



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

# **COLUMBIANA COUNTY, OHIO**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of County Commissioners  
Columbiana County  
105 South Market Street  
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We have reviewed the *Independent Auditors' Report* of Columbiana County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

**Finding for Recovery – Public Property Converted or Misappropriated**

The Columbiana County Tax Map Office collects various types of receipts such as; tax map fees, survey fees, and deed/plat approval fees. In order to segregate duties, several employees are involved in the process. While various Tax Map employees accept payments and deposit receipts with the County Treasurer, only one person is responsible for entering pay-ins in the accounting system. A supervisor periodically reviews the deposit information and compares the information to the cash journal totals. However, the cash journal totals are not reconciled to the receipts. Melissa Brennen was an employee of the Columbiana County Engineer's Tax Map Office where she held the position of Engineering Tech 3. For the period of May 28, 2019 through November 8, 2019, Brennen's duties included recording pay-ins, maintaining a cash journal, and depositing Tax Map Office receipts.

We reviewed 829 receipts totaling \$11,276 during this time period. We determined only \$8,336 had been deposited into the Columbiana County Treasurer's Office, resulting in \$2,940 in tax map office receipts misappropriated.

On January 9, 2020, Ms. Brennen was indicted by the Columbiana County Grand Jury for one count of theft in office, a felony of the fourth degree, and one count of tampering with records, a felony of the fifth degree.

On September 23, 2020, Ms. Brennen entered a plea of guilty to one count of theft in office (Ohio Rev. Code § 2921.41(A)(2)), a felony of the fourth degree. On January 4, 2021, Ms. Brennen was sentenced by the Columbiana County Common Pleas Court (case number 2020 CR 00017) to six months in a state correctional facility and was ordered to pay restitution to the Columbiana County Engineer's Office in the amount of \$2,940.25.

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In accordance with the foregoing facts, and pursuant to Ohio Revised Code § 117.28, a finding for recovery for public property converted or misappropriated is hereby issued against Melissa Brennen in the amount of \$2,940 and in the favor of the Columbiana County Engineer Map Sales fund.

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.



Keith Faber  
Auditor of State  
Columbus, Ohio

**July 16, 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners  
Columbiana County, Ohio:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Job and Family Services Fund, Motor Vehicle and Gasoline Tax Fund, Mental Health Fund, and Board of Developmental Disabilities Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021 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 25, 2021

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## COLUMBIANA COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the County's financial performance.

#### **Financial Highlights**

Key financial highlights for 2020 are as follows:

- The total net position of the County increased \$10,030,924. Net position of governmental activities increased \$10,721,394, which represents a 16.57% increase from December 31, 2019's net position. Net position of business-type activities decreased \$690,470 or 25.58% from December 31, 2019's net position.
- General revenues accounted for \$38,083,489 or 45.59% of total governmental activities revenue. Program specific revenues accounted for \$45,459,266 or 54.41% of total governmental activities revenue.
- The County had \$72,821,361 in expenses related to governmental activities; \$45,459,266 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$38,083,489 were adequate to provide for these programs.
- The general fund, the County's largest major governmental fund, had revenues and other financing sources of \$27,196,203 in 2020. The general fund had expenditures and other financing uses of \$26,935,425 in 2020. The fund balance of the general fund increased \$260,778 from 2019 to 2020.
- The job and family services fund, a major governmental fund, had revenues and other financing sources of \$7,535,844 in 2020. The job and family services fund had expenditures of \$7,958,850 in 2020. The job and family services fund balance decreased \$423,006 from 2019 to 2020.
- The motor vehicle and gasoline tax fund, a major governmental fund, had revenues and other financing sources of \$9,718,540 in 2020. The motor vehicle and gasoline tax fund had expenditures of \$8,616,492 in 2020. The motor vehicle and gasoline tax fund balance increased \$1,102,048 from 2019 to 2020.
- The mental health fund, a major governmental fund, had revenues of \$5,057,617 in 2020. The mental fund had expenditures of \$4,599,214 in 2020. The mental health fund balance increased \$458,403 from 2019 to 2020.
- The board of developmental disabilities fund, a major governmental fund, had revenues and other financing sources of \$11,792,765 in 2020. The board of developmental disabilities fund had expenditures and other financing uses of \$9,619,412 in 2020. The board of developmental disabilities fund balance increased \$2,173,353 from 2019 to 2020.
- Net position for the business-type activities, which consists of the sewer operations and other enterprise funds, decreased in 2020 by \$690,470.

#### **Using the Basic Financial Statements (BFS)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the County as a whole operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

## COLUMBIANA COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

The statement of net position and statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column. In the case of the County, there are five major governmental funds. The general fund is the largest major governmental fund.

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

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

The statement of net position and the statement of activities answer the question, "How did we do financially during 2020?" These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position. The change in net position is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, and other factors.

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

Governmental activities - Most of the County's programs and services are reported here including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and State grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

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

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

##### ***Fund Financial Statements***

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

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the general fund, job and family services fund, motor vehicle and gasoline tax fund, mental health fund and board of developmental disabilities fund. The County's major enterprise fund is the sewer fund.

## COLUMBIANA COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

#### ***Governmental Funds***

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The basic fund financial statements can be found on pages 24-36 of this report.

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

#### ***Proprietary Funds***

The County maintains proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its sewer operations as well as other enterprise operations. An internal service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions. The County's internal service fund accounts for health self-insurance activities. The proprietary fund statements can be found on pages 37-40 of this report.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County's fiduciary funds are custodial funds. The basic fiduciary fund financial statement can be found on pages 41-42 of this report.

#### ***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 43-104 of this report.

#### ***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's net pension liability/asset and net OPEB liability/asset. The required supplementary information can be found on pages 106-121 of this report.

**COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Government-Wide Financial Analysis**

The statement of net position provides the perspective of the County as a whole. The table below provides a summary of the County's net position at December 31, 2019 and December 31, 2020.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b><u>Assets</u></b>						
Current assets	\$ 119,251,372	\$ 109,742,733	\$ 2,274,541	\$ 2,529,060	\$ 121,525,913	\$ 112,271,793
Capital assets, net	<u>45,518,309</u>	<u>43,066,598</u>	<u>8,795,610</u>	<u>9,195,353</u>	<u>54,313,919</u>	<u>52,261,951</u>
Total assets	<u>164,769,681</u>	<u>152,809,331</u>	<u>11,070,151</u>	<u>11,724,413</u>	<u>175,839,832</u>	<u>164,533,744</u>
<b><u>Deferred outflows of resources</u></b>						
Unamortized deferred charges	65,549	79,443	-	-	65,549	79,443
Pension	4,491,615	11,984,641	154,864	402,736	4,646,479	12,387,377
OPEB	<u>3,056,123</u>	<u>1,491,233</u>	<u>110,383</u>	<u>82,481</u>	<u>3,166,506</u>	<u>1,573,714</u>
Total deferred outflows of resources	<u>7,613,287</u>	<u>13,555,317</u>	<u>265,247</u>	<u>485,217</u>	<u>7,878,534</u>	<u>14,040,534</u>
<b><u>Liabilities</u></b>						
Current liabilities	4,374,786	3,862,768	218,846	192,746	4,593,632	4,055,514
Long-term liabilities:						
Due within one year	2,146,198	2,016,823	253,836	246,569	2,400,034	2,263,392
Net pension liability	29,248,777	41,485,701	833,927	1,173,404	30,082,704	42,659,105
Net OPEB liability	19,147,161	18,683,437	565,486	540,382	19,712,647	19,223,819
Other amounts	<u>16,094,439</u>	<u>17,902,025</u>	<u>7,093,306</u>	<u>7,196,464</u>	<u>23,187,745</u>	<u>25,098,489</u>
Total liabilities	<u>71,011,361</u>	<u>83,950,754</u>	<u>8,965,401</u>	<u>9,349,565</u>	<u>79,976,762</u>	<u>93,300,319</u>
<b><u>Deferred inflows of resources</u></b>						
Property taxes	14,952,384	14,644,254	-	-	14,952,384	14,644,254
Pension	7,499,836	2,193,641	242,454	109,601	7,742,290	2,303,242
OPEB	<u>3,512,800</u>	<u>890,806</u>	<u>118,481</u>	<u>50,932</u>	<u>3,631,281</u>	<u>941,738</u>
Total deferred inflows of resources	<u>25,965,020</u>	<u>17,728,701</u>	<u>360,935</u>	<u>160,533</u>	<u>26,325,955</u>	<u>17,889,234</u>
<b><u>Net Position</u></b>						
Net investment in capital assets	31,499,923	26,798,466	1,556,820	1,846,181	33,056,743	28,644,647
Restricted	33,409,778	27,783,597	-	-	33,409,778	27,783,597
Unrestricted	<u>10,496,886</u>	<u>10,103,130</u>	<u>452,242</u>	<u>853,351</u>	<u>10,949,128</u>	<u>10,956,481</u>
Total net position	<u>\$ 75,406,587</u>	<u>\$ 64,685,193</u>	<u>\$ 2,009,062</u>	<u>\$ 2,699,532</u>	<u>\$ 77,415,649</u>	<u>\$ 67,384,725</u>

## COLUMBIANA COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension/OPEB asset.

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

**COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

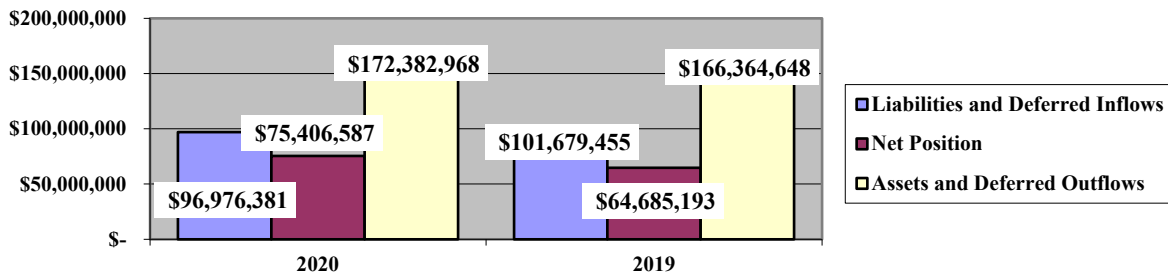
Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2020, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$77,415,649. This amounts to \$75,406,587 in the governmental activities and \$2,009,062 in the business-type activities. This is an indication that the County's finances remained strong during 2020.

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 30.89% of total governmental and business-type assets. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. The County's net investment in capital assets at December 31, 2020 was \$33,056,743. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

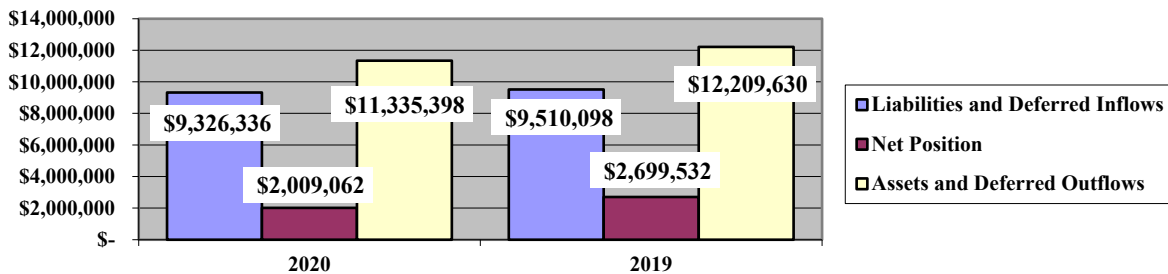
A portion of the County's governmental net position, \$33,409,778 or 44.31%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$10,496,886 or 13.92% may be used to meet the government's ongoing obligations to citizens and creditors.

The graphs below illustrate the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at December 31, 2019 and December 31, 2020 for the governmental activities and business-type activities.

**Governmental Activities**



**Business-type Activities**





**COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

The table below shows the changes in net position for 2020 and 2019.

	<b>Change in Net Position</b>					
	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>	Business-type Activities <u>2020</u>	Business-type Activities <u>2019</u>	Total <u>2020</u>	Total <u>2019</u>
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 9,018,220	\$ 9,290,774	\$ 2,201,511	\$ 2,533,058	\$ 11,219,731	\$ 11,823,832
Operating grants and contributions	35,200,575	33,934,781	-	-	35,200,575	33,934,781
Capital grants and contributions	<u>1,240,471</u>	<u>502,803</u>	<u>-</u>	<u>-</u>	<u>1,240,471</u>	<u>502,803</u>
 Total program revenues	 <u>45,459,266</u>	 <u>43,728,358</u>	 <u>2,201,511</u>	 <u>2,533,058</u>	 <u>47,660,777</u>	 <u>46,261,416</u>
 General revenues:						
Property taxes	14,002,178	11,887,740	-	-	14,002,178	11,887,740
Sales tax	18,092,693	17,201,444	-	-	18,092,693	17,201,444
Unrestricted grants	3,952,147	4,222,030	-	-	3,952,147	4,222,030
Investment earnings	1,571,187	2,368,195	3,694	11,774	1,574,881	2,379,969
Gas and oil lease	1,904	13,507	-	-	1,904	13,507
Miscellaneous	<u>463,380</u>	<u>481,203</u>	<u>217,534</u>	<u>551,208</u>	<u>680,914</u>	<u>1,032,411</u>
 Total general revenues	 <u>38,083,489</u>	 <u>36,174,119</u>	 <u>221,228</u>	 <u>562,982</u>	 <u>38,304,717</u>	 <u>36,737,101</u>
 Total revenues	 <u>83,542,755</u>	 <u>79,902,477</u>	 <u>2,422,739</u>	 <u>3,096,040</u>	 <u>85,965,494</u>	 <u>82,998,517</u>

(continued)

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**COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Change in Net Position (Continued)**

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>	Business-type Activities <u>2020</u>	Business-type Activities <u>2019</u>	Total <u>2020</u>	Total <u>2019</u>
<b><u>Expenses</u></b>						
Program Expenses:						
General government						
Legislative and executive	\$ 9,359,884	\$ 9,546,871	\$ -	\$ -	\$ 9,359,884	\$ 9,546,871
Judicial	6,536,057	7,085,639	-	-	6,536,057	7,085,639
Public safety	10,736,866	10,787,293	-	-	10,736,866	10,787,293
Public works	11,334,967	9,348,118	-	-	11,334,967	9,348,118
Health	6,319,693	5,559,398	-	-	6,319,693	5,559,398
Human services	27,449,241	31,164,530	-	-	27,449,241	31,164,530
Conservation and recreation	12,506	17,345	-	-	12,506	17,345
Economic development	490,050	576,185	-	-	490,050	576,185
Interest and fiscal charges	582,097	648,212	-	-	582,097	648,212
Sewer District	-	-	2,672,804	2,947,153	2,672,804	2,947,153
Other enterprise	-	-	440,405	88,636	440,405	88,636
Total expenses	<u>72,821,361</u>	<u>74,733,591</u>	<u>3,113,209</u>	<u>3,035,789</u>	<u>75,934,570</u>	<u>77,769,380</u>
Change in net position before transfers	10,721,394	5,168,886	(690,470)	60,251	10,030,924	5,229,137
Transfers	<u>-</u>	<u>49,949</u>	<u>-</u>	<u>(49,949)</u>	<u>-</u>	<u>-</u>
Change in net position	10,721,394	5,218,835	(690,470)	10,302	10,030,924	5,229,137
Net position at beginning of year	<u>64,685,193</u>	<u>59,466,358</u>	<u>2,699,532</u>	<u>2,689,230</u>	<u>67,384,725</u>	<u>62,155,588</u>
Net position at end of year	<u>\$ 75,406,587</u>	<u>\$ 64,685,193</u>	<u>\$ 2,009,062</u>	<u>\$ 2,699,532</u>	<u>\$ 77,415,649</u>	<u>\$ 67,384,725</u>

**Governmental Activities**

Governmental activities net position increased by \$10,721,394 from 2019 to 2020.

Human services expense, the largest expense of the County, accounted for \$27,449,241 or 37.69% of total governmental expenses. Human services primarily consist of job and family services and board of developmental disabilities activity. Human services expenses decreased primarily due to decreased spending in the job and family services fund and the board of developmental disabilities fund. Public safety expenses accounted for \$10,736,866 or 14.74% of governmental expenses. Public works expenses primarily support the operations of the engineer's department, and accounts for \$11,334,967 or 15.57% of the total governmental expenses of the County. These expenses were funded by \$3,000,633 in direct charges to users, \$32,500,574 in operating grants and contributions, and \$1,240,471 in capital grants and contributions during 2020. Public works expenses increased due to increase engineer department costs during the year. General government expenses, which include legislative and executive and judicial programs, accounted for \$15,895,941 or 21.83% of the total governmental expenses of the County. General government expenses decreased primarily due to a decrease in judicial expenses related to County courts. General government expenses were covered by \$6,017,587 in direct charges to users and \$2,700,001 in operating grants and contributions during 2020.

**COLUMBIANA COUNTY, OHIO**

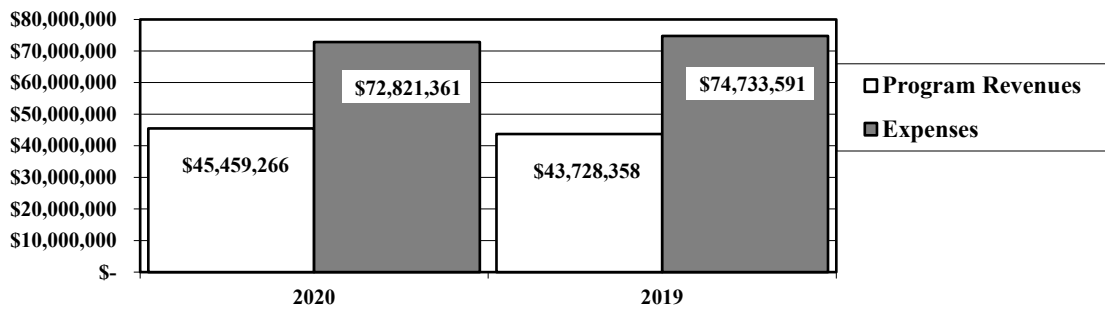
**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

The State and federal government contributed to the County revenues of \$35,200,575 in operating grants and contributions and \$1,240,471 in capital grants and contributions. The increase in operating grants and contributions is due to the County receiving Coronavirus Aid Relief and Economic Securities Act money. Operating grants and contributions of \$15,795,626 or 44.87% subsidized human services. Operating grants and contributions of \$3,542,082 or 10.06% subsidized County health programs. Operating grants and contributions of \$9,433,527 or 26.80%, as well as the entire amount of capital grants and contributions, subsidized public works projects.

