nonoperating revenues (expenses)	<u>(88,494)</u>	<u>-</u>	<u>(88,494)</u>	<u>-</u>
Loss before transfers and contributions	(148,506)	(95,500)	(244,006)	(343,472)
Transfers in	26,503	-	26,503	500,000
Transfers out	-	(26,503)	(26,503)	-
Capital contributions	405,282	-	405,282	-
Change in net position	283,279	(122,003)	161,276	156,528
Net position beginning of year	810,061	1,644,371	2,454,432	2,233,184
Net position end of year	<u>\$ 1,093,340</u>	<u>\$ 1,522,368</u>	<u>2,615,708</u>	<u>\$ 2,389,712</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds			(10,679)	
Change in net position of business-type activities			<u>\$ 150,597</u>	

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**  
Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Nonmajor	Total	Activities
		Enterprise		Internal Service
<b><i>Cash Flows from Operating Activities</i></b>				
Cash received from customers	\$ 1,989,313	\$ 432,716	\$ 2,422,029	\$ 4,860,678
Cash received from other receipts	315,985	-	315,985	18,394
Cash payments for employee services and benefits	(819,585)	(126,270)	(945,855)	(23,760)
Cash payments to suppliers for goods and services	(1,077,923)	(315,621)	(1,393,544)	(20,489)
Cash payments for other operating expenses	(199,667)	(19,812)	(219,479)	-
Cash payments for claims	-	-	-	(5,158,866)
Net cash flows from operating activities	<u>208,123</u>	<u>(28,987)</u>	<u>179,136</u>	<u>(324,043)</u>
<b><i>Cash Flows from Noncapital Financing Activities</i></b>				
Cash received from transfers in	26,503	-	26,503	500,000
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>500,000</u>
<b><i>Cash Flows from Capital and Related Financing Activities</i></b>				
Acquisition of capital assets	(162,290)	-	(162,290)	-
Capital grants	1,664,743	-	1,664,743	-
Proceeds from debt issuance	1,888	-	1,888	-
Principal paid on debt	(392,182)	(7,300)	(399,482)	-
Interest paid on bonds	(134,598)	-	(134,598)	-
Net cash flows from capital and related financing activities	<u>977,561</u>	<u>(7,300)</u>	<u>970,261</u>	<u>-</u>
<b><i>Cash Flows from Investing Activities</i></b>				
Interest on investments	<u>10,481</u>	<u>-</u>	<u>10,481</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,222,668	(62,790)	1,159,878	175,957
Cash and cash equivalents beginning of year	<u>1,880,185</u>	<u>210,792</u>	<u>2,090,977</u>	<u>2,598,103</u>
Cash and cash equivalents end of year	<u>\$ 3,102,853</u>	<u>\$ 148,002</u>	<u>\$ 3,250,855</u>	<u>\$ 2,774,060</u>
<b>Reconciliation of operating loss to net cash flows from operating activities:</b>				
Operating loss	\$ (60,012)	\$ (95,500)	\$ (155,512)	\$ (343,472)
Adjustments to reconcile operating loss to net cash from operating activities:				
Depreciation	342,835	35,983	378,818	-
Changes in assets, liabilities and deferred outflows/inflows:				
Receivables	80,643	27,895	108,538	2,731
Due from other funds	5,682	879	6,561	-
Materials and supplies inventory	2,419	-	2,419	-
Prepaid items	(5,541)	-	(5,541)	-
Accounts payable	(24,381)	(12,714)	(37,095)	3,376
Accrued wages and benefits	1,137	-	1,137	-
Due to other governments	6,075	(2,410)	3,665	-
Compensated absences	14,642	-	14,642	-
Claims payable	-	-	-	13,322
Deferred outflows-pension and OPEB	(24,331)	(7,144)	(31,475)	-
Deferred inflows-pension and OPEB	123,747	26,689	150,436	-
Net pension and OPEB assets	(58,239)	(7,545)	(65,784)	-
Net pension and OPEB liabilities	<u>(196,553)</u>	<u>4,880</u>	<u>(191,673)</u>	<u>-</u>
Net cash from operating activities	<u>\$ 208,123</u>	<u>\$ (28,987)</u>	<u>\$ 179,136</u>	<u>\$ (324,043)</u>

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**  
Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2022

**Assets**

Equity in pooled cash and investments	\$ 6,531,211
Cash and cash equivalents in segregated accounts	866,467
Receivables:	
Property and other taxes	148,079,071
Special assessments	843,889
Due from other governments	<u>5,036,467</u>
Total assets	<u>161,357,105</u>

**Liabilities**

Accounts payable	64,532
Due to other governments	<u>1,913,520</u>
Total liabilities	<u>1,978,052</u>

**Deferred Inflows of Resources**

Property taxes levied for next year	<u>127,468,153</u>
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**Net Position**

Restricted for individuals, organizations and other governments	<u><u>\$ 31,910,900</u></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, 2022

***Additions***

Collections for other governments and organizations:	
Property and other taxes	\$ 83,812,900
Grants and intergovernmental	13,293,883
Licenses, permits and fees	28,622,375
Investment income	1,021
Fines and forfeitures	6,055,663
Contributions and donations	475
Charges for services	2,735,919
Gas and oil lease	46,452
Other	<u>1,917,583</u>
Total additions	<u>136,486,271</u>

***Deductions***

Distributions to other governments and organizations	125,631,457
Distributions as fiscal agent	4,543,999
Distributions of property and other taxes	<u>453,825</u>
Total deductions	<u>130,629,281</u>
Change in net position	5,856,990
Net position beginning of year	<u>26,053,910</u>
Net position end of year	<u>\$ 31,910,900</u>

See accompanying notes to the basic financial statements.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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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), the Veterans Board and the Board of Elections.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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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. (“CORSA”) and the Columbiana County Airport Authority, which are presented in Notes 15 and 18, 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 17 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, 2022**

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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, 2022**

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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, 2022**

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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, 2022**

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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 assets 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 assets 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, 2022, 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, 2022**

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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 custodial 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 2022.



