



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

COLUMBIANA COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023



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Board of County Commissioners
Columbiana County
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We have reviewed the *Independent Auditors' Report* of Columbiana County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2023 through December 31, 2023. 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 24, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Columbiana County, Ohio:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio (the "County"), as of and for the year ended December 31, 2023, 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, 2023, 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 Gas 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 the required pension and OPEB schedules, 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 17, 2024 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 17, 2024

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COLUMBIANA COUNTY, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2023
Unaudited

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, 2023. 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 2023 are as follows:

- The total net position of the County increased by \$18,435,234. Net position of governmental activities increased by \$17,420,175, which represents a 13% increase from 2022. Net position of business-type activities increased by \$1,015,059.
- General revenues accounted for 48%, or \$47,441,559, of total governmental activities revenue. Program specific revenues accounted for 52%, or \$51,737,372, of total governmental activities revenue.
- The County had \$84,798,004 in total expenses, an increase of \$13,663,176 from 2022. Program revenue of \$55,757,497 reduced the net cost of the County's functions to be financed from property and sales taxes and other general revenue to \$29,040,507.
- The County's unassigned fund balance in the General Fund was \$18,684,307 at year end, or 73% 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 2023?” 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 and liabilities.

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 2023 compared to 2022.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 170,688,799	\$ 155,280,671	\$ 3,661,420	\$ 3,533,839	\$ 174,350,219	\$ 158,814,510
Net OPEB asset	81,142	4,579,709	-	139,102	81,142	4,718,811
Capital assets	53,871,995	51,093,369	9,161,412	8,211,261	63,033,407	59,304,630
<i>Total Assets</i>	<u>224,641,936</u>	<u>210,953,749</u>	<u>12,822,832</u>	<u>11,884,202</u>	<u>237,464,768</u>	<u>222,837,951</u>
Deferred Outflows of Resources	<u>20,052,866</u>	<u>6,069,329</u>	<u>691,273</u>	<u>193,259</u>	<u>20,744,139</u>	<u>6,262,588</u>
Liabilities						
Long-term liabilities:						
Net pension liability	43,317,261	13,751,373	1,472,661	426,184	44,789,922	14,177,557
Net OPEB liability	867,535	-	30,635	-	898,170	-
Other long-term amounts	11,181,198	14,477,481	6,722,086	7,011,886	17,903,284	21,489,367
Other liabilities	20,565,945	19,313,751	1,745,749	1,471,878	22,311,694	20,785,629
<i>Total Liabilities</i>	<u>75,931,939</u>	<u>47,542,605</u>	<u>9,971,131</u>	<u>8,909,948</u>	<u>85,903,070</u>	<u>56,452,553</u>
Deferred Inflows of Resources	<u>21,935,150</u>	<u>40,072,935</u>	<u>20,415</u>	<u>660,013</u>	<u>21,955,565</u>	<u>40,732,948</u>
Net Position						
Net investment in capital assets	45,651,808	39,361,057	2,593,844	1,328,634	48,245,652	40,689,691
Restricted	71,371,254	50,963,528	-	-	71,371,254	50,963,528
Unrestricted	29,804,651	39,082,953	928,715	1,178,866	30,733,366	40,261,819
<i>Total Net Position</i>	<u>\$ 146,827,713</u>	<u>\$ 129,407,538</u>	<u>\$ 3,522,559</u>	<u>\$ 2,507,500</u>	<u>\$ 150,350,272</u>	<u>\$ 131,915,038</u>

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2023 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 asset and liability 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 and net OPEB 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 and liability 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 or net OPEB liabilities. 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 and OPEB liabilities are satisfied, they are 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 asset and liability, 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, 2023, the County's assets and deferred outflows exceeded liabilities and deferred inflows by \$150,350,272. This amounts to \$146,827,713 in governmental activities and \$3,522,559 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, 2023 was \$48,245,652. 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, 2023, the County reported positive balances in all of its categories of net position for governmental activities and business-type activities.

Total assets increased by \$14.6 million during 2023. The majority of this increase occurred in current and other assets, as the County limited expenses to 82% of revenue in governmental activities and 81% in business-type activities. Additionally, County has spent to date approximately \$6.2 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 \$13.6 million was recorded as unearned revenue at year-end. Additionally, capital assets increased \$3.7 million as the County continued to invest in equipment and infrastructure.

Total liabilities increased \$29.5 million during 2023. This increase was driven by net pension and net OPEB liabilities. The increase in these liabilities was primarily attributable to double-digit losses experienced in the investment portfolios managed by the Ohio Public Employees Retirement System (OPERS, which reduce the amount of resources available for future pension benefits. This increase was offset by a decrease in long-term liabilities, as the County satisfied its annual debt service requirements.

A portion of the County's net position, \$71,371,254, 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 2023 and 2022.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 11,628,889	\$ 12,207,648	\$ 2,853,513	\$ 2,622,915	\$ 14,482,402	\$ 14,830,563
Operating grants and contributions	35,748,019	32,119,638	-	-	35,748,019	32,119,638
Capital grants and contributions	4,360,464	8,431,647	1,166,612	342,669	5,527,076	8,774,316
<i>Total program revenues</i>	<u>51,737,372</u>	<u>52,758,933</u>	<u>4,020,125</u>	<u>2,965,584</u>	<u>55,757,497</u>	<u>55,724,517</u>
General revenues:						
Property and other taxes	14,698,358	14,548,584	-	-	14,698,358	14,548,584
Sales taxes	21,557,062	21,252,574	-	-	21,557,062	21,252,574
Grants and entitlements not restricted to specific programs	3,974,960	4,098,014	-	-	3,974,960	4,098,014
Oil and gas lease	129,285	79,979	-	-	129,285	79,979
Investment earnings	6,092,390	(2,028,847)	34,182	10,481	6,126,572	(2,018,366)
Miscellaneous	989,504	1,104,081	-	-	989,504	1,104,081
<i>Total general revenues</i>	<u>47,441,559</u>	<u>39,054,385</u>	<u>34,182</u>	<u>10,481</u>	<u>47,475,741</u>	<u>39,064,866</u>
<i>Total revenues</i>	<u>99,178,931</u>	<u>91,813,318</u>	<u>4,054,307</u>	<u>2,976,065</u>	<u>103,233,238</u>	<u>94,789,383</u>
Expenses						
General government	17,324,059	12,656,184	-	-	17,324,059	12,656,184
Public safety	12,440,082	11,258,446	-	-	12,440,082	11,258,446
Public works	10,995,404	10,851,511	-	-	10,995,404	10,851,511
Health	7,283,365	5,582,729	-	-	7,283,365	5,582,729
Human services	32,043,110	25,095,009	-	-	32,043,110	25,095,009
Community and economic development	1,025,873	2,310,290	-	-	1,025,873	2,310,290
Interest and fiscal charges	416,239	492,578	-	-	416,239	492,578
Sewer	-	-	2,581,806	2,387,695	2,581,806	2,387,695
Other enterprise	-	-	688,066	500,386	688,066	500,386
<i>Total expenses</i>	<u>81,528,132</u>	<u>68,246,747</u>	<u>3,269,872</u>	<u>2,888,081</u>	<u>84,798,004</u>	<u>71,134,828</u>
Transfers	(230,624)	(62,613)	230,624	62,613	-	-
<i>Change in net position</i>	17,420,175	23,503,958	1,015,059	150,597	18,435,234	23,654,555
<i>Net position, beginning 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>
<i>Net position, end of year</i>	<u>\$ 146,827,713</u>	<u>\$ 129,407,538</u>	<u>\$ 3,522,559</u>	<u>\$ 2,507,500</u>	<u>\$ 150,350,272</u>	<u>\$ 131,915,038</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 \$8.5 million more in pension and OPEB expenses compared to last year. As previously mentioned, this was primarily driven by double-digit losses experienced by the OPERS pension and OPEB plans.

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 \$32,043,110, or 39%, of total governmental activities expenses of the County during 2023. These expenses were funded by \$592,219 in charges to users of services and \$21,903,691 in operating grants and contributions.

General government represents activities related to the governing body as well as activities that directly support County programs. In 2023, general government expenses totaled \$17,324,059 or 21% of total governmental expenses. General government programs were supported \$8,047,243 in direct charges to users and \$1,137,167 in operating grants and contributions.

The County program public works, accounted for \$10,995,404 or 13% of total governmental expenses. Public works programs include the maintenance and construction of County roads and bridges. Public works programs are primarily supported by revenues from motor vehicle licenses and gasoline taxes. These activities were supported by \$531,697 in direct charges to users, \$7,456,023 in operating grants and contributions and \$4,360,464 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 \$35,748,019 in operating grants and contributions and \$4,360,464 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating and capital grants and contributions, \$21,903,691 subsidized human services programs and \$11,816,487 subsidized public works programs. Capital grants and contributions decreased by \$4,071,183 primarily due to receiving more state funding during 2022 for several ongoing road and bridge improvements.

Another type of program revenue, direct charges to users of governmental activities, made up \$11,628,889 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 \$47,441,559, or 48%, of total revenues. These revenues primarily consist of property and sales tax revenue of \$36,255,420, or 76% total general revenues in 2023. Both revenue sources benefitted from improving local economic conditions. Investment earnings experienced a swing of \$8,121,237 was due to recognizing unrealized gains in the County's investment portfolio, which was impacted by macroeconomic conditions and higher interest rates, compared to unrealized losses last year.

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 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
General government	\$ 17,324,059	\$ 8,139,649	\$ 12,656,184	\$ 2,260,303
Public safety	12,440,082	10,215,262	11,258,446	9,151,958
Public works	10,995,404	(1,352,780)	10,851,511	(5,186,601)
Health	7,283,365	3,511,671	5,582,729	2,295,661
Human services	32,043,110	9,547,200	25,095,009	5,479,241
Community and economic development	1,025,873	(185,352)	2,310,290	1,466,339
Interest and fiscal charges	416,239	(84,890)	492,578	20,913
	<u>\$ 81,528,132</u>	<u>\$ 29,790,760</u>	<u>\$ 68,246,747</u>	<u>\$ 15,487,814</u>

Governmental activities expenses experienced an increase of \$13,281,385 during 2023, or 19%, 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, 2023, these operations had revenues of \$4,054,307 and expenses of \$3,269,872. Total revenue was up 36% from 2022, while expenses were up 13%. The increase in revenue was primarily due to an increase in capital grants and contributions funded with ARPA monies and Ohio Water Development Authority grants for sanitary sewer projects, while the increase in expenses was due to the increase in pension and OPEB expenses, as previously discussed.

Financial Analysis of the County's Funds

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

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at year-end.

The County's governmental funds reported a combined fund balance of \$109,345,593, which was \$11,271,544 above last year's fund balance of \$98,074,049. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2023 and 2022, for all major and nonmajor governmental funds.

	<u>Fund Balance</u> <u>December 31, 2023</u>	<u>Fund Balance</u> <u>December 31, 2022</u>	<u>Change in</u> <u>Fund Balance</u>
Major Funds:			
General	\$ 33,991,693	\$ 28,157,227	\$ 5,834,466
Jobs and Family Services	3,063,322	2,137,791	925,531
Motor Vehicle and Gas Tax	7,580,042	8,119,741	(539,699)
Mental Health	7,419,535	7,894,512	(474,977)
Board of Developmental Disabilities	16,449,408	15,646,196	803,212
Local Fiscal Recovery	112,334	112,334	-
Nonmajor Governmental Funds	<u>40,729,259</u>	<u>36,006,248</u>	<u>4,723,011</u>
Total	<u>\$ 109,345,593</u>	<u>\$ 98,074,049</u>	<u>\$ 11,271,544</u>

General Fund

The General Fund, the County's primary operating fund, experienced an increase in fund balance during 2023 of \$5,834,466, compared with prior year's increase of \$2,695,477. Revenues were up 29% due to strong investment returns, while expenditures were up 9% from the prior year, due to increased inflation. This increase was offset by \$3,100,545 more in transfers out to other funds, as the County made a \$4 million transfer in 2023 for future capital improvements.

Jobs and Family Services Fund

The Jobs and Family Service Fund, a County major fund, had revenue of \$9,903,845 and expenditures of \$9,163,527 in 2023. The fund experienced an increase in fund balance of \$925,531 during the year, compared to prior year's increase of \$330,316, due to receiving more Federal TANF and Medicaid funding.

