

**COLUMBIANA COUNTY, OHIO**

***BASIC FINANCIAL STATEMENTS***  
***(Audited)***

***FOR THE YEAR ENDED***  
***DECEMBER 31, 2017***





# Dave Yost • Auditor of State

Board of County Commissioners  
Columbiana County  
105 S. Market Street  
Lisbon, Ohio 44432

We have reviewed the *Independent Auditor's Report* of the Columbiana County, prepared by Julian & Grube, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 17, 2018

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**COLUMBIANA COUNTY**  
**TABLE OF CONTENTS**

Independent Auditor’s Report .....	1 - 2
Management’s Discussion and Analysis .....	3 - 17
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	19
Statement of Activities .....	20 - 21
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	22 - 23
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	26 - 27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28 - 29
Statement of Revenues Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund.....	30
Job and Family Services Fund.....	31
Motor Vehicle and Gasoline Tax Fund .....	32
Mental Health Fund.....	33
Board of Developmental Disabilities Fund .....	34
Statement of Net Position - Proprietary Funds .....	35
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....	36
Statement of Cash Flows - Proprietary Funds .....	37 - 38
Statement of Fiduciary Net Position - Fiduciary Funds .....	39
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	40
Notes to the Basic Financial Statements .....	41 - 94
Required Supplementary Information:	
Schedule of the County’s Proportionate Share of the Net Pension Liability / Net Pension Asset:	
Ohio Public Employees Retirement System (OPERS) .....	97
State Teachers Retirement System (STRS) of Ohio .....	98
Schedule of County Contributions:	
Ohio Public Employees Retirement System (OPERS).....	99 - 100
State Teachers Retirement System (STRS) of Ohio .....	101 - 102
Notes to Required Supplementary Information .....	103
Supplemental Information:	
Schedule of Expenditures of Federal Awards.....	104 - 106
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	107 - 108
Independent Auditor’s Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the <i>Uniform Guidance</i> .....	109 - 110
Schedule of Findings 2 <i>CFR</i> § 200.515 .....	111

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# Julian & Grube, Inc.

*Serving Ohio Local Governments*

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## Independent Auditor's Report

Columbiana County  
105 South Market Street  
Lisbon, Ohio 44432

To the Board of Commissioners:

### ***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, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Columbiana County's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to Columbiana County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of Columbiana County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the 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 thereof for the year then ended in accordance with the 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 this presentation to include *Management's discussion and analysis* and schedules of net pension liability/net pension asset and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on Columbiana County's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information 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 29, 2018, on our consideration of Columbiana County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Columbiana County's internal control over financial reporting and compliance.





## COLUMBIANA COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017. 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 2017 are as follows:

- The total net position of the County increased \$6,354,919. Net position of governmental activities increased \$5,044,535, which represents a 7.52% increase from 2016. Net position of business-type activities decreased \$1,310,384 or 85.95% from 2016.
- General revenues accounted for \$39,067,050 or 46.35% of total governmental activities revenue. Program specific revenues accounted for \$45,227,587 or 53.65% of total governmental activities revenue.
- The County had \$78,325,588 in expenses related to governmental activities; \$45,227,587 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$39,067,050 were adequate to provide for these programs.
- The general fund, the County's largest major governmental fund, had revenues and other financing sources of \$31,403,454 in 2017. The general fund had expenditures and other financing uses of \$23,125,491 in 2017. The fund balance of the general fund increased \$8,277,963 from 2016 to 2017.
- The job and family services fund, a major governmental fund, had revenues and other financing sources of \$9,233,054 in 2017. The job and family services fund had expenditures of \$9,153,313 in 2017. The job and family services fund balance increased \$79,741 from 2016 to 2017.
- The motor vehicle and gasoline tax fund, a major governmental fund, had revenues and other financing sources of \$9,964,590 in 2017. The motor vehicle and gasoline tax fund had expenditures of \$10,000,168 in 2017. The motor vehicle and gasoline tax fund balance decreased \$35,378 from 2016 to 2017.
- The mental health fund, a major governmental fund, had revenues of \$4,213,171 in 2017. The mental fund had expenditures and other financing uses of \$3,844,515 in 2017. The mental health fund balance increased \$368,656 from 2016 to 2017.
- The board of developmental disabilities fund, a major governmental fund, had revenues of \$13,180,795 in 2017. The board of developmental disabilities fund had expenditures of \$13,413,605 in 2017. The board of developmental disabilities fund balance decreased \$232,810 from 2016 to 2017.
- Net position for the business-type activities, which consists of the water and sewer operations and other enterprise funds, increased in 2017 by \$1,310,384.