General revenues of governmental activities totaled \$38,083,489 and amounted to 45.59% of the total revenues of \$83,542,755. These revenues primarily consist of property and sales tax revenue of \$32,094,871 or 84.28% of total general revenues in 2020. Sales tax revenue primarily increased due to the County collecting more taxes receipts in 2020. Property tax revenue primarily increased due to a large increase in assessed property tax values throughout the County. The other primary source of general revenues is grants and entitlements not restricted to specific programs, with operating grants consisting of local government and local government revenue assistance making up \$3,952,147, or 10.38%, of the total general revenues. Investment earnings decreased due to a decrease in interest rates earned on investments.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2020. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted state grants and entitlements). As can be seen in the graph below, the County is reliant upon general revenues to finance operations as program revenues are not sufficient to cover total expenses.

**Governmental Activities – Program Revenues vs. Total Expenses**



**COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

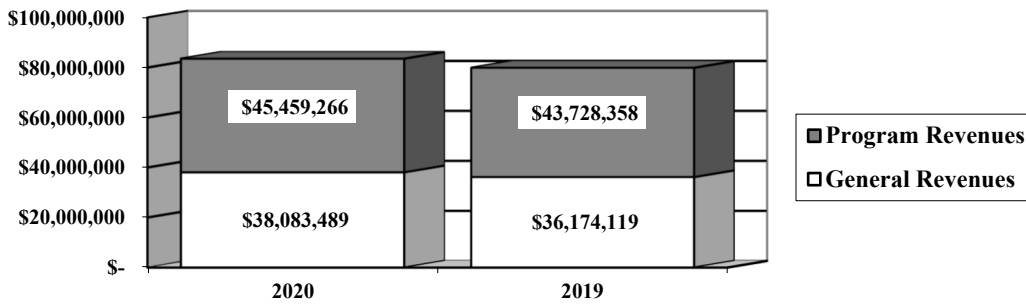
**Governmental Activities**

	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>
Program Expenses:				
General government				
Legislative and executive	\$ 9,359,884	\$ 3,132,658	\$ 9,546,871	\$ 6,493,737
Judicial	6,536,057	4,045,695	7,085,639	3,673,188
Public safety	10,736,866	6,290,209	10,787,293	9,262,470
Public works	11,334,967	543,057	9,348,118	(2,182,591)
Health	6,319,693	2,241,268	5,559,398	2,292,553
Human services	27,449,241	10,989,315	31,164,530	11,603,345
Conservation and recreation	12,506	(144,689)	17,345	17,345
Economic development	490,050	176,487	576,185	(306,181)
Interest and fiscal charges	<u>582,097</u>	<u>88,095</u>	<u>648,212</u>	<u>151,367</u>
<b>Total</b>	<b><u>\$ 72,821,361</u></b>	<b><u>\$ 27,362,095</u></b>	<b><u>\$ 74,733,591</u></b>	<b><u>\$31,005,233</u></b>

The dependence upon general revenues for governmental activities is apparent, with 37.57% of expenses supported through taxes and other general revenues during 2020.

The graph below illustrates the County's reliance upon general revenues for 2020 and 2019.

**Governmental Activities – General and Program Revenues**



**Business-Type Activities**

Business-type activities include the sewer fund and other enterprise funds. These programs had program revenues of \$2,201,511, general revenues of \$221,228 and expenses of \$3,113,209 for 2020.

**COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements.

The County's governmental funds reported a combined fund balance of \$83,696,435 which is \$8,047,359 more than last year's restated total of \$75,649,076.

	<u>Fund Balance</u> <u>December 31, 2020</u>	<u>Fund Balance</u> <u>December 31, 2019</u>	<u>Change</u>
Major Funds:			
General	\$ 24,822,560	\$ 24,561,782	\$ 260,778
Job and Family Services	1,538,248	1,961,254	(423,006)
Motor Vehicle and Gasoline Tax	7,384,302	6,282,254	1,102,048
Mental Health	7,928,567	7,470,164	458,403
Board of Developmental Disabilities	14,256,787	12,083,434	2,173,353
Nonmajor Governmental Funds	<u>27,765,971</u>	<u>23,290,188</u>	<u>4,475,783</u>
Total	<u>\$ 83,696,435</u>	<u>\$ 75,649,076</u>	<u>\$ 8,047,359</u>

**General Fund**

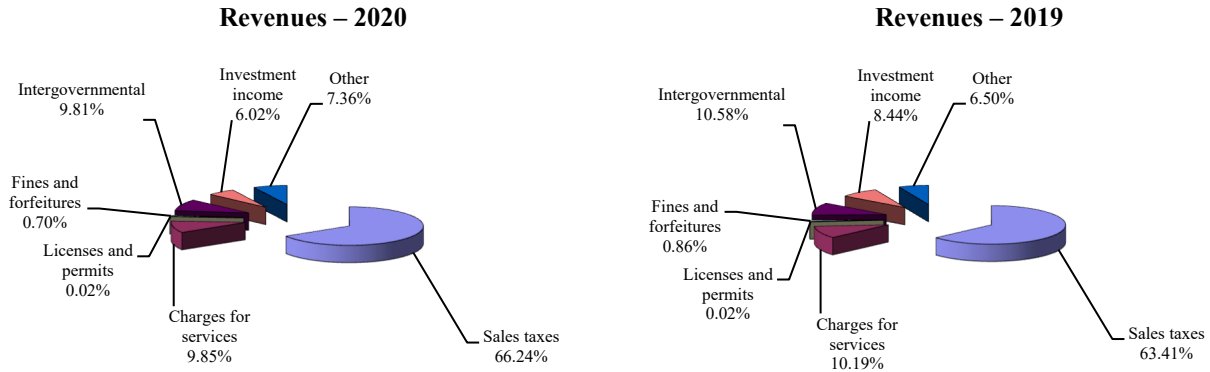
The County's general fund balance increased \$260,778. The primary revenue source of the general fund is sales tax revenues. Sales tax revenues represent \$18,000,761 or 66.23% of general fund revenues. This increase was the result of an increase in tax collections for 2020 compared to 2019. Intergovernmental revenue makes up \$2,665,248 or 9.81% of the general fund revenues. These primarily consist of local governmental revenues from the State and funding from the casino tax in the State. The decrease in investment income was the result of a decrease in interest income due to declining interest rates as a result of the pandemic. Charges for services decreased due to a decrease in fees charges by the sheriff's department, recorders fees and various court fees.

	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Change</u>
<b><u>Revenues</u></b>			
Sales taxes	\$ 18,000,761	\$ 17,120,592	\$ 880,169
Charges for services	2,678,026	2,751,318	(73,292)
Licenses and permits	5,480	5,330	150
Fines and forfeitures	191,585	232,233	(40,648)
Intergovernmental	2,665,248	2,857,575	(192,327)
Investment income	1,637,373	2,279,046	(641,673)
Rent income and other	<u>1,999,675</u>	<u>1,755,903</u>	<u>243,772</u>
Total	<u>\$ 27,178,148</u>	<u>\$ 27,001,997</u>	<u>\$ 176,151</u>

**COLUMBIANA COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

The graphs below illustrate the revenue of the general fund for 2020 and 2019.



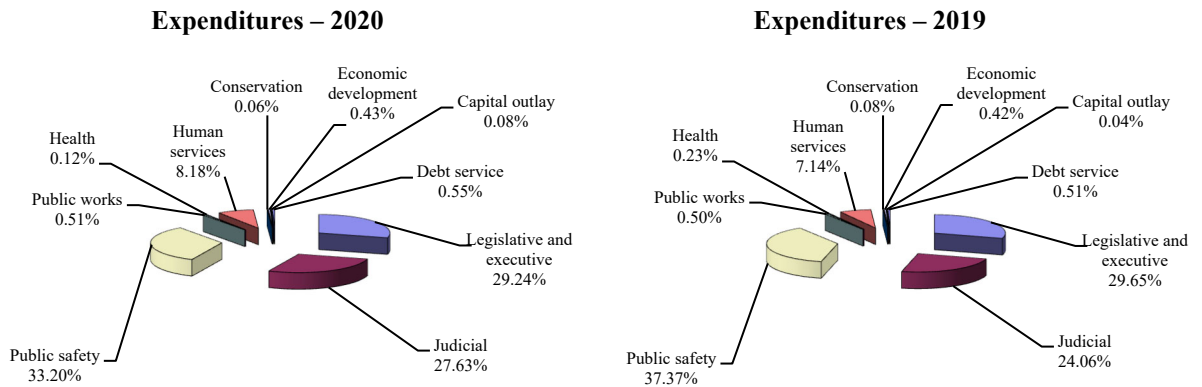
The table that follows assists in illustrating the expenditures of the general fund. The largest expenditure of the general fund is public safety which total \$6,493,159 or 33.19% of general fund expenditures. Public safety expenditures consist of primarily County sheriff services and prison housing. The decrease in 2020 resulted mainly from a decrease in prisoner housing costs that were reallocated to the local coronavirus relief fund (a nonmajor governmental fund) as part of the pandemic.

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>	<u>Change</u>
<b><u>Expenditures</u></b>				
General government				
Legislative and executive	\$ 5,718,084	\$ 6,408,560	\$ (690,476)	(10.77)
Judicial	5,404,523	5,200,953	203,570	3.91
Public safety	6,493,159	8,078,891	(1,585,732)	(19.63)
Public works	100,727	108,081	(7,354)	(6.80)
Health	24,153	49,484	(25,331)	(51.19)
Human services	1,599,432	1,544,111	55,321	3.58
Conservation and recreation	12,506	17,345	(4,839)	(27.90)
Economic development	83,579	90,603	(7,024)	(7.75)
Capital outlay	15,700	8,106	7,594	93.68
Debt service	<u>106,858</u>	<u>110,823</u>	<u>(3,965)</u>	<u>(3.58)</u>
<b>Total</b>	<b><u>\$ 19,558,721</u></b>	<b><u>\$ 21,616,957</u></b>	<b><u>\$ (2,058,236)</u></b>	<b><u>(9.52)</u></b>

**COLUMBIANA COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

The graphs below illustrate the expenditures of the general fund for 2020 and 2019.



***Job and Family Services Fund***

The job and family services fund, a major governmental fund, had revenues and other financing sources of \$7,535,844 in 2020. The job and family services fund had expenditures of \$7,958,850 in 2020. The job and family services fund balance decreased \$423,006 from 2019 to 2020. This decrease was the result of a decrease in revenues compared to the previous year.

***Motor Vehicle and Gasoline Tax Fund***

The motor vehicle and gasoline tax fund, a major governmental fund, had revenues and other financing sources of \$9,718,540 in 2020. The motor vehicle and gasoline tax fund had expenditures of \$8,616,492 in 2020. The motor vehicle and gasoline tax fund balance increased \$1,102,048 from 2019 to 2020. The increase in fund balance is the result of a decrease in expenditures related to less money spent on road projects during 2020.

***Mental Health Fund***

The mental health fund, a major governmental fund, had revenues of \$5,057,617 in 2020. The mental health fund had expenditures of \$4,599,214 in 2020. The mental health fund balance increased \$458,403 from 2019 to 2020. This increase is primarily the result of an increase in revenues related to the State’s mental health program funds compared to the prior year.

***Board of Developmental Disabilities Fund***

The board of developmental disabilities fund, a major governmental fund, had revenues and other financing sources of \$11,792,765 in 2020. The board of developmental disabilities fund had expenditures and other financing uses of \$9,619,412 in 2020. The board of developmental disabilities fund balance increased \$2,173,353 from 2019 to 2020. This increase was due to an increase in intergovernmental revenue and a decrease in human service expenditures.

***Budgeting Highlights- General Fund***

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

**COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Budgetary information is presented for the general fund, job and family services fund, motor vehicle and gasoline tax fund, mental health fund and board of developmental disabilities fund. In the general fund, the original budgeted revenues were \$20,016,430 and were increased to \$22,842,172 in the final budget due to increases in sales tax revenue projections. Actual revenues and other financing sources of \$25,810,975 were more than the final budgeted revenues and other financing sources by \$2,968,803 or 13.00%. This was the result of further sales tax increases that exceeded estimates. In the general fund, the original budgeted appropriations and other financing uses were \$19,902,450. These were increased to \$28,972,848 in the final budget which was the result of increases in the commissioners maintenance, clerk of courts, municipal court and transfers out budgets. Actual expenditures and other financing uses of \$26,980,959 were less than final budgeted amounts by \$1,991,889 or 6.88%. This variance is a result of the County's conservative budgeting practices.

***Proprietary Funds***

The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2020, the County had \$54,313,919 (net of accumulated depreciation) invested in land, construction in progress (CIP), land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. Of this total, \$45,518,309 was reported in governmental activities and \$8,795,610 was reported in business-type activities.

The following table shows December 31, 2020 balances compared to December 31, 2019:

**Capital Assets at December 31, (Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 1,381,026	\$ 1,281,026	\$ 62,433	\$ 62,433	\$ 1,443,459	\$ 1,343,459
Construction in progress	2,469,884	4,010,092	-	-	2,469,884	4,010,092
Land improvements	354,945	429,113	1,303	1,824	356,248	430,937
Building and improvements	15,652,865	15,732,272	862,519	914,153	16,515,384	16,646,425
Machinery and equipment	2,573,241	959,170	199,448	259,117	2,772,689	1,218,287
Vehicles	1,370,255	971,330	123,134	158,315	1,493,389	1,129,645
Infrastructure	21,600,826	19,575,930	7,546,773	7,799,511	29,147,599	27,375,441
Software	115,267	107,665	-	-	115,267	107,665
<b>Total</b>	<b>\$ 45,518,309</b>	<b>\$ 43,066,598</b>	<b>\$ 8,795,610</b>	<b>\$ 9,195,353</b>	<b>\$ 54,313,919</b>	<b>\$ 52,261,951</b>

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

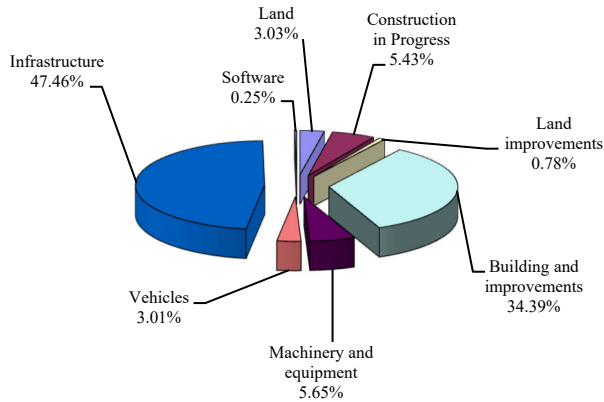


**COLUMBIANA COUNTY, OHIO**

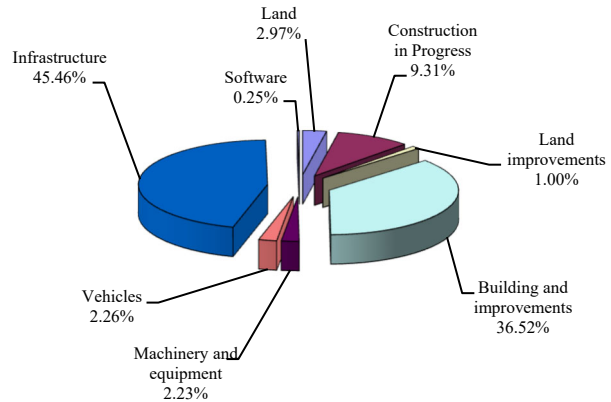
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

The following graphs show the breakdown of governmental capital assets by category at December 31, 2020 and December 31, 2019.

**Capital Assets - Governmental Activities 2020**



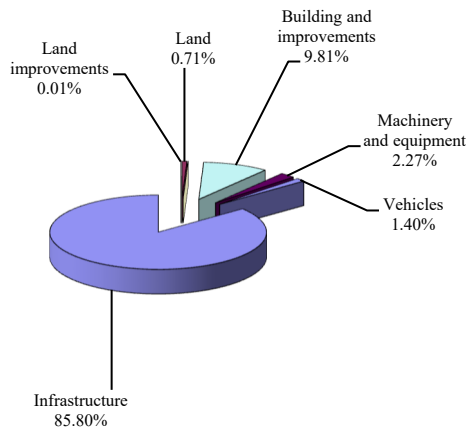
**Capital Assets - Governmental Activities 2019**



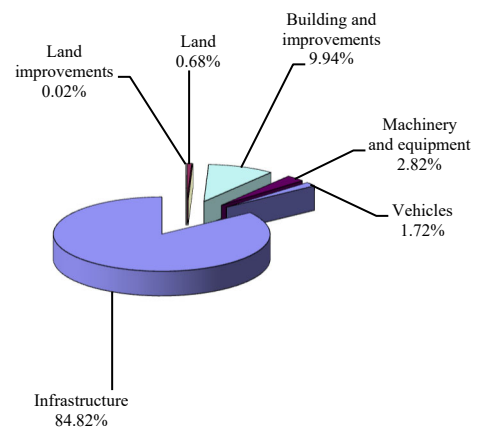
The County's largest governmental activities capital asset category is infrastructure, which includes roads and bridges. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 47.46% of the County's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category at December 31, 2020 and December 31, 2019.

**Capital Assets - Business - Type Activities 2020**



**Capital Assets - Business - Type Activities 2019**



**COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

The County's largest business-type capital asset category is infrastructure. These items play a vital role in the income producing ability of the business-type activities. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 85.80% of the County's total business-type capital assets.

***Debt Administration***

At December 31, 2020, the County had \$14,038,037 in general obligation bonds, \$5,783,986 in mortgage revenue bonds, \$988,845 in OPWC loans, \$465,959 in OWDA loans, \$35,723 in capital lease obligations and \$70,000 in a Recorder loan. Of this total, \$1,370,070 is due within one year and \$20,012,480 is due in more than one year.

The following table summarizes the short-term and long-term obligations outstanding at December 31, 2020 and December 31, 2019.