Motor Vehicle and Gas Tax Fund

The Motor Vehicle and Gas Tax Fund, a County major fund, had revenue of \$10,302,537 and expenditures of \$10,842,236 in 2023. The fund experienced a decrease in fund balance of \$539,699 during the year, comparable with prior year's \$695,003 decrease in fund balance in 2022.

Mental Health Fund

The Mental Health Fund, a County major fund, had revenue of \$6,179,787 and expenditures of \$6,654,764 in 2023. The fund experienced a decrease of \$474,977, compared to an increase of \$347,406 in 2022, due to increased costs addressing the rail derailment situation in East Palestine during 2023.

Board of Developmental Disabilities Fund

The Board of Developmental Disabilities Fund, a County major fund, had revenue of \$12,857,747 and expenditures of \$12,054,535 in 2023. The fund experienced an increase in fund balance of \$803,212, a decrease over last year's increase of \$1,188,015, due to an uptick in expenditures for increased costs and waiver matching.

Local Fiscal Recovery Fund

The County was advanced \$19,789,578 of ARPA funds. To date, the County has spent \$4,042,677 and moved \$2,184,000 into the Sewer Fund for sanitary sewer projects, recognized unearned revenue for the difference of \$13,562,901. 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 \$22,573,230 were increased to \$27,773,229 in the final budget. The main factor of this was an increase in sales taxes. Original appropriations were \$21,531,564 and were increased to \$31,444,121 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 \$31,221,053 were less than final budgeted appropriations by \$223,068, 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 2023, the County had \$63,033,407 (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, \$53,871,995 was reported in governmental activities and \$9,161,412 was reported in business-type activities. See Note 9 to the basic financial statements for detail. The following table shows fiscal 2023 balances compared to 2022:

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,456,517	\$ 1,387,436	\$ 67,613	\$ 67,613	\$ 1,524,130	\$ 1,455,049
Construction in progress	7,382,045	6,446,741	1,001,701	62,613	8,383,746	6,509,354
Land improvements	319,553	243,147	-	261	319,553	243,408
Buildings and improvements	14,036,557	14,626,987	707,616	759,250	14,744,173	15,386,237
Furniture and equipment	2,389,899	2,522,291	327,873	195,290	2,717,772	2,717,581
Vehicles	1,475,426	983,452	42,036	84,936	1,517,462	1,068,388
Infrastructure	26,788,596	24,839,378	7,014,573	7,041,298	33,803,169	31,880,676
Software	23,402	43,937	-	-	23,402	43,937
Totals	<u>\$ 53,871,995</u>	<u>\$ 51,093,369</u>	<u>\$ 9,161,412</u>	<u>\$ 8,211,261</u>	<u>\$ 63,033,407</u>	<u>\$ 59,304,630</u>

Debt Administration

At December 31, 2023, the County had \$14,781,496 in outstanding debt, a decrease of \$3,871,204 from 2022. The County had the following long-term debt outstanding at December 31, 2023 and 2022:

Table 6
Outstanding Debt

	2023	2022
Governmental Activities:		
General obligation bonds	\$ 8,168,928	\$ 11,767,573
Recorder loan	-	2,500
	<u>8,168,928</u>	<u>11,770,073</u>
Business-Type Activities:		
Revenue bonds	450,437	434,693
OPWC loans	835,366	884,859
OWDA loans	5,326,765	5,563,075
	<u>6,612,568</u>	<u>6,882,627</u>
Totals	<u>\$ 14,781,496</u>	<u>\$ 18,652,700</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.

COLUMBIANA COUNTY, OHIO
Statement of Net Position
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Columbiana County Land Reutilization Corporation
Assets				
Equity in pooled cash and investments	\$ 121,297,673	\$ 3,323,732	\$ 124,621,405	\$ 491,593
Cash and cash equivalents with fiscal agent	684,365	-	684,365	-
Cash and cash equivalents in segregated accounts	385,782	-	385,782	-
Receivables (net of allowances):				
Sales taxes	5,523,162	-	5,523,162	-
Property and other taxes	26,656,853	-	26,656,853	-
Accounts	463,024	125,192	588,216	6,750
Special assessments	-	198,936	198,936	-
Due from other governments	14,098,771	104,453	14,203,224	7,702
Notes	-	-	-	2,616
Materials and supplies inventory	895,539	6,981	902,520	-
Prepaid items	576,570	9,186	585,756	-
Internal balances	107,060	(107,060)	-	-
Assets held for resale	-	-	-	564,700
Net OPEB assets	81,142	-	81,142	-
Nondepreciable capital assets	8,838,562	1,069,314	9,907,876	-
Depreciable capital assets, net	45,033,433	8,092,098	53,125,531	-
Total assets	<u>224,641,936</u>	<u>12,822,832</u>	<u>237,464,768</u>	<u>1,073,361</u>
Deferred Outflows of Resources				
Deferred charges on refunding	23,867	-	23,867	-
Pensions	17,426,240	599,801	18,026,041	-
OPEB	2,602,759	91,472	2,694,231	-
Total deferred outflows of resources	<u>20,052,866</u>	<u>691,273</u>	<u>20,744,139</u>	<u>-</u>
Liabilities				
Accounts payable	1,826,700	116,010	1,942,710	67,641
Contracts payable	1,842,793	-	1,842,793	-
Accrued wages and benefits payable	1,004,092	25,502	1,029,594	-
Retainage payable	-	75,127	75,127	-
Due to other governments	824,664	21,657	846,321	-
Unearned revenue	13,562,901	1,504,051	15,066,952	-
Payroll withholdings payable	1,060,656	-	1,060,656	-
Accrued interest payable	29,413	3,402	32,815	-
Matured compensated absences	50,232	-	50,232	-
Claims payable	364,494	-	364,494	-
Long-term liabilities:				
Due within one year	2,482,220	233,719	2,715,939	-
Due in more than one year:				
Net pension liability	43,317,261	1,472,661	44,789,922	-
Net OPEB liability	867,535	30,635	898,170	-
Other amounts due more than one year	8,698,978	6,488,367	15,187,345	-
Total liabilities	<u>75,931,939</u>	<u>9,971,131</u>	<u>85,903,070</u>	<u>67,641</u>
Deferred Inflows of Resources				
Property taxes levied for next year	21,218,768	-	21,218,768	-
Pensions	358,881	10,238	369,119	-
OPEB	357,501	10,177	367,678	-
Total deferred inflows of resources	<u>21,935,150</u>	<u>20,415</u>	<u>21,955,565</u>	<u>-</u>
Net Position				
Net investment in capital assets	45,651,808	2,593,844	48,245,652	-
Restricted for:				
Debt service	4,089,591	-	4,089,591	-
Capital projects	1,819,659	-	1,819,659	-
Legislative and executive activities	2,293,688	-	2,293,688	-
Judicial activities	1,673,819	-	1,673,819	-
Public safety activities	3,865,334	-	3,865,334	-
Public works activities	9,380,667	-	9,380,667	-
Health activities	8,614,670	-	8,614,670	-
Human service activities	38,717,378	-	38,717,378	-
Community and economic development activities	835,306	-	835,306	-
Postretirement benefits	81,142	-	81,142	-
Unrestricted	<u>29,804,651</u>	<u>928,715</u>	<u>30,733,366</u>	<u>1,005,720</u>
Total net position	<u>\$ 146,827,713</u>	<u>\$ 3,522,559</u>	<u>\$ 150,350,272</u>	<u>\$ 1,005,720</u>

See accompanying notes to the basic financial statements.

COLUMBIANA COUNTY, OHIO
Statement of Activities
Year Ended December 31, 2023

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	\$ 9,954,408	\$ 4,949,510	\$ 900,724	\$ -	\$ (4,104,174)	\$ -	\$ (4,104,174)	\$ -
Judicial	7,369,651	3,097,733	236,443	-	(4,035,475)	-	(4,035,475)	-
Public safety	12,440,082	1,253,658	971,162	-	(10,215,262)	-	(10,215,262)	-
Public works	10,995,404	531,697	7,456,023	4,360,464	1,352,780	-	1,352,780	-
Health	7,283,365	692,123	3,079,571	-	(3,511,671)	-	(3,511,671)	-
Human services	32,043,110	592,219	21,903,691	-	(9,547,200)	-	(9,547,200)	-
Community and economic development	1,025,873	10,820	1,200,405	-	185,352	-	185,352	-
Interest and fiscal charges	416,239	501,129	-	-	84,890	-	84,890	-
Total governmental activities	<u>81,528,132</u>	<u>11,628,889</u>	<u>35,748,019</u>	<u>4,360,464</u>	<u>(29,790,760)</u>	<u>-</u>	<u>(29,790,760)</u>	<u>-</u>
Business-type activities:								
Sewer	2,581,806	2,298,896	-	1,166,612	-	883,702	883,702	-
Other enterprise	688,066	554,617	-	-	-	(133,449)	(133,449)	-
Total business-type activities	<u>3,269,872</u>	<u>2,853,513</u>	<u>-</u>	<u>1,166,612</u>	<u>-</u>	<u>750,253</u>	<u>750,253</u>	<u>-</u>
Total	<u>\$ 84,798,004</u>	<u>\$ 14,482,402</u>	<u>\$ 35,748,019</u>	<u>\$ 5,527,076</u>	<u>(29,790,760)</u>	<u>750,253</u>	<u>(29,040,507)</u>	<u>-</u>
Component Unit:								
Columbiana County Land Reutilization Corporation								
	<u>\$ 1,051,557</u>	<u>\$ 1,663</u>	<u>\$ 694,686</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(355,208)</u>
General revenues:								
Property taxes levied for:								
Mental health					2,711,390	-	2,711,390	-
Human services					10,466,043	-	10,466,043	-
Senior services					1,048,317	-	1,048,317	-
Debt service					472,608	-	472,608	-
Sales taxes					21,557,062	-	21,557,062	-
Grants and contributions not restricted to specific programs								
					3,974,960	-	3,974,960	232,112
Contributions and donations not restricted to specific programs								
					-	-	-	128,600
Oil and gas lease revenues					129,285	-	129,285	-
Investment earnings					6,092,390	34,182	6,126,572	13
Miscellaneous					989,504	-	989,504	6,215
Transfers					(230,624)	230,624	-	-
Total general revenues and transfers					<u>47,210,935</u>	<u>264,806</u>	<u>47,475,741</u>	<u>366,940</u>
Change in net position								
					17,420,175	1,015,059	18,435,234	11,732
Net position beginning of year								
					<u>129,407,538</u>	<u>2,507,500</u>	<u>131,915,038</u>	<u>993,988</u>
Net position end of year								
					<u>\$ 146,827,713</u>	<u>\$ 3,522,559</u>	<u>\$ 150,350,272</u>	<u>\$ 1,005,720</u>

See accompanying notes to the basic financial statements.