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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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 2022 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 2022, 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, 2022**

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

For 2022, 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, 2022, 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, 2022**

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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</u> <u>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, 2022**

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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 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, 2022**

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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, 2022**

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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, 2022**

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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, 2022. 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, 2022**

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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, 2022**

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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, 2022**

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

**A. Cash with Fiscal Agent**

At year-end, the County had \$749,791 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 \$1,236,053 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, 2022, the carrying amount of all County deposits was \$3,569,016. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2022, \$4,161,898 of the County’s bank balance of \$5,222,161 was exposed to custodial risk, as discussed below, while \$1,060,263 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, 2022**

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

**D. Investments**

At December 31, 2022, the County had the following investments:

	Balance at 12/31/22	Average Weighted Maturity (Yrs)	Concentration	S&P Ratings
<i>Fair Value</i>				
<i>Level 1</i>				
US Treasury	\$ 12,279,906	3.01	10.4%	<i>not rated</i>
<i>Level 2</i>				
Commercial Paper	10,724,668	0.30	9.1%	A-1
Corporate Bond	9,628,681	0.99	8.2%	AA to A
Municipal Securities	1,999,227	1.91	1.7%	AA to AA-
Negotiable CDs	5,767,633	1.49	4.9%	not rated
U.S. Agency Security	48,128,686	2.69	40.9%	AA+
<i>Amortized Cost</i>				
Money Market	23,112	0.05	0.1%	AAAm
STAR Ohio	29,099,611	0.09	24.7%	AAAm
<b>Total</b>	<b>\$ 117,651,524</b>		<b>100.0%</b>	

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, 2022**

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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, 2022:

<u>Deposits and investments per note</u>	
Carrying amount of deposits	\$ 3,569,016
Investments	117,651,524
	\$ 121,220,540
 <u>Cash and investments per statement of net position</u>	
Equity in pooled cash and investments:	
Governmental Activities	\$ 109,452,630
Business-Type Activities	3,250,855
Custodial Funds	6,531,211
Cash and cash equivalents with fiscal agent:	
Governmental Activities	749,791
Cash and cash equivalents in segregated accounts:	
Governmental Activities	369,586
Custodial Funds	866,467
	\$ 121,220,540

**NOTE 5 – INTERFUND TRANSACTIONS**

**A. Interfund Transfers**

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Interfund transfers for the year ended December 31, 2022, consisted of the following, as reported on the fund financial statements:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 2,939,631
Jobs and Family Services	182,773	-
Nonmajor Governmental Funds	2,256,858	-
Sewer Fund	26,503	-
Nonmajor Enterprise Funds	-	26,503
Internal Service Fund	500,000	-
	\$ 2,966,134	\$ 2,966,134

Additionally in 2022, a nonmajor capital projects fund funded a sewer construction fund project for \$62,613. This amount was reported as a capital contribution in the sewer fund's fund financial statements, but as a transfer between governmental and business-type activities in the statement of activities.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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**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**

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Due from/to other funds consisted of the following at December 31, 2022, as reported on the fund financial statements:

	Jobs and Family Services	Nonmajor Governmental Funds	Total Due From Other Funds
General Fund	\$ 7,636	\$ 20,881	\$ 28,517
Jobs and Family Services	-	305,319	305,319
Nonmajor Governmental Funds	19,492	-	19,492
Nonmajor Enterprise Funds	2,775	-	2,775
Total Due To Other Funds	\$ 29,903	\$ 326,200	\$ 356,103

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 \$21,024,222 in sales tax revenues on a modified accrual basis in 2022.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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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. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 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, 2022 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 2022 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, 2022 was \$9.55 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

Real Property:	
Residential/Agricultural	\$ 1,525,688,790
Commercial/Industrial/Mineral	293,536,860
Public Utility Personal Property	354,588,090
	<u>\$ 2,173,813,740</u>

**NOTE 8 – RECEIVABLES**

Receivables at December 31, 2022, 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, 2022, 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, 2022**

**NOTE 9 – CAPITAL ASSETS**

Governmental activities capital asset activity for the year ended December 31, 2022 follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b><i>Governmental Activities</i></b>				
<i>Capital assets not being depreciated</i>				
Land	\$ 1,381,026	\$ 6,410	\$ -	\$ 1,387,436
Construction in progress	<u>1,345,465</u>	<u>8,672,692</u>	<u>(3,571,416)</u>	<u>6,446,741</u>
Total capital assets not being depreciated	<u>2,726,491</u>	<u>8,679,102</u>	<u>(3,571,416)</u>	<u>7,834,177</u>
<i>Capital assets being depreciated</i>				
Land improvements	3,084,988	-	(47,137)	3,037,851
Building and improvements	32,248,231	49,400	-	32,297,631
Furniture and equipment	10,143,371	466,020	(284,977)	10,324,414
Vehicles	9,917,436	456,464	-	10,373,900
Infrastructure	39,923,298	3,383,543	-	43,306,841
Software	<u>709,972</u>	<u>-</u>	<u>-</u>	<u>709,972</u>
Total capital assets being depreciated	<u>96,027,296</u>	<u>4,355,427</u>	<u>(332,114)</u>	<u>100,050,609</u>
<i>Less: Accumulated depreciation:</i>				
Land improvements	(2,791,117)	(43,653)	40,066	(2,794,704)
Building and improvements	(16,943,898)	(726,746)	-	(17,670,644)
Furniture and equipment	(7,727,720)	(325,387)	250,984	(7,802,123)
Vehicles	(8,945,065)	(445,383)	-	(9,390,448)
Infrastructure	(16,333,028)	(2,134,435)	-	(18,467,463)
Software	<u>(621,761)</u>	<u>(44,274)</u>	<u>-</u>	<u>(666,035)</u>
Total accumulated depreciations	<u>(53,362,589)</u>	<u>(3,719,878)</u>	<u>291,050</u>	<u>(56,791,417)</u>
Total capital assets being depreciated, net	<u>42,664,707</u>	<u>635,549</u>	<u>(41,064)</u>	<u>43,259,192</u>
Net governmental activities capital assets	<u>\$ 45,391,198</u>	<u>\$ 9,314,651</u>	<u>\$ (3,612,480)</u>	<u>\$ 51,093,369</u>

Depreciation expense was charged to governmental functions as follows:

Legislative and executive	\$ 166,595
Judicial	87,963
Public safety	538,186
Public works	2,461,400
Health	17,507
Human Services	448,227
Total depreciation expense	<u>\$ 3,719,878</u>

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

**NOTE 9 – CAPITAL ASSETS—continued**

Business-type activities capital asset activity for the year ended December 31, 2022 follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b><i>Business-Type Activities</i></b>				
<i>Capital assets not being depreciated</i>				
Land	\$ 67,613	\$ -	\$ -	\$ 67,613
Construction in progress	-	62,613	-	62,613
Total capital assets not being depreciated	<u>67,613</u>	<u>62,613</u>	<u>-</u>	<u>130,226</u>
<i>Capital assets being depreciated</i>				
Land improvements	167,067	-	-	167,067
Building and improvements	2,217,393	-	-	2,217,393
Furniture and equipment	4,730,634	61,080	-	4,791,714
Vehicles	1,211,734	38,597	-	1,250,331
Infrastructure	13,293,782	-	-	13,293,782
Total capital assets being depreciated	<u>21,620,610</u>	<u>99,677</u>	<u>-</u>	<u>21,720,287</u>
<i>Less: Accumulated depreciation:</i>				
Land improvements	(166,285)	(521)	-	(166,806)
Building and improvements	(1,406,509)	(51,634)	-	(1,458,143)
Furniture and equipment	(4,564,112)	(32,312)	-	(4,596,424)
Vehicles	(1,123,781)	(41,614)	-	(1,165,395)
Infrastructure	(5,999,747)	(252,737)	-	(6,252,484)
Total accumulated depreciations	<u>(13,260,434)</u>	<u>(378,818)</u>	<u>-</u>	<u>(13,639,252)</u>
Total capital assets being depreciated, net	<u>8,360,176</u>	<u>(279,141)</u>	<u>-</u>	<u>8,081,035</u>
Net business-type activities capital assets	<u>\$ 8,427,789</u>	<u>\$ (216,528)</u>	<u>\$ -</u>	<u>\$ 8,211,261</u>

Depreciation expense was charged to the following enterprise funds:

Sewer	\$ 342,835
Water	<u>35,983</u>
	<u>\$ 378,818</u>

**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 2022, the County contracted with CORSA for liability, property and crime insurance. The CORSA program has a \$2,500 deductible. See Note 15 for additional information on CORSA.