	<b>Outstanding Debt, at Year End</b>			
	Governmental Activities <u>2020</u>	Business-type Activities <u>2020</u>	Governmental Activities <u>2019</u>	Business-type Activities <u>2019</u>
Long-Term Obligations:				
General obligation bonds	\$ 14,038,037	\$ -	\$ 15,897,779	\$ -
Mortgage revenue bonds	-	5,783,986	-	5,928,048
OPWC loans	-	988,845	-	1,014,843
OWDA loans	-	465,959	87,254	406,281
Recorder loan	70,000	-	80,000	-
Capital lease obligations	<u>35,723</u>	<u>-</u>	<u>12,432</u>	<u>-</u>
Total	<u>\$ 14,143,760</u>	<u>\$ 7,238,790</u>	<u>\$ 16,077,465</u>	<u>\$ 7,349,172</u>

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

**Current Issues**

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

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

**Contacting the County's Financial Management**

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

COLUMBIANA COUNTY, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Columbiana County Land Reutilization Corporation
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 82,350,608	\$ 1,812,760	\$ 84,163,368	\$ 268,267
Cash and cash equivalents with fiscal agent . . .	324,882	-	324,882	-
Cash and cash equivalents in segregated accounts . . . . .	271,900	-	271,900	-
Receivables:				
Sales taxes . . . . .	4,723,236	-	4,723,236	-
Real and other taxes . . . . .	17,505,861	-	17,505,861	-
Accounts . . . . .	140,656	216,248	356,904	2,415
Special assessments . . . . .	-	272,233	272,233	-
Accrued interest . . . . .	125,342	-	125,342	-
Due from other governments . . . . .	11,913,114	3,656	11,916,770	8,900
Loans receivable . . . . .	1,835	-	1,835	-
Materials and supplies inventory . . . . .	1,033,920	4,260	1,038,180	-
Prepayments . . . . .	555,614	5,121	560,735	-
Net pension asset . . . . .	185,658	5,484	191,142	-
Assets held for resale . . . . .	-	-	-	859,000
Net OPEB asset . . . . .	73,525	-	73,525	-
Internal balance . . . . .	45,221	(45,221)	-	-
Capital assets:				
Nondepreciable capital assets . . . . .	3,850,910	62,433	3,913,343	-
Depreciable capital assets, net . . . . .	41,667,399	8,733,177	50,400,576	-
Total capital assets, net . . . . .	45,518,309	8,795,610	54,313,919	-
<b>Total assets . . . . .</b>	<b>164,769,681</b>	<b>11,070,151</b>	<b>175,839,832</b>	<b>1,138,582</b>
<b>Deferred outflows of resources:</b>				
Unamortized deferred charges on debt refunding . . . . .	65,549	-	65,549	-
Pension . . . . .	4,491,615	154,864	4,646,479	-
OPEB . . . . .	3,056,123	110,383	3,166,506	-
<b>Total deferred outflows of resources . . . . .</b>	<b>7,613,287</b>	<b>265,247</b>	<b>7,878,534</b>	<b>-</b>
<b>Liabilities:</b>				
Accounts payable . . . . .	1,087,173	109,912	1,197,085	135
Contracts payable . . . . .	10,175	-	10,175	-
Accrued wages and benefits payable . . . . .	787,899	27,275	815,174	-
Due to other governments . . . . .	624,433	43,325	667,758	-
Payroll withholdings payable . . . . .	1,661,360	-	1,661,360	-
Accrued interest payable . . . . .	56,909	38,334	95,243	-
Claims payable . . . . .	146,101	-	146,101	-
Due to external parties . . . . .	736	-	736	-
Long-term liabilities:				
Due within one year . . . . .	2,146,198	253,836	2,400,034	-
Due in more than one year:				
Net pension liability . . . . .	29,248,777	833,927	30,082,704	-
Net OPEB liability . . . . .	19,147,161	565,486	19,712,647	-
Other amounts . . . . .	16,094,439	7,093,306	23,187,745	-
<b>Total liabilities . . . . .</b>	<b>71,011,361</b>	<b>8,965,401</b>	<b>79,976,762</b>	<b>135</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	14,952,384	-	14,952,384	-
Pension . . . . .	7,499,836	242,454	7,742,290	-
OPEB . . . . .	3,512,800	118,481	3,631,281	-
<b>Total deferred inflows of resources . . . . .</b>	<b>25,965,020</b>	<b>360,935</b>	<b>26,325,955</b>	<b>-</b>
<b>Net position:</b>				
Net investment in capital assets . . . . .	31,499,923	1,556,820	33,056,743	-
Restricted for:				
Debt service . . . . .	4,276,520	-	4,276,520	-
Capital projects . . . . .	557,909	-	557,909	-
Legislative and executive programs . . . . .	536,628	-	536,628	-
Judicial programs . . . . .	1,031,523	-	1,031,523	-
Public safety programs . . . . .	2,625,556	-	2,625,556	-
Public works programs . . . . .	2,944,880	-	2,944,880	-
Health programs . . . . .	7,127,123	-	7,127,123	-
Human services programs . . . . .	13,377,308	-	13,377,308	-
Economic development programs . . . . .	393,397	-	393,397	-
Unclaimed monies . . . . .	538,934	-	538,934	-
Unrestricted . . . . .	10,496,886	452,242	10,949,128	1,138,447
<b>Total net position . . . . .</b>	<b>\$ 75,406,587</b>	<b>\$ 2,009,062</b>	<b>\$ 77,415,649</b>	<b>\$ 1,138,447</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
Current:				
General government:				
Legislative and executive . . . . .	\$ 9,359,884	\$ 3,705,122	\$ 2,522,104	\$ -
Judicial . . . . .	6,536,057	2,312,465	177,897	-
Public safety . . . . .	10,736,866	1,188,076	3,258,581	-
Public works . . . . .	11,334,967	117,912	9,433,527	1,240,471
Health . . . . .	6,319,693	536,343	3,542,082	-
Human services . . . . .	27,449,241	664,300	15,795,626	-
Conservation and recreation . . . . .	12,506	-	157,195	-
Economic development and assistance . . . . .	490,050	-	313,563	-
Interest and fiscal charges . . . . .	582,097	494,002	-	-
Total governmental activities . . . . .	<u>72,821,361</u>	<u>9,018,220</u>	<u>35,200,575</u>	<u>1,240,471</u>
<b>Business-type activities:</b>				
Sewer . . . . .	2,672,804	1,769,433	-	-
Other enterprise . . . . .	440,405	432,078	-	-
Total business-type activities . . . . .	<u>3,113,209</u>	<u>2,201,511</u>	<u>-</u>	<u>-</u>
Totals . . . . .	<u>\$ 75,934,570</u>	<u>\$ 11,219,731</u>	<u>\$ 35,200,575</u>	<u>\$ 1,240,471</u>
<b>Component unit:</b>				
Columbiana County Land Reutilization Corporation . . . . .	<u>\$ 673,614</u>	<u>\$ -</u>	<u>\$ 20,050</u>	<u>\$ -</u>

<b>General revenues:</b>	
Property taxes levied for:	
Mental health - health . . . . .	
Board of developmental disabilities - human services	
Children's services - human services . . . . .	
Senior services . . . . .	
Debt service . . . . .	
Sales taxes levied for:	
General purposes . . . . .	
Grants and entitlements not restricted	
to specific programs. . . . .	
Investment earnings. . . . .	
Gas and oil lease . . . . .	
Contributions and donations not	
restricted for specific programs . . . . .	
Miscellaneous . . . . .	
Total general revenues . . . . .	
Change in net position . . . . .	
<b>Net position at beginning of year . . . . .</b>	
<b>Net position at end of year. . . . .</b>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Columbiana County</u>
<u>Activities</u>	<u>Activities</u>		<u>Land Reutilization</u>
			<u>Corporation</u>
\$ (3,132,658)	\$ -	\$ (3,132,658)	\$ -
(4,045,695)	-	(4,045,695)	-
(6,290,209)	-	(6,290,209)	-
(543,057)	-	(543,057)	-
(2,241,268)	-	(2,241,268)	-
(10,989,315)	-	(10,989,315)	-
144,689	-	144,689	-
(176,487)	-	(176,487)	-
(88,095)	-	(88,095)	-
<u>(27,362,095)</u>	<u>-</u>	<u>(27,362,095)</u>	<u>-</u>
-	(903,371)	(903,371)	-
<u>-</u>	<u>(8,327)</u>	<u>(8,327)</u>	<u>-</u>
-	(911,698)	(911,698)	-
<u>(27,362,095)</u>	<u>(911,698)</u>	<u>(28,273,793)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(653,564)</u>
2,635,021	-	2,635,021	-
8,782,291	-	8,782,291	-
1,183,416	-	1,183,416	-
1,002,849	-	1,002,849	-
398,601	-	398,601	-
18,092,693	-	18,092,693	-
3,952,147	-	3,952,147	169,176
1,571,187	3,694	1,574,881	-
1,904	-	1,904	-
-	-	-	190,700
<u>463,380</u>	<u>217,534</u>	<u>680,914</u>	<u>16,509</u>
<u>38,083,489</u>	<u>221,228</u>	<u>38,304,717</u>	<u>376,385</u>
10,721,394	(690,470)	10,030,924	(277,179)
<u>64,685,193</u>	<u>2,699,532</u>	<u>67,384,725</u>	<u>1,415,626</u>
<u>\$ 75,406,587</u>	<u>\$ 2,009,062</u>	<u>\$ 77,415,649</u>	<u>\$ 1,138,447</u>

**COLUMBIANA COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	<u>General</u>	<u>Job and Family Services</u>	<u>Motor Vehicle and Gasoline Tax</u>	<u>Mental Health</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 23,308,053	\$ 770,923	\$ 5,669,263	\$ 8,139,259
Cash and cash equivalents with fiscal agent . . .	-	-	-	-
Cash and cash equivalents in segregated accounts . . . . .	22,943	2,146	-	-
Receivables:				
Sales taxes . . . . .	4,723,236	-	-	-
Real and other taxes . . . . .	-	-	-	3,227,897
Accounts . . . . .	9,658	25,751	52,204	6,325
Accrued interest . . . . .	124,319	-	-	-
Due from other funds . . . . .	29,014	313,996	-	-
Due from other governments . . . . .	1,189,968	5,230,579	3,329,085	136,030
Loans receivable . . . . .	-	-	-	-
Materials and supplies inventory . . . . .	138,796	64,747	815,272	-
Prepayments . . . . .	410,266	11,593	3,141	9,110
Total assets . . . . .	<u>\$ 29,956,253</u>	<u>\$ 6,419,735</u>	<u>\$ 9,868,965</u>	<u>\$ 11,518,621</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 353,526	\$ 100,218	\$ 69,450	\$ 87,416
Contracts payable . . . . .	-	-	-	-
Accrued wages and benefits payable . . . . .	286,840	196,099	122,741	12,392
Compensated absences payable . . . . .	167,429	1,583	-	-
Due to other governments . . . . .	158,840	94,907	57,954	117,699
Due to other funds . . . . .	52,801	63,183	-	8,620
Payroll withholdings payable . . . . .	1,661,360	-	-	-
Due to external parties . . . . .	-	736	-	-
Total liabilities . . . . .	<u>2,680,796</u>	<u>456,726</u>	<u>250,145</u>	<u>226,127</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . .	-	-	-	2,774,630
Delinquent property tax revenue not available . . .	-	-	-	453,267
Accrued interest not available . . . . .	116,052	-	-	-
Intergovernmental revenues not available . . . . .	658,848	4,424,761	2,234,518	136,030
Sales taxes not available . . . . .	1,677,997	-	-	-
Total deferred inflows of resources . . . . .	<u>2,452,897</u>	<u>4,424,761</u>	<u>2,234,518</u>	<u>3,363,927</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	1,087,996	76,340	818,413	9,110
Restricted . . . . .	-	1,461,908	6,565,889	7,919,457
Committed . . . . .	8,047,513	-	-	-
Assigned . . . . .	173,834	-	-	-
Unassigned (deficit) . . . . .	15,513,217	-	-	-
Total fund balances . . . . .	<u>24,822,560</u>	<u>1,538,248</u>	<u>7,384,302</u>	<u>7,928,567</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 29,956,253</u>	<u>\$ 6,419,735</u>	<u>\$ 9,868,965</u>	<u>\$ 11,518,621</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Board of Developmental Disabilities</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 14,180,171	\$ 27,449,802	\$ 79,517,471
324,882	-	324,882
-	246,811	271,900
-	-	4,723,236
11,081,157	3,196,807	17,505,861
-	46,038	139,976
-	1,023	125,342
12,552	83,721	439,283
484,571	1,542,881	11,913,114
-	1,835	1,835
7,678	7,427	1,033,920
30,068	91,436	555,614
<u>\$ 26,121,079</u>	<u>\$ 32,667,781</u>	<u>\$ 116,552,434</u>
\$ 124,540	\$ 349,942	\$ 1,085,092
-	10,175	10,175
100,028	69,799	787,899
-	-	169,012
137,658	57,375	624,433
886	315,136	440,626
-	-	1,661,360
-	-	736
<u>363,112</u>	<u>802,427</u>	<u>4,779,333</u>
9,408,269	2,769,485	14,952,384
1,672,888	427,322	2,553,477
-	485	116,537
420,023	902,091	8,776,271
-	-	1,677,997
<u>11,501,180</u>	<u>4,099,383</u>	<u>28,076,666</u>
37,746	98,863	2,128,468
14,219,041	18,800,010	48,966,305
-	8,868,492	16,916,005
-	-	173,834
-	(1,394)	15,511,823
<u>14,256,787</u>	<u>27,765,971</u>	<u>83,696,435</u>
<u>\$ 26,121,079</u>	<u>\$ 32,667,781</u>	<u>\$ 116,552,434</u>

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**COLUMBIANA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2020

<b>Total governmental fund balances</b>		\$ 83,696,435
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		45,518,309
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Sales taxes receivable	\$ 1,677,997	
Real and other taxes receivable	2,553,477	
Accrued interest receivable	116,537	
Due from other governments	8,776,271	
Total		13,124,282
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets, deferred outflows, liabilities and deferred inflows of the internal service fund are included in governmental activities on the statement of net position.		2,719,887
On the statement of net position interest is accrued on outstanding bonds and loans payable, whereas in the governmental funds, interest is accrued when due.		(56,909)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		65,549
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	185,618	
Deferred outflows of resources	4,490,684	
Deferred inflows of resources	(7,497,259)	
Net pension liability	(29,242,728)	
Total		(32,063,685)
The net OPEB liability and asset is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB asset	73,525	
Deferred outflows of resources	3,055,465	
Deferred inflows of resources	(3,511,587)	
Net OPEB liability	(19,143,059)	
Total		(19,525,656)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable	(14,038,037)	
Capital lease obligations	(35,723)	
Recorder loan	(70,000)	
Compensated absences payable	(3,927,865)	
Total		(18,071,625)
<b>Net position of governmental activities</b>		<b>\$ 75,406,587</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>Job and Family Services</u>	<u>Motor Vehicle and Gasoline Tax</u>	<u>Mental Health</u>
<b>Revenues:</b>				
From local sources:				
Sales taxes. . . . .	\$ 18,000,761	\$ -	\$ -	\$ -
Real and other taxes. . . . .	-	-	-	2,431,698
Charges for services. . . . .	2,678,026	11,973	20,654	-
Licenses and permits . . . . .	5,480	-	-	-
Fines and forfeitures . . . . .	191,585	-	18,523	-
Intergovernmental. . . . .	2,665,248	6,052,877	8,841,328	2,525,367
Investment income. . . . .	1,637,373	-	-	-
Rental income . . . . .	213,895	-	8,400	-
Contributions and donations. . . . .	-	-	-	-
Conveyance fees . . . . .	1,320,542	-	-	-
Gas and oil lease . . . . .	1,904	-	-	-
Other . . . . .	463,334	1,290,026	596,406	100,552
Total revenues . . . . .	<u>27,178,148</u>	<u>7,354,876</u>	<u>9,485,311</u>	<u>5,057,617</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	5,718,084	-	-	-
Judicial. . . . .	5,404,523	-	-	-
Public safety . . . . .	6,493,159	-	-	-
Public works . . . . .	100,727	-	8,482,160	-
Health . . . . .	24,153	-	-	4,599,214
Human services. . . . .	1,599,432	7,958,850	-	-
Conservation and recreation . . . . .	12,506	-	-	-
Economic development and assistance . . . . .	83,579	-	-	-
Capital outlay . . . . .	15,700	-	-	-
Debt service:				
Principal retirement. . . . .	105,820	-	123,096	-
Interest and fiscal charges . . . . .	1,038	-	11,236	-
Total expenditures . . . . .	<u>19,558,721</u>	<u>7,958,850</u>	<u>8,616,492</u>	<u>4,599,214</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>7,619,427</u>	<u>(603,974)</u>	<u>868,819</u>	<u>458,403</u>
<b>Other financing sources (uses):</b>				
Bond issuance. . . . .	-	-	146,200	-
Capital lease transaction. . . . .	8,055	-	-	-
Transfers in . . . . .	10,000	180,968	87,029	-
Transfers (out). . . . .	(7,376,704)	-	-	-
Total other financing sources (uses) . . . . .	<u>(7,358,649)</u>	<u>180,968</u>	<u>233,229</u>	<u>-</u>
Net change in fund balances . . . . .	260,778	(423,006)	1,102,048	458,403
<b>Fund balances at beginning of year . . . . .</b>	<u>24,561,782</u>	<u>1,961,254</u>	<u>6,282,254</u>	<u>7,470,164</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 24,822,560</u>	<u>\$ 1,538,248</u>	<u>\$ 7,384,302</u>	<u>\$ 7,928,567</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Board of Developmental Disabilities</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 18,000,761
7,962,379	2,400,011	12,794,088
102,118	3,377,759	6,190,530
-	-	5,480
-	575,233	785,341
3,634,191	14,659,008	38,378,019
-	12,277	1,649,650
-	494,002	716,297
-	25,701	25,701
-	-	1,320,542
-	-	1,904
94,074	1,118,368	3,662,760
<u>11,792,762</u>	<u>22,662,359</u>	<u>83,531,073</u>
-	4,916,079	10,634,163
-	633,097	6,037,620
-	4,595,294	11,088,453
-	273,999	8,856,886
-	1,530,770	6,154,137
9,319,412	7,525,988	26,403,682
-	-	12,506
-	371,407	454,986
-	2,795,038	2,810,738
-	1,881,574	2,110,490
-	588,410	600,684
<u>9,319,412</u>	<u>25,111,656</u>	<u>75,164,345</u>
<u>2,473,350</u>	<u>(2,449,297)</u>	<u>8,366,728</u>
-	-	146,200
-	26,376	34,431
3	7,025,704	7,303,704
<u>(300,000)</u>	<u>(127,000)</u>	<u>(7,803,704)</u>
<u>(299,997)</u>	<u>6,925,080</u>	<u>(319,369)</u>
2,173,353	4,475,783	8,047,359
12,083,434	23,290,188	75,649,076
<u>\$ 14,256,787</u>	<u>\$ 27,765,971</u>	<u>\$ 83,696,435</u>

**COLUMBIANA COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Net change in fund balances - total governmental funds** \$ 8,047,359

*Amounts reported for governmental activities in the statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset additions	\$ 5,539,085	
Current year depreciation	<u>(2,600,029)</u>	
Total		2,939,056

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (487,345)

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

Sales taxes	91,932	
Real and other taxes	1,208,090	
Intergovernmental revenues	(1,209,877)	
Investment income	<u>(78,463)</u>	
Total		11,682

Proceeds of capital leases and bonds are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.