COLUMBIANA COUNTY, OHIO

Balance Sheet
 Governmental Funds
 December 31, 2023

	<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>
Assets						
Equity in pooled cash and investments	\$ 31,331,768	\$ 1,098,914	\$ 6,318,295	\$ 7,760,303	\$ 16,082,101	\$ 13,705,480
Cash and cash equivalents with fiscal agent	-	-	-	-	684,365	-
Cash and cash equivalents in segregated accounts	18,595	2,092	-	-	-	-
Receivables (net of allowances):						
Sales taxes	5,523,162	-	-	-	-	-
Property and other local taxes	-	-	-	4,770,797	17,209,974	-
Accounts	33,141	349,487	12,298	-	-	-
Due from other governments	1,499,175	6,014,969	3,500,579	130,591	419,365	-
Due from other funds	25,204	32,948	1,751	-	2,058	-
Materials and supplies inventory	80,922	60,227	723,437	926	5,320	-
Prepaid items	474,209	-	2,728	-	41,351	-
Total assets	<u>\$ 38,986,176</u>	<u>\$ 7,558,637</u>	<u>\$ 10,559,088</u>	<u>\$ 12,662,617</u>	<u>\$ 34,444,534</u>	<u>\$ 13,705,480</u>
Liabilities						
Accounts payable	\$ 338,632	\$ 95,496	\$ 450,927	\$ 119,144	\$ 79,231	\$ 30,245
Contracts payable	-	-	-	-	-	-
Accrued wages and benefits payable	410,540	188,698	121,464	15,684	131,888	-
Matured compensated absences	45,162	1,994	2,614	-	462	-
Due to other governments	220,445	102,744	63,110	159,205	170,340	-
Unearned revenue	-	-	-	-	-	13,562,901
Due to other funds	-	19,958	-	47,661	-	-
Payroll withholdings payable	1,060,656	-	-	-	-	-
Total liabilities	<u>2,075,435</u>	<u>408,890</u>	<u>638,115</u>	<u>341,694</u>	<u>381,921</u>	<u>13,593,146</u>
Deferred Inflows of Resources						
Property taxes levied for next year	-	-	-	3,842,781	13,556,112	-
Unavailable revenue	2,919,048	4,086,425	2,340,931	1,058,607	4,057,093	-
Total deferred inflows of resources	<u>2,919,048</u>	<u>4,086,425</u>	<u>2,340,931</u>	<u>4,901,388</u>	<u>17,613,205</u>	<u>-</u>
Fund balances						
Nonspendable	1,081,399	60,227	726,165	926	46,671	-
Restricted	-	3,003,095	6,853,877	7,418,609	16,402,737	-
Committed	13,799,380	-	-	-	-	-
Assigned	426,607	-	-	-	-	112,334
Unassigned	18,684,307	-	-	-	-	-
Total fund balances	<u>33,991,693</u>	<u>3,063,322</u>	<u>7,580,042</u>	<u>7,419,535</u>	<u>16,449,408</u>	<u>112,334</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,986,176</u>	<u>\$ 7,558,637</u>	<u>\$ 10,559,088</u>	<u>\$ 12,662,617</u>	<u>\$ 34,444,534</u>	<u>\$ 13,705,480</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, 2023

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>		
\$ 41,245,438	\$ 117,542,299	Total governmental fund balances	\$ 109,345,593
-	684,365	<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
365,095	385,782		
-	5,523,162	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	53,871,995
4,676,082	26,656,853		
68,098	463,024		
2,534,092	14,098,771	Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds.	16,088,857
57,030	118,991		
24,707	895,539		
58,282	576,570	Unamortized deferred amounts on refunding are not recognized in the governmental funds.	23,867
<u>\$ 49,028,824</u>	<u>\$ 166,945,356</u>		
		Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
\$ 713,025	\$ 1,826,700	General obligation bonds payable	(8,168,927)
1,842,793	1,842,793	Accrued interest on long-term debt	(29,413)
135,818	1,004,092	Compensated absences payable	<u>(3,012,271)</u>
-	50,232		(11,210,611)
108,820	824,664		
-	13,562,901	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:	
52,481	120,100	Deferred outflows - pensions	17,426,240
-	1,060,656	Deferred inflows - pensions	(358,881)
<u>2,852,937</u>	<u>20,292,138</u>	Net pension liabilities	(43,317,261)
		Deferred outflows - OPEB	2,602,759
3,819,875	21,218,768	Deferred inflows - OPEB	(357,501)
<u>1,626,753</u>	<u>16,088,857</u>	Net OPEB liabilities	(867,535)
5,446,628	37,307,625	Net OPEB assets	<u>81,142</u>
			(24,791,037)
82,989	1,998,377	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.	<u>3,499,049</u>
26,144,947	59,823,265		
14,551,812	28,351,192		
-	538,941		
<u>(50,489)</u>	<u>18,633,818</u>		
40,729,259	109,345,593	Net position of governmental activities	<u>\$ 146,827,713</u>
<u>\$ 49,028,824</u>	<u>\$ 166,945,356</u>		

COLUMBIANA COUNTY, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2023

	General	Jobs and Family Services	Motor Vehicle and Gas Tax	Mental Health	Board of Developmental Disabilities	Local Fiscal Recovery
Revenues						
Property and other local taxes	\$ -	\$ -	\$ -	\$ 2,502,791	\$ 8,371,659	\$ -
Sales taxes	21,640,612	-	-	-	-	-
Intergovernmental	3,713,698	9,752,609	9,837,674	3,317,530	4,410,441	885,299
Investment income	6,217,292	-	56,837	-	-	-
Licenses and permits	5,680	-	-	-	-	-
Fines and forfeitures	303,944	-	11,134	-	-	-
Rental income	1,200	-	8,400	-	-	-
Charges for services	2,879,416	12,792	20,101	-	64,499	-
Contributions and donations	5,183	-	-	-	11,148	-
Conveyance fees	1,586,638	-	-	-	-	-
Gas and oil lease	129,285	-	-	-	-	-
Other	1,002,028	138,444	368,391	359,466	-	-
Total revenues	<u>37,484,976</u>	<u>9,903,845</u>	<u>10,302,537</u>	<u>6,179,787</u>	<u>12,857,747</u>	<u>885,299</u>
Expenditures						
Current:						
General government:						
Legislative and executive	8,007,465	-	-	-	-	126,959
Judicial	6,106,648	-	-	-	-	6,350
Public safety	10,217,275	-	-	-	-	336,026
Public works	130,971	-	10,825,903	-	-	247,195
Health	46,561	-	-	6,654,764	-	-
Human services	1,003,362	9,163,527	-	-	12,054,535	-
Community and economic development	95,552	-	-	-	-	168,769
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal retirement	2,500	-	13,800	-	-	-
Interest and fiscal charges	-	-	2,533	-	-	-
Total expenditures	<u>25,610,334</u>	<u>9,163,527</u>	<u>10,842,236</u>	<u>6,654,764</u>	<u>12,054,535</u>	<u>885,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,874,642</u>	<u>740,318</u>	<u>(539,699)</u>	<u>(474,977)</u>	<u>803,212</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfers in	-	185,213	-	-	-	-
Transfers out	(6,040,176)	-	-	-	-	-
Total other financing sources (uses)	<u>(6,040,176)</u>	<u>185,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,834,466	925,531	(539,699)	(474,977)	803,212	-
Fund balance, beginning 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>
Fund balance, end of year	<u>\$ 33,991,693</u>	<u>\$ 3,063,322</u>	<u>\$ 7,580,042</u>	<u>\$ 7,419,535</u>	<u>\$ 16,449,408</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, 2023

Nonmajor Governmental Funds	Total Governmental Funds		
		Net change in fund balances - total governmental funds	\$ 11,271,544
		<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
\$ 2,574,897	\$ 13,449,347		
-	21,640,612		
12,621,274	44,538,525	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:	
(275)	6,273,854	Capital asset additions	6,725,484
-	5,680	Depreciation expense	(3,944,958)
340,092	655,170		
501,129	510,729		
4,028,021	7,004,829		
26,907	43,238	In the statement of activities, loss on disposal of capital assets is reported, whereas only proceeds from sales are reported in the funds.	(1,900)
-	1,586,638		
-	129,285		
1,059,377	2,927,706	Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	370,552
21,151,422	98,765,613		
		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:	
1,378,118	9,512,542	Compensated absences	(304,863)
1,092,627	7,205,625	Interest on long-term debt	18,182
1,607,667	12,160,968	Amortization of deferred charges on refund	(13,894)
-	11,204,069	Amortization of bond premium	3,846
427,175	7,128,500		
9,030,055	31,251,479	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.	3,597,300
745,379	1,009,700		
2,999,513	2,999,513		
3,581,000	3,597,300		
421,840	424,373	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
21,283,374	86,494,069	Pensions	3,362,815
		OPEB	16,909
(131,952)	12,271,544		
4,854,963	5,040,176	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.	
-	(6,040,176)	Pensions	(6,080,589)
4,854,963	(1,000,000)	OPEB	1,398,618
4,723,011	11,271,544		
36,006,248	98,074,049	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.	
\$ 40,729,259	\$ 109,345,593	The net revenue (expense) of the internal service fund is allocated amount the governmental activities.	1,001,129
		Change in net position of governmental activities	\$ 17,420,175

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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
Revenues				
Sales taxes	\$14,755,829	\$17,933,463	\$ 21,703,061	\$ 3,769,598
Intergovernmental	2,531,395	3,076,525	3,723,208	646,683
Investment income	2,286,650	2,779,075	3,363,234	584,159
Licenses and permits	3,862	4,693	5,680	987
Fines and forfeitures	202,835	246,516	298,333	51,817
Rental income	816	992	1,200	208
Charges for services	1,293,437	1,571,975	1,902,403	330,428
Conveyance fees	1,078,749	1,311,055	1,586,638	275,583
Gas and oil lease	83,243	101,169	122,435	21,266
Other	336,414	408,860	494,802	85,942
Total revenues	<u>22,573,230</u>	<u>27,434,323</u>	<u>33,200,994</u>	<u>5,766,671</u>
Expenditures				
Current:				
General government:				
Legislative and executive	6,410,606	7,473,730	7,157,865	315,865
Judicial	4,867,630	5,549,654	5,455,460	94,194
Public safety	8,895,352	10,106,288	10,338,304	(232,016)
Public works	42,000	42,000	39,156	2,844
Health	1,880	1,880	1,153	727
Human services	961,400	961,400	921,972	39,428
Economic development and assistance	92,401	92,023	91,997	26
Total expenditures	<u>21,271,269</u>	<u>24,226,975</u>	<u>24,005,907</u>	<u>221,068</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,301,961</u>	<u>3,207,348</u>	<u>9,195,087</u>	<u>5,987,739</u>
Other Financing Sources (Uses)				
Transfers in	-	338,906	338,906	-
Transfers out	(260,295)	(7,217,146)	(7,215,146)	2,000
Total other financing sources (uses)	<u>(260,295)</u>	<u>(6,878,240)</u>	<u>(6,876,240)</u>	<u>2,000</u>
Net change in fund balances	1,041,666	(3,670,892)	2,318,847	<u>\$ 5,989,739</u>
Fund balance, beginning of year	6,486,629	6,486,629	6,486,629	
Prior year encumbrances appropriated	521,116	521,116	521,116	
Fund balance, end of year	<u>\$ 8,049,411</u>	<u>\$ 3,336,853</u>	<u>\$ 9,326,592</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, 2023

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 7,878,509	\$ 8,286,997	\$ 8,965,797	\$ 678,800
Charges for services	11,241	11,824	12,792	968
Other	110,250	115,965	125,466	9,501
Total revenues	<u>8,000,000</u>	<u>8,414,786</u>	<u>9,104,055</u>	<u>689,269</u>
Expenditures				
Current:				
Human services	<u>8,000,000</u>	<u>9,529,611</u>	<u>9,119,966</u>	<u>409,645</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,114,825)</u>	<u>(15,911)</u>	<u>1,098,914</u>
Other Financing Sources				
Transfers in	<u>-</u>	<u>185,213</u>	<u>185,213</u>	<u>-</u>
Net change in fund balances	-	(929,612)	169,302	<u>\$ 1,098,914</u>
Fund balance, beginning of year	<u>929,612</u>	<u>929,612</u>	<u>929,612</u>	
Fund balance, end of year	<u>\$ 929,612</u>	<u>\$ -</u>	<u>\$ 1,098,914</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, 2023