#### **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, 2017

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 2017?" 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 19-21 of this report.

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

##### *Fund Financial Statements*

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

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

## COLUMBIANA COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

#### ***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 22-34 of this report.

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

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

The County maintains proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer operations as well as other enterprise operations. An internal service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions. The County's internal service fund accounts for health self-insurance activities. The proprietary fund statements can be found on pages 35-38 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 a private purpose trust fund and agency funds. The basic fiduciary fund financial statement can be found on pages 39-40 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 41-93 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. The required supplementary information can be found on pages 96-102 of this report.

**COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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, 2016 and December 31, 2017.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b><u>Assets</u></b>						
Current assets	\$ 95,151,664	\$ 85,343,324	\$ 2,859,893	\$ 2,897,139	\$ 98,011,557	\$ 88,240,463
Capital assets, net	<u>40,780,057</u>	<u>41,566,256</u>	<u>9,618,522</u>	<u>7,432,131</u>	<u>50,398,579</u>	<u>48,998,387</u>
Total assets	<u>135,931,721</u>	<u>126,909,580</u>	<u>12,478,415</u>	<u>10,329,270</u>	<u>148,410,136</u>	<u>137,238,850</u>
<b><u>Deferred outflows of resources</u></b>						
Unamortized deferred charges	135,552	153,341	-	-	135,552	153,341
Pension	<u>14,408,019</u>	<u>11,091,233</u>	<u>369,813</u>	<u>412,515</u>	<u>14,777,832</u>	<u>11,503,748</u>
Total deferred outflows of resources	<u>14,543,571</u>	<u>11,244,574</u>	<u>369,813</u>	<u>412,515</u>	<u>14,913,384</u>	<u>11,657,089</u>
<b><u>Liabilities</u></b>						
Current liabilities	4,611,725	4,222,425	966,285	268,810	5,578,010	4,491,235
Long-term liabilities:						
Due within one year	1,904,323	2,125,048	486,524	273,730	2,390,847	2,398,778
Net pension liability	37,554,247	29,929,226	937,141	1,074,228	38,491,388	31,003,454
Other amounts	<u>21,276,671</u>	<u>22,052,596</u>	<u>7,432,017</u>	<u>7,577,885</u>	<u>28,708,688</u>	<u>29,630,481</u>
Total liabilities	<u>65,346,966</u>	<u>58,329,295</u>	<u>9,821,967</u>	<u>9,194,653</u>	<u>75,168,933</u>	<u>67,523,948</u>
<b><u>Deferred inflows of resources</u></b>						
Property taxes	12,158,217	11,923,006	-	-	12,158,217	11,923,006
Pension	<u>832,943</u>	<u>809,222</u>	<u>191,355</u>	<u>22,610</u>	<u>1,024,298</u>	<u>831,832</u>
Total deferred inflows of resources	<u>12,991,160</u>	<u>12,732,228</u>	<u>191,355</u>	<u>22,610</u>	<u>13,182,515</u>	<u>12,754,838</u>
<b><u>Net Position</u></b>						
Net investment in capital assets	22,024,919	21,622,541	1,072,063	(344,166)	23,096,982	21,278,375
Restricted	31,010,029	33,815,583	-	-	31,010,029	33,815,583
Unrestricted	<u>19,102,218</u>	<u>11,654,507</u>	<u>1,762,843</u>	<u>1,868,688</u>	<u>20,865,061</u>	<u>13,523,195</u>
Total net position	<u>\$ 72,137,166</u>	<u>\$ 67,092,631</u>	<u>\$ 2,834,906</u>	<u>\$ 1,524,522</u>	<u>\$ 74,972,072</u>	<u>\$ 68,617,153</u>

During a prior year, the County adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. 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 the net pension liability to the reported net position and subtracting deferred outflows related to pension.