Capital leases	(34,431)	
General obligation bonds	<u>(146,200)</u>	
Total		(180,631)

Repayment of bond, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

General obligation bonds payable	2,002,096	
OWDA loans payable	87,254	
Recorder loan payable	10,000	
Capital lease obligations	<u>11,140</u>	
Total		2,110,490

- - Continued

**COLUMBIANA COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(CONTINUED)

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.

Accrued interest payable	\$	28,635	
Amortization of deferred amounts on refunding		(13,894)	
Amortization of bond premiums		3,846	
Total		18,587	\$ 18,587

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (87,308)

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

Pension		2,844,664	
OPEB		16,068	
Total		2,860,732	2,860,732

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

Pension		(3,327,427)	
OPEB		(1,531,774)	
Total		(4,859,201)	(4,859,201)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 347,973

**Change in net position of governmental activities** \$ 10,721,394

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Sales taxes . . . . .	\$ 13,937,095	\$ 15,904,609	\$ 17,780,028	\$ 1,875,419
Charges for services. . . . .	1,376,259	1,570,547	1,755,740	185,193
Licenses and permits . . . . .	4,296	4,902	5,480	578
Fines and forfeitures . . . . .	136,294	155,535	173,875	18,340
Intergovernmental. . . . .	2,131,107	2,431,958	2,718,726	286,768
Investment income. . . . .	1,187,216	1,354,817	1,514,572	159,755
Rental income . . . . .	167,664	191,334	213,895	22,561
Conveyance fees . . . . .	1,035,123	1,181,253	1,320,542	139,289
Gas and oil . . . . .	1,492	1,703	1,904	201
Other . . . . .	39,884	45,514	50,881	5,367
<b>Total revenues . . . . .</b>	<b>20,016,430</b>	<b>22,842,172</b>	<b>25,535,643</b>	<b>2,693,471</b>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	5,420,700	5,891,606	5,495,084	396,522
Judicial. . . . .	4,391,279	4,953,391	4,808,373	145,018
Public safety . . . . .	7,180,480	7,688,829	6,445,648	1,243,181
Public works . . . . .	52,199	52,199	47,011	5,188
Health . . . . .	1,880	1,864	966	898
Human services. . . . .	1,705,154	1,705,154	1,561,878	143,276
Conservation and recreation . . . . .	10,000	10,000	5,693	4,307
Economic development and assistance . . . . .	103,900	103,900	102,779	1,121
Debt service:				
Principal retirement. . . . .	92,506	92,203	87,255	4,948
Interest and fiscal charges . . . . .	-	303	303	-
<b>Total expenditures . . . . .</b>	<b>18,958,098</b>	<b>20,499,449</b>	<b>18,554,990</b>	<b>1,944,459</b>
Excess of revenues over expenditures. . . . .	1,058,332	2,342,723	6,980,653	4,637,930
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	275,332	275,332
Transfers (out). . . . .	(944,352)	(8,473,399)	(8,425,969)	47,430
<b>Total other financing sources (uses) . . . . .</b>	<b>(944,352)</b>	<b>(8,473,399)</b>	<b>(8,150,637)</b>	<b>322,762</b>
Net change in fund balances . . . . .	113,980	(6,130,676)	(1,169,984)	4,960,692
<b>Fund balances at beginning of year . . . . .</b>	<b>6,065,860</b>	<b>6,065,860</b>	<b>6,065,860</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>136,804</b>	<b>136,804</b>	<b>136,804</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 6,316,644</b>	<b>\$ 71,988</b>	<b>\$ 5,032,680</b>	<b>\$ 4,960,692</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 JOB AND FAMILY SERVICES FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services. . . . .	\$ 12,462	\$ 12,462	\$ 12,168	\$ (294)
Intergovernmental. . . . .	6,678,020	6,678,020	6,520,252	(157,768)
Other . . . . .	1,309,518	1,309,518	1,278,581	(30,937)
Total revenues . . . . .	8,000,000	8,000,000	7,811,001	(188,999)
<b>Expenditures:</b>				
Current:				
Human services. . . . .	8,013,825	8,691,824	7,912,870	778,954
Total expenditures . . . . .	8,013,825	8,691,824	7,912,870	778,954
Excess of expenditures over revenues. . . . .	(13,825)	(691,824)	(101,869)	589,955
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	180,968	180,968
Total other financing sources . . . . .	-	-	180,968	180,968
Net change in fund balances . . . . .	(13,825)	(691,824)	79,099	770,923
<b>Fund balances at beginning of year . . . . .</b>	677,999	677,999	677,999	-
<b>Prior year encumbrances appropriated . . . . .</b>	13,825	13,825	13,825	-
<b>Fund balance at end of year . . . . .</b>	\$ 677,999	\$ -	\$ 770,923	\$ 770,923

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 MOTOR VEHICLE AND GASOLINE TAX FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services . . . . .	\$ 14,888	\$ 19,166	\$ 20,654	\$ 1,488
Fines and forfeitures . . . . .	11,706	15,069	16,239	1,170
Intergovernmental. . . . .	6,368,914	8,199,001	8,835,422	636,421
Investment income. . . . .	51,521	66,326	71,474	5,148
Rental income . . . . .	6,055	7,795	8,400	605
Other . . . . .	900,716	1,201,545	1,306,159	104,614
<b>Total revenues . . . . .</b>	<u>7,353,800</u>	<u>9,508,902</u>	<u>10,258,348</u>	<u>749,446</u>
<b>Expenditures:</b>				
Current:				
Public works . . . . .	7,851,819	11,007,791	9,765,127	1,242,664
<b>Total expenditures . . . . .</b>	<u>7,851,819</u>	<u>11,007,791</u>	<u>9,765,127</u>	<u>1,242,664</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(498,019)</u>	<u>(1,498,889)</u>	<u>493,221</u>	<u>1,992,110</u>
<b>Other financing sources:</b>				
Bond issuance. . . . .	146,200	146,200	146,200	-
Transfers in . . . . .	-	-	15,555	15,555
<b>Total other financing sources . . . . .</b>	<u>146,200</u>	<u>146,200</u>	<u>161,755</u>	<u>15,555</u>
Net change in fund balances . . . . .	(351,819)	(1,352,689)	654,976	2,007,665
<b>Fund balances at beginning of year . . . . .</b>	4,461,722	4,461,722	4,461,722	-
<b>Prior year encumbrances appropriated . . . . .</b>	351,819	351,819	351,819	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 4,461,722</u>	<u>\$ 3,460,852</u>	<u>\$ 5,468,517</u>	<u>\$ 2,007,665</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 MENTAL HEALTH FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Real and other taxes . . . . .	\$ 2,099,600	\$ 2,099,600	\$ 2,381,563	\$ 281,963
Intergovernmental . . . . .	2,226,379	2,226,379	2,525,367	298,988
Other . . . . .	83,071	83,071	94,227	11,156
Total revenues . . . . .	<u>4,409,050</u>	<u>4,409,050</u>	<u>5,001,157</u>	<u>592,107</u>
<b>Expenditures:</b>				
Current:				
Health . . . . .	<u>4,409,050</u>	<u>7,409,050</u>	<u>4,642,933</u>	<u>2,766,117</u>
Total expenditures . . . . .	<u>4,409,050</u>	<u>7,409,050</u>	<u>4,642,933</u>	<u>2,766,117</u>
Net change in fund balances . . . . .	-	(3,000,000)	358,224	3,358,224
<b>Fund balances at beginning of year . . . . .</b>	<u>7,781,035</u>	<u>7,781,035</u>	<u>7,781,035</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 7,781,035</u>	<u>\$ 4,781,035</u>	<u>\$ 8,139,259</u>	<u>\$ 3,358,224</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 BOARD OF DEVELOPMENTAL DISABILITIES FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Real and other taxes. . . . .	\$ 13,016,217	\$ 8,952,705	\$ 7,962,379	\$ (990,326)
Charges for services. . . . .	166,934	114,819	102,118	(12,701)
Intergovernmental. . . . .	6,033,469	4,149,889	3,690,839	(459,050)
Other . . . . .	153,379	105,496	93,826	(11,670)
Total revenues . . . . .	<u>19,369,999</u>	<u>13,322,909</u>	<u>11,849,162</u>	<u>(1,473,747)</u>
<b>Expenditures:</b>				
Current:				
Human services. . . . .	14,914,849	14,614,849	9,328,190	5,286,659
Total expenditures . . . . .	<u>14,914,849</u>	<u>14,614,849</u>	<u>9,328,190</u>	<u>5,286,659</u>
Excess of revenues over expenditures. . . . .	<u>4,455,150</u>	<u>(1,291,940)</u>	<u>2,520,972</u>	<u>3,812,912</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	3	3
Transfers (out). . . . .	-	(300,000)	(300,000)	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>(300,000)</u>	<u>(299,997)</u>	<u>3</u>
Net change in fund balances . . . . .	4,455,150	(1,591,940)	2,220,975	3,812,915
<b>Fund balances at beginning of year . . . . .</b>	<u>11,959,196</u>	<u>11,959,196</u>	<u>11,959,196</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 16,414,346</u>	<u>\$ 10,367,256</u>	<u>\$ 14,180,171</u>	<u>\$ 3,812,915</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2020

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Fund</b>
	<b>Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and investments . . . . .	\$ 1,615,629	\$ 197,131	\$ 1,812,760	\$ 2,833,137
Receivables:				
Accounts . . . . .	210,055	6,193	216,248	680
Special assessments . . . . .	272,233	-	272,233	-
Due from other funds . . . . .	1,343	-	1,343	-
Due from other governments . . . . .	-	3,656	3,656	-
Materials and supplies inventory . . . . .	4,260	-	4,260	-
Prepayments . . . . .	5,121	-	5,121	-
Total current assets . . . . .	<u>2,108,641</u>	<u>206,980</u>	<u>2,315,621</u>	<u>2,833,817</u>
Noncurrent assets:				
Net pension asset . . . . .	5,041	443	5,484	40
Capital assets:				
Nondepreciable capital assets . . . . .	62,433	-	62,433	-
Depreciable capital assets, net . . . . .	7,202,035	1,531,142	8,733,177	-
Total capital assets, net . . . . .	<u>7,264,468</u>	<u>1,531,142</u>	<u>8,795,610</u>	<u>-</u>
Total noncurrent assets . . . . .	<u>7,269,509</u>	<u>1,531,585</u>	<u>8,801,094</u>	<u>40</u>
Total assets . . . . .	<u>9,378,150</u>	<u>1,738,565</u>	<u>11,116,715</u>	<u>2,833,857</u>
<b>Deferred outflows of resources:</b>				
Pension . . . . .	131,339	23,525	154,864	931
OPEB . . . . .	92,923	17,460	110,383	658
Total deferred outflows of resources . . . . .	<u>224,262</u>	<u>40,985</u>	<u>265,247</u>	<u>1,589</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable . . . . .	109,912	-	109,912	2,081
Accrued wages and benefits payable . . . . .	25,999	1,276	27,275	-
Due to other governments . . . . .	43,128	197	43,325	-
Accrued interest payable . . . . .	38,334	-	38,334	-
Compensated absences payable - current . . . . .	22,420	-	22,420	-
Mortgage revenue bonds payable - current . . . . .	149,785	-	149,785	-
OWDA loans payable . . . . .	29,638	-	29,638	-
OPWC loans payable . . . . .	44,693	7,300	51,993	-
Claims payable . . . . .	-	-	-	146,101
Total current liabilities . . . . .	<u>463,909</u>	<u>8,773</u>	<u>472,682</u>	<u>148,182</u>
Long-term liabilities:				
Compensated absences payable . . . . .	85,932	-	85,932	-
Mortgage revenue bonds payable . . . . .	5,634,201	-	5,634,201	-
OWDA loans payable . . . . .	436,321	-	436,321	-
OPWC loans payable . . . . .	924,752	12,100	936,852	-
Net OPEB liability . . . . .	519,849	45,637	565,486	4,102
Net pension liability . . . . .	766,626	67,301	833,927	6,049
Total long-term liabilities . . . . .	<u>8,367,681</u>	<u>125,038</u>	<u>8,492,719</u>	<u>10,151</u>
Total liabilities . . . . .	<u>8,831,590</u>	<u>133,811</u>	<u>8,965,401</u>	<u>158,333</u>
<b>Deferred inflows of resources:</b>				
Pension . . . . .	183,656	58,798	242,454	2,577
OPEB . . . . .	85,140	33,341	118,481	1,213
Total deferred inflows of resources . . . . .	<u>268,796</u>	<u>92,139</u>	<u>360,935</u>	<u>3,790</u>
<b>Net position:</b>				
Net investment in capital assets . . . . .	45,078	1,511,742	1,556,820	-
Unrestricted . . . . .	456,948	41,858	498,806	2,673,323
Total net position . . . . .	<u>\$ 502,026</u>	<u>\$ 1,553,600</u>	<u>2,055,626</u>	<u>\$ 2,673,323</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds . . . . .			(46,564)	
Net position of business-type activities:			<u>\$ 2,009,062</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
	<u>Sewer</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,769,433	\$ 432,078	\$ 2,201,511	\$ 4,080,621
Other operating revenues . . . . .	217,534	-	217,534	285
Total operating revenues. . . . .	<u>1,986,967</u>	<u>432,078</u>	<u>2,419,045</u>	<u>4,080,906</u>
<b>Operating expenses:</b>				
Personal services . . . . .	914,537	49,732	964,269	4,568
Contractual services. . . . .	703,742	340,140	1,043,882	884,286
Materials and supplies. . . . .	177,103	-	177,103	-
Claims expense . . . . .	-	-	-	3,349,742
Depreciation. . . . .	363,759	35,984	399,743	-
Other . . . . .	264,358	13,941	278,299	-
Total operating expenses. . . . .	<u>2,423,499</u>	<u>439,797</u>	<u>2,863,296</u>	<u>4,238,596</u>
Operating loss . . . . .	<u>(436,532)</u>	<u>(7,719)</u>	<u>(444,251)</u>	<u>(157,690)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest and fiscal charges . . . . .	(244,250)	-	(244,250)	-
Interest income. . . . .	3,694	-	3,694	-
Total nonoperating revenues (expenses). . . . .	<u>(240,556)</u>	<u>-</u>	<u>(240,556)</u>	<u>-</u>
Loss before transfers . . . . .	(677,088)	(7,719)	(684,807)	(157,690)
Transfer in . . . . .	13,254	-	13,254	500,000
Transfer out . . . . .	<u>-</u>	<u>(13,254)</u>	<u>(13,254)</u>	<u>-</u>
Change in net position . . . . .	(663,834)	(20,973)	(684,807)	342,310
<b>Net position at beginning of year . . . . .</b>	<u>1,165,860</u>	<u>1,574,573</u>		<u>2,331,013</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 502,026</u>	<u>\$ 1,553,600</u>		<u>\$ 2,673,323</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds. . . . .			<u>(5,663)</u>	
Change in net position of business-type activities.			<u>\$ (690,470)</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Sewer</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Activities - Internal Service Fund</u>
<b>Cash flows from operating activities:</b>				
Cash received from sales/charges for services . . . . .	\$ 1,974,269	\$ 483,261	\$ 2,457,530	\$ 4,079,941
Cash received from other operations . . . . .	215,889	-	215,889	285
Cash payments for personal services . . . . .	(789,911)	(47,241)	(837,152)	(4,493)
Cash payments for contractual services . . . . .	(693,033)	(347,057)	(1,040,090)	(886,873)
Cash payments for materials and supplies . . . . .	(162,930)	-	(162,930)	-
Cash payments for claims . . . . .	-	-	-	(3,382,067)
Cash payments for other expenses . . . . .	(261,681)	(13,941)	(275,622)	-
Net cash provided by (used in) operating activities . . . . .	282,603	75,022	357,625	(193,207)
<b>Cash flows from noncapital financing activities:</b>				
Cash received from transfers in . . . . .	13,254	-	13,254	500,000
Cash used in transfers out . . . . .	-	(13,254)	(13,254)	-
Net cash provided by (used in) noncapital financing activities . . . . .	13,254	(13,254)	-	500,000
<b>Cash flows from capital and related financing activities:</b>				
Principal retirement on mortgage revenue bonds . . . . .	(144,062)	-	(144,062)	-
Principal retirement on OPWC loans . . . . .	(22,348)	(3,650)	(25,998)	-
Principal retirement on OWDA loans . . . . .	(14,789)	-	(14,789)	-
Interest and fiscal charges . . . . .	(245,618)	-	(245,618)	-
Issuance of OWDA loans . . . . .	74,467	-	74,467	-
Net cash used in capital and related financing activities . . . . .	(352,350)	(3,650)	(356,000)	-
<b>Cash flows from investing activities:</b>				
Interest received . . . . .	3,694	-	3,694	-
Net cash provided by investing activities . . . . .	3,694	-	3,694	-
Net change in cash and investments . . . . .	(52,799)	58,118	5,319	306,793
<b>Cash and investments at beginning of year . . . . .</b>	<b>1,668,428</b>	<b>139,013</b>	<b>1,807,441</b>	<b>2,526,344</b>
<b>Cash and investments at end of year . . . . .</b>	<b>\$ 1,615,629</b>	<b>\$ 197,131</b>	<b>\$ 1,812,760</b>	<b>\$ 2,833,137</b>