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 6,467,220	\$ 8,937,994	\$ 10,225,327	\$ 1,287,333
Investment income	35,948	49,681	56,837	7,156
Fines and forfeitures	7,290	10,075	11,526	1,451
Rental income	5,313	7,342	8,400	1,058
Charges for services	12,713	17,571	20,101	2,530
Other	471,516	651,657	745,515	93,858
Total revenues	<u>7,000,000</u>	<u>9,674,320</u>	<u>11,067,706</u>	<u>1,393,386</u>
Expenditures				
Current:				
Public works	7,000,000	12,112,240	11,630,664	481,576
Debt Service:				
Principal retirement	-	13,800	13,800	-
Interest and fiscal charges	-	2,533	2,533	-
Total expenditures	<u>7,000,000</u>	<u>12,128,573</u>	<u>11,646,997</u>	<u>481,576</u>
Net change in fund balances	-	(2,454,253)	(579,291)	<u>\$ 1,874,962</u>
Fund balance, beginning of year	5,873,313	5,873,313	5,873,313	
Prior year encumbrances appropriated	<u>633,820</u>	<u>633,820</u>	<u>633,820</u>	
Fund balance, end of year	<u>\$ 6,507,133</u>	<u>\$ 4,052,880</u>	<u>\$ 5,927,842</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
Revenues				
Property and other local taxes	\$ 2,291,194	\$ 2,507,971	\$ 2,513,242	\$ 5,271
Intergovernmental	3,024,423	3,310,573	3,317,530	6,957
Other	<u>327,707</u>	<u>358,712</u>	<u>359,466</u>	<u>754</u>
Total revenues	<u>5,643,324</u>	<u>6,177,256</u>	<u>6,190,238</u>	<u>12,982</u>
Expenditures				
Current:				
Health	<u>5,643,324</u>	<u>9,878,886</u>	<u>6,680,060</u>	<u>3,198,826</u>
Net change in fund balances	-	(3,701,630)	(489,822)	<u>\$ 3,211,808</u>
Fund balance, beginning of year	<u>8,178,491</u>	<u>8,178,491</u>	<u>8,178,491</u>	
Fund balance, end of year	<u>\$ 8,178,491</u>	<u>\$ 4,476,861</u>	<u>\$ 7,688,669</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, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
Revenues				
Property and other local taxes	\$ 5,731,467	\$5,731,467	\$ 8,414,117	\$ 2,682,650
Intergovernmental	2,993,204	2,993,204	4,394,192	1,400,988
Charges for services	43,935	43,935	64,499	20,564
Contributions and donations	7,594	7,594	11,148	3,554
Total revenues	<u>8,776,200</u>	<u>8,776,200</u>	<u>12,883,956</u>	<u>4,107,756</u>
Expenditures				
Current:				
Human services	<u>6,925,304</u>	<u>15,942,748</u>	<u>11,893,497</u>	<u>4,049,251</u>
Net change in fund balances	1,850,896	(7,166,548)	990,459	<u>\$ 8,157,007</u>
Fund balance, beginning of year	<u>14,800,629</u>	<u>14,800,629</u>	<u>14,800,629</u>	
Fund balance, end of year	<u>\$ 16,651,525</u>	<u>\$ 7,634,081</u>	<u>\$ 15,791,088</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, 2023

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
Expenditures				
Current:				
General government:				
Legislative and executive	-	11,051,579	2,154,342	8,897,237
Judicial	-	32,575	6,350	26,225
Public safety	-	1,723,783	336,026	1,387,757
Public works	-	1,268,088	247,195	1,020,893
Economic development and assistance	-	865,770	168,769	697,001
Total expenditures	-	<u>14,941,795</u>	<u>2,912,682</u>	<u>12,029,113</u>
Net change in fund balances	-	(14,941,795)	(2,912,682)	<u>\$ 12,029,113</u>
Fund balance, beginning of year	<u>14,941,795</u>	<u>14,941,795</u>	<u>14,941,795</u>	
Fund balance, end of year	<u>\$ 14,941,795</u>	<u>\$ -</u>	<u>\$ 12,029,113</u>	

See accompanying notes to the basic financial statements.

COLUMBIANA COUNTY, OHIO
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Nonmajor Enterprise	Total	Activities
				Internal Service
Assets				
Current assets:				
Equity in pooled cash and investments	\$ 3,202,994	\$ 120,738	\$ 3,323,732	\$ 3,755,374
Receivables (net of allowances):				
Accounts	120,768	4,424	125,192	-
Special assessments	198,936	-	198,936	-
Due from other funds	-	2,860	2,860	-
Due from other governments	104,453	-	104,453	-
Materials and supplies inventory	6,981	-	6,981	-
Prepaid items	9,186	-	9,186	-
Total current assets	<u>3,643,318</u>	<u>128,022</u>	<u>3,771,340</u>	<u>3,755,374</u>
Noncurrent assets:				
Nondepreciable capital assets	1,069,314	-	1,069,314	-
Depreciable capital assets, net	6,668,906	1,423,192	8,092,098	-
Total noncurrent assets	<u>7,738,220</u>	<u>1,423,192</u>	<u>9,161,412</u>	<u>-</u>
Total assets	<u>11,381,538</u>	<u>1,551,214</u>	<u>12,932,752</u>	<u>3,755,374</u>
Deferred Outflows of Resources				
Pensions	485,776	114,025	599,801	-
OPEB	74,055	17,417	91,472	-
Total deferred outflows of resources	<u>559,831</u>	<u>131,442</u>	<u>691,273</u>	<u>-</u>
Liabilities				
Current liabilities:				
Accounts payable	81,328	34,682	116,010	-
Accrued wages and benefits payable	25,502	-	25,502	-
Retainage payable	75,127	-	75,127	-
Due to other governments	19,277	2,380	21,657	-
Accrued interest payable	3,402	-	3,402	-
Compensated absences payable	46,926	-	46,926	-
Unearned revenue	1,504,051	-	1,504,051	-
Due to other funds	1,751	-	1,751	-
Revenue bonds payable	30,011	-	30,011	-
OWDA loans payable	112,089	-	112,089	-
OPWC loans payable	44,693	-	44,693	-
Claims payable	-	-	-	364,494
Total current liabilities	<u>1,944,157</u>	<u>37,062</u>	<u>1,981,219</u>	<u>364,494</u>
Noncurrent liabilities:				
Compensated absences	107,592	-	107,592	-
Revenue bonds payable	375,426	-	375,426	-
OWDA loans payable	5,214,676	-	5,214,676	-
OPWC loans payable	790,673	-	790,673	-
Net pension liability	1,192,701	279,960	1,472,661	-
Net OPEB liability	24,802	5,833	30,635	-
Total noncurrent liabilities	<u>7,705,870</u>	<u>285,793</u>	<u>7,991,663</u>	<u>-</u>
Total liabilities	<u>9,650,027</u>	<u>322,855</u>	<u>9,972,882</u>	<u>364,494</u>
Deferred Inflows of Resources				
Pensions	8,292	1,946	10,238	-
OPEB	8,240	1,937	10,177	-
Total deferred inflows of resources	<u>16,532</u>	<u>3,883</u>	<u>20,415</u>	<u>-</u>
Net Position				
Net investment in capital assets	1,170,652	1,423,192	2,593,844	-
Unrestricted	1,104,158	(67,274)	1,036,884	3,390,880
Total net position	<u>\$ 2,274,810</u>	<u>\$ 1,355,918</u>	<u>3,630,728</u>	<u>\$ 3,390,880</u>

Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds (108,169)

Net position of business-type activities \$ 3,522,559

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, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Nonmajor	Total	Activities
		Enterprise		Internal Service
Operating Revenues				
Charges for services	\$ 1,889,998	\$ 551,817	\$ 2,441,815	\$ 5,282,931
Special assessments	85,925	-	85,925	-
Other operating revenues	322,973	2,800	325,773	345
Total operating revenues	<u>2,298,896</u>	<u>554,617</u>	<u>2,853,513</u>	<u>5,283,276</u>
Operating Expenses				
Personal services	935,106	152,160	1,087,266	18,220
Pension and OPEB	(24,593)	103,195	78,602	-
Contractual services	734,749	378,946	1,113,695	345
Materials and supplies	158,988	-	158,988	-
Depreciation	354,463	35,983	390,446	-
Claims	-	-	-	5,262,693
Other operating expenses	315,214	16,276	331,490	850
Total operating expenses	<u>2,473,927</u>	<u>686,560</u>	<u>3,160,487</u>	<u>5,282,108</u>
Operating income (loss)	<u>(175,031)</u>	<u>(131,943)</u>	<u>(306,974)</u>	<u>1,168</u>
Nonoperating revenues (expenses)				
Interest and fiscal charges	(107,915)	(1,509)	(109,424)	-
Investment income	34,182	-	34,182	-
Total nonoperating revenues (expenses)	<u>(73,733)</u>	<u>(1,509)</u>	<u>(75,242)</u>	<u>-</u>
Income (loss) before transfers and contributions	(248,764)	(133,452)	(382,216)	1,168
Transfers in	32,998	-	32,998	1,000,000
Transfers out	-	(32,998)	(32,998)	-
Capital contributions	<u>1,397,236</u>	<u>-</u>	<u>1,397,236</u>	<u>-</u>
Change in net position	1,181,470	(166,450)	1,015,020	1,001,168
Net position beginning of year	<u>1,093,340</u>	<u>1,522,368</u>	<u>2,615,708</u>	<u>2,389,712</u>
Net position end of year	<u>\$ 2,274,810</u>	<u>\$ 1,355,918</u>	<u>3,630,728</u>	<u>\$ 3,390,880</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds			<u>39</u>	
Change in net position of business-type activities			<u>\$ 1,015,059</u>	

See accompanying notes to the basic financial statements.

COLUMBIANA COUNTY, OHIO
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Nonmajor Enterprise	Total	Internal Service
Cash Flows from Operating Activities				
Cash received from customers	\$ 2,026,264	\$ 551,014	\$ 2,577,278	\$ 5,282,931
Cash received from other receipts	322,973	2,800	325,773	345
Cash payments for employee services and benefits	(915,260)	(149,780)	(1,065,040)	(18,220)
Cash payments to suppliers for goods and services	(939,212)	(375,715)	(1,314,927)	(3,721)
Cash payments for other operating expenses	(313,463)	(16,276)	(329,739)	(850)
Cash payments for claims	-	-	-	(5,279,171)
Net cash flows from operating activities	<u>181,302</u>	<u>12,043</u>	<u>193,345</u>	<u>(18,686)</u>
Cash Flows from Noncapital Financing Activities				
Cash received from transfers in	32,998	-	32,998	1,000,000
Cash paid for transfers out	-	(32,998)	(32,998)	-
Net cash flows from noncapital financing activities	<u>32,998</u>	<u>(32,998)</u>	<u>-</u>	<u>1,000,000</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(1,265,470)	-	(1,265,470)	-
Capital grants	1,537,373	-	1,537,373	-
Principal paid on debt	(310,259)	(4,800)	(315,059)	-
Interest paid on bonds	(109,985)	(1,509)	(111,494)	-
Net cash flows from capital and related financing activities	<u>(148,341)</u>	<u>(6,309)</u>	<u>(154,650)</u>	<u>-</u>
Cash Flows from Investing Activities				
Interest on investments	<u>34,182</u>	<u>-</u>	<u>34,182</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	100,141	(27,264)	72,877	981,314
Cash and cash equivalents beginning of year	<u>3,102,853</u>	<u>148,002</u>	<u>3,250,855</u>	<u>2,774,060</u>
Cash and cash equivalents end of year	<u>\$ 3,202,994</u>	<u>\$ 120,738</u>	<u>\$ 3,323,732</u>	<u>\$ 3,755,374</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (175,031)	\$ (131,943)	\$ (306,974)	\$ 1,168
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	354,463	35,983	390,446	-
Changes in assets, liabilities and deferred outflows/inflows:				
Receivables	50,341	(718)	49,623	-
Due from other funds	-	(85)	(85)	-
Materials and supplies inventory	(2,200)	-	(2,200)	-
Prepaid items	699	-	699	-
Accounts payable	(43,974)	3,231	(40,743)	(3,376)
Accrued wages and benefits	276	-	276	-
Due to other governments	(5,689)	2,380	(3,309)	-
Due to other funds	1,751	-	1,751	-
Compensated absences	25,259	-	25,259	-
Claims payable	-	-	-	(16,478)
Deferred outflows-pension and OPEB	(380,708)	(117,306)	(498,014)	-
Deferred inflows-pension and OPEB	(594,581)	(45,017)	(639,598)	-
Net pension and OPEB assets	128,260	10,842	139,102	-
Net pension and OPEB liabilities	<u>822,436</u>	<u>254,676</u>	<u>1,077,112</u>	<u>-</u>
Net cash from operating activities	<u>\$ 181,302</u>	<u>\$ 12,043</u>	<u>\$ 193,345</u>	<u>\$ (18,686)</u>
Schedule of non-cash capital and related financing activities:				
Capital assets acquired through retainage payable	<u>\$ 75,127</u>	<u>\$ -</u>	<u>\$ 75,127</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

COLUMBIANA COUNTY, OHIO
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2023

Assets

Equity in pooled cash and investments	\$ 6,725,108
Cash and cash equivalents in segregated accounts	919,351
Receivables:	
Property and other taxes	164,650,784
Special assessments	745,786
Due from other governments	<u>4,772,383</u>
Total assets	<u>177,813,412</u>

Liabilities

Accounts payable	184,805
Due to other governments	<u>1,995,951</u>
Total liabilities	<u>2,180,756</u>

Deferred Inflows of Resources

Property taxes levied for next year	<u>137,125,213</u>
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Net Position

Restricted for individuals, organizations and other governments	<u><u>\$ 38,507,443</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, 2023

Additions

Collections for other governments and organizations:	
Property and other taxes	\$ 93,157,204
Grants and intergovernmental	13,023,907
Licenses, permits and fees	29,956,824
Investment income	1,359
Fines and forfeitures	5,653,567
Contributions and donations	7,193
Charges for services	1,618,781
Gas and oil lease	13,664
Other	<u>1,751,913</u>
Total additions	<u>145,184,412</u>

Deductions

Distributions to other governments and organizations	134,268,509
Distributions as fiscal agent	3,773,926
Distributions of property and other taxes	<u>545,434</u>
Total deductions	<u>138,587,869</u>

Change in net position	6,596,543
Net position beginning of year	<u>31,910,900</u>
Net position end of year	<u>\$ 38,507,443</u>

See accompanying notes to the basic financial statements.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

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, 2023

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 22.