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

**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 \$380,972 reported on the basic financial statements at December 31, 2022, 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
2021	\$ 146,101	\$ 4,556,764	\$ (4,335,215)	\$ 367,650
2022	\$ 367,650	\$ 5,172,188	\$ (5,158,866)	\$ 380,972

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, 2022**

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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, 2022**

**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, 2022**

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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>2022 Statutory Maximum Contribution Rates</b>			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
<b>2022 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 \$3,256,592 for 2022. Of this amount, \$527,438 is reported as due to other governments.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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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. The calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. For members who were eligible to retire on July 1, 2015, the annual benefit is the greater of the benefit amount calculated upon retirement under the new benefit formula or the frozen benefit amount as of July 1, 2015. Effective August 1, 2021 to July 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age; or 29 years of service credit and age 55; or 5 years of service credit and age 60. Effective on or after August 1, 2023, any member can retire with unreduced benefits with 35 years of service credit at any age or 5 years of service credit at age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age or 5 years of service credit and 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. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liabilities. Effective July 1, 2022, 2.91% of salaries are used to pay for unfunded liabilities. 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 CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO Plan payment is payable to a member on or after age 60 with 5 years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

New members who choose the DC Plan or CO 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 CO 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.

A DB or CO Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013 must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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, 2022, 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 2022 contribution rates were equal to the statutory maximum rates.

The County’s contractually required contribution to STRS was \$75,450 for 2022.

***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, 2021, 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, 2022, 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	\$ 13,249,957	\$ 927,600	\$ 14,177,557
Proportion of Net Pension Liability	0.152298%	0.004173%	
Change in Proportion	0.001872%	-0.000035%	
Pension Expense	\$ (2,687,303)	\$ 42,782	\$ (2,644,521)

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

At December 31, 2022, 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	\$ 675,463	\$ 11,874	\$ 687,337
Net differences between projected and actual investment earnings	-	32,278	32,278
Change in assumptions	1,656,893	111,006	1,767,899
Change in County's proportionate share and difference in employer contributions	249,723	4,448	254,171
County contributions subsequent to the measurement date	<u>3,256,592</u>	<u>37,316</u>	<u>3,293,908</u>
Total deferred outflows of resources	<u>\$ 5,838,671</u>	<u>\$ 196,922</u>	<u>\$ 6,035,593</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ 290,604	\$ 3,548	\$ 294,152
Net differences between projected and actual investment earnings	15,760,340	-	15,760,340
Change in assumptions	-	83,556	83,556
Change in County's proportionate share and difference in employer contributions	<u>-</u>	<u>6,777</u>	<u>6,777</u>
Total deferred inflows of resources	<u>\$ 16,050,944</u>	<u>\$ 93,881</u>	<u>\$ 16,144,825</u>

\$3,293,908 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, 2023. 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:			
2023	\$ (1,838,410)	\$ 867	\$ (1,837,543)
2024	(5,417,458)	(3,043)	(5,420,501)
2025	(3,705,893)	(26,173)	(3,732,066)
2026	<u>(2,507,104)</u>	<u>94,074</u>	<u>(2,413,030)</u>
	<u>\$ (13,468,865)</u>	<u>\$ 65,725</u>	<u>\$ (13,403,140)</u>

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Wage inflation:

Current measurement period	2.75%
Prior measurement period	3.25%

Future salary increases (including inflation):

Current measurement period	2.75% to 10.75%
Prior measurement period	3.25% to 10.75%

COLA or Ad Hoc COLA

Pre 1/7/2013 retirees: 3% simple;  
 Post 1/7/2013 retirees: 3% simple  
 through 2022, then 2.05% simple

Investment rate of return:

Current measurement period	6.90%
Prior measurement period	7.20%

Actuarial cost method

Individual entry age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previous described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

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, 2021, 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	24.00%	1.03%
Domestic Equities	21.00%	3.78%
Real Estate	11.00%	3.66%
Private Equity	12.00%	7.43%
International Equities	23.00%	4.88%
Risk Parity	5.00%	2.92%
Other Investments	<u>4.00%</u>	2.85%
Total	<u>100.00%</u>	4.21%

**Discount Rate.** The discount rate used to measure the total pension liability was 6.9%. 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.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

***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 6.9%, 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 (5.9%) and one-percentage point higher (7.9%) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate of 6.9%	1% Increase (7.90%)
County's proportionate share of the net pension liability	\$ 34,935,720	\$ 13,249,957	\$ (4,794,352)

***Actuarial Assumptions - STRS***

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Varies by service from 2.5% to 8.5%
Payroll increases	3.00%
Investment rate of return	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%
Cost-of-living adjustments (COLA)	0%

Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

For healthy retirees, the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table, adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

The actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actual experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis. 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, 2022**

**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 Rate of Return*
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
	100.00%	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\* 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's 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 7.0% as of June 30, 2022. 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, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.0% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

**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 7.0%, 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 (6.0%) or one-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate of 7.0%	1% Increase (8.0%)
County's proportionate share of the net pension liability	\$ 1,401,269	\$ 927,600	\$ 527,026

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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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. Effective January 1, 2022, members can no longer select the Combined Plan.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
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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.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via a Health Reimbursement Arrangement allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, 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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 0% during calendar year 2022. For the Combined Plan, the portion of the employer contributions allocated to health care was 0% from January 1, 2022 to June 30, 2022, and was 2% from July 1, 2022 to December 31, 2022.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2023 remains at 0% for the Traditional Pension Plan and 2% for the Combined Plan. 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 2022 was 4.0%.

The County's contractually required contribution to OPERS for the Combined and Member-Directed Plans was \$17,435 for 2022.

***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 Board to offer this plan.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and partial reimbursement of the monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. 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.