- - Continued

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
	<u>Sewer</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>				
Operating loss . . . . .	\$ (436,532)	\$ (7,719)	\$ (444,251)	\$ (157,690)
Adjustments:				
Depreciation. . . . .	363,759	35,984	399,743	-
Changes in assets, deferred outflows of resources, liabilities and deferred outflows of resources:				
Accounts receivable. . . . .	(48,984)	54,839	5,855	(680)
Special assessments receivable . . . . .	246,479	-	246,479	-
Due from other governments . . . . .	-	(3,656)	(3,656)	-
Due from other funds . . . . .	5,998	-	5,998	-
Materials and supplies inventory . . . . .	3,041	-	3,041	-
Prepayments . . . . .	959	-	959	-
Net pension asset . . . . .	(2,349)	(63)	(2,412)	(13)
Deferred outflows - Pension . . . . .	177,109	70,763	247,872	2,199
Deferred outflows - OPEB . . . . .	(49,277)	21,375	(27,902)	(203)
Accounts payable. . . . .	2,358	(4,300)	(1,942)	(2,587)
Accrued wages and benefits . . . . .	6,933	(1,037)	5,896	(134)
Due to other governments . . . . .	26,687	(3,173)	23,514	(75)
Compensated absences payable. . . . .	14,491	-	14,491	-
Due to other funds . . . . .	(2,089)	-	(2,089)	-
Net pension liability . . . . .	(261,686)	(77,791)	(339,477)	(4,312)
Net OPEB liability . . . . .	46,285	(21,181)	25,104	(669)
Deferred inflows - Pension . . . . .	127,489	5,364	132,853	2,219
Deferred inflows - OPEB . . . . .	61,932	5,617	67,549	1,063
Claims payable . . . . .	-	-	-	(32,325)
Net cash provided by (used in) operating activities . . . .	<u>\$ 282,603</u>	<u>\$ 75,022</u>	<u>\$ 357,625</u>	<u>\$ (193,207)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
DECEMBER 31, 2020

	<b>Custodial</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 4,980,885
Cash in segregated accounts . . . . .	800,442
Receivables (net of allowances for uncollectibles):	
Real and other taxes . . . . .	108,772,738
Special assessments . . . . .	705,746
Due from other governments . . . . .	6,993,645
Due from external parties . . . . .	736
Total assets . . . . .	122,254,192
<b>Liabilities:</b>	
Accounts payable . . . . .	18,838
Due to other governments . . . . .	1,930,128
Total liabilities . . . . .	1,948,966
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . . . .	95,004,322
Total deferred inflows of resources . . . . .	95,004,322
<b>Net position:</b>	
Restricted for individuals, organizations and other governments .	25,300,904
Total net position . . . . .	\$ 25,300,904

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Custodial</u>
<b>Additions:</b>	
From local sources:	
Intergovernmental . . . . .	\$ 12,097,363
Amounts received as fiscal agent . . . . .	3,329,713
Licenses, permits and fees for other governments . . . . .	26,348,450
Fines and forfeitures for other governments . . . . .	2,671,528
Property tax collection for other governments . . . . .	78,693,331
Sheriff sales collections for others . . . . .	1,116,381
Other custodial fund collections . . . . .	<u>280</u>
Total additions . . . . .	<u>124,257,046</u>
<b>Deductions:</b>	
Distributions to the State of Ohio . . . . .	420,290
Distributions of state funds to other governments . . . . .	10,013,538
Distributions as fiscal agent . . . . .	2,511,352
Licenses, permits and fees distributions to other governments . . . . .	25,926,797
Fines and forfeitures distributions to other governments . . . . .	2,683,062
Property tax distributions to other governments . . . . .	77,775,922
Sheriff sales distributions to other governments . . . . .	<u>963,604</u>
Total deductions . . . . .	<u>120,294,565</u>
Net change in fiduciary net position . . . . .	3,962,481
<b>Net position beginning of year . . . . .</b>	<u>21,338,423</u>
<b>Net position end of year . . . . .</b>	<u><u>\$ 25,300,904</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



## COLUMBIANA COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

#### NOTE 1 - DESCRIPTION OF THE COUNTY

Columbiana County (the “County”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operates under the direction of a three-member elected Board of County Commissioners. A county auditor and a county treasurer, both of whom are elected, are responsible for fiscal control of the resources of the County which are maintained in the funds described below. Other officials elected by the voters of the County that manage the County’s operations are the county recorder, clerk of courts, coroner, engineer, prosecuting attorney, sheriff, two common pleas judges, a probate/juvenile court judge, two county municipal court judges, and one East Liverpool municipal court judge. Although these elected officials manage the internal operations of their respective departments, the Board of County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting authority and the chief administrators of public services of the County Services provided by the County include general government, both executive and judicial, law enforcement, public works, public safety, health and welfare, conservation, and maintenance of highways, roads and bridges. Taxes are levied, collected and distributed to schools, townships, municipalities and appropriate County funds.

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61 “The Financial Reporting Entity; Omnibus”. The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County.

#### **A. Primary Government**

The primary government of the County consists of all funds, departments, board and agencies that are not legally separate from the County. For the County this includes the departments and agencies that provide the following services: Columbiana County Mental Health and Recovery Board, Columbiana County Board of Developmental Disabilities (which includes the Robert Bycroft School, the Columbiana County Adult Mentally Handicapped Workshop and all departments and activities that are directly operated by the elected County officials).

#### **B. Component Units**

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization’s governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization’s resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. The County has one component unit, the Columbiana County Land Reutilization Corporation. Information related to the component unit is presented in Note 26.

**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 1 - DESCRIPTION OF THE COUNTY - (Continued)**

The County Treasurer, as the custodian of public funds, invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly, the activities of the following districts and agencies are presented as custodial funds within the County's financial statements:

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

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

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

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

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

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

**A. Basis of Presentation**

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

***Government-Wide Financial Statements*** - The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental revenues or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

***Fund Financial Statements*** - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions and nonoperating transactions. Operating revenues generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating expenses include costs of sales and services and administrative costs. The fund statements report all other revenues and expenses as nonoperating.

**B. Fund Accounting**

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the County are presented in three categories: governmental, proprietary, and fiduciary.

***GOVERNMENTAL FUNDS***

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources less liabilities plus deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

***General Fund*** - The general fund accounts for all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Job and Family Services Fund*** - The job and family services fund accounts for various federal and state grants and reimbursements that are restricted for human services programs.

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Motor Vehicle and Gasoline Tax Fund - The motor vehicle and gasoline tax fund accounts for receipts derived from motor vehicle licenses, gasoline taxes, grants and interest. Disbursements in this fund are restricted by state law to County road and bridge repair/improvements programs.

Mental Health Fund - The mental health fund accounts for the operation of the mental health and recovery board that provides services to mental patients and individuals considering taking their lives. Revenue sources include State and Federal grants and two County-wide property tax levies.

Board of Developmental Disabilities Fund - The board of developmental disabilities fund accounts for the operation and the costs of administering a workshop for the developmentally disabled residents of the County. Receipt sources are federal and state grant monies and four (4) county-wide property tax levies.

Other governmental funds of the County are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*PROPRIETARY FUNDS*

The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County's major enterprise fund is:

Sewer Fund - The sewer fund accounts for sanitary sewer services provided to County individuals and commercial users in the majority of the unincorporated areas of the County.

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

Internal Service Fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County's internal service fund reports on the operations of the self-insurance program for health insurance.

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are not available to support the County's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County's fiduciary funds are custodial funds. The County's custodial funds account for the collection and distribution of taxes and various State and Federal monies.

## COLUMBIANA COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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

##### C. Measurement Focus

**Government-Wide Financial Statements** - The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the County are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities and current deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

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

##### D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; proprietary funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from sales taxes is recognized in the period in which the sales are made (See Note 7). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, State-levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, interest and rent.

***Deferred Outflows of Resources and Deferred Inflows of Resources*** - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, see Notes 12 and 13 for deferred outflows of resources related the County's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time. For the County, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes, but is not limited to, sales taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

**E. Budgetary Process**

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, program, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if increases or decreases in receipts are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time the final appropriations were passed by the County Commissioners.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

**F. Cash and Investments**

To improve cash management, cash received by the County, except cash held by a fiscal agent, is pooled and invested. Individual fund integrity is maintained through County records. Interest in the pool is presented as "equity in pooled cash and investments." The County has segregated bank accounts for monies held separate from the County's central bank account. These monies are presented in the financial statements as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the County treasury.

The County utilizes a jointly governed organization (NEON) to service developmentally disabled residents within the County. The balance in this account is presented as "cash and cash equivalents with fiscal agent" and represents the monies held for the County.

During 2020, investments were limited to commercial paper, negotiable certificates of deposit, U.S. Treasury Bonds, municipal notes, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Agriculture Mortgage Corporation (FAMCA), and State Treasury Asset Reserve of Ohio (STAR Ohio).

During 2020, the County invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, "Certain External Investment Pools and Pool Participants." The County measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2020 amounted to \$1,637,373, which includes \$1,525,367 assigned from other County funds.

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

**G. Inventory**

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

**H. Prepayments**

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepayments using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance in governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

**I. Capital Assets**

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

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



**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

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

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

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

**K. Compensated Absences**

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

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

**L. Loans Receivable**

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

**M. Accrued Liabilities and Long-term Obligations**

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

**N. Internal Activity**

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**O. Interfund Balances**

Receivables and payables resulting from routine lag between the dates interfund goods and services are provided or reimbursed expenditures occur are classified as "due to/due from other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Receivables and payables resulting from activity between the primary government and custodial funds are classified as "due to/due from external parties".

**P. Net Position**

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by the creditors, grantors or laws or regulations of other governments. As of December 31, 2020, there was no net position restricted by enabling legislation.

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

**Q. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of County Commissioners (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Board of County Commissioners, which includes giving the County Auditor the authority to constrain monies for intended purposes.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**R. Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, from grants or outside contributions of resources restricted to capital acquisition and construction, or from other funds within the County.

## COLUMBIANA COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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

##### S. Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

##### T. Pensions/Other Postemployment Benefits (OPEB)

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

##### U. Fair Value Measurements

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

#### NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

##### A. Change in Accounting Principles

For 2020, the County has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 87 and 89, which were originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncement is postponed by one year and the County has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the County has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

Fund balances at December 31, 2020 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Local Coronavirus Relief Fund	\$ 976
Domestic Violence Shelter	418

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

1. United States Treasury Notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States, or any book entry zero-coupon United States treasury security that is a direct obligation of the United States;
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);

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange securities, or cash, equal value for equal value;
9. Up to forty percent of the County's average portfolio in either of the following:
  - a. Commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed 10 percent of the value of the outstanding commercial paper of the issuing corporation and which mature within two hundred and seventy days after purchase;
  - b. Bankers acceptances eligible for purchase by the federal reserve system and which mature within one hundred eighty days after purchase;
10. Up to 15 percent of the County's average portfolio in notes issued by United States corporations or by depository institutions that are doing business under authority granted by the United States provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rated commercial paper; and,
12. Up to 1 percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on Hand**

At year-end, the County had \$9,066 in undeposited cash on hand, which is included on the financial statements of the County as part of "equity in pooled cash and investments".

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Cash with Fiscal Agent**

At year-end, the County had \$324,882 in cash held by an outside party which is included on the financial statements of the County as “cash and cash equivalents with fiscal agent”. The amount is not included in deposits with financial institutions below.

**C. Cash in Segregated Accounts**

At year end, the County had \$1,072,342 cash and cash equivalents deposited separately from the County’s internal deposit and investment pool. This amount is included in the amount of “Deposits with Financial Institutions” below.

**D. Deposits with Financial Institutions**

At December 31, 2020, the carrying amount of all County deposits was \$9,705,026 and the bank balance of all County deposits was \$12,897,475. Of the bank balance, \$3,110,339 was covered by the FDIC and the remaining was either covered by the Ohio Pooled Collateral System or exposed to custodial credit risk as described on the next page.

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the County’s and deposited with a qualified trustee by the financial institution as security for repayment whose fair market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the County’s financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**E. Investments**

As of December 31, 2020, the County had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 - 12 months	13 - 18 months	19 - 24 months	More than 24 months
<i>Amortized cost:</i>						
STAR Ohio	\$ 18,611,256	\$ 18,611,256	\$ -	\$ -	\$ -	\$ -
<i>Fair Value:</i>						
Commercial paper	6,446,936	1,948,379	3,496,168	-	1,002,389	-
Negotiable CDs	10,178,185	-	419,459	1,765,051	1,267,324	6,726,351
US Treasury Bonds	995,313	-	654,977	-	340,336	-
FFCB	10,147,047	603,195	509,765	1,006,021	1,512,820	6,515,246
FHLB	6,555,853	930,248	1,534,328	-	1,727,133	2,364,144
FHLMC	15,879,373	501,892	1,056,502	360,986	1,500,953	12,459,040
FNMA	10,331,599	1,003,903	506,248	510,950	-	8,310,498
FAMCA	501,260	-	-	-	-	501,260
Municipal notes - Hilliard, Ohio	302,661	-	302,661	-	-	-
Municipal notes - Pickerington, Ohio	553,020	-	553,020	-	-	-
<b>Total</b>	<b>\$ 80,502,503</b>	<b>\$ 23,598,873</b>	<b>\$ 9,033,128</b>	<b>\$ 3,643,008</b>	<b>\$ 7,350,955</b>	<b>\$ 36,876,539</b>

The weighted average maturity of investments at December 31, 2020 is 1.86 years.

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

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

*Credit Risk:* The County's investments in Commercial Paper were rated P-1 by Moody's Investor Services. The County's investments in U.S. Treasury bonds and federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The municipal notes have been rated Aaa by Moody's. Standard & Poor's has assigned the STAR Ohio an AAAM money market rating. STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard rating service.

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



**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Percent of Total</u>
<i>Amortized cost:</i>		
STAR Ohio	\$ 18,611,256	23.12
<i>Fair Value:</i>		
Commercial paper	6,446,936	8.01
Negotiable CDs	10,178,185	12.64
US Treasury Bonds	995,313	1.24
FFCB	10,147,047	12.60
FHLB	6,555,853	8.14
FHLMC	15,879,373	19.73
FNMA	10,331,599	12.83
FAMCA	501,260	0.62
Municipal notes - Hilliard, Ohio	302,661	0.38
Municipal notes - Pickerington, Ohio	<u>553,020</u>	<u>0.69</u>
Total	<u><u>\$ 80,502,503</u></u>	<u><u>100.00</u></u>

**F. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net position as of December 31, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 9,705,026
Investments	80,502,503
Cash on hand	9,066
Cash with fiscal agent	<u>324,882</u>
Total	<u><u>\$ 90,541,477</u></u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 82,947,390
Business-type activities	1,812,760
Custodial funds	<u>5,781,327</u>
Total	<u><u>\$ 90,541,477</u></u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 5 - INTERFUND PAYABLES/RECEIVABLES**

- A.** Due to/from other funds at December 31, 2020, consisted of the following as reported on the fund statements:

	<u>General</u>	<u>Job and Family Services</u>	<u>Board of Developmental Disabilities</u>	<u>Other Governmental</u>	<u>Sewer</u>	<u>Total Due to Other Funds</u>
General	\$ -	\$ 52,801	\$ -	\$ -	\$ -	\$ 52,801
Job and Family Services	13,598	-	1,188	48,397	-	63,183
Mental Health	-	-	1,755	6,865	-	8,620
Board of Developmental Disabilities	-	-	-	-	886	886
Other Governmental	<u>15,416</u>	<u>261,195</u>	<u>9,609</u>	<u>28,459</u>	<u>457</u>	<u>315,136</u>
Total due from other funds	<u>\$ 29,014</u>	<u>\$ 313,996</u>	<u>\$ 12,552</u>	<u>\$ 83,721</u>	<u>\$ 1,343</u>	<u>\$ 440,626</u>

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

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

- B.** Due to/from external parties at December 31, 2020, consisted of the following as reported on the fund statements:

	<u>Job and Family Services</u>	<u>Total Due from External Parties</u>
Custodial	<u>\$ 736</u>	<u>\$ 736</u>
Total due to external parties	<u>\$ 736</u>	<u>\$ 736</u>

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 6 - INTERFUND TRANSFERS**

During 2020, the following transfers were made:

<u>Transfers In</u>	<u>Transfers Out</u>				<u>Total</u>
	<u>General</u>	<u>Board of Developmental Disabilities</u>	<u>Other Governmental</u>	<u>Water</u>	
General	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
Job and family services	180,968	-	-	-	180,968
Motor vehicle and gasoline tax	87,029	-	-	-	87,029
Board of DD	3	-	-	-	3
Nonmajor governmental	6,608,704	300,000	117,000	-	7,025,704
Internal service	500,000	-	-	-	500,000
Sewer	-	-	-	13,254	13,254
<b>Total</b>	<b>\$ 7,376,704</b>	<b>\$ 300,000</b>	<b>\$ 127,000</b>	<b>\$ 13,254</b>	<b>\$ 7,816,958</b>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The \$300,000 transfer out of the board of developmental disabilities fund to the capital projects fund (a nonmajor governmental fund) was to fund capital projects related to the board of developmental disabilities. The \$117,000 transfer out of the common pleas rehab fund (a nonmajor governmental fund) and the municipal court special project fund (a nonmajor governmental fund) to the debt service fund (a nonmajor governmental fund) was for debt service payments. The \$10,000 transfer out of the appointed council reimbursement fund (a nonmajor governmental fund) to the general fund was to reimburse the general fund. The \$13,254 transfer out of the water fund (a nonmajor enterprise fund) to the Sewer fund was for debt service payments.

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between enterprise funds are eliminated on the government-wide financial statements. Transfers between governmental funds and enterprise funds are reported as transfers on the government-wide financial statements.

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

**NOTE 7 - PERMISSIVE SALES TAX**

Beginning in 2001, the County levied a 1 percent permissive sales tax. The proceeds of the tax are credited to the County’s general fund. During September 2002, the County Commissioners approved an increase in the permissive sales tax from 1 percent to 1.5 percent. On May 3, 2005, the County renewed 1 percent of the 1.5 percent sales tax. In November 2005, the County’s remaining 0.5 percent of the sales tax did not get renewed. The County Commissioners subsequently imposed an additional 0.5 percent sales tax that brought the current sales tax rate to 1.5 percent. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County from the Ohio Department of Budget and Management. The Tax Commissioner’s certification must be made within forty-five days after the end of each month. The Office of Budget and Management then has five days in which to draw the warrant payable to the County. The County received \$18,000,761 in sales tax revenues on a modified accrual basis in 2020.

**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 8 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years and updated every three years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing authorities in the County. The County Auditor periodically remits to the taxing authorities their portion of the taxes collected.

The full tax rate for all County operations for the year ended December 31, 2020 was \$9.55 per \$1,000 of assessed value county-wide. Properties in Cities without their own health departments are assessed a full tax rate of \$9.75 per \$1,000 of assessed values which includes \$0.20 for the cancer clinic. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2020, consisted of accounts (billings for user charged services, including unbilled utility services); sales taxes; accrued interest; amounts due from other governments including grants, entitlements, and shared revenues; interfund; real and other taxes, loans (microenterprise and economic development revolving loan fund monies loaned to County residents), special assessments and due from component unit. All receivables are considered collectible in full and within one year, except for real and other taxes (property taxes), loans and special assessments. Real and other taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Loans receivable represent low interest loans for development projects granted to eligible County residents under microenterprise and ED RLF loan programs. The loans have various interest rates and are to be repaid over a period of years. Loans outstanding at December 31, 2020, were \$1,835. Loans receivable are net of \$270,688 in loans determined to be not collectible.