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 14 and 17, 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 16 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, 2023

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

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, 2023

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, 2023

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, 2023

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, 2023, 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, 2023

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

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 2023.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

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 2023 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

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 2023, 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, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

STAR Ohio reserves the right to limit participant transactions to \$250,000,000 per day. Transactions in all of a participant’s accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100,000,000 or more. For the fiscal year ended December 31, 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

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, 2023, 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, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

J. Capital Assets

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

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

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

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

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

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

K. Compensated Absences

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

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

L. Loans Receivable

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

M. Accrued Liabilities and Long-term Obligations

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

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, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

N. Interfund Transactions

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

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, 2023

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, 2023

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 and liabilities, 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 \$672 and the nonmajor Development Department Enterprise Zones fund had a deficit fund balance of \$49,817 at December 31, 2023. These funds 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, 2023

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, 2023

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, 2023

NOTE 4 – DEPOSITS AND INVESTMENTS—continued

A. Cash with Fiscal Agent

At year-end, the County had \$684,365 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 \$1,305,133 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, 2023, the carrying amount of all County deposits (including \$24,897 of cash on hand) was \$4,379,987. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2023, \$4,995,898 of the County’s bank balance of \$6,046,230 was exposed to custodial risk, as discussed below, while \$1,050,332 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, 2023

NOTE 4 – DEPOSITS AND INVESTMENTS—continued

D. Investments

At December 31, 2023, the County had the following investments:

	Balance at 12/31/23	Average Weighted Maturity (Yrs)	Concentration	S&P Ratings
<u>Fair Value</u>				
<u>Level 1</u>				
US Treasury	\$ 17,662,809	3.21	13.7%	<i>not rated</i>
<u>Level 2</u>				
Commercial Paper	5,605,433	0.24	4.3%	A-1
Corporate Bond	6,439,689	1.20	5.0%	AA to A
Municipal Securities	1,060,839	2.36	0.8%	AA to AA-
Negotiable CDs	4,868,583	1.41	3.8%	not rated
U.S. Agency Security	66,805,281	2.69	51.8%	AA+
<u>Amortized Cost</u>				
Money Market	524,566	0.12	0.4%	AAAm
STAR Ohio	<u>25,988,824</u>	0.13	<u>20.2%</u>	AAAm
Total	<u>\$ 128,956,024</u>		<u>100.0%</u>	

The County's investments in U.S. Treasury securities are valued using quoted market prices (Level 1 inputs). The County's investments in commercial paper, corporate bonds, municipal securities, negotiable CDs, and U.S. agency securities are valued using broker quotes that utilize observable market inputs (Level 2 inputs).

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

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

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

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 4 – DEPOSITS AND INVESTMENTS—continued

E. Reconciliation of Deposits to the Statement of Net Position

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, 2023:

<u>Deposits and investments per note</u>	
Carrying amount of deposits	\$ 4,379,987
Investments	128,956,024
	<u>\$ 133,336,011</u>
 <u>Cash and investments per statement of net position</u>	
Equity in pooled cash and investments:	
Governmental Activities	\$ 121,297,673
Business-Type Activities	3,323,732
Custodial Funds	6,725,108
Cash and cash equivalents with fiscal agent:	
Governmental Activities	684,365
Cash and cash equivalents in segregated accounts:	
Governmental Activities	385,782
Custodial Funds	919,351
	<u>\$ 133,336,011</u>

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following, as reported on the fund financial statements:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 6,040,176
Jobs and Family Services	185,213	-
Nonmajor Governmental Funds	4,854,963	-
Sewer Fund	32,998	-
Nonmajor Enterprise Funds	-	32,998
Internal Service Fund	1,000,000	-
	<u>\$ 6,073,174</u>	<u>\$ 6,073,174</u>

Additionally in 2023, a nonmajor capital projects fund funded a sewer construction fund project for \$230,624. 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, 2023

NOTE 5 – INTERFUND TRANSACTIONS—continued

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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

B. Due From/To Other Funds

Due from/to other funds consisted of the following at December 31, 2023, as reported on the fund financial statements:

	Jobs and Family Services	Mental Health	Nonmajor Governmental Funds	Sewer Fund	Total Due From Other Funds
General Fund	\$ 5,671	\$ -	\$ 19,533	\$ -	\$ 25,204
Jobs and Family Services	-	-	32,948	-	32,948
Motor Vehicle and Gas Tax	-	-	-	1,751	1,751
Board of Developmental Disabilities	2,058	-	-	-	2,058
Nonmajor Governmental Funds	9,369	47,661	-	-	57,030
Nonmajor Enterprise Funds	2,860	-	-	-	2,860
Total Due To Other Funds	<u>\$ 19,958</u>	<u>\$ 47,661</u>	<u>\$ 52,481</u>	<u>\$ 1,751</u>	<u>\$ 121,851</u>

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

NOTE 6 – PERMISSIVE SALES TAXES

Beginning in 2001, the County levied a 1% permissive sales tax. The proceeds of the tax are credited to the County's general fund. During September 2002, the County Commissioners approved an increase in the permissive sales tax from 1% to 1.5%. On May 3, 2005, the County renewed 1% of the 1.5% sales tax. In November 2005, the County's remaining 0.5% of the sales tax did not get renewed. The County Commissioners subsequently imposed an additional 0.5% sales tax that brought the current sales tax rate to 1.5%. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County from the Ohio Department of Budget and Management. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Office of Budget and Management then has five days in which to draw the warrant payable to the County. The County received \$21,640,612 in sales tax revenues on a modified accrual basis in 2023.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

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. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 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, 2023 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 2023 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, 2023 was \$9.55 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

Real Property:	
Residential/Agricultural	\$ 1,837,000,820
Commercial/Industrial/Mineral	324,707,500
Public Utility Personal Property	484,154,180
	<u>\$ 2,645,862,500</u>

NOTE 8 – RECEIVABLES

Receivables at December 31, 2023, 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, 2023, 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, 2023

NOTE 9 – CAPITAL ASSETS

Governmental activities capital asset activity for the year ended December 31, 2023 follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<i>Governmental Activities</i>				
<i>Capital assets not being depreciated</i>				
Land	\$ 1,387,436	\$ 69,081	\$ -	\$ 1,456,517
Construction in progress	<u>6,446,741</u>	<u>2,133,500</u>	<u>(1,198,196)</u>	<u>7,382,045</u>
Total capital assets not being depreciated	<u>7,834,177</u>	<u>2,202,581</u>	<u>(1,198,196)</u>	<u>8,838,562</u>
<i>Capital assets being depreciated</i>				
Land improvements	3,037,851	129,263	-	3,167,114
Building and improvements	32,297,631	118,268	-	32,415,899
Furniture and equipment	10,324,414	194,055	-	10,518,469
Vehicles	10,373,900	1,113,697	(43,880)	11,443,717
Infrastructure	43,306,841	4,155,354	-	47,462,195
Software	<u>709,972</u>	<u>10,462</u>	<u>-</u>	<u>720,434</u>
Total capital assets being depreciated	<u>100,050,609</u>	<u>5,721,099</u>	<u>(43,880)</u>	<u>105,727,828</u>
<i>Less: Accumulated depreciation:</i>				
Land improvements	(2,794,704)	(52,857)	-	(2,847,561)
Building and improvements	(17,670,644)	(708,698)	-	(18,379,342)
Furniture and equipment	(7,802,123)	(326,447)	-	(8,128,570)
Vehicles	(9,390,448)	(619,823)	41,980	(9,968,291)
Infrastructure	(18,467,463)	(2,206,136)	-	(20,673,599)
Software	<u>(666,035)</u>	<u>(30,997)</u>	<u>-</u>	<u>(697,032)</u>
Total accumulated depreciations	<u>(56,791,417)</u>	<u>(3,944,958)</u>	<u>41,980</u>	<u>(60,694,395)</u>
Total capital assets being depreciated, net	<u>43,259,192</u>	<u>1,776,141</u>	<u>(1,900)</u>	<u>45,033,433</u>
Net governmental activities capital assets	<u>\$ 51,093,369</u>	<u>\$ 3,978,722</u>	<u>\$ (1,200,096)</u>	<u>\$ 53,871,995</u>

Depreciation expense was charged to governmental functions as follows:

Legislative and executive	\$ 166,598
Judicial	99,221
Public safety	587,014
Public works	2,621,214
Health	19,899
Human Services	<u>451,012</u>
Total depreciation expense	<u>\$ 3,944,958</u>

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 9 – CAPITAL ASSETS—continued

Business-type activities capital asset activity for the year ended December 31, 2023 follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<i>Business-Type Activities</i>				
<i>Capital assets not being depreciated</i>				
Land	\$ 67,613	\$ -	\$ -	\$ 67,613
Construction in progress	62,613	939,088	-	1,001,701
Total capital assets not being depreciated	<u>130,226</u>	<u>939,088</u>	<u>-</u>	<u>1,069,314</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	4,791,714	170,885	-	4,962,599
Vehicles	1,250,331	-	-	1,250,331
Infrastructure	13,293,782	230,624	-	13,524,406
Total capital assets being depreciated	<u>21,720,287</u>	<u>401,509</u>	<u>-</u>	<u>22,121,796</u>
<i>Less: Accumulated depreciation:</i>				
Land improvements	(166,806)	(261)	-	(167,067)
Building and improvements	(1,458,143)	(51,634)	-	(1,509,777)
Furniture and equipment	(4,596,424)	(38,302)	-	(4,634,726)
Vehicles	(1,165,395)	(42,900)	-	(1,208,295)
Infrastructure	(6,252,484)	(257,349)	-	(6,509,833)
Total accumulated depreciations	<u>(13,639,252)</u>	<u>(390,446)</u>	<u>-</u>	<u>(14,029,698)</u>
Total capital assets being depreciated, net	<u>8,081,035</u>	<u>11,063</u>	<u>-</u>	<u>8,092,098</u>
Net business-type activities capital assets	<u>\$ 8,211,261</u>	<u>\$ 950,151</u>	<u>\$ -</u>	<u>\$ 9,161,412</u>

Depreciation expense was charged to the following enterprise funds:

Sewer	\$ 354,463
Water	<u>35,983</u>
	<u>\$ 390,446</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 2023, the County contracted with CORSA for liability, property and crime insurance. The CORSA program has a \$2,500 deductible. See Note 14 for additional information on CORSA.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

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	\$1,750,000
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/Extra Expense	\$1,000,000
Crime	\$1,000,000

B. Self-Insurance

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

The claims liability of \$364,494 reported on the basic financial statements at December 31, 2023, 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
2022	\$ 367,650	\$ 5,172,188	\$ (5,158,866)	\$ 380,972
2023	\$ 380,972	\$ 5,262,693	\$ (5,279,171)	\$ 364,494

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, 2023

NOTE 10 – RISK MANAGEMENT—continued

C. Workers' Compensation

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

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, 2023

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-share, 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 plan with defined contribution features. Effective January 1, 2022, members may no longer select the combined plan. While County employees may elect the member-directed plan and the combined plan, the majority of employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the ORC. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS's fiduciary net position that may be obtained by visiting 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):

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

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

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 who retired prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring on or after 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%.