## COLUMBIANA COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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

Under the standards required by GASB 68, the net pension liability equals the County's proportionate share of each plan's collective:

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

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 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 pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *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 pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, 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 pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the County's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability 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, 2017, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74,972,072. This amounts to \$72,137,166 in the governmental activities and \$2,834,906 in the business-type activities. This is an indication that the County's finances remained strong during 2017.

**COLUMBIANA COUNTY, OHIO**

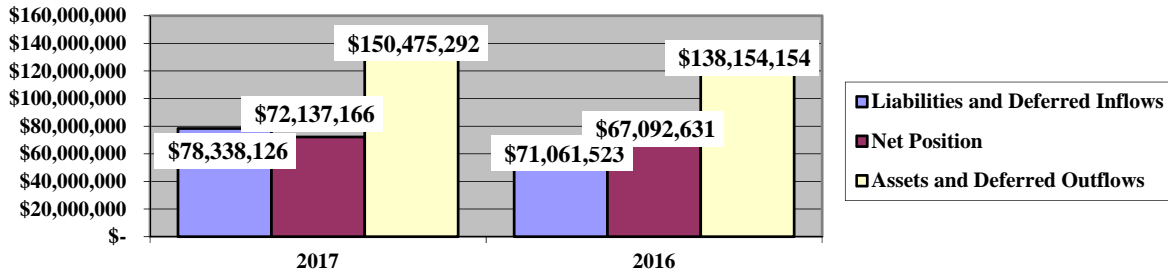
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 33.96% of total governmental and business-type assets. Capital assets include land, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. The County's net investment in capital assets at December 31, 2017 was \$23,096,982. 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.

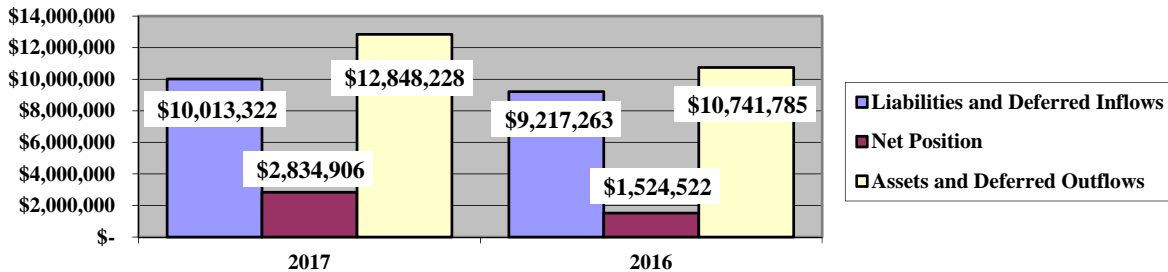
A portion of the County's governmental net position, \$31,010,029 or 42.99%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$19,102,218 or 26.48% may be used to meet the government's ongoing obligations to 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, 2016 and December 31, 2017 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, 2017**

The table below shows the changes in net position for 2017 and 2016.