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

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

Fund	Description	Amount
General Fund	Local Government	\$ 582,228
	Casino revenue	607,740
Total General Fund		<u>1,189,968</u>
Job and Family Services Fund	Grants	5,228,643
	Miscellaneous	1,936
Total Job and Family Services Fund		<u>5,230,579</u>
Motor Vehicle and Gasoline Tax Fund	Gas tax	1,899,882
	Motor vehicle license fees	1,429,203
Total Motor Vehicle and Gasoline Tax Fund		<u>3,329,085</u>
Mental Health Fund	Homestead and rollback	136,030
Total Mental Health Fund		<u>136,030</u>
Board of Developmental Disabilities Fund	Homestead and rollback	420,023
	Miscellaneous	64,548
Total Board of Development Disabilities Fund		<u>484,571</u>
Nonmajor governmental funds	Homestead and rollback	75,120
	Grants	1,281,919
	Miscellaneous	185,842
		<u>1,542,881</u>
Total Governmental Funds		<u>\$ 11,913,114</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 was as follows:

<b><u>Governmental activities:</u></b>	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/20</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,281,026	\$ 100,000	\$ -	\$ 1,381,026
Construction in progress	<u>4,010,092</u>	<u>870,537</u>	<u>(2,410,745)</u>	<u>2,469,884</u>
Total capital assets, not being depreciated	<u>5,291,118</u>	<u>970,537</u>	<u>(2,410,745)</u>	<u>3,850,910</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	3,084,988	-	-	3,084,988
Buildings and improvements	31,255,323	606,716	-	31,862,039
Machinery and equipment	8,225,173	1,783,795	(18,900)	9,990,068
Vehicles	9,392,441	569,095	(53,799)	9,907,737
Infrastructure	33,441,269	4,009,157	(1,462,035)	35,988,391
Software	<u>687,133</u>	<u>10,530</u>	<u>-</u>	<u>697,663</u>
Total capital assets, being depreciated	<u>86,086,327</u>	<u>6,979,293</u>	<u>(1,534,734)</u>	<u>91,530,886</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,655,875)	(74,168)	-	(2,730,043)
Buildings and improvements	(15,523,051)	(686,123)	-	(16,209,174)
Machinery and equipment	(7,266,003)	(169,724)	18,900	(7,416,827)
Vehicles	(8,421,111)	(170,170)	53,799	(8,537,482)
Infrastructure	(13,865,339)	(1,496,916)	974,690	(14,387,565)
Software	<u>(579,468)</u>	<u>(2,928)</u>	<u>-</u>	<u>(582,396)</u>
Total accumulated depreciation	<u>(48,310,847)</u>	<u>(2,600,029)</u>	<u>1,047,389</u>	<u>(49,863,487)</u>
Total capital assets, being depreciated net	<u>37,775,480</u>	<u>4,379,264</u>	<u>(487,345)</u>	<u>41,667,399</u>
Governmental activities capital assets, net	<u>\$ 43,066,598</u>	<u>\$ 5,349,801</u>	<u>\$ (2,898,090)</u>	<u>\$ 45,518,309</u>

Depreciation expense was charged to governmental functions as follows:

<b><u>Governmental activities:</u></b>	
Legislative and executive	\$ 100,559
Judicial	107,373
Public safety	391,958
Public works	1,687,865
Health	939
Human services	<u>311,335</u>
Total depreciation expense	<u>\$ 2,600,029</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 10 - CAPITAL ASSETS - (Continued)**

<b><u>Business-type activities</u></b>	<u>Balance</u> 12/31/19	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/20
<i>Capital assets, not being depreciated:</i>				
Land	\$ 62,433	\$ -	\$ -	\$ 62,433
Total capital assets, not being depreciated	<u>62,433</u>	<u>-</u>	<u>-</u>	<u>62,433</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	167,067	-	-	167,067
Buildings and improvements	2,217,393	-	-	2,217,393
Machinery and equipment	4,715,849	-	-	4,715,849
Vehicles	1,211,734	-	-	1,211,734
Infrastructure	<u>13,293,782</u>	<u>-</u>	<u>-</u>	<u>13,293,782</u>
Total capital assets, being depreciated	<u>21,605,825</u>	<u>-</u>	<u>-</u>	<u>21,605,825</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(165,243)	(521)	-	(165,764)
Buildings and improvements	(1,303,240)	(51,634)	-	(1,354,874)
Machinery and equipment	(4,456,732)	(59,669)	-	(4,516,401)
Vehicles	(1,053,419)	(35,181)	-	(1,088,600)
Infrastructure	<u>(5,494,271)</u>	<u>(252,738)</u>	<u>-</u>	<u>(5,747,009)</u>
Total accumulated depreciation	<u>(12,472,905)</u>	<u>(399,743)</u>	<u>-</u>	<u>(12,872,648)</u>
Total capital assets, being depreciated net	<u>9,132,920</u>	<u>(399,743)</u>	<u>-</u>	<u>8,733,177</u>
Business-type activities capital assets, net	<u>\$ 9,195,353</u>	<u>\$ (399,743)</u>	<u>\$ -</u>	<u>\$ 8,795,610</u>

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

**Business-type activities:**

Sewer	\$ 363,759
Water	<u>35,984</u>
Total depreciation expense	<u>\$ 399,743</u>

**NOTE 11 - RISK MANAGEMENT**

**A. Property and Liability**

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2020, the County contracted with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. The CORSA program has a \$2,500 deductible.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 11 - RISK MANAGEMENT - (Continued)**

Coverages provided by CORSA are as follows:

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

**B. Self-Insurance**

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

The claims liability of \$146,101 reported on the basic financial statements at December 31, 2020, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim. Changes in the internal service fund's claims liability amounts in the past two years follows:

<u>Year</u>	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>End of Year</u>
2020	\$ 178,426	\$ 3,349,742	\$ (3,382,067)	\$ 146,101
2019	327,765	3,993,950	(4,143,289)	178,426

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

**C. Workers' Compensation**

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



**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Asset and Net OPEB Liability/Asset***

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

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/OPEB are financed; however, the County does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

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

Plan Description - County employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - 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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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>
<b>2020 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
<b>2020 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	<u>0.0 %</u>	<u>0.0 %</u>	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

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

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

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

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$2,892,039 for 2020. Of this amount, \$389,404 is reported as due to other governments.

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

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. 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. The 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2020, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was \$70,137 for 2020. Of this amount, \$2,521 is reported as due to other governments.

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

The net pension liability and net pension asset for the OPERS were measured as of December 31, 2019, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability or asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.15914200%	0.10059100%	0.07153400%	0.00414157%	
Proportion of the net pension liability/asset current measurement date	<u>0.15353900%</u>	<u>0.09419600%</u>	<u>0.08254900%</u>	<u>0.00418352%</u>	
Change in proportionate share	<u>-0.00560300%</u>	<u>-0.00639500%</u>	<u>0.01101500%</u>	<u>0.00004195%</u>	
Proportionate share of the net pension liability	\$ 29,070,441	\$ -	\$ -	\$ 1,012,263	\$ 30,082,704
Proportionate share of the net pension asset	-	(188,153)	(2,989)	-	(191,142)
Pension expense	3,424,673	21,556	(1,762)	5,454	3,449,921

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Member- Directed	STRS	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ -	\$ -	\$ 9,989	\$ 2,272	\$ 12,261
Net difference between projected and actual earnings on pension plan investments	-	-	-	49,226	49,226
Changes of assumptions	1,552,703	19,398	486	54,339	1,626,926
Changes in employer's proportionate percentage/ difference between employer contributions	26,504	-	-	3,334	29,838
Contributions subsequent to the measurement date	2,791,666	59,010	41,363	36,189	2,928,228
Total deferred outflows of resources	<u>\$ 4,370,873</u>	<u>\$ 78,408</u>	<u>\$ 51,838</u>	<u>\$ 145,360</u>	<u>\$ 4,646,479</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 367,555	\$ 44,177	\$ -	\$ 6,474	\$ 418,206
Net difference between projected and actual earnings on pension plan investments	5,798,902	24,404	938	-	5,824,244
Changes in employer's proportionate percentage/ difference between employer contributions	1,434,840	-	-	65,000	1,499,840
Total deferred inflows of resources	<u>\$ 7,601,297</u>	<u>\$ 68,581</u>	<u>\$ 938</u>	<u>\$ 71,474</u>	<u>\$ 7,742,290</u>

\$2,928,228 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2021.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Year Ending December 31:					
2021	\$ (1,796,236)	\$ (11,988)	\$ 1,176	\$ (6,901)	\$ (1,813,949)
2022	(2,163,440)	(11,531)	1,191	(5,697)	(2,179,477)
2023	240,130	(4,725)	1,431	27,106	263,942
2024	(2,302,544)	(13,660)	1,072	23,189	(2,291,943)
2025	-	(2,550)	1,280	-	(1,270)
Thereafter	-	(4,729)	3,387	-	(1,342)
Total	<u>\$ (6,022,090)</u>	<u>\$ (49,183)</u>	<u>\$ 9,537</u>	<u>\$ 37,697</u>	<u>\$ (6,024,039)</u>

**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.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 1.40%, simple through 2020, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3.00% simple through 2018 then 2.15% simple to 1.40% simple through 2020 the 2.15% simple.

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.20% for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real 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, 2019, these best estimates are summarized in the following table:



**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2019 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate** - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$47,946,566	\$ 29,070,441	\$ 12,101,360
Combined Plan	(113,611)	(188,153)	(241,818)
Member-Directed Plan	(1,581)	(2,989)	(3,954)

**Actuarial Assumptions - State Teachers Retirement System (STRS)**

All disclosures related to the actuarial assumptions relate to the amounts used for the net pension liability for STRS which was measured as of June 30, 2020.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation are presented below:

Inflation	2.50%
Projected salary increase	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.00%, effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. 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	28.00 %	7.35 %
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquid reserves	1.00	2.25
Total	<u>100.00 %</u>	

\*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

**Sensitivity of the 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 7.45%, 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 (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability:	\$ 1,441,286	\$ 1,012,263	\$ 648,701

**Net OPEB Liability/Asset**

See Note 12 for a description of the net OPEB liability.

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

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

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

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

**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$16,546 for 2020. Of this amount, \$2,228 is reported as due to other governments.

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

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients 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 14.00% of covered payroll. For 2020, STRS did not allocate any employer contributions to post-employment health care.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. STRS's total OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB asset was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	OPERS	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.15395700%	0.00414157%	
Proportion of the net OPEB liability current measurement date	<u>0.14898700%</u>	<u>0.00418352%</u>	
Change in proportionate share	<u>-0.00497000%</u>	<u>0.00004195%</u>	
Proportionate share of the net OPEB liability	\$ 19,712,647	\$ -	\$ 19,712,647
Proportionate share of the net OPEB asset	\$ -	\$ (73,525)	\$ (73,525)
OPEB expense	\$ 1,605,090	\$ (7,897)	\$ 1,597,193

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 528	\$ 4,713	\$ 5,241
Net difference between projected and actual earnings on OPEB plan investments	-	2,577	2,577
Changes of assumptions	3,120,297	1,213	3,121,510
Changes in employer's proportionate percentage/difference between employer contributions	20,390	242	20,632
Contributions subsequent to the measurement date	16,546	-	16,546
Total deferred outflows of resources	<u>\$ 3,157,761</u>	<u>\$ 8,745</u>	<u>\$ 3,166,506</u>
	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,802,812	\$ 14,645	\$ 1,817,457
Net difference between projected and actual earnings on OPEB plan investments	1,003,763	69,840	1,073,603
Changes in employer's proportionate percentage/difference between employer contributions	726,755	13,466	740,221
Total deferred inflows of resources	<u>\$ 3,533,330</u>	<u>\$ 97,951</u>	<u>\$ 3,631,281</u>

\$16,546 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Year Ending December 31:	OPERS	STRS	Total
2021	\$ (40,865)	\$ (22,299)	\$ (63,164)
2022	76,872	(20,555)	56,317
2023	799	(19,943)	(19,144)
2024	(428,921)	(19,565)	(448,486)
2025	-	(3,333)	(3,333)
Thereafter	-	(3,511)	(3,511)
<b>Total</b>	<b>\$ (392,115)</b>	<b>\$ (89,206)</b>	<b>\$ (481,321)</b>

***Actuarial Assumptions - OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.50% ultimate in 2030
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. 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 19.70% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.



**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, 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	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

**Discount Rate** - A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. 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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16%) or one-percentage-point higher (4.16%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB liability	\$25,797,160	\$ 19,712,647	\$ 14,840,931

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 2020 is 10.50%. 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.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$ 19,130,943	\$ 19,712,647	\$ 20,286,934

***Changes between Measurement Date and Reporting Date***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Actuarial Assumptions - State Teachers Retirement System (STRS)***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, compared with July 1, 2019, are presented below:

	<u>July 1, 2020</u>		<u>July 1, 2019</u>	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.87%	4.00%
Medicare	-6.69%	4.00%	4.93%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	7.73%	4.00%
Medicare	11.87%	4.00%	9.62%	4.00%

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

**Assumption Changes Since the Prior Measurement Date** - There were no changes in assumptions since the prior measurement date of June 30, 2019.

**Benefit Term Changes Since the Prior Measurement Date** - There was no change to the claims costs process. Claim 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.

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

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

\* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

**Discount Rate** - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

*Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate* - The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB asset	\$ 63,972	\$ 73,525	\$ 81,631

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB asset	\$ 81,128	\$ 73,525	\$ 64,264

**NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

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

The terms of the lease agreements provide an option to purchase the equipment. These leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general fund and the motor vehicle and gasoline tax fund in the fund financial statements. Capital assets, acquired by lease, have been capitalized in the amount of \$82,323. This amount is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded. Accumulated depreciation on the equipment totaled \$48,360 leaving a current book value of \$33,963. Principal payments in 2020 totaled \$8,566 in the general fund and \$2,574 in the juvenile court fund (a nonmajor governmental fund).

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2020:

<u>Year Ending December 31,</u>	<u>Equipment</u>
2021	\$ 10,912
2022	7,943
2023	7,943
2024	7,123
2025	<u>5,973</u>
Total minimum lease payments	39,894
Less: amount representing interest	<u>(4,171)</u>
Present value of future minimum lease payments	<u>\$ 35,723</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 15 - OPERATING LEASE**

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

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

**NOTE 16 - LONG-TERM OBLIGATIONS**

Original issue amounts and interest rates of the County's debt issues were as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Year of Maturity</u>
<b>Governmental Activities Debt</b>			
<u>General Obligation Bonds:</u>			
Government Services Building 2010A Bonds	2.00 - 4.00%	\$ 490,000	2020
Government Services Building 2012	2.00 - 4.375%	7,405,000	2052
Series 2013 Refunding Bonds	3.50%	1,686,000	2033
<u>General Obligation Bonds - Direct Placement:</u>			
2018 Refunding Jail Facilities Bonds	2.64%	4,200,000	2024
Courthouse Renovations	4.25%	2,714,000	2020
Ohio Wellsville Water System	3.25%	1,332,000	2039
Murray Trucking Old Farm Village	4.50%	502,000	2041
Municipal Court Bonds 2018 Refinance	2.82%	2,170,000	2033
County Engineer - Vehicle Purchase	2.95%	380,868	2022
County Engineer - Trackhoe Purchase	2.13%	146,200	2030
<u>Ohio Water Development Authority Loan - Direct Borrowing:</u>			
Hanoverton Planning Permanent Financing	6.04%	1,178,054	2020
<u>Other Long-Term Obligations:</u>			
Recorder's Loan	0.00%	100,000	2027

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Year of Maturity</u>
<b>Business-Type Activities Debt</b>			
<u>Mortgage Revenue Bonds - Direct Placement:</u>			
Ohio Elkrun Sewer	4.50%	\$ 2,051,000	2039
Winona Area Waste System #1	4.25%	595,000	2045
Winona Area Waste System #2	4.50%	360,000	2046
Beaver Local Wastewater #1 2018 Refinance	2.95%	229,441	2028
Glenmoor/Lacroft Sanitary Sewer	4.25%	3,534,000	2049
Kensington Sewer	1.38%	315,000	2056
 <u>Ohio Public Works Commission Loans - Direct Borrowing:</u>			
State Route 7 Water Line Extension #1	0.00%	50,000	2022
State Route 7 Water Line Extension #2	0.00%	96,000	2023
Roseview Acres Treatment Plant	0.00%	1,816,619	2039
Glenmoor Sewer System	0.00%	203,584	2037
Home Road Sewer Project	0.00%	600,000	2043
County Home Road Waterline Project	0.00%	314,889	2044
 <u>Ohio Water Development Authority Loans - Direct Borrowing:</u>			
County Home Road Sanitary Sewer	0.00%	344,367	2033
County Home Road Waterline Extension	2.00%	262,793	2032
Hanoverton Sanitary Sewer Loan	1.78%	74,467	2026