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2023 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	12.0%	13.0%**
2023 Actual Contribution Rates			
Employer:			
Pension	14.0%	18.1%	18.1%
Post-employment Health Care Benefits	*	*	*
Total Employer	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

* This rate is determined by OPERS’ Board and has no maximum rate established by ORC. For 2023, the rate was 0% for the Traditional Pension Plan, 2% for the Combined Plan, and 4% for the Member-Directed Plan.

** 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 \$3,440,951 for 2023. Of this amount, \$538,391 is reported as due to other governments.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

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.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) 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 August 1, 2023 to July 1, 2028, any member can retire with unreduced benefits with 34 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 29 years of service credit and age 55; or 5 years of service credit and age 60. Effective on or after August 1, 2028, any member can retire with unreduced benefits with 35 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 5 years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 11.09% 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 2.91% of the 14% employer rate is allocated to the defined benefit 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, 2023

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, 2023, 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 2023 contribution rates were equal to the statutory maximum rates.

The County’s contractually required contribution to STRS was \$81,592 for 2023.

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, 2022, 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, 2023, 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:

	OPERS		STRS		Total
Proportionate Share of Net Pension Liability	\$ 43,891,456	\$	898,466	\$	\$ 44,789,922
Proportion of Net Pension Liability	0.148583%		0.004172%		
Change in Proportion	-0.003715%		-0.000001%		
Pension Expense	\$ 6,298,749	\$	28,428	\$	\$ 6,327,177

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued

At December 31, 2023, 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	\$ 1,457,890	\$ 32,756	\$ 1,490,646
Net differences between projected and actual investment earnings	12,510,444	-	12,510,444
Change in assumptions	463,682	73,994	537,676
Change in County's proportionate share and difference in employer contributions	3,622	2,687	6,309
County contributions subsequent to the measurement date	<u>3,440,951</u>	<u>40,015</u>	<u>3,480,966</u>
Total deferred outflows of resources	<u>\$ 17,876,589</u>	<u>\$ 149,452</u>	<u>\$ 18,026,041</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ -	\$ 1,994	\$ 1,994
Net differences between projected and actual investment earnings	-	2,693	2,693
Change in assumptions	-	55,696	55,696
Change in County's proportionate share and difference in employer contributions	<u>305,161</u>	<u>3,575</u>	<u>308,736</u>
Total deferred inflows of resources	<u>\$ 305,161</u>	<u>\$ 63,958</u>	<u>\$ 369,119</u>

\$3,480,966 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, 2024. 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:			
2024	\$ 1,495,529	\$ (7,886)	\$ 1,487,643
2025	2,824,012	(31,012)	2,793,000
2026	3,682,423	89,218	3,771,641
2027	<u>6,128,513</u>	<u>(4,841)</u>	<u>6,123,672</u>
	<u>\$ 14,130,477</u>	<u>\$ 45,479</u>	<u>\$ 14,175,956</u>

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	2.75%
Future salary increases (including inflation)	2.75% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 3% simple through 2023, then 2.05% simple
Investment rate of return	6.90%
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.

During 2022, 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 loss of 12.1% for 2022.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	22.00%	2.62%
Domestic Equities	22.00%	4.60%
Real Estate	13.00%	3.27%
Private Equity	15.00%	7.53%
International Equities	21.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	<u>5.00%</u>	3.27%
Total	<u>100.00%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table represents the County’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 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	\$ 65,748,034	\$ 43,891,456	\$ 25,710,824

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2023 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, 2023 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. 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>	

* Final target weights reflected at 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.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 11 – DEFINED BENEFIT PENSION PLANS—continued

Discount Rate – The discount rate used to measure the total pension liability was 7.0% as of June 30, 2023. 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’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. 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, 2023.

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	\$ 1,381,642	\$ 898,466	\$ 489,831

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability to (or 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 liability (asset) represents the County’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, health care cost trend rates 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.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued

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 each plan's unfunded benefits is presented as a long-term *net OPEB liability* or fully-funded benefits 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 OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

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 75. See OPERS' ACFR referenced below for additional information.

The ORC 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 ORC.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting 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 ORC provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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 ORC. 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 was 0% for members in the Traditional Pension and 2% for members in 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 2023 was 4.0%.

The County's contractually required contribution to OPERS for the Combined and Member-Directed Plans was \$20,787 for 2023.

Plan Description - State Teachers Retirement System (STRS)

The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing, multiple-employer health care 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 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, 2024, no employer allocation was made to the health care fund.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2023, 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 liability (asset) was based on the County’s share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	OPERS	STRS	Total
Proportionate Share of Net OPEB Liability / (Asset)	\$ 898,170	\$ (81,142)	\$ 817,028
Proportion of Net OPEB Liability / (Asset)	0.142341%	0.004172%	
Change in Proportion	-0.004874%	-0.000001%	
(Negative) OPEB Expense	\$ (1,437,053)	\$ (7,522)	\$ (1,444,575)

At December 31, 2023, 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	\$ -	\$ 126	\$ 126
Net differences between projected and actual investment earnings	1,783,796	146	1,783,942
Change in assumptions	877,264	11,955	889,219
Change in County's proportionate share and difference in employer contributions	-	157	157
County contributions subsequent to the measurement date	20,787	-	20,787
Total deferred outflows of resources	\$ 2,681,847	\$ 12,384	\$ 2,694,231

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued

Deferred Inflows of Resources

Differences between expected and actual experience	\$ 224,038	\$ 12,375	\$ 236,413
Change in assumptions	72,185	53,535	125,720
Change in County's proportionate share and difference in employer contributions	2,165	3,380	5,545
Total deferred inflows of resources	<u>\$ 298,388</u>	<u>\$ 69,290</u>	<u>\$ 367,678</u>

\$20,787 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows resources related to OPEB will be recognized as OPEB expense as follows:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Year Ending December 31:			
2024	\$ 293,101	\$ (27,101)	\$ 266,000
2025	651,604	(10,903)	640,701
2026	556,246	(4,116)	552,130
2027	861,721	(5,648)	856,073
2028	-	(5,174)	(5,174)
2029	-	(3,964)	(3,964)
	<u>\$ 2,362,672</u>	<u>\$ (56,906)</u>	<u>\$ 2,305,766</u>

Actuarial Assumptions—OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OBEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued

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	2.75%
Projected salary increases	2.75% to 10.75%, including wage inflation
Single discount rate:	
Current measurement period	5.22%
Prior measurement period	6.00%
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement period	4.05%
Prior measurement period	1.84%
Health care cost trend rate:	
Current measurement period	5.5% initial, 3.50% ultimate in 2036
Prior measurement period	5.5% initial, 3.50% ultimate in 2034
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.

During 2022, 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 loss of 15.6% for 2022.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued

The allocation of investment assets within the Health Care 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 Health Care portfolio’s target asset allocation as of December 31, 2022, 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%	2.56%
Domestic Equities	26.00%	4.60%
REITs	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	<u>6.00%</u>	1.84%
Total	<u>100.00%</u>	

Discount Rate. A single discount rate of 5.22% was used to measure the OPEB liability on the measurement date of December 31, 2022. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued

Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following table presents the County’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the County’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1.0% point lower (4.22%) or 1.0% point higher (6.22%) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate of 5.22%	1% Increase (6.22%)
County's proportionate share of the net OPEB liability / (asset)	\$ 3,054,632	\$ 898,170	\$ (882,513)

Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate. Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% 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 2023 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 liability	\$ 841,234	\$ 898,170	\$ 960,800

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued

Actuarial Assumptions - STRS

The total OPEB liability in the June 30, 2023 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%	4.14%
Medicare	-10.94%	4.14%
Prescription Drug		
Pre-Medicare	-11.95%	4.14%
Medicare	1.33%	4.14%

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, 2023 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, 2023

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLANS—continued

The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected 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%	

* Final target weights reflected at 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, 2023. 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, 2023. 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, 2023.

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.

	1% Decrease (6.0%)	Current Discount Rate of 7.0%	1% Increase (8.0%)
County's proportionate share of the net OPEB (asset)	\$ (68,676)	\$ (81,142)	\$ (91,999)
	1% Decrease	Current Trend Rates	1% Increase
County's proportionate share of the net OPEB (asset)	\$ (92,502)	\$ (81,142)	\$ (67,459)

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 13 – LONG-TERM OBLIGATIONS

The following activity occurred in the County's governmental activities long-term obligations during 2023:

	Issue Date	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
Government Services Building - 2%-4%	2012	2052	\$ 5,890,000	\$ -	\$ (145,000)	\$ 5,745,000	\$ 150,000
Unamortized premiums			115,373	-	(3,846)	111,527	-
			6,005,373	-	(148,846)	5,856,527	150,000
Direct Placement:							
Series 2013 Refunding - 3.5%	2013	2023	1,556,000	-	(1,556,000)	-	-
Series 2018 Refunding - 2.64%	2018	2024	1,275,000	-	(630,000)	645,000	645,000
Ohio Wellsville Water System - 3.25%	1999	2023	774,000	-	(774,000)	-	-
Murray Trucking Old Farm Village - 4.5%	2001	2023	343,000	-	(343,000)	-	-
Municipal Court Bonds 2018 Refinancing - 2.82%	2018	2033	1,695,000	-	(133,000)	1,562,000	136,000
County Engineer - Trackhoe Purchase - 2.13%	2020	2030	119,200	-	(13,800)	105,400	14,100
			5,762,200	-	(3,449,800)	2,312,400	795,100
Direct Borrowing:							
Loans:							
Recorder's Loan - 0%	2012	2023	2,500	-	(2,500)	-	-
Other Long-Term Obligations:							
Compensated Absences			2,707,408	1,888,100	(1,583,237)	3,012,271	1,537,120
Total Governmental Activities			<u>\$ 14,477,481</u>	<u>\$ 1,888,100</u>	<u>\$ (5,184,383)</u>	<u>\$ 11,181,198</u>	<u>\$ 2,482,220</u>

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.

Direct Placement Bonds: During 2023, the County paid off several direct placement bonds that had scheduled final maturity dates in future years, including the Series 2013 Refunding bonds (originally scheduled to mature in 2033), the Ohio Wellsville Water System bonds (originally scheduled to mature in 2039) and the Murray Trucking Old Farm Village bonds (originally scheduled to mature in 2041).

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 had a scheduled final maturity of December 1, 2027, it was paid off in 2023.

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

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 13 – LONG-TERM OBLIGATIONS—continued

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

The effect of the debt limitations described above is an overall debt margin of \$64,646,563 at December 31, 2023.

Future Debt Service Requirements: The principal and interest requirements to retire governmental activities long-term obligations at December 31, 2023 are as follows:

Year Ended December 31,	General Obligation Bonds		<i>Direct Placement</i> General Obligation Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 150,000	\$ 243,356	\$ 795,100	\$ 61,399
2025	145,000	237,356	155,400	40,166
2026	145,000	231,556	159,700	35,827
2027	145,000	225,756	164,100	31,369
2028	145,000	219,956	169,300	26,776
2029-2033	695,000	1,004,155	868,800	61,354
2034-2038	635,000	861,955	-	-
2039-2043	1,265,000	686,555	-	-
2044-2048	1,320,000	414,969	-	-
2049-2052	1,100,000	120,969	-	-
Total	\$ 5,745,000	\$ 4,246,583	\$ 2,312,400	\$ 256,891

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COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 13 – LONG-TERM OBLIGATIONS—continued

The following activity occurred in the County's business-type activities long-term obligations during 2023:

	Issue Date	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:							
Revenue Bonds:							
<i>Direct Placement:</i>							
Beaver Local Wastewater #1 - 2.95%	2018	2028	\$ 145,691	\$ -	\$ (22,531)	\$ 123,160	\$ 23,194
Kensington Sewer - 1.38%		2056	289,002	-	(6,725)	282,277	6,817
			434,693	-	(29,256)	405,437	30,011
Loans:							
<i>Direct Borrowing:</i>							
Ohio Public Works Commission (OPWC) Loans:							
State Route 7 Water Line Extension #2 - 0%	2003	2023	4,800	-	(4,800)	-	-
Roseview Acres Treatment Plant - 0%	2009	2039	102,917	-	(6,054)	96,863	6,054
Glenmoor Sewer System - 0%	2012	2038	126,223	-	(8,143)	118,080	8,143
County Home Road Sewer Project - 0%	2016	2043	420,000	-	(20,000)	400,000	20,000
County Home Road Waterline Project - 0%	2014	2044	230,919	-	(10,496)	220,423	10,496
			884,859	-	(49,493)	835,366	44,693
Ohio Water Development Authority (OWDA) Loans:							
County Home Road Sanitary Sewer - 0%	2013	2033	180,793	-	(25,827)	154,966	8,609
County Home Road Waterline Extension - 2%	2013	2033	150,923	-	(19,679)	131,244	6,691
Ohio Elkrun Sewer Refinance - 2.1%	2021	2039	1,321,215	-	(70,274)	1,250,941	35,692
Winona Waste #1 Refinance - 1.72%	2021	2045	456,913	-	(17,249)	439,664	8,736
Winona Waste #2 Refinance - 1.72%	2021	2046	284,143	-	(9,905)	274,238	5,017
Glenmoor/LaCroft Sewer Refinance - 1.87%	2021	2049	3,169,088	-	(93,376)	3,075,712	47,344
			5,563,075	-	(236,310)	5,326,765	112,089
Other Long-Term Obligations:							
Compensated Absences			129,259	73,501	(48,242)	154,518	46,926
Total Business-Type Activities			\$ 7,011,886	\$ 73,501	\$ (363,301)	\$ 6,722,086	\$ 233,719

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.