*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, 2022, 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, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2022, 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.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

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

	OPERS	STRS	Total
Proportionate Share of Net OPEB Asset	\$ 4,610,765	\$ 108,046	\$ 4,718,811
Proportion of Net OPEB Asset	0.147215%	0.004173%	
Change in Proportion	0.001585%	-0.000035%	
(Negative) OPEB Expense	\$ (3,788,266)	\$ (22,832)	\$ (3,811,098)

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ -	\$ 1,566	\$ 1,566
Net differences between projected and actual investment earnings	-	1,882	1,882
Change in assumptions	-	4,601	4,601
Change in County's proportionate share and difference in employer contributions	163,550	200	163,750
County contributions subsequent to the measurement date	17,435	-	17,435
Total deferred outflows of resources	<u>\$ 180,985</u>	<u>\$ 8,249</u>	<u>\$ 189,234</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ 699,383	\$ 16,225	\$ 715,608
Net differences between projected and actual investment earnings	2,198,087	-	2,198,087
Change in assumptions	1,866,386	76,614	1,943,000
Change in County's proportionate share and difference in employer contributions	445	6,742	7,187
Total deferred inflows of resources	<u>\$ 4,764,301</u>	<u>\$ 99,581</u>	<u>\$ 4,863,882</u>

\$17,435 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, 2023.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

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

	OPERS	STRS	Total
Year Ending December 31:			
2023	\$ (2,782,906)	\$ (28,141)	\$ (2,811,047)
2024	(1,021,895)	(27,763)	(1,049,658)
2025	(480,271)	(11,563)	(491,834)
2026	(315,679)	(4,776)	(320,455)
2027	-	(6,309)	(6,309)
2028	-	(12,780)	(12,780)
	\$ (4,600,751)	\$ (91,332)	\$ (4,692,083)

**Actuarial Assumptions—OPERS**

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 OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. 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:

Current measurement period	2.75%
Prior measurement period	3.25%

Projected salary increases:

Current measurement period	2.75% to 10.75%, including wage inflation
Prior measurement period	3.25% to 10.75%, including wage inflation

Singe discount rate: 6.00%

Investment rate of return 6.00%

Municipal bond rate:

Current measurement period	1.84%
Prior measurement period	2.00%

Health care cost trend rate:

Current measurement period	5.5% initial, 3.50% ultimate in 2034
Prior measurement period	8.5% initial, 3.50% ultimate in 2035

Actuarial cost method Individual entry age



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previous described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3% for 2021.

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.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2021, 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%	0.91%
Domestic Equities	25.00%	3.78%
REITs	7.00%	3.71%
International Equities	25.00%	4.88%
Risk Parity	2.00%	2.92%
Other Investments	<u>7.00%</u>	1.93%
Total	<u>100.00%</u>	3.45%

**Discount Rate.** A single discount rate of 6.0% was used to measure the OPEB liability on the measurement date of December 31, 2021. 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 6.0% and a municipal bond rate of 1.84%. 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 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

**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 6.0%, 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 (5.0%) or 1.0% point higher (7.0%) than the current rate:

	1% Decrease (5.0%)	Current Discount Rate of 6.0%	1% Increase (7.0%)
County's proportionate share of the net OPEB asset	\$ 2,711,695	\$ 4,610,765	\$ 6,187,435

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

**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 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 2022 is 5.50%. 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	\$ 4,660,818	\$ 4,610,765	\$ 4,551,879

**Actuarial Assumptions - STRS**

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	Varies by service from 2.5% to 8.5%	
Payroll increases	3.0%	
Investment rate of return	7.0%, net of investment expenses, including inflation	
Discount rate of return	7.0%	
Health care cost trends	<u>Initial</u>	<u>Ultimate</u>
Medical		
Pre-Medicare	7.50%	3.94%
Medicare	-68.78%	3.94%
Prescription Drug		
Pre-Medicare	9.00%	3.94%
Medicare	-5.47%	3.94%

Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Additionally, healthcare trends were updated to reflect emerging claims and recoveries experience.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Rate of Return*</u>
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
	<u>100.00%</u>	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\* 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, and is net of investment expenses. Over a 30-year period, STRS Ohio’s 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 liability was 7.0% as of June 30, 2022. 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 as of June 30, 2022. Therefore, the long-term expected rate of return on OPEB plan assets of 7.0% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

**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 7.0%, 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 (6.0%) and one percentage point higher (8.0%) 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.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
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**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued**

	1% Decrease (6.0%)	Current Discount Rate of 7.0%	1% Increase (8.0%)
County's proportionate share of the net OPEB asset	\$ 99,885	\$ 108,046	\$ 115,036

	1% Decrease	Current Trend Rates	1% Increase
County's proportionate share of the net OPEB asset	\$ 112,070	\$ 108,046	\$ 102,966

**NOTE 13 – LONG-TERM OBLIGATIONS**

The following activity occurred in the County's governmental activities long-term obligations during 2022:

	Issue Date	Maturity Date	<i>Restated</i> Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
Government Services Building - 2%-4%	2012	2052	\$ 6,040,000	\$ -	\$ (150,000)	\$ 5,890,000	\$ 145,000
Unamortized premiums			119,219	-	(3,846)	115,373	-
			6,159,219	-	(153,846)	6,005,373	145,000
<i>Direct Placement:</i>							
Series 2013 Refunding - 3.5%	2013	2033	1,621,000	-	(65,000)	1,556,000	70,000
Series 2018 Refunding - 2.64%	2018	2024	1,885,000	-	(610,000)	1,275,000	630,000
Ohio Wellsville Water System - 3.25%	1999	2039	808,000	-	(34,000)	774,000	35,000
Murray Trucking Old Farm Village - 4.5%	2001	2041	354,000	-	(11,000)	343,000	12,000
Municipal Court Bonds 2018 Refinancing - 2.82%	2018	2033	1,824,000	-	(129,000)	1,695,000	133,000
County Engineer - Vehicle Purchase -2.95%	2019	2022	130,852	-	(130,852)	-	-
County Engineer - Trackhoe Purchase - 2.13%	2020	2030	132,800	-	(13,600)	119,200	13,800
			6,755,652	-	(993,452)	5,762,200	893,800
<i>Direct Borrowing:</i>							
Loans:							
Recorder's Loan - 0%	2012	2027	62,500	-	(60,000)	2,500	2,500
Other Long-Term Obligations:							
Compensated Absences			3,088,623	1,286,023	(1,667,238)	2,707,408	1,533,005
Total Governmental Activities			\$ 16,065,994	\$ 1,286,023	\$ (2,874,536)	\$ 14,477,481	\$ 2,574,305

**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. While this loan has a scheduled final maturity of December 1, 2027, the County anticipates paying it off in 2023.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

**NOTE 13 – LONG-TERM OBLIGATIONS—continued**

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.

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 \$52,845,344 at December 31, 2022.