	<b>Change in Net Position</b>					
	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities		
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 9,413,554	\$ 9,025,707	\$ 2,206,931	\$ 2,262,165	\$ 11,620,485	\$ 11,287,872
Operating grants and contributions	35,457,261	32,568,715	479,955	378,061	35,937,216	32,946,776
Capital grants and contributions	356,772	300,000	750,000	-	1,106,772	300,000
<b>Total program revenues</b>	<b>45,227,587</b>	<b>41,894,422</b>	<b>3,436,886</b>	<b>2,640,226</b>	<b>48,664,473</b>	<b>44,534,648</b>
General revenues:						
Property taxes	10,951,506	10,476,753	-	-	10,951,506	10,476,753
Sales tax	16,212,038	16,492,276	-	-	16,212,038	16,492,276
Unrestricted grants	10,991,097	3,981,659	-	-	10,991,097	3,981,659
Investment earnings	640,569	435,780	17,896	13,862	658,465	449,642
Gas and oil lease	22,250	11,366	-	-	22,250	11,366
Miscellaneous	249,590	466,706	221,353	206,810	470,943	673,516
<b>Total general revenues</b>	<b>39,067,050</b>	<b>31,864,540</b>	<b>239,249</b>	<b>220,672</b>	<b>39,306,299</b>	<b>32,085,212</b>
<b>Total revenues</b>	<b>84,294,637</b>	<b>73,758,962</b>	<b>3,676,135</b>	<b>2,860,898</b>	<b>87,970,772</b>	<b>76,619,860</b>
<b>Expenses</b>						
Program Expenses:						
General government						
Legislative and executive	8,584,600	7,656,575	-	-	8,584,600	7,656,575
Judicial	6,817,041	6,158,868	-	-	6,817,041	6,158,868
Public safety	10,810,885	9,714,164	-	-	10,810,885	9,714,164
Public works	11,101,436	10,699,618	-	-	11,101,436	10,699,618
Health	3,640,467	3,886,716	-	-	3,640,467	3,886,716
Human services	35,654,338	33,456,973	-	-	35,654,338	33,456,973
Conservation and recreation	8,923	7,098	-	-	8,923	7,098
Economic development	894,963	1,886,480	-	-	894,963	1,886,480
Other	-	16,600	-	-	-	16,600
Interest and fiscal charges	812,935	833,323	-	-	812,935	833,323
Water and sewer	-	-	3,246,661	2,919,608	3,246,661	2,919,608
Other enterprise	-	-	43,604	16,882	43,604	16,882
<b>Total expenses</b>	<b>78,325,588</b>	<b>74,316,415</b>	<b>3,290,265</b>	<b>2,936,490</b>	<b>81,615,853</b>	<b>77,252,905</b>
Transfers	(924,514)	-	924,514	-	-	-
<b>Change in net position</b>	<b>5,044,535</b>	<b>(557,453)</b>	<b>1,310,384</b>	<b>(75,592)</b>	<b>6,354,919</b>	<b>(633,045)</b>
<b>Net position at beginning of year</b>	<b>67,092,631</b>	<b>67,650,084</b>	<b>1,524,522</b>	<b>1,600,114</b>	<b>68,617,153</b>	<b>69,250,198</b>
<b>Net position at end of year</b>	<b>\$ 72,137,166</b>	<b>\$ 67,092,631</b>	<b>\$ 2,834,906</b>	<b>\$ 1,524,522</b>	<b>\$ 74,972,072</b>	<b>\$ 68,617,153</b>

**COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Governmental Activities**

Governmental activities net position increased by \$5,044,535 from 2016 to 2017.

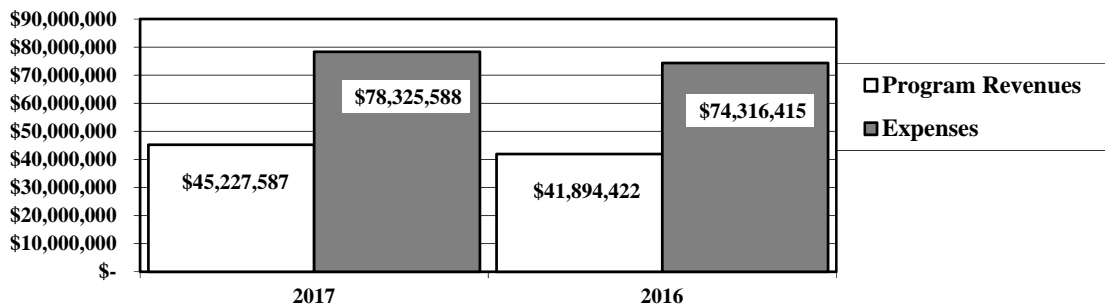
Human services expense, the largest expense of the County, accounted for \$35,654,338 or 45.52% of total governmental expenses. Human services primarily consist of job and family services and board of developmental disabilities activity. Public works expenses primarily support the operations of the engineer's department, and accounts for \$11,101,436 or 14.17% of the total governmental expenses of the County. These expenses were funded by \$169,997 in direct charges to users, \$10,812,122 in operating grants and contributions, and \$356,772 in capital grants and contributions during 2017. General government expenses, which include legislative and executive and judicial programs, accounted for \$15,401,641 or 19.66% of the total governmental expenses of the County. General government expenses were covered by \$6,257,916 in direct charges to users and \$832,853 in operating grants and contributions during 2017.