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

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

<u>Governmental Activities:</u>	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/20</u>	<u>Amount Due</u> <u>In One Year</u>
<u>General Obligation Bonds:</u>					
Government Services Bldg 2010A Bonds	\$ 60,000	\$ -	\$ (60,000)	\$ -	\$ -
Government Services Bldg 2012 Bonds	6,340,000	-	(150,000)	6,190,000	150,000
Unamortized Premium	<u>126,911</u>	<u>-</u>	<u>(3,846)</u>	<u>123,065</u>	<u>-</u>
Total Government Services Bldg 2012 Bonds	<u>6,466,911</u>	<u>-</u>	<u>(153,846)</u>	<u>6,313,065</u>	<u>150,000</u>
Series 2013 Refunding Bonds	<u>1,686,000</u>	<u>-</u>	<u>-</u>	<u>1,686,000</u>	<u>65,000</u>
Total General Obligation Bonds	<u>8,212,911</u>	<u>-</u>	<u>(213,846)</u>	<u>7,999,065</u>	<u>215,000</u>
<u>General Obligation Bonds - Direct Placement:</u>					
2018 Refunding Bonds, Jail Facilities Bonds	3,055,000	-	(575,000)	2,480,000	595,000
Courthouse Renovations	930,000	-	(930,000)	-	-
Ohio Wellsville Water System	873,000	-	(32,000)	841,000	33,000
Murray Trucking Old Farm Village	375,000	-	(10,000)	365,000	11,000
Municipal Court Bonds 2018 Refinance	2,071,000	-	(122,000)	1,949,000	125,000
County Engineer - Vehicle Purchase	380,868	-	(123,096)	257,772	126,920
County Engineer - Trackhoe Purchase	<u>-</u>	<u>146,200</u>	<u>-</u>	<u>146,200</u>	<u>13,400</u>
Total General Obligation Bonds - Direct Placement	<u>7,684,868</u>	<u>146,200</u>	<u>(1,792,096)</u>	<u>6,038,972</u>	<u>904,320</u>
<u>OWDA Loan - Direct Borrowing:</u>					
Hanoverton Planning Permanent Financing	<u>87,254</u>	<u>-</u>	<u>(87,254)</u>	<u>-</u>	<u>-</u>
<u>Other Long-Term Obligations:</u>					
Recorder's Loan - direct borrowing	80,000	-	(10,000)	70,000	10,000
Capital Leases	12,432	34,431	(11,140)	35,723	9,334
Compensated Absences	3,841,383	1,682,901	(1,427,407)	4,096,877	1,007,544
Net pension liability	41,485,701	96,380	(12,333,304)	29,248,777	-
Net OPEB liability	<u>18,683,437</u>	<u>463,724</u>	<u>-</u>	<u>19,147,161</u>	<u>-</u>
Total Governmental Activities	<u>\$ 80,087,986</u>	<u>\$ 2,423,636</u>	<u>\$ (15,875,047)</u>	<u>\$ 66,636,575</u>	<u>\$ 2,146,198</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

<b><u>Business-Type Activities:</u></b>	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/20</u>	Amount Due <u>In One Year</u>
<b><u>Mortgage Revenue Bonds - Direct Placement:</u></b>					
Ohio Elkrun Sewer	\$ 1,450,000	\$ -	\$ (46,000)	\$ 1,404,000	\$ 48,000
Winona Area Waste System #1	485,000	-	(11,000)	474,000	11,000
Winona Area Waste System #2	301,000	-	(6,000)	295,000	6,000
Beaver Local Wastewater #1 - 2018 Refinancing	209,415	-	(20,607)	188,808	21,241
Glenmoor/Lacroft Sanitary Sewer	3,174,000	-	(54,000)	3,120,000	57,000
Kensington Sewer	<u>308,633</u>	<u>-</u>	<u>(6,455)</u>	<u>302,178</u>	<u>6,544</u>
Total Mortgage Revenue Bonds - Direct Placement	<u>5,928,048</u>	<u>-</u>	<u>(144,062)</u>	<u>5,783,986</u>	<u>149,785</u>
<b><u>OPWC Loans - Direct Borrowing:</u></b>					
State Route 7 Water Line Extension #1	6,250	-	(1,250)	5,000	2,500
State Route 7 Water Line Extension #2	16,800	-	(2,400)	14,400	4,800
Roseview Acres Treatment Plant	118,052	-	(3,027)	115,025	6,054
Glenmoor Sewer System	146,580	-	(4,071)	142,509	8,143
Home Road Sewer Project	470,000	-	(10,000)	460,000	20,000
County Home Road Waterline Project	<u>257,161</u>	<u>-</u>	<u>(5,250)</u>	<u>251,911</u>	<u>10,496</u>
Total OPWC Loans - Direct Borrowing	<u>1,014,843</u>	<u>-</u>	<u>(25,998)</u>	<u>988,845</u>	<u>51,993</u>
<b><u>OWDA Loans - Direct Borrowing:</u></b>					
County Home Road Sanitary Sewer	223,839	-	(8,610)	215,229	17,218
County Home Road Waterline Extension	182,442	-	(6,179)	176,263	12,420
Hanoverton Sanitary Sewer	<u>-</u>	<u>74,467</u>	<u>-</u>	<u>74,467</u>	<u>-</u>
Total OWDA Loans - Direct Borrowing	<u>406,281</u>	<u>74,467</u>	<u>(14,789)</u>	<u>465,959</u>	<u>29,638</u>
<b><u>Other Long-Term Obligations:</u></b>					
Compensated Absences	93,861	70,200	(55,709)	108,352	22,420
Net Pension Liability	1,173,404	-	(339,477)	833,927	-
Net OPEB Liability	<u>540,382</u>	<u>25,104</u>	<u>-</u>	<u>565,486</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 9,156,819</u>	<u>\$ 169,771</u>	<u>\$ (580,035)</u>	<u>\$ 8,746,555</u>	<u>\$ 253,836</u>

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

***General Obligation Bonds***

The \$10,000,000 debt issue consists of notes, serial and term bonds. The notes were issued with a varying interest rate of 1.5-2.5 percent. The notes were paid off during 2012 with the issuance of bonds. The serial bonds were issued with a varying interest rate of 2.0-4.0 percent.



**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

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

On June 26, 2013, the County issued \$1,686,000 in Series 2013 Refunding Bonds. The bonds were issued to refund \$1,615,000 of the Governmental Service Building 2010B Bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds at December 31, 2020 was \$1,615,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$25,266. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2033. This advance refunding was undertaken to reduce the combined total debt service payments by \$290,895 and resulted in an economic gain of \$116,697.

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

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

***General Obligation Bonds - Direct Placement***

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

***Mortgage Revenue Bonds - Direct Placement***

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

During 2009, the County issued \$3,534,000 of mortgage revenue bonds for the purpose of acquiring, constructing and improving the Glenmoor/LaCroft sanitary sewer system.

***Ohio Public Works Commission (OPWC) Loans***

In previous years, the County was awarded loans from Ohio Public Works Commission (OPWC) for various sewer and water projects. The remaining balance on these loans at December 31, 2020 was \$988,845. The OPWC loans are paid with user charges from the water and sewer enterprise funds.

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

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

***Ohio Water Development Authority (OWDA) Loans***

During 2012, the County was awarded loans from Ohio Water Development Authority (OWDA) for various sewer and water projects. The OWDA loans are paid with user charges from the general fund and the water and sewer enterprise funds.

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

The County has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$10,862,600 of mortgage revenue bonds, Ohio Public Works Commission (OPWC) and Ohio Water Development Authority (OWDA) loans. Annual principal and interest payments, as a percentage of net customer revenues and operating revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were (600.72%) percent and (21.67%) percent, respectively. The total principal and interest remaining to be paid on the debt is \$10,862,600. Principal and interest paid for the current year, total net revenues and total operating revenues were \$522,976, (\$87,058) and \$2,413,603, respectively.

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

Capital leases: See Note 14 for details on capital leases.

Compensated absences: Compensated absences will be paid from the fund from which the employees' salaries are paid. For the County's governmental activities, this is primarily the general fund, the job and family services fund, the motor vehicle and gasoline tax fund and the board of developmental disabilities fund. For business-type activities, this is only the sewer fund.

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

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**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2020 are as follows. The OWDA loan for the Hanoverton Sanitary Sewer debt has not been fully disbursed and, therefore, does not have a future amortization schedule.

***Governmental Activities***

Year Ended	General Obligation Bonds		General Obligation Bonds - Direct Placement		Recorder's Loan - Direct Borrowing
	Principal	Interest	Principal	Interest	Principal
2021	\$ 215,000	\$ 320,166	\$ 904,320	\$ 172,998	\$ 10,000
2022	215,000	311,891	928,452	148,249	10,000
2023	215,000	303,616	823,800	122,707	10,000
2024	220,000	295,366	843,100	100,312	10,000
2025	294,000	286,916	205,400	77,368	10,000
2026 - 2030	1,485,000	1,266,670	1,123,900	291,166	20,000
2031 - 2035	1,177,000	978,960	848,000	126,403	-
2036 - 2040	870,000	806,555	336,000	40,058	-
2041 - 2045	1,285,000	582,068	26,000	1,170	-
2046 - 2050	1,345,000	299,032	-	-	-
2051 - 2052	555,000	36,531	-	-	-
Total	<u>\$ 7,876,000</u>	<u>\$ 5,487,771</u>	<u>\$ 6,038,972</u>	<u>\$ 1,080,431</u>	<u>\$ 70,000</u>

***Business-Type Activities***

Year Ended	Mortgage Revenue Bonds - Direct Placement		OPWC Loans - Direct Borrowing		OWDA Loans - Direct Borrowing	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 149,785	\$ 237,922	\$ 51,993	\$ -	\$ 29,638	\$ 3,463
2022	155,509	231,832	51,994	-	30,014	3,211
2023	162,256	225,479	49,494	-	30,271	2,953
2024	168,011	218,176	44,694	-	30,534	2,691
2025	175,809	211,990	44,694	-	30,802	2,424
2026 - 2030	938,074	946,525	223,470	-	158,217	7,911
2031 - 2035	1,056,551	741,242	223,470	-	82,017	1,172
2036 - 2040	1,194,274	496,375	197,043	-	-	-
2041 - 2045	974,192	280,938	101,993	-	-	-
2046 - 2050	748,314	80,983	-	-	-	-
2051 - 2055	50,658	2,834	-	-	-	-
2056	10,553	145	-	-	-	-
Total	<u>\$ 5,783,986</u>	<u>\$ 3,674,441</u>	<u>\$ 988,845</u>	<u>\$ -</u>	<u>\$ 391,493</u>	<u>\$ 23,825</u>

**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

Debt Margin

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

The effect of the debt limitations described above is an overall debt margin of \$54,218,724 at December 31, 2020.

**NOTE 17 - TAX ABATEMENTS**

**A. Tax Abatements Entered into by the County**

The County has entered into tax abatement agreements in Center Township for the abatement of property taxes. The Community Urban Redevelopment agreements were authorized under Ohio Revised Code (ORC) section 3735.65. Under the agreements, new construction is eligible for the reduction of 80% of the assessed value on the improvements of the property. During 2020, the County abated approximately \$2,000 in property taxes.

The County has entered into tax abatement agreements with Leetonia Leasing, LLC for the abatement of property taxes. The Community Urban Redevelopment agreements were authorized under Ohio Revised Code (ORC) sections 5709.62 and 5709.63. Under the agreement, new construction is eligible for reduction of 100% of the assessed value of the property in exchange for investment in property improvements and job creation. During 2020, the County abated approximately \$12,000 in property taxes.

**B. Tax Abatements Entered into by Other Governments**

Within the County, the taxing districts of the City of East Liverpool, the Village of East Palestine, the City of Salem, the Ohio Air Quality and the Ohio Environmental Protection Agency have entered into tax abatement agreements that forgo property taxes assessed to the County. During 2020, property taxes of the County were abated by approximately \$70,000.

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**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 18 - FUND BALANCE**

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

Fund balance	General	Job and Family Services	Motor Vehicle and Gas Tax	Mental Health
Nonspendable:				
Materials and supplies inventory	\$ 138,796	\$ 64,747	\$ 815,272	\$ -
Prepays	410,266	11,593	3,141	9,110
Unclaimed monies	538,934	-	-	-
Total nonspendable	<u>1,087,996</u>	<u>76,340</u>	<u>818,413</u>	<u>9,110</u>
Restricted:				
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Legislative and executive	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	6,565,889	-
Health services	-	-	-	7,919,457
Human services	-	1,461,908	-	-
Total restricted	<u>-</u>	<u>1,461,908</u>	<u>6,565,889</u>	<u>7,919,457</u>
Committed:				
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Legislative & executive	-	-	-	-
Accumulated sick leave	847,513	-	-	-
General escrow	7,200,000	-	-	-
Total committed	<u>8,047,513</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned:				
Legislative & executive	54,205	-	-	-
Public safety	19,251	-	-	-
Judicial	100,378	-	-	-
Human services	-	-	-	-
Total assigned	<u>173,834</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned (deficit)	<u>15,513,217</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 24,822,560</u>	<u>\$ 1,538,248</u>	<u>\$ 7,384,302</u>	<u>\$ 7,928,567</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 18 - FUND BALANCE - (Continued)**

Fund balance	Board of Developmental Disabilities	Other Governmental Funds	Total
Nonspendable:			
Materials and supplies inventory	\$ 7,678	\$ 7,427	\$ 1,033,920
Prepays	30,068	91,436	555,614
Unclaimed monies	-	-	538,934
Total nonspendable	<u>37,746</u>	<u>98,863</u>	<u>2,128,468</u>
Restricted:			
Debt service	-	4,245,035	4,245,035
Capital outlay	-	547,734	547,734
Legislative and executive	-	1,469,782	1,469,782
Judicial	-	1,582,987	1,582,987
Public safety	-	3,335,931	3,335,931
Public works	-	1,179	6,567,068
Health services	-	82,303	8,001,760
Human services	14,219,041	7,078,703	22,759,652
Economic development	-	456,356	456,356
Total restricted	<u>14,219,041</u>	<u>18,800,010</u>	<u>48,966,305</u>
Committed:			
Capital outlay	-	8,637,876	8,637,876
Legislative & executive	-	230,616	230,616
Accumulated sick leave	-	-	847,513
General escrow	-	-	7,200,000
Total committed	<u>-</u>	<u>8,868,492</u>	<u>16,916,005</u>
Assigned:			
Legislative & executive	-	-	54,205
Public safety	-	-	19,251
Judicial	-	-	100,378
Total assigned	<u>-</u>	<u>-</u>	<u>173,834</u>
Unassigned (deficit)	<u>-</u>	<u>(1,394)</u>	<u>15,511,823</u>
Total fund balances	<u>\$ 14,256,787</u>	<u>\$ 27,765,971</u>	<u>\$ 83,696,435</u>

**NOTE 19 - PUBLIC ENTITY RISK POOL**

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

**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 19 - PUBLIC ENTITY RISK POOL - (Continued)**

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

**NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS**

***Carroll/Columbiana/Harrison Solid Waste Management District***

The County participates in the Carroll/Columbiana/Harrison Solid Waste Management District (the "District"), which is a statutorily created, political subdivision of the State of Ohio. The District is a jointly governed organization including Columbiana, Carroll, Harrison counties and local municipalities and townships. Of the nine members of the District's governing board, the County Commissioners represent three. Each member's control over the operation of the District is limited to its representation on the Board. During 2020, the County did not make any payments to the District.

***Multi-County Juvenile Attention System***

The County also participates in the Multi-County Juvenile Attention System (the "System"), a jointly governed organization between the following counties: Stark, Holmes, Carroll, Columbiana, Tuscarawas and Wayne. The operation of the System is controlled by a nineteen member Board of Trustees, three members from each county with the exception of Stark which has four members. The degree of control exercised by any of the participating Counties is limited to its representation on the Board. The County paid \$675,482 to the System during 2020.

***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 21 - RELATED ORGANIZATIONS**

***Columbiana County Airport Authority***

The Columbiana County Airport Authority (the "Airport Authority"), was created by resolution of the County Commissioners under the authority of Section 308 of the Ohio Revised Code. The Airport Authority is governed by a seven-member Board of Trustees appointed by the County Commissioners. The Board of Trustees has the authority to exercise all of the powers and privileges provided under law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rentals and other charges; the authority to acquire, construct, operate, manage and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing a facility or permanent improvement. The Airport Authority serves as custodian of its own funds and maintains all records and accounts independent of Columbiana County. The County did not contribute to the Airport Authority in 2020.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 22 - BUDGETARY BASIS OF ACCOUNTING**

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, job and family services fund, the motor vehicle and gasoline tax, mental health, and board of developmental disabilities special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to restricted, assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

	<b>Net Change in Fund Balances</b>				
	<u>Governmental Funds</u>				
	<u>General</u>	<u>Job and Family Services</u>	<u>Motor Vehicle &amp; Gasoline Tax</u>	<u>Mental Health</u>	<u>Board of Developmental Disabilities</u>
Budget basis	\$ (1,169,984)	\$ 79,099	\$ 654,976	\$ 358,224	\$ 2,220,975
Net adjustment for revenue accruals	330,181	(456,125)	(773,037)	56,460	(56,400)
Net adjustment for expenditure accruals	(1,231,672)	(45,980)	947,889	43,719	8,778
Net adjustment for other sources/uses	812,351	-	71,474	-	-
Funds budgeted elsewhere	1,102,644	-	-	-	-
Adjustment for encumbrances	417,258	-	200,746	-	-
<b>GAAP Basis</b>	<u>\$ 260,778</u>	<u>\$ (423,006)</u>	<u>\$ 1,102,048</u>	<u>\$ 458,403</u>	<u>\$ 2,173,353</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting," certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes clerk of courts title, inmate transportation, recorders equipment, Ohio EPA tipping fees, juvenile court maintenance, general fund escrow, unclaimed monies funds and the sheriff policing, sheriff revolving fund, Medicaid sales tax transition fund, CSEA Title IV contract fund, auditor's sales fund and payroll withholding fund.



**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 23 - CONTINGENCIES**

**A. Grants**

The County received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have an overall effect on the overall financial position of the County at December 31, 2020.

**B. Litigation**

The County is currently involved in several pending and threatened lawsuits. The outcomes of these matters and the potential effect on the County's financial position are unknown at this time.

**NOTE 24 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 98,718
Motor vehicle and gasoline tax fund	166,364
Other governmental funds	<u>84,314</u>
Total	<u>\$ 349,396</u>

**NOTE 25 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. The County's investment portfolio and the pension and other employee benefits plan in which the County participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 26 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION**

**Description of the Corporation**

The Columbiana County Land Reutilization Corporation (the “Corporation”) is a county land reutilization corporation that was formed on May 9, 2014, when the Columbiana County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to included (1) the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed or other real property within the County for whose benefit the Corporation is being organized; (2) efficiently holding and managing vacant, abandoned or tax-foreclosed real property pending its reclamation, rehabilitation and reutilization; (3) assisting governmental entities and other non-profit or for-profit persons to assemble, 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 components units which are defined as legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization’s governing board and (1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization’s resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of an organization. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation’s management believes these basic financial statements present all activities for which the Corporation is financially accountable. The Corporation is a component unit of Columbiana County, Ohio.

**Summary of Significant Accounting Policies**

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

## COLUMBIANA COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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

The Corporation's significant accounting policies are described below.

##### *Basis of Presentation*

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

##### Government-Wide Financial Statements

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

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

##### *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  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 26 - 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.

*Accrued Liabilities and Long-Term Obligations*

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

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

*Net Position*

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2020.

*Intergovernmental Revenue*

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

**Deposits and Investments**

*Deposits with Financial Institutions*

At December 31, 2020, the carrying amount of all Corporation deposits was \$268,267. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2020, all of the Corporation's bank balance of \$35,217 was covered by the Federal Deposit Insurance Corporation (FDIC) while the remaining balance was either covered by the Ohio Pooled Collateral System (OPCS) or subject to custodial credit risk as described below.

Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Corporation's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the Corporation's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the FDIC.

**Receivables**

Receivables at December 31, 2020, consisted of accounts receivable of \$2,415 and due from other governments of \$8,900. These amounts are expected to be collected in the subsequent year.

**Risk Management**

*Property and Liability*

The Corporation is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the Corporation was covered under the County's property and liability insurance with the County Risk Sharing Authority (CORSA).

**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 26 - 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. At December 31, 2020, the Corporation recognized revenues of \$169,176 for these fees that were collected by the County in 2020.

During 2020, the Corporation paid \$144,353 in various costs to the Columbiana County Auditor and Treasurer, which includes a \$100,000 repayment of funds that were advanced from the County in a previous year.

**Contingencies**

The Corporation received financial assistance from State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Corporation.

REQUIRED SUPPLEMENTARY INFORMATION

**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
County's proportion of the net pension liability	0.153539%	0.159142%	0.168887%	0.171630%
County's proportionate share of the net pension liability	\$ 29,070,441	\$ 41,743,222	\$ 25,351,559	\$ 37,369,555
County's covered payroll	\$ 19,410,779	\$ 18,352,729	\$ 21,062,962	\$ 20,355,042
County's proportionate share of the net pension liability as a percentage of its covered payroll	149.76%	227.45%	120.36%	183.59%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	74.70%	84.66%	77.25%
<i>Combined Plan:</i>				
County's proportion of the net pension asset	0.094196%	0.100591%	0.101443%	0.100582%
County's proportionate share of the net pension asset	\$ 188,153	\$ 107,728	\$ 132,137	\$ 53,676
County's covered payroll	\$ 402,836	\$ 411,643	\$ 398,346	\$ 391,475
County's proportionate share of the net pension asset as a percentage of its covered payroll	46.71%	26.17%	33.17%	13.71%
Plan fiduciary net position as a percentage of the total pension asset	145.28%	126.64%	137.28%	116.55%
<i>Member Directed Plan:</i>				
County's proportion of the net pension asset	0.082549%	0.071534%	0.074113%	0.083671%
County's proportionate share of the net pension asset	\$ 2,989	\$ 1,561	\$ 2,475	\$ 335
County's covered payroll	\$ 469,960	\$ 391,260	\$ 389,480	\$ 343,842
County's proportionate share of the net pension asset as a percentage of its covered payroll	0.64%	0.40%	0.64%	0.10%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.46%	103.40%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<b>2016</b>	<b>2015</b>	<b>2014</b>
0.176199%	0.172642%	0.172642%
\$ 29,314,078	\$ 20,639,436	\$ 20,173,260
\$ 20,311,217	\$ 20,380,933	\$ 21,546,108
144.32%	101.27%	93.63%
81.08%	86.45%	86.36%
0.113280%	0.092063%	0.092063%
\$ 52,946	\$ 35,134	\$ 9,574
\$ 324,858	\$ 336,525	\$ 319,162
16.30%	10.44%	3.00%
116.90%	114.83%	104.56%
0.081257%	n/a	n/a
\$ 297	n/a	n/a
\$ 452,542	n/a	n/a
0.07%	n/a	n/a
103.91%	n/a	n/a

**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.00418352%	0.00414157%	0.00415928%	0.00472247%
County's proportionate share of the net pension liability	\$ 1,012,263	\$ 915,883	\$ 914,532	\$ 1,121,833
County's covered payroll	\$ 499,771	\$ 480,200	\$ 488,143	\$ 525,521
County's proportionate share of the net pension liability as a percentage of its covered payroll	202.55%	190.73%	187.35%	213.47%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.30%	75.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.00504698%	0.00589206%	0.06021610%
\$ 1,689,376	\$ 1,628,393	\$ 1,464,664
\$ 604,243	\$ 576,707	\$ 650,654
279.59%	282.36%	225.11%
66.80%	72.10%	74.70%

**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 2,791,666	\$ 2,717,509	\$ 2,569,382	\$ 2,738,185
Contributions in relation to the contractually required contribution	<u>(2,791,666)</u>	<u>(2,717,509)</u>	<u>(2,569,382)</u>	<u>(2,738,185)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 19,940,471	\$ 19,410,779	\$ 18,352,729	\$ 21,062,962
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 59,010	\$ 56,397	\$ 57,630	\$ 51,785
Contributions in relation to the contractually required contribution	<u>(59,010)</u>	<u>(56,397)</u>	<u>(57,630)</u>	<u>(51,785)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 421,500	\$ 402,836	\$ 411,643	\$ 398,346
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 41,363	\$ 46,996	\$ 39,126	\$ 38,948
Contributions in relation to the contractually required contribution	<u>(41,363)</u>	<u>(46,996)</u>	<u>(39,126)</u>	<u>(38,948)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 413,630	\$ 469,960	\$ 391,260	\$ 389,480
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 2,442,605	\$ 2,437,346	\$ 2,445,712	\$ 2,800,994	\$ 2,169,916	\$ 2,232,797
<u>(2,442,605)</u>	<u>(2,437,346)</u>	<u>(2,445,712)</u>	<u>(2,800,994)</u>	<u>(2,169,916)</u>	<u>(2,232,797)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20,355,042	\$ 20,311,217	\$ 20,380,933	\$ 21,546,108	\$ 21,699,160	\$ 22,327,970
12.00%	12.00%	12.00%	13.00%	10.00%	10.00%
\$ 46,977	\$ 38,983	\$ 40,383	\$ 41,491		
<u>(46,977)</u>	<u>(38,983)</u>	<u>(40,383)</u>	<u>(41,491)</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
\$ 391,475	\$ 324,858	\$ 336,525	\$ 319,162		
12.00%	12.00%	12.00%	13.00%		
\$ 41,261	\$ 54,305				
<u>(41,261)</u>	<u>(54,305)</u>				
<u>\$ -</u>	<u>\$ -</u>				
\$ 343,842	\$ 452,542				
12.00%	12.00%				

**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 70,137	\$ 69,968	\$ 67,228	\$ 68,340
Contributions in relation to the contractually required contribution	<u>(70,137)</u>	<u>(69,968)</u>	<u>(67,228)</u>	<u>(68,340)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 500,979	\$ 499,771	\$ 480,200	\$ 488,143
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 73,573	\$ 84,594	\$ 80,739	\$ 84,585	\$ 93,779	\$ 101,287
<u>(73,573)</u>	<u>(84,594)</u>	<u>(80,739)</u>	<u>(84,585)</u>	<u>(93,779)</u>	<u>(101,287)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 525,521	\$ 604,243	\$ 621,069	\$ 650,654	\$ 721,377	\$ 779,131
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability	0.148987%	0.153957%	0.163240%	0.165674%
County's proportionate share of the net OPEB liability	\$ 19,712,647	\$ 19,223,819	\$ 16,961,573	\$ 16,733,673
County's covered payroll	\$ 20,283,575	\$ 19,155,632	\$ 21,850,788	\$ 21,090,359
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	97.19%	100.36%	77.62%	79.34%
Plan fiduciary net position as a percentage of the total OPEB liability	47.80%	46.33%	54.14%	54.05%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability (asset)	0.00418352%	0.00414157%	0.00415928%	0.00472247%
County's proportionate share of the net OPEB liability (asset)	\$ (73,525)	\$ (68,594)	\$ (67,000)	\$ 184,253
County's covered payroll	\$ 499,771	\$ 480,200	\$ 488,143	\$ 525,521
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	14.71%	14.28%	13.73%	35.06%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	182.13%	174.70%	176.00%	47.10%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 16,546	\$ 18,798	\$ 15,651	\$ 240,077
Contributions in relation to the contractually required contribution	<u>(16,546)</u>	<u>(18,798)</u>	<u>(15,651)</u>	<u>(240,077)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 20,775,601	\$ 20,283,575	\$ 19,155,632	\$ 21,850,788
Contributions as a percentage of covered payroll	0.08%	0.09%	0.08%	1.10%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 451,825	\$ 405,038	\$ 425,937	\$ 212,164	\$ 850,861	\$ 873,900
<u>(451,825)</u>	<u>(405,038)</u>	<u>(425,937)</u>	<u>(212,164)</u>	<u>(850,861)</u>	<u>(873,900)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,090,359	\$ 21,088,617	\$ 20,717,458	\$ 21,865,270	\$ 21,699,160	\$ 22,327,970
2.14%	1.92%	2.06%	0.97%	3.92%	3.91%

**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 500,979	\$ 499,771	\$ 480,200	\$ 488,143
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 6,211	\$ 6,507	\$ 7,234	\$ 7,791
-	-	(6,211)	(6,507)	(7,234)	(7,791)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 525,521	\$ 604,243	\$ 621,069	\$ 650,654	\$ 721,377	\$ 779,131
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

COLUMBIANA COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

PENSION

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2020.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%. There were no changes in assumptions for 2020.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms*: There were no changes in benefit terms from the amounts reported for 2014-2016. For 2017, STRS decreased the Cost of Living Adjustment (COLA) to zero effective July 1, 2017. There were no changes in benefit terms for 2018-2020.

*Changes in assumptions*: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes of assumption for 2018-2020.

(Continued)

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2020.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2020.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in the discount rate from 4.13% to 7.45% and (b) decrease in trend rates from 6.00%-11.00% initial; 4.50% ultimate down to 5.23%-9.62% initial; 4.00% ultimate. For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in prescription drug trend rates from -5.23%-9.62% initial; 4.00% ultimate up to 4.00%-9.62% initial; 4.00% ultimate. For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) decrease in medical trend rates from 4.93%-5.87% to -6.69%-5.00% and (b) an increase in prescription drug trend rates from 7.73%-9.62% to 6.50%-11.87%.

COLUMBIANA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR/PASS-THROUGH GRANTEE/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<b>PASSED THROUGH OHIO DEPARTMENT OF EDUCATION</b>			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	EDU01-3L70	\$ 5,643
National School Lunch Program	10.555	EDU01-3L60	8,896
<b>Total Child Nutrition Cluster</b>			<b>14,539</b>
<b>PASSED THROUGH OHIO DEPARTMENT OF JOB AND FAMILY SERVICES</b>			
<i>Supplemental Nutrition Assistance Program Cluster:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-1819-11-5725	402,951
<b>Total Supplemental Nutrition Assistance Program Cluster</b>			<b>402,951</b>
<b>Total U.S. Department of Agriculture</b>			<b>417,490</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT OFFICE OF HOUSING AND COMMUNITY PARTNERSHIP</b>			
COVID-19 - Target of Opportunity	14.228	B-D-19-1AO-1	80,600
Community Development Block Grant	14.228	B-F-18-1A0-1	243,827
Community Development Block Grant	14.228	B-F-18-1A0-1	334,800
			<b>659,227</b>
FY18 Home Investment Partnerships Program	14.239	B-C-18-1A0-1	121,098
FY18 Home Investment Partnerships Program	14.239	S-C-18-1A0-1	20,745
FY18 Home Investment Partnerships Program	14.239	B-C-18-1A0-2	120,861
			<b>262,704</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>921,931</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<b>PASSED THROUGH THE OFFICE OF CRIMINAL JUSTICE</b>			
Crime Victim Assistance	16.575	VOCA 132922170/2021 VOCA 13391	106,732
Crime Victim Assistance	16.575	N/A	70,273
<b>Total Crime Victim Assistance</b>			<b>177,005</b>
Edward Byrne Memorial Justice Assistance Grant	16.738	20636569	3,339
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-JG-D02-6852	40,646
			<b>43,985</b>
<b>Total U.S. Department of Justice</b>			<b>220,990</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<b>PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION</b>			
<i>Highway Planning and Construction Cluster:</i>			
Highway Planning and Construction	20.205	COL-CR 428 6.65	17,521
Highway Planning and Construction	20.205	COL-CR 428 6.65	456,510
Highway Planning and Construction	20.205	COL-CR 428 6.65	15,679
Highway Planning and Construction	20.205	COL-CR 430-0.30	50,654
Highway Planning and Construction	20.205	COL-CR 430-0.30	1,200
Highway Planning and Construction	20.205	COL-VAR GR PHASE 3	300,000
<b>Total Highway Planning and Construction Cluster</b>			<b>841,564</b>
<b>Total U.S. Department of Transportation</b>			<b>841,564</b>

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COLUMBIANA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR/PASS-THROUGH GRANTER/PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF TREASURY</b>			
<b>PASSED THROUGH OHIO OFFICE OF BUDGET AND MANAGEMENT</b>			
COVID-19 - Coronavirus Relief Fund	21.019	N/A	6,111,750
<b>Total U.S. Department of Treasury</b>			<b>6,111,750</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<b>PASSED THROUGH OHIO DEPARTMENT OF EDUCATION</b>			
<i>Special Education Cluster (IDEA):</i>			
Special Education Grants to States Part B Flowthrough	84.027	3M20-065920-6B-2018	18,493
Special Education Grants to States Part B Flowthrough	84.027	3M20-065920-6B-2019	9,361
<b>Total Special Education Grant Cluster (IDEA)</b>			<b>27,854</b>
Special Education Grants for Infants and Families	84.181	3920-DOH-FY 19/20	204,557
Governor's Emergency Relief Fund	84.425C	EDUFG20	45,119
<b>Total U.S. Department of Education</b>			<b>277,530</b>
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>			
<b>PASSED THROUGH OHIO SECRETARY OF STATE</b>			
COVID-19 - Help America Vote Act Emergency Funds	90.404	N/A	76,323
Elections Security Grant	90.404	N/A	54,059
<b>Total U.S. Election Assistance Commission</b>			<b>130,382</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>PASSED THROUGH VARIOUS SOURCES (SEE TICKMARKS)</b>			
{a} Promoting Safe and Stable Families	93.556	G-2020-11-5725/G2021-11-5912	88,401
{a} Temporary Assistance for Needy Families (TANF)	93.558	G-2020-11-5725/G2021-11-5912	1,911,158
{d} Temporary Assistance for Needy Families (TANF)	93.558	N/A	10,658
<b>Total TANF</b>			<b>1,921,816</b>
{a} Child Support Enforcement	93.563	G-1617-11-5498	1,159,025
{a} Child Care and Development Block Grant Cluster	93.575	G-2020-11-5725/G2021-11-5912	113,636
{a} Child Welfare Services - State Grants	93.645	G-2020-11-5725/G2021-11-5912	80,601
{a} Foster Care Title IV-E	93.658	G-2020-11-5725/G2021-11-5912	1,220,778
{a} Adoption Assistance	93.659	G-2020-11-5725/G2021-11-5912	167,792
{a} Social Services Block Grant	93.667	G-2020-11-5725/G2021-11-5912	969,724
{b} Social Services Block Grant	93.667	DMR01-100912	72,512
{c} Social Services Block Grant	93.667	N/A	85,111
<b>Total Social Services Block Grant</b>			<b>1,127,347</b>
{a} Chafee Foster Care Independence Program	93.674	G-2020-11-5725/G2021-11-5912	11,350
{a} Children's Health Insurance Program	93.767	G-2020-11-5725/G2021-11-5912	475,774
<i>Medicaid Cluster:</i>			
{a} Medical Assistance Program	93.778	G-2020-11-5725/G2021-11-5912	1,308,658
{b} Medical Assistance Program	93.778	DMR01-100912	282,259
<b>Total Medicaid Cluster</b>			<b>1,590,917</b>
{c} Opioid STR	93.788	N/A	43,820
{a} Maternal, Infant, and Early Childhood Home Visiting Grant Program Cluster	93.870	3920-DOH-12W4	132,000
{c} Block Grants for Community Mental Health Services	93.958	N/A	82,992
{c} Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	387,449
<b>Total U.S. Department of Health and Human Services</b>			<b>8,603,698</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<b>PASSED THROUGH OHIO EMERGENCY MANAGEMENT AGENCY</b>			
Emergency Performance Grant	97.042	EMC-2020-EP-0004	91,887
Pre-Disaster Mitigation	97.047	PDM FY 2017	5,450
<b>Total U.S. Department of Homeland Security</b>			<b>97,337</b>
<b>Total Federal Expenditures</b>			<b>\$ 17,622,672</b>

**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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Columbiana County (the County) under programs of the federal government for the year ended December 31, 2020. 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 2020 is as follows:

Beginning loans receivable balance as of January 1, 2020	\$272,523
Loans Disbursed	0
Loans Repaid	0
Write-offs and Adjustments	0
Ending loans receivable balance as of December 31, 2020	<u>\$272,523</u>
Cash balance on hand as of December 31, 2020	\$73,218
Administrative costs expended during 2020	\$180
Interest received	\$328

The table above reports the gross receivable. Of the loans receivable as of December 31, 2020, Columbiana County estimates \$270,688 to be uncollectible.

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

**INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Columbiana County, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio (the "County") as of and for the year ended December 31, 2020, 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 25, 2021.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness.

## **Compliance and Other Matters**

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

## **County's Response to Finding**

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

## **Purpose of this Report**

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

*Clark, Schaefer, Hackett & Co.*

Columbus, Ohio  
June 25, 2021

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

**INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Columbiana County, Ohio:

**Report on Compliance for each Major Federal Program**

We have audited Columbiana County, Ohio's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended December 31, 2020.

## Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Clark, Schaefer, Hackett & Co.*

Columbus, Ohio  
June 25, 2021

Columbiana County, Ohio  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2020

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

**Financial Statements**

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

**Federal Awards**

Internal Control over major program:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	none
Identification of major programs:	
<i>CFDA 21.019 – Coronavirus Relief Fund</i> <i>CFDA 20.205– Highway Planning and Construction Cluster</i> <i>CFDA 93.667 – Social Services Block Grant</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**

**2020-001      Financial Reporting**

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

An audit adjustment was necessary to record a transfer to a capital projects reserve fund that was incorrectly posted to the sewer fund.

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

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

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

**None**



# Nancy Gause Milliken

## COLUMBIANA COUNTY AUDITOR



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

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

### SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR § 200.511(c)

June 30, 2020

Finding Number	Status	Explanation
2019-001	Not Corrected	Misstatements as a result of the GAAP conversion process classifying a capital project fund as an enterprise fund. Reissued as 2020-001.

Sincerely,

Nancy Milliken

County Auditor

# Nancy Gause Milliken

## COLUMBIANA COUNTY AUDITOR

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



### CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) December 31, 2020

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	The County will implement procedures to ensure that the GAAP report is correct. The county had done the transfer correctly.	12/31/2021	Nancy Milliken, County Auditor

Sincerely,

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

Nancy Milliken

Columbiana County Auditor

# OHIO AUDITOR OF STATE KEITH FABER



**COLUMBIANA COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/29/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)