Future Debt Service Requirements: The principal and interest requirements to retire governmental activities long-term obligations at December 31, 2022 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
2023	\$ 145,000	\$ 249,156	\$ 893,800	\$ 177,167	\$ 2,500	\$ -
2024	150,000	243,356	913,100	152,322	-	-
2025	145,000	237,356	354,400	126,928	-	-
2026	145,000	231,556	359,700	115,587	-	-
2027	145,000	225,756	369,100	104,094	-	-
2028-2032	705,000	1,035,880	1,956,100	337,767	-	-
2033-2037	650,000	887,955	704,000	88,454	-	-
2038-2042	1,130,000	731,755	212,000	16,840	-	-
2043-2047	1,305,000	472,062	-	-	-	-
2048-2052	1,370,000	180,907	-	-	-	-
<b>Total</b>	<b>\$ 5,890,000</b>	<b>\$ 4,495,739</b>	<b>\$ 5,762,200</b>	<b>\$ 1,119,159</b>	<b>\$ 2,500</b>	<b>\$ -</b>

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

**NOTE 13 – LONG-TERM OBLIGATIONS—continued**

The following activity occurred in the County's business-type activities long-term obligations during 2022:

	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>							
Beaver Local Wastewater #1 - 2.95%	2018	2028	\$ 167,567	\$ -	\$ (21,876)	\$ 145,691	\$ 22,531
Kensington Sewer - 1.38%		2056	<u>295,635</u>	<u>-</u>	<u>(6,633)</u>	<u>289,002</u>	<u>6,725</u>
			463,202	-	(28,509)	434,693	29,256
Loans:							
<i>Direct Borrowing:</i>							
Ohio Public Works Commission (OPWC) Loans:							
State Route 7 Water Line Extension #1 - 0%	2002	2022	2,500	-	(2,500)	-	-
State Route 7 Water Line Extension #2 - 0%	2003	2023	9,600	-	(4,800)	4,800	4,800
Roseview Acres Treatment Plant - 0%	2009	2039	108,971	-	(6,054)	102,917	6,054
Glenmoor Sewer System - 0%	2012	2038	134,366	-	(8,143)	126,223	8,143
County Home Road Sewer Project - 0%	2016	2043	440,000	-	(20,000)	420,000	20,000
County Home Road Waterline Project - 0%	2014	2044	<u>241,415</u>	<u>-</u>	<u>(10,496)</u>	<u>230,919</u>	<u>10,496</u>
			936,852	-	(51,993)	884,859	49,493
Ohio Water Development Authority (OWDA) Loans:							
County Home Road Sanitary Sewer - 0%	2013	2033	198,011	-	(17,218)	180,793	17,218
County Home Road Waterline Extension - 2%	2013	2033	163,719	-	(12,796)	150,923	13,053
Hanoverton Sanitary Sewer - 1.78%	2020	2026	119,748	1,888	(121,636)	-	-
Ohio Elkrun Sewer Refinance - 2.1%	2021	2039	1,384,442	-	(63,227)	1,321,215	34,954
Winona Waste #1 Refinance - 1.72%	2021	2045	472,302	-	(15,389)	456,913	8,587
Winona Waste #2 Refinance - 1.72%	2021	2046	292,908	-	(8,765)	284,143	4,931
Glenmoor/LaCroft Sewer Refinance - 1.87%	2021	2049	<u>3,249,037</u>	<u>-</u>	<u>(79,949)</u>	<u>3,169,088</u>	<u>46,471</u>
			5,880,167	1,888	(318,980)	5,563,075	125,214
Other Long-Term Obligations:							
Compensated Absences			<u>114,617</u>	<u>61,332</u>	<u>(46,690)</u>	<u>129,259</u>	<u>48,242</u>
Total Business-Type Activities			<u>\$ 7,394,838</u>	<u>\$ 63,220</u>	<u>\$ (446,172)</u>	<u>\$ 7,011,886</u>	<u>\$ 252,205</u>

**Revenue Bonds:** The direct placement revenue bonds were issued to provide resources for improvements to various sewer and waste system infrastructure.

**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, 2022**

**NOTE 13 – LONG-TERM OBLIGATIONS—continued**

*OWDA Loans:* In previous years, the County was awarded direct borrowing loans from OWDA for various sewer and water projects. 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.

During 2022, OWDA converted the Hanoverton Sanitary Sewer design loan into a grant, combining this amount with a larger \$4.1 million construction grant awarded for this project.

The County has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$8,251,994 of mortgage revenue bonds, OPWC and OWDA loans and interest. 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 294% and 21%, respectively. The total principal and interest remaining to be paid on the debt is \$8,251,994. Principal and interest paid for the current year, total net revenues and total operating revenues were \$532,192, \$180,723 and \$2,538,903, respectively.

*Future Debt Service Requirements:* The principal and interest requirements to retire business-type activities long-term obligations at December 31, 2022 are as follows:

Year Ended	<i>Direct Placement</i>		<i>Direct Borrowing</i>		<i>Direct Borrowing</i>	
	Revenue Bonds		OPWC Loans		OWDA Loans	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 29,256	\$ 8,332	\$ 49,493	\$ -	125,214	52,830
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	32,451	5,135	44,693	-	235,451	87,413
2028-2032	63,109	17,272	223,466	-	1,242,703	371,621
2033-2037	39,618	13,874	223,470	-	1,207,417	257,401
2038-2042	42,418	11,075	168,664	-	958,556	147,853
2043-2047	45,415	8,077	40,994	-	814,653	67,943
2048-2052	48,624	4,867	-	-	297,423	6,983
2053-2056	41,363	1,431	-	-	-	-
<b>Total</b>	<b>\$ 434,693</b>	<b>\$ 90,384</b>	<b>\$ 884,859</b>	<b>\$ -</b>	<b>\$ 5,563,075</b>	<b>\$ 1,278,983</b>



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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**NOTE 14 – 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 2022, 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 Village of Lisbon, 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 2022, property taxes of the County were abated by approximately \$2,046.

**NOTE 15 – PUBLIC ENTITY RISK POOL**

CORSA is a shared risk pool among seventy-two 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, 2022**

**NOTE 16 – 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	Local Fiscal Recovery	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>								
Materials and supplies inventory	\$ 151,359	\$ 58,991	\$ 910,529	\$ 1,017	\$ 4,672	\$ -	\$ 54,111	\$ 1,180,679
Prepaid items	454,434	-	2,655	9,314	41,071	-	45,289	552,763
Unclaimed monies	388,800	-	-	-	-	-	-	388,800
<b>Total Nonspendable</b>	<b>994,593</b>	<b>58,991</b>	<b>913,184</b>	<b>10,331</b>	<b>45,743</b>	<b>-</b>	<b>99,400</b>	<b>2,122,242</b>
<i>Restricted:</i>								
Legislative and executive	-	-	-	-	-	-	1,906,664	1,906,664
Judicial	-	-	-	-	-	-	1,923,551	1,923,551
Public safety	-	-	-	-	-	-	3,826,157	3,826,157
Public works	-	-	7,206,557	-	-	-	1,179	7,207,736
Health	-	-	-	7,884,181	-	-	290,482	8,174,663
Human services	-	2,078,800	-	-	15,600,453	-	9,853,153	27,532,406
Economic development	-	-	-	-	-	-	355,764	355,764
Debt service payments	-	-	-	-	-	-	5,766,159	5,766,159
Capital projects	-	-	-	-	-	-	774,551	774,551
<b>Total Restricted</b>	<b>-</b>	<b>2,078,800</b>	<b>7,206,557</b>	<b>7,884,181</b>	<b>15,600,453</b>	<b>-</b>	<b>24,697,660</b>	<b>57,467,651</b>
<i>Committed:</i>								
Legislative and executive	13,419,819	-	-	-	-	-	586,411	14,006,230
Capital projects	-	-	-	-	-	-	10,623,513	10,623,513
<b>Total Committed</b>	<b>13,419,819</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,209,924</b>	<b>24,629,743</b>
<i>Assigned:</i>								
Legislative and executive	338,356	-	-	-	-	112,334	-	450,690
<i>Unassigned</i>								
	13,404,459	-	-	-	-	-	(736)	13,403,723
<b>Total Fund Balances</b>	<b>\$ 28,157,227</b>	<b>\$ 2,137,791</b>	<b>\$ 8,119,741</b>	<b>\$ 7,894,512</b>	<b>\$ 15,646,196</b>	<b>\$ 112,334</b>	<b>\$ 36,006,248</b>	<b>\$ 98,074,049</b>

**NOTE 17 – 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 2022, the County did not make any payments to the District.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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**NOTE 17 – 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 \$458,196 to the System during 2022.