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.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 13 – LONG-TERM OBLIGATIONS—continued

The County has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$7,936,935 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 295% and 15%, respectively. The total principal and interest remaining to be paid on the debt is \$7,936,935. Principal and interest paid for the current year, total net revenues and total operating revenues were \$426,553, \$144,638 and \$2,774,053, respectively.

Future Debt Service Requirements: The principal and interest requirements to retire business-type activities long-term obligations at December 31, 2023 are as follows:

Year Ended December 31,	<i>Direct Placement</i> Revenue Bonds		<i>Direct Borrowing</i> OPWC Loans		<i>Direct Borrowing</i> OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 30,011	\$ 8,332	\$ 44,693	\$ -	112,089	52,830
2025	30,809	7,575	44,693	-	227,193	99,682
2026	31,619	6,778	44,693	-	231,281	95,672
2027	32,451	5,968	44,693	-	235,451	91,585
2028	33,306	5,135	44,693	-	239,701	87,413
2029-2033	37,512	17,272	223,467	-	1,248,631	371,621
2034-2038	40,162	13,874	219,399	-	1,214,038	257,401
2039-2043	43,002	11,075	158,538	-	878,461	147,853
2044-2048	46,039	8,077	10,497	-	789,824	67,943
2049-2053	49,293	4,867	-	-	150,096	6,983
2054-2056	31,233	1,431	-	-	-	-
Total	\$ 405,437	\$ 90,384	\$ 835,366	\$ -	\$ 5,326,765	\$ 1,278,983

NOTE 14 – 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, 2023

NOTE 15 – 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	\$ 80,922	\$ 60,227	\$ 723,437	\$ 926	\$ 5,320	\$ -	\$ 24,707	\$ 895,539
Prepaid items	474,209	-	2,728	-	41,351	-	58,282	576,570
Unclaimed monies	526,268	-	-	-	-	-	-	526,268
Total Nonspendable	1,081,399	60,227	726,165	926	46,671	-	82,989	1,998,377
<i>Restricted:</i>								
Legislative and executive	-	-	-	-	-	-	2,286,541	2,286,541
Judicial	-	-	-	-	-	-	2,012,847	2,012,847
Public safety	-	-	-	-	-	-	4,164,269	4,164,269
Public works	-	-	6,853,877	-	-	-	1,179	6,855,056
Health	-	-	-	7,418,609	-	-	276,827	7,695,436
Human services	-	3,003,095	-	-	16,402,737	-	10,743,829	30,149,661
Economic development	-	-	-	-	-	-	873,081	873,081
Debt service payments	-	-	-	-	-	-	3,966,715	3,966,715
Capital projects	-	-	-	-	-	-	1,819,659	1,819,659
Total Restricted	-	3,003,095	6,853,877	7,418,609	16,402,737	-	26,144,947	59,823,265
<i>Committed:</i>								
Legislative and executive	13,799,380	-	-	-	-	-	717,794	14,517,174
Capital projects	-	-	-	-	-	-	13,834,018	13,834,018
Total Committed	13,799,380	-	-	-	-	-	14,551,812	28,351,192
<i>Assigned:</i>								
Legislative and executive	169,872	-	-	-	-	112,334	-	282,206
Subsequent year appropriations	256,735	-	-	-	-	-	-	256,735
Total Assigned	426,607	-	-	-	-	112,334	-	538,941
<i>Unassigned</i>	18,684,307	-	-	-	-	-	(50,489)	18,633,818
Total Fund Balances	\$ 33,991,693	\$ 3,063,322	\$ 7,580,042	\$ 7,419,535	\$ 16,449,408	\$ 112,334	\$ 40,729,259	\$ 109,345,593

NOTE 16 – 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 2023, the County did not make any payments to the District.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 16 – 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 \$544,896 to the System during 2023.

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 17 – 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 \$16,208 to the Airport Authority in 2023.

NOTE 18 – 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, 2023

NOTE 18 – 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:

	Net Change in Fund Balance					
	<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	\$ 5,834,466	\$ 925,531	\$ (539,699)	\$ (474,977)	\$ 803,212	\$ -
Funds reclassified	(332,481)	-	-	-	-	-
Revenue accruals	(2,823,522)	(799,790)	765,169	10,451	26,209	(885,299)
Expenditure accruals	705,629	43,561	(414,308)	(25,296)	161,038	(1,532,138)
Encumbrances	(460,555)	-	(390,453)	-	-	(495,245)
Other Financing	(604,690)	-	-	-	-	-
Budget Basis	<u>\$ 2,318,847</u>	<u>\$ 169,302</u>	<u>\$ (579,291)</u>	<u>\$ (489,822)</u>	<u>\$ 990,459</u>	<u>\$ (2,912,682)</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, 2023

NOTE 19 – CONTINGENCIES

A. Grants

The County receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the County at December 31, 2023.

B. Litigation

The County is party to legal proceedings. The County's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material adverse effect, if any, on the financial condition of the County at December 31, 2023.

NOTE 20 – 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	\$ 460,555
Motor Vehicle and Gas Tax	390,453
Local Fiscal Recovery	495,245
Nonmajor Governmental Funds	<u>130,406</u>
	<u>\$ 1,476,659</u>

NOTE 21 – 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, 2023

NOTE 22 – 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.

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.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

**NOTE 22 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION—
continued**

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.

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.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

**NOTE 22 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION—
continued**

Budgetary Process

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

Federal Income Tax

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

Cash and Cash Equivalents

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

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

Prepayments

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

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.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

NOTE 22 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION—
continued

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, 2023.

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, 2023, the carrying amount of all Corporation deposits was \$491,593. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2023, \$250,000 of the Corporation's bank balance of \$492,528 was covered by the Federal Deposit Insurance Corporation (FDIC) while the remaining balance was either covered by the Ohio Pooled Collateral System (OPCS) or subject to custodial credit risk as described below.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

**NOTE 22 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION—
continued**

Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Corporation's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. 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, 2023, consisted of due from other governments of \$7,702 and accounts receivable from other entities of \$6,750. 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, 2023 was \$2,616.

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 2023, the Corporation was covered under the County's property and liability insurance with the CORSA.

COLUMBIANA COUNTY, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2023

**NOTE 22 – COMPONENT UNIT-COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION—
continued**

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 \$232,112 for these fees that were collected by the County in 2023.

During 2023, the Corporation paid \$2,730 in various costs to the Columbiana County Treasurer and received \$35,000 from the Columbiana County Auditor for reimbursement of demolition expenses.

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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)	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%
2023	0.148583%	43,891,456	23,261,371	188.69%	75.74%

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
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%
2023	3,440,951	(3,440,951)	-	24,578,221	14.00%

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

See Notes to Required Supplementary Information.

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)	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%
2023	0.004172%	898,466	538,929	166.71%	80.0%

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%
2023	81,592	(81,592)	-	582,800	14.00%

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

See Notes to Required Supplementary Information.

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%
2023	0.142341%	898,170	23,261,371	3.86%	94.79%

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
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%
2023	20,787	(20,787)	-	24,578,221	0.08%

(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.

See Notes to Required Supplementary Information.

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/(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	0.004722%	\$ 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%
2023	0.004172%	(81,142)	538,929	(15.06%)	168.5%

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
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%
2023	-	-	-	582,800	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.

See Notes to Required Supplementary Information.

COLUMBIANA COUNTY

Required Supplementary Information
Notes to Required Supplementary Information
Ohio Public Employees Retirement System

Notes to Pension Information

Changes of Benefit Terms

There have been no changes in benefit terms.

Changes of 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.

Notes to OPEB Information

Changes of Benefit Terms

There have been no changes in benefit terms.

Changes of 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.

In 2023, the single discount rate changed from 6.00% to 5.22% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2034 to 5.5% initial, 3.50% ultimate in 2036.

COLUMBIANA COUNTY

Required Supplementary Information
Notes to Required Supplementary Information
State Teachers Retirement System of Ohio

Notes to Pension Information

Changes of Benefit Terms

For measurement period 2017, the COLA was reduced to zero.

Changes of Assumptions

For the measurement period 2017, 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 health 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.

For measurement period 2021, the discount rate was adjusted to 7.00% from 7.45%.

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

Notes to OPEB Information

Changes of Benefit Terms

For the measurement period 2017, the subsidy multiplier for non-Medicare benefit recipients 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 1, 2019.

For the measurement period 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 the measurement period 2019, there was no change to the claims cost process. Claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For measurement year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. 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.

For measurement year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

COLUMBIANA COUNTY

Required Supplementary Information
Notes to Required Supplementary Information
State Teachers Retirement System of Ohio
(continued)

Notes to OPEB Information (continued)

Changes of Assumptions

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 trends 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 capita health care costs were updated.

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

For measurement year 2022, 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, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTER/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
PASSED THROUGH OHIO DEPARTMENT OF EDUCATION			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	EDU01-3L70	\$ 7,870
National School Lunch Program	10.555	EDU01-3L60	12,396
<i>Total Child Nutrition Cluster</i>			<u>20,266</u>
PASSED THROUGH OHIO DEPARTMENT OF JOB AND FAMILY SERVICES			
<i>Supplemental Nutrition Assistance Program Cluster:</i>			
<i>COVID-19</i> State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	63,687
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	609,393
<i>Total Supplemental Nutrition Assistance Program Cluster</i>			<u>673,080</u>
Total U.S. Department of Agriculture			<u>693,346</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT OFFICE OF HOUSING AND COMMUNITY PARTNERSHIP			
Community Development Block Grant	14.228	B-F-22-1A0-1	218,100
Community Development Block Grant	14.228	S-C-22-1A0-1	50,000
Community Development Block Grant	14.228	S-C-22-1A0-2	91,500
Community Development Block Grant	14.228	B-C-22-1A0-1	193,100
			<u>552,700</u>
Home Investment Partnerships Program	14.239	B-C-22-1A0-2	400,390
			<u>400,390</u>
Total U.S. Department of Housing and Urban Development			<u>953,090</u>
U.S. DEPARTMENT OF TRANSPORTATION			
PASSED THROUGH OHIO DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction	20.205	PID 109415	1,522,193
Highway Planning and Construction	20.205	PID 112459	32,254
Total U.S. Department of Transportation			<u>1,554,447</u>
U.S. DEPARTMENT OF JUSTICE			
PASSED THROUGH THE OFFICE OF CRIMINAL JUSTICE			
Crime Victim Assistance	16.575	2024 VOCA 135503741	55,499
Crime Victim Assistance	16.575	VOCA 135105037	31,098
			<u>86,597</u>
Edward Byrne Memorial Justice Assistance Grant	16.738	OCJS 2022-JG-A01-6539	19,491
Edward Byrne Memorial Justice Assistance Grant	16.738	OCJS 2022-AR-LEP-1070	27,264
			<u>46,755</u>
Total U.S. Department of Justice			<u>133,352</u>