The State and federal government contributed to the County revenues of \$35,457,261 in operating grants and contributions and \$356,772 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Operating grants and contributions of \$18,335,149 or 51.71% subsidized human services. Operating grants and contributions of \$1,917,834 or 5.41% subsidized County health programs. Operating grants and contributions of \$10,812,122 or 30.49%, as well as the entire amount of capital grants and contributions, subsidized public works projects.

General revenues of governmental activities totaled \$39,067,050 and amounted to 46.35% of the total revenues of \$84,294,637. These revenues primarily consist of property and sales tax revenue of \$27,163,544 or 69.53% of total general revenues in 2017. 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 \$10,991,097, or 28.13%, of the total general revenues. The large increase in these unrestricted grants was primarily due to Medicaid sales tax transition funding received from the State of Ohio.

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 2017. 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, 2017**

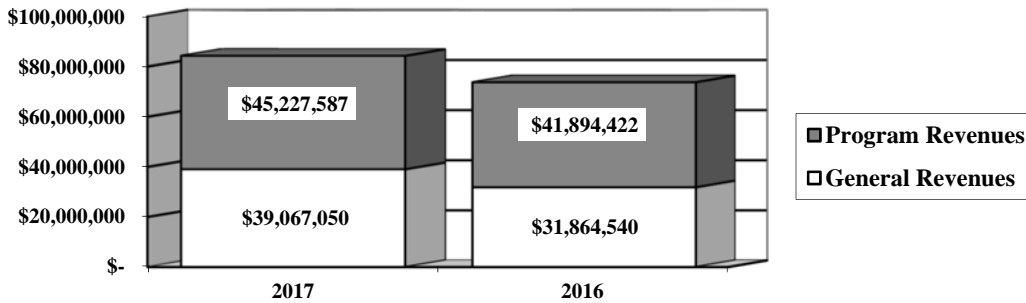
**Governmental Activities**

	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>
Program Expenses:				
General government				
Legislative and executive	\$ 8,584,600	\$ 5,453,998	\$ 7,656,575	\$ 4,700,661
Judicial	6,817,041	2,856,874	6,158,868	3,147,465
Public safety	10,810,885	8,388,787	9,714,164	8,534,096
Public works	11,101,436	(237,455)	10,699,618	1,640,471
Health	3,640,467	815,042	3,886,716	1,209,194
Human services	35,654,338	16,650,182	33,456,973	14,612,806
Conservation and recreation	8,923	8,923	7,098	7,098
Economic development	894,963	(1,162,778)	1,886,480	1,081,594
Other	-	-	16,600	16,600
Interest and fiscal charges	<u>812,935</u>	<u>324,428</u>	<u>833,323</u>	<u>336,297</u>
<b>Total</b>	<b><u>\$ 78,325,588</u></b>	<b><u>\$ 33,098,001</u></b>	<b><u>\$ 74,316,415</u></b>	<b><u>\$ 35,286,282</u></b>

The dependence upon general revenues for governmental activities is apparent, with 42.26% of expenses supported through taxes and other general revenues during 2017.

The graph below illustrates the County's reliance upon general revenues for 2017 and 2016.

**Governmental Activities – General and Program Revenues**



**Business-type Activities**

Business-type activities include the water fund, sewer fund and other enterprise funds. These programs had program revenues of \$3,436,886 general revenues of \$239,249 and expenses of \$3,290,265 for 2017.