***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 18 – 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 \$15,932 to the Airport Authority in 2022.

**NOTE 19 – 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, 2022**

**NOTE 19 – 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	\$ 2,695,477	\$ 330,316	\$ (695,003)	\$ 347,406	\$ 1,188,015	\$ 112,334
Funds reclassified	39,742	-	-	-	-	-
Revenue accruals	3,170,417	(396,502)	632,779	439	74,668	8,375,075
Expenditure accruals	(21,873)	10,850	(767,292)	(131,553)	(55,108)	(1,896,289)
Encumbrances	(521,116)	-	(633,820)	-	-	-
Other Financing	<u>(4,053,685)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Basis	<u>\$ 1,308,962</u>	<u>\$ (55,336)</u>	<u>\$ (1,463,336)</u>	<u>\$ 216,292</u>	<u>\$ 1,207,575</u>	<u>\$ 6,591,120</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, 2022**

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**NOTE 20 – CONTINGENCIES**

**A. Grants**

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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, 2022.

**B. Litigation**

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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, 2022.

**NOTE 21 – 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	\$ 522,466
Motor Vehicle and Gas Tax	633,820
Nonmajor Governmental Funds	<u>71,862</u>
	<u>\$ 1,228,148</u>

**NOTE 22 – GAS AND OIL LEASES**

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 for oil and gas rights. 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 for oil and gas rights. 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.

Since these leases involve intangible assets, they are not under the scope of GASB Statement No. 87, *Leases*.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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**NOTE 23—CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT**

During 2022, the County implemented GASB Statement No. 87, *Leases*, and related guidance. This Statement revised lease guidance by establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, lessees are required to recognize a lease liability and an intangible right-to-use lease asset, and lessors are required to recognize a lease receivable and a deferred inflow of resources.

The implementation of GASB Statement No. 87 resulted in lease amounts that were deemed immaterial. The County restated beginning governmental activities net position by \$26,379 to eliminate capital lease liabilities that were recognized under the preceding lease guidance.

**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.

The Corporation has been designated as the County’s agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

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

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

**Summary of Significant Accounting Policies**

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

The Corporation's significant accounting policies are described below.

*Basis of Presentation*

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

Government-Wide Financial Statements

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

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

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

*Measurement Focus*

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

*Basis of Accounting*

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

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

Revenues and Expenses

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

*Budgetary Process*

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

*Federal Income Tax*

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

*Cash and Cash Equivalents*

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

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



**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

*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.

*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, 2022.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

*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 from the Ohio Development Services Agency for demolition and remediation activities.

**Deposits and Investments**

*Deposits with Financial Institutions*

At December 31, 2022, the carrying amount of all Corporation deposits was \$293,961. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2022, \$250,000 of the Corporation's bank balance of \$322,226 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. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the FDIC.

**Receivables**

Receivables at December 31, 2022, consisted of due from other governments of \$193,256. These amounts are expected to be collected in the subsequent year.

In 2022, the Corporation issued a \$5,866 promissory note to a local resident for delinquent taxes. The note is non-interest bearing and matures on September 1, 2024. The balance of this note at December 31, 2022 was \$5,116.

**COLUMBIANA COUNTY, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2022**

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

**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 2022, 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. The Corporation recognized revenues of \$211,049 for these fees that were collected by the County in 2022.

During 2022, the Corporation paid \$13,461 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  
 and County Pension Contributions  
 Ohio Public Employees Retirement System - Traditional Pension Plan

Measurement Year (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	18,352,279	227.46%	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%
2022	0.152298%	13,249,957	22,577,136	58.69%	92.62%

Calendar Year	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
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)	-	22,577,136	14.00%
2022	3,256,592	(3,256,592)	-	23,261,371	14.00%

(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%.

In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in wage inflation from 3.25% to 2.75%, and transition from RP-2014 mortality tables to Pub-2010 mortality tables.

**COLUMBIANA COUNTY**

Required Supplementary Information  
 Schedule of County's Proportionate Share of the Net Pension Liability  
 and County Pension Contributions  
 State Teachers Retirement System of Ohio

Measurement Year (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	621,069	262.19%	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%
2022	0.004173%	927,600	530,786	174.76%	78.9%

Calendar Year	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
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%
2022	75,450	(75,450)	-	538,929	14.00%

(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 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%.

In measurement year 2022, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

**COLUMBIANA COUNTY**

Required Supplementary Information  
 Schedule of County's Proportionate Share of the Net OPEB Liability/(Asset)  
 and County OPEB Contributions  
 Ohio Public Employees Retirement System

Measurement Year (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%
2022	0.147215%	(4,610,765)	22,577,136	(20.42%)	128.23%

Calendar Year	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
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)	-	22,577,136	0.09%
2022	17,435	(17,435)	-	23,261,371	0.07%

(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 2028 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.

In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction in wage inflation from 3.25% to 2.75%, and transition from RP-2014 mortality tables to Pub-2010 mortality tables.



**COLUMBIANA COUNTY**

Required Supplementary Information  
 Schedule of County's Proportionate Share of the Net OPEB Liability/(Asset)  
 and County OPEB Contributions  
 State Teachers Retirement System of Ohio

Measurement Year (1) (2)	County's Proportion of the Net OPEB Liability	County's Proportionate Share of the Net OPEB Liability	County's Covered Payroll	County's Proportionate Share of the Net OPEB Liability 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%
2022	0.004173%	(108,046)	530,786	(20.36%)	230.7%

Calendar Year	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
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%
2022	-	-	-	538,929	0.00%

(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.

**COLUMBIANA COUNTY**

Required Supplementary Information  
Notes to the Schedules for Net OPEB Liability/(Asset)  
State Teachers Retirement System of Ohio

*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.