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**COLUMBIANA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR/PASS-THROUGH GRANTER/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF TREASURY			
COVID-19 - State and Local Recovery Relief Fund	21.027	N/A	1,336,465
{a} COVID-19 - State and Local Recovery Relief Fund- Medicaid Unwinding	21.027	N/A	270,963
{e} COVID-19 - State and Local Recovery Relief Fund- Mental Health Federal Block Grant	21.027	N/A	47,200
Total U.S. Department of Treasury			1,654,628
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH OHIO DEPARTMENT OF EDUCATION			
<i>Special Education Cluster (IDEA):</i>			
Special Education Grants to States Part B Flowthrough	84.027	3M20-065920-6B	25,692
Total Special Education Cluster (IDEA)			25,692
Special Education Grants for Infants and Families	84.181	3920-DOH	267,878
Total U.S. Department of Education			293,570
U.S. ELECTION ASSISTANCE COMMISSION PASSED THROUGH THE OHIO SECRETARY OF STATE			
HAVA Election Security Grants	90.404	E7674B1	20,083
Total U.S. Election Assistance Commission			20,083
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH VARIOUS SOURCES (SEE TICKMARKS)			
{c} Substance Abuse and Mental Health Services Projects	93.243	N/A	185,780
{a} Promoting Safe and Stable Families	93.556	G-2223-06-0194/G-2425-060123	42,717
{a} Temporary Assistance for Needy Families (TANF)	93.558	G-2223-06-0194/G-2425-060123	2,024,810
{a} COVID -19 Temporary Assistance for Needy Families (TANF)	93.558	N/A	9,968
{d} Temporary Assistance for Needy Families (TANF)	93.558	Tanf-HMG Respite	20,334
			2,055,112
{a} Child Support Enforcement	93.563	G-1617-11-5498	1,339,759
<i>Child Care and Development Block Grant Cluster:</i>			
{a} Child Care and Development Block Grant Cluster	93.575	G-2223-06-0194/G-2425-060123	126,842
Total Child Care and Development Block Grant Cluster			126,842
{a} Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-06-0194/G-2425-060123	52,876
{a} Foster Care Title IV-E	93.658	G-2223-06-0194/G-2425-060123	336,593
{a} Adoption Assistance Title IV-E	93.659	G-2223-06-0194/G-2425-060123	280,527
{a} Social Services Block Grant	93.667	G-2223-06-0194/G-2425-060123	871,098
{b} Social Services Block Grant	93.667	DMR01-100912	64,608
{c} Social Services Block Grant	93.667	N/A	91,702
			1,027,408
{a} John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-06-0194/G-2425-060123	35,541
{a} COVID - 19 Elder Abuse Prevention Interventions Program	93.747	N/A	1,895
{a} Children's Health Insurance Program	93.767	G-2223-06-0194/G-2425-060123	293,347
<i>Medicaid Cluster:</i>			
{a} Medical Assistance Program	93.778	G-2223-06-0194/G-2425-060123	1,435,088
Total Medicaid Cluster			1,435,088
{c} Opioid STR	93.788	N/A	315,649
{c} Block Grants for Community Mental Health Services	93.958	N/A	163,874
{c} Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	586,203
Total U.S. Department of Health and Human Services			8,279,211
U.S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH OHIO EMERGENCY MANAGEMENT AGENCY			
Emergency Performance Grant	97.042	EMC-2021-EP-0007	33,662
Emergency Performance Grant	97.042	EMC-2022-EP-0006	100,016
Emergency Performance Grant	97.042	EMC-2021-EP-0002	29,971
Total U.S. Department of Homeland Security			163,649
Total Federal Expenditures			\$ 13,745,376
Tickmarks:			
{a} Passed Through Ohio Department of Job and Family Services			
{b} Passed Through Ohio Department of Development Disabilities			
{c} Passed Through Ohio Department of Mental Health and Addiction Services			
{d} Passed Through Ohio Department of Health to CC Educational Service			
{e} Passed Through Mercy health			

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Columbiana County, Ohio (the County) under programs of the federal government for the year ended December 31, 2023. 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 2023 is as follows:

Beginning loans receivable balance as of January 1, 2023	\$264,287
Loans Disbursed	0
Loans Repaid	0
Write-offs and Adjustments	<u>(264,287)</u>
Ending loans receivable balance as of December 31, 2023	<u>\$0</u>
Cash balance on hand as of December 31, 2023	\$11,753
Administrative costs expended during 2023	0
Interest received	0

The table above reports the gross receivable. Of the loans receivable as of December 31, 2023, 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.

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 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, 2023, 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 17, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 17, 2024

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

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, 2023. 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 Coronavirus State and Local Fiscal Recovery Funds Program

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 Program for the year ended December 31, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the 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, 2023.

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 qualified and unmodified opinions 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 Coronavirus State and Local Fiscal Recovery Funds Program
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 2023-001 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 the 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 finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the 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 2023-001 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 17, 2024

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 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds</i> <i>ALN 93.558 – Temporary Assistance for Needy Families (TANF)</i> <i>ALN 93.667 – Social Services Block Grant (SSBG)</i> <i>ALN 93.778 – Medical Assistance Program (MAP)- Medicaid Cluster</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

2023-001 –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 requirement 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 current period expenditures on the quarterly project and expenditure report as well as overreporting expenditures on the schedule of federal expenditures.

Context: During our review of the quarterly project and expenditure reports, we noted the County had multiple errors in the accuracy of the reporting of the current period expenditures reported on the quarterly project and expenditure report. In addition, the County over reported the amount on the quarterly project and expenditure report and over reported the total amount of expenditures for SLFRF funds on the schedule of expenditures of federal awards by \$1,080,973.

Effect: The County was not in compliance with reporting requirements in 2023.

Recommendation: We recommend the County improve controls over the reporting requirements associated with this program. This includes obtaining a better understanding of the reporting process 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 Website: <http://oh-columbiana-auditor.publicaccessnow.com>

SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR § 200.511(c)

December 31, 2023

Finding Number	Status	Explanation
2022-001	Not Corrected	Reissued as 2023-001

Sincerely,

Nancy Milliken

County Auditor

Nancy Gause Milliken

COLUMBIANA COUNTY AUDITOR



105 S. Market Street Lisbon, OH 44132 * Phone 330-424-9515 ext.1000 * Fax 330-424-9745

Email: auditor@columbianacntyauditor.org Website: <http://oh-columbiana-auditor.publicaccessnow.com>

Clark Schaefer Hackett
4449 Easton Way
Suite 400
Columbus, oh 43219

Dear Ms. Hegarty,

In response to your finding 2023-001, the Commissioners will be contacting Clark Schaefer Hackett to help guide their office in the reporting process and corrective actions in order to resolve this issue before the next audit.

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

Respectfully,

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

Nancy Milliken
Columbiana County Auditor

Cc: Commissioners



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, 2023

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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, 2023, 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 as of December 31, 2023, 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, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2024 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 17, 2024

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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, 2023
Unaudited

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, 2023. 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 2023:

- The total net position of the Corporation increased by \$11,732.
- The Corporation had revenues of \$1,063,289 and expenses of \$1,051,557, resulting in an increase of net position of \$11,732 to a balance of \$1,005,720 at December 31, 2023.

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, 2023
Unaudited

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, 2023 and 2022:

	2023	2022
Assets:		
Current and other assets	\$ 1,073,361	\$ 1,028,833
Liabilities:		
Other liabilities	67,641	34,845
Net position:		
Unrestricted	\$ 1,005,720	\$ 993,988

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 of \$1,005,720 at December 31, 2023.

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, 2023
Unaudited

The following table provides a summary of the changes in the Corporation's net position for the years ended December 31, 2023 and 2022:

Table 2
Change in Net Position

	2023	2022
Program revenues:		
Charges for services	\$ 1,663	\$ -
Operating grants and contributions	694,686	819,713
Total program revenue	696,349	819,713
General revenues:		
Unrestricted grants and contributions	360,712	384,949
Other revenue	6,228	22,491
Total general revenues	366,940	407,440
Total revenue	1,063,289	1,227,153
Expenses:		
General government	1,051,557	1,349,092
Change in net position	11,732	(121,939)
Net position - beginning of year	993,988	1,115,927
Net position - end of year	\$ 1,005,720	\$ 993,988

Governmental activities net position increased by \$11,732.

Expenses for 2023 totaled \$1,051,557. The main expenses of the Corporation are asbestos abatement, demolition and remediation costs. While work continued on the Maryland Street School Building brownfield remediation, expenses and related operating grants decreased as Ohio Department of Development grant funding was spent in the prior year.

General revenue totaled \$366,940, or 35% of total governmental revenue. The primary source of general revenue is 5% of all collections on delinquent taxes. These revenues made up \$232,112, or 63% 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, 2023
Unaudited**

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, 2023

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 491,593
Receivables:	
Accounts	6,750
Due from other governments	7,702
Notes	2,616
Assets held for resale	<u>564,700</u>
Total assets	<u>1,073,361</u>
Liabilities:	
Accounts payable	<u>67,641</u>
Net position:	
Unrestricted	<u>\$ 1,005,720</u>

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)
Statement of Activities
For the Year Ended December 31, 2023

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions	Governmental Activities
<u>Governmental Activities</u>				
General government:				
Asbestos abatement, demolition and remediation	\$ 816,414	\$ -	\$ 694,686	\$ (121,728)
Professional services	113,184	-	-	(113,184)
Taxes	2,966	-	-	(2,966)
Disposal of properties	100,400	-	-	(100,400)
Rehabilitation of properties	1,600	1,663	-	63
Beautification projects	13,083	-	-	(13,083)
Other	3,910	-	-	(3,910)
Total	<u>\$ 1,051,557</u>	<u>\$ 1,663</u>	<u>\$ 694,686</u>	<u>(355,208)</u>
General Revenues:				
Contributions and donations not restricted to specific programs				128,600
Grants and entitlements not restricted to specific programs				232,112
Interest				13
Other revenue				6,215
Total general revenues				<u>366,940</u>
Change in net position				11,732
Net position - beginning of year				993,988
Net position - end of year				<u>\$ 1,005,720</u>

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)
Balance Sheet
December 31, 2023

	<u>General Fund</u>
Assets:	
Equity in cash and cash equivalents	\$ 491,593
Receivables:	
Accounts	6,750
Due from other governments	7,702
Notes	2,616
Assets held for resale	<u>564,700</u>
Total assets	<u>\$ 1,073,361</u>
Liabilities:	
Accounts payable	\$ 67,641
Fund balances:	
Nonspendable -	
Assets held for resale	564,700
Unassigned	<u>441,020</u>
Total fund balances	<u>1,005,720</u>
Total liabilities and fund balances	<u>\$ 1,073,361</u>

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, 2023

	General Fund
Revenues:	
Contributions and donations	\$ 128,600
Intergovernmental	926,798
Charges for services	1,663
Interest	13
Other	<u>6,215</u>
Total revenue	<u>1,063,289</u>
Expenditures:	
Current:	
General government	
Asbestos abatement, demolition and remediation	816,414
Property rehabilitation	1,600
Beautification project	13,083
Professional services	113,184
Taxes	2,966
Disposition of properties	100,400
Other	<u>3,910</u>
Total expenditures	<u>1,051,557</u>
Net change in fund balance	11,732
Fund balance - beginning of year	<u>993,988</u>
Fund balance - end of year	<u>\$ 1,005,720</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, 2023

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, 2023

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, 2023

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, 2023

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.

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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.

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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.

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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 2023, 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 \$491,593 and \$492,528, respectively. Of the bank balance of \$492,528, \$242,528 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, 2023, consisted of due from other governments of \$7,702 and accounts receivable from other entities of \$6,750. 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, 2023 was \$2,616.

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 2023, the Corporation was covered under Columbiana County's property and liability insurance with the County Risk Share Authority.

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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 \$232,112 for these fees that were collected by the County in 2023.

During 2023, the Corporation paid \$2,730 in various costs to the Columbiana County Treasurer and received \$35,000 from the Columbiana County Auditor for reimbursement of demolition expenses.

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, the financial statements of the governmental activities and the major fund of the Columbiana County Land Reutilization Corporation (the "Corporation"), a component unit of Columbiana County, as of and for the year ended December 31, 2023, 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 17, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 17, 2024

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 7/9/2024

65 East State 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