For measurement year 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

COLUMBIANA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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	\$ 17,114
National School Lunch Program	10.555	EDU01-3L60	9,992
<i>Total Child Nutrition Cluster</i>			<u>27,106</u>
<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	N/A	610,413
<i>Total Supplemental Nutrition Assistance Program Cluster</i>			<u>610,413</u>
<b>Total U.S. Department of Agriculture</b>			<u><b>637,519</b></u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT</b>			
<b>OFFICE OF HOUSING AND COMMUNITY PARTNERSHIP</b>			
Community Development Block Grant	14.228	B-F-18-IA0-2	3,400
Community Development Block Grant	14.228	B-F-20-IA0-1	185,159
Community Development Block Grant	14.228	B-F-20-IA0-2	328,397
			<u>516,956</u>
FY20 Home Investment Partnerships Program	14.239	B-C-20-IAO-2	231,031
			<u>231,031</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u><b>747,987</b></u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<b>PASSED THROUGH OHIO DEPARTMENT OF TRANSPORTATION</b>			
<i>Highway Planning and Construction Cluster</i>			
Highway Planning and Construction Cluster	20.205	COL-CR 430-.30 PID 22329	3,779,696
Highway Planning and Construction Cluster	20.205	COL-CR 404-8.70 PID 112459	29,246
Highway Planning and Construction Cluster	20.205	COL-CR PID 112459	520,400
<i>Total Highway Planning and Construction Cluster</i>			<u>4,329,342</u>
<b>Total U.S. Department of Transportation</b>			<u><b>4,329,342</b></u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<b>PASSED THROUGH THE OFFICE OF CRIMINAL JUSTICE</b>			
Crime Victim Assistance	16.575	2023 VOCA 135105059	49,700
Crime Victim Assistance	16.575	VOCA	42,255
			<u>91,955</u>
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	28,376
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	2,426
			<u>30,802</u>
<b>Total U.S. Department of Justice</b>			<u><b>122,757</b></u>

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COLUMBIANA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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>			
<b>DIRECT AWARD (EXCEPT AS NOTED)</b>			
COVID-19 - State and Local Recovery Relief Fund	21.027	N/A	2,012,542
COVID-19 - State and Local Recovery Relief Fund (Passed Through Ohio MHAS)	21.027	Gen Beh/mercy health	68,350
<b>Total U.S. Department of Treasury</b>			<b>2,080,892</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<b>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	17,828
Special Education Grants to States Part B Flowthrough	84.027	3M20-065920-6B	2,105
<b>Total Special Education Grant Cluster (IDEA)</b>			<b>19,933</b>
Special Education Grants for Infants and Families	84.181	3920-DOH-FY 19/20	153,203
<b>Total U.S. Department of Education</b>			<b>173,136</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>PASSED THROUGH VARIOUS SOURCES (SEE TICKMARKS)</b>			
{a} Promoting Safe and Stable Families	93.556	G-2223-11-6912/G2021-11-5912	76,638
{a} Temporary Assistance for Needy Families (TANF)	93.558	G-2223-11-6912/G2021-11-5912	1,697,430
{a} COVID -19 Temporary Assistance for Needy Families (TANF)	93.558	N/A	143,208
{d} Temporary Assistance for Needy Families (TANF)	93.558	N/A	7,465
{d} Temporary Assistance for Needy Families (TANF)	93.558	Tanf-HMG Respite	18,661
			<b>1,866,764</b>
{a} Child Support Enforcement	93.563	G-2223-11-6912/G2021-11-5912	1,339,091
{a} Child Care and Development Block Grant Cluster	93.575	G-2223-11-6912/G2021-11-5912	104,433
{a} Child Welfare Services - State Grants	93.645	G-2223-11-6912/G2021-11-5912	41,388
{a} Foster Care Title IV-E	93.658	G-2223-11-6912/G2021-11-5912	1,536,275
{a} Adoption Assistance	93.659	G-2223-11-6912/G2021-11-5912	237,186
{a} Social Services Block Grant	93.667	G-2223-11-6912/G2021-11-5912	1,089,868
{b} Social Services Block Grant	93.667	DMR01-100912	67,340
			<b>1,157,208</b>
{a} John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-11-6912/G2021-11-5912	24,431
{a} COVID - 19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	N/A	35,791
			<b>60,222</b>
{a} COVID - 19 Elder Abuse Prevention Interventions Program	93.747	N/A	24,981
{a} Children's Health Insurance Program	93.767	G-2223-11-6912/G2021-11-5912	281,887
<i>Medicaid Cluster:</i>			
{a} Medical Assistance Program	93.778	G-2223-11-6912/G2021-11-5912	1,405,923
<b>Total Medicaid Cluster</b>			<b>1,405,923</b>
{c} Opioid STR	93.788	N/A	393,647
{c} Block Grants for Community Mental Health Services	93.958	N/A	120,732
{c} Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	535,498
<b>Total U.S. Department of Health and Human Services</b>			<b>9,181,873</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<b>PASSED THROUGH OHIO EMERGENCY MANAGEMENT AGENCY</b>			
Emergency Performance Grant	97.042	EMC-2021-EP-0002	104,037
<b>Total U.S. Department of Homeland Security</b>			<b>104,037</b>
<b>Total Federal Expenditures</b>			<b>\$ 17,377,543</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, 2022. 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 2022 is as follows:

Beginning loans receivable balance as of January 1, 2022	\$264,287
Loans Disbursed	0
Loans Repaid	0
Write-offs and Adjustments	<u>(264,287)</u>
Ending loans receivable balance as of December 31, 2022	<u>\$0</u>
Cash balance on hand as of December 31, 2022	\$46,234
Administrative costs expended during 2022	0
Interest received	0

The table above reports the gross receivable. Of the loans receivable as of December 31, 2022, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio (the "County") as of and for the year ended December 31, 2022, 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 13, 2023.

**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 County'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 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*.

### **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 13, 2023



## **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, 2022. 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, 2022.

##### ***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, 2022.

##### ***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 2022-001 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 GAAS, *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 GAAS, *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 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 Auditors' 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 a certain deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, 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. *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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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 13, 2023

Columbiana County, Ohio  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2022

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

**Financial Statements**

Type of auditors' report issued :	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

**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:	Modified for ALN 21.027 and unmodified for all other major programs
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	yes
Identification of major programs:	
<i>ALN 20.205 – Highway Planning and Construction Cluster</i> <i>ALN 21.027 – COVID-19 - Coronavirus State and Local Fiscal Recovery Funds</i> <i>ALN 93.563 – Child Support Enforcement</i> <i>ALN 93.658 – Foster Care- Title IV-E</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**

**None**

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

### **2022-001 – 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 16 beneficiaries as subrecipients and 21 subawards that were project expenditures paid to vendors of the County. In addition, the County over reported \$1,403,460 in expenditures on the quarterly project and expenditure report.

*Effect:* The County was not in compliance with reporting requirements in 2022.

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

*Recommendation:* We recommend the County improve controls over reporting requirements associated with this program. This includes obtaining a better understanding of the reporting processes in the Treasury reporting portal.

***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, 2022

Finding Number	Status	Explanation
2021-001	Corrected	
2021-002	Not Corrected	Reissued as 2022-001

Sincerely,

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

Nancy Milliken

County Auditor

**COLUMBIANA COUNTY AUDITOR  
NANCY GAUSE MILLIKEN**

**105 S. Market Street, Lisbon, OH 44432**

330-424-9515 \* Fax 330-424-9745 \* Email [auditor@columbianacntyauditor.org](mailto:auditor@columbianacntyauditor.org)



June 6, 2023

To: Sandra Hegarty  
Clark Schaefer Hackett

In response to your findings of incorrect reporting of subrecipients, subawards and over reported expenditures, the Commissioners will be contacting Clark Schaefer Hackett and they have advised they will guide us in the reporting process.

When the next report is due they will be contacting Brian Mosier for guidance in reporting the correct way. There has been very little help from the Federal Government with the reporting.

We do not like receiving findings, so we will work to correct the situation.

Respectfully,

Nancy Milliken  
Columbiana County Auditor

Cc: Commissioners  
Tad Herold



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, 2022



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## INDEPENDENT AUDITORS' REPORT

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

### 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, 2022, 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, 2022, 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 (*Government Auditing Standards*). 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 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 GAAS, 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 13, 2023 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 13, 2023

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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, 2022**  
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, 2022. 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 2022:

- The total net position of the Corporation decreased by \$121,939.
- The Corporation had revenues of \$1,227,153 and expenses of \$1,349,092, resulting in a decrease of net position of \$121,939 to a balance of \$993,988 at December 31, 2022.

### **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**  
**(A Component Unit of Columbiana County)**  
**Management’s Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
Unaudited

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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, 2022 and 2021:

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

	2022	2021
Assets:		
Current and other assets	\$ 1,028,833	\$ 1,122,972
Liabilities:		
Other liabilities	34,845	7,045
Net position:		
Unrestricted	\$ 993,988	\$ 1,115,927

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 \$993,988 at December 31, 2022.

**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, 2022**  
Unaudited

The following table provides a summary of the changes in the Corporation's net position for the years ended December 31, 2022 and 2021:

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

	2022	2021
Program revenues:		
Operating grants and contributions	\$ 819,713	\$ 101,108
General revenues:		
Unrestricted grants and contributions	384,949	286,714
Other revenue	22,491	21,410
Total general revenues	407,440	308,124
Total revenue	1,227,153	409,232
Expenses:		
General government	1,349,092	431,752
Change in net position	(121,939)	(22,520)
Net position - beginning of year	1,115,927	1,138,447
Net position - end of year	\$ 993,988	\$ 1,115,927

Governmental activities net position decreased by \$121,939.

Expenses for 2022 totaled \$1,349,092. The main expenses of the Corporation are disposal of properties and asbestos abatement, demolition and remediation costs. There was a significant increase in demolition activity primarily due to brownfield remediation of the Maryland Street School Building funded with a grant from the Ohio Department of Development. Additionally, the Corporation entered into a memorandum of understanding with the city of East Liverpool to be reimbursed for demolition of targeted properties. Also in 2022, the Corporation initiated a \$5,866 promissory note to a private rehabber for a pilot rehabilitation program.

General revenue totaled \$407,440, or 33% of total governmental revenue. The primary source of general revenue is 5% of all collections on delinquent taxes. These revenues made up \$0, or 0% 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**  
**(A Component Unit of Columbiana County)**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2022**  
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, 2022**

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	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 293,961
Receivables:	
Due from other governments	193,256
Notes	5,116
Assets held for resale	<u>536,500</u>
Total assets	<u>1,028,833</u>
<b>Liabilities:</b>	
Accounts payable	<u>34,845</u>
<b>Net position:</b>	
Unrestricted	<u>\$ 993,988</u>

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

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	<u>Expenses</u>	<u>Program Revenues</u> <u>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:			
Asbestos abatement, demolition and remediation	\$ 886,237	\$ 819,713	\$ (66,524)
Professional services	97,096	-	(97,096)
Taxes	8,356	-	(8,356)
Disposal of properties	324,600	-	(324,600)
Rehabilitation of properties	15,928	-	(15,928)
Beautification projects	12,250	-	(12,250)
Other	4,625	-	(4,625)
Total	<u>\$ 1,349,092</u>	<u>\$ 819,713</u>	<u>(529,379)</u>
General Revenues:			
Contributions and donations not restricted to specific programs			173,900
Grants and entitlements not restricted to specific programs			211,049
Interest			6
Other revenue			22,485
Total general revenues			<u>407,440</u>
Change in net position			(121,939)
Net position - beginning of year			<u>1,115,927</u>
Net position - end of year			<u>\$ 993,988</u>

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Balance Sheet**  
**December 31, 2022**

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	<u>General Fund</u>
<b>Assets:</b>	
Equity in cash and cash equivalents	\$ 293,961
Receivables:	
Due from other governments	193,256
Notes	5,116
Assets held for resale	<u>536,500</u>
<b>Total assets</b>	<b><u>\$ 1,028,833</u></b>
<b>Liabilities:</b>	
Accounts payable	\$ 34,845
<b>Fund balances:</b>	
Nonspendable -	
Assets held for resale	536,500
Unassigned	<u>457,488</u>
Total fund balances	<u>993,988</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,028,833</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, 2022**

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	General Fund
<b>Revenues:</b>	
Contributions and donations	\$ 173,900
Intergovernmental	1,030,762
Interest	6
Other	<u>22,485</u>
Total revenue	<u>1,227,153</u>
<b>Expenditures:</b>	
Current:	
General government	
Asbestos abatement, demolition and remediation	886,237
Property rehabilitation	15,928
Beautification project	12,250
Professional services	97,096
Taxes	8,356
Disposition of properties	324,600
Other	<u>4,625</u>
Total expenditures	<u>1,349,092</u>
Net change in fund balance	(121,939)
Fund balance - beginning of year	<u>1,115,927</u>
Fund balance - end of year	<u>\$ 993,988</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, 2022**

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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, 2022**

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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**  
**(A Component Unit of Columbiana County)**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

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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**  
**COLUMBIANA COUNTY, OHIO**  
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**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

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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, 2022**

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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**  
**COLUMBIANA COUNTY, OHIO**  
**(A Component Unit of Columbiana County)**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2022**

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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 from the Ohio Development Services Agency for demolition and remediation activities.

**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.

**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, 2022**

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**NOTE 3—DEPOSITS** (continued)

Custodial credit risk is the risk that in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. 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).

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 2022, 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 \$293,961 and \$322,226, respectively. Of the bank balance of \$322,226, \$72,226 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, 2022, consisted of due from other governments of \$193,256. These amounts are expected to be collected in the subsequent year.

In 2022, the Corporation issued a \$5,866 promissory note to a local resident for delinquent taxes. The note is non-interest bearing and matures on September 1, 2024. The balance of this note at December 31, 2022 was \$5,116.

**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 2022, the Corporation was covered under Columbiana County's property and liability insurance with the County Risk Share Authority.

**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, 2022**

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**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. The Corporation recognized revenues of \$211,049 for these fees that were collected by the County in 2022.

During 2022, the Corporation paid \$13,461 in various costs to the Columbiana County Treasurer and received \$15,000 from the Columbiana County Commissioners for the emergency loan program.

**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.

**INDEPENDENT AUDITORS' 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**

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 (*Government Auditing Standards*), 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, 2022, 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 13, 2023.

**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 Corporation'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 have not been 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 13, 2023

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# 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 7/11/2023**

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)