**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.

**COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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 \$63,985,058 which is \$8,619,449 more than last year's total of \$55,365,609.

	<u>Fund Balance</u> <u>December 31, 2017</u>	<u>Fund Balance</u> <u>December 31, 2016</u>	<u>Change</u>
Major Funds:			
General	\$ 18,825,957	\$ 10,547,994	\$ 8,277,963
Job and Family Services	1,803,102	1,723,361	79,741
Motor Vehicle and Gasoline Tax	5,994,520	6,030,098	(35,578)
Mental Health	6,656,567	6,287,911	368,656
Board of Developmental Disabilities	9,831,690	10,064,500	(232,810)
Nonmajor Governmental Funds	<u>20,873,222</u>	<u>20,711,745</u>	<u>161,477</u>
Total	<u>\$ 63,985,058</u>	<u>\$ 55,365,609</u>	<u>\$ 8,619,449</u>

**General Fund**

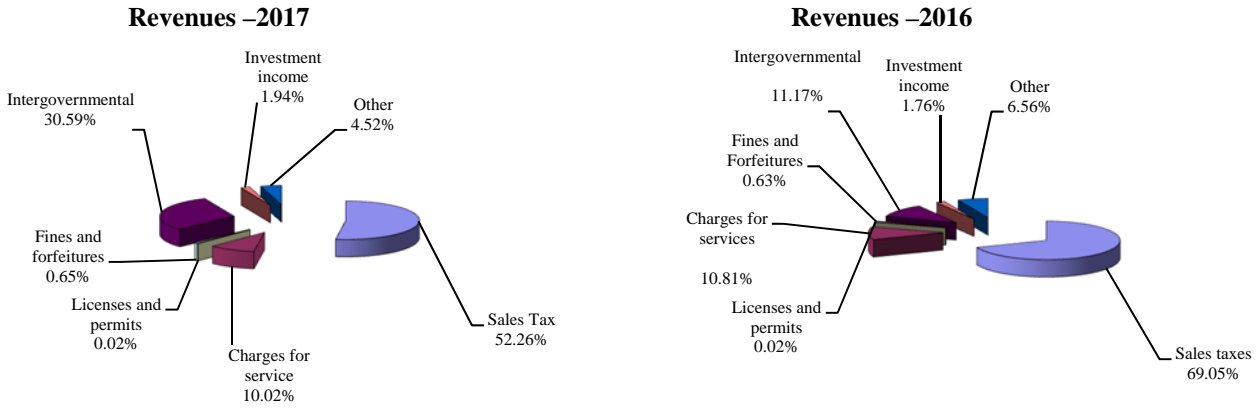
The County's general fund balance increased \$8,277,963. The primary revenue source of the general fund is sales tax revenues. Sales tax revenues represent \$16,358,194 or 52.26% of general fund revenues. This decrease was the result of a decrease in tax collects for 2017 compared to 2016. Intergovernmental revenue makes up \$9,575,393 or 30.58% of the general fund revenues. These primarily consist of local governmental revenues from the State and funding from the casino tax in the State. The increase was the result of Medicaid sales tax transition funding from the State. The increase in investment income was the result of an increase in interest income. Fines and forfeitures increased mainly due to the increase in municipal court fines. Charges for services increased due an increase in fees charges by the sheriff's department, recorders fees and various court fees.

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Sales taxes	\$ 16,358,194	\$ 16,435,809	\$ (77,615)	(0.47)
Charges for services	3,136,727	2,572,807	563,920	21.92
Licenses and permits	5,510	5,460	50	0.92
Fines and forfeitures	204,977	148,839	56,138	37.72
Intergovernmental	9,575,393	2,658,667	6,916,726	260.16
Investment income	607,523	419,256	188,267	44.91
Rent income and other	<u>1,415,130</u>	<u>1,561,099</u>	<u>(145,969)</u>	<u>(9.35)</u>
Total	<u>\$ 31,303,454</u>	<u>\$ 23,801,937</u>	<u>\$ 7,501,517</u>	<u>31.52</u>

**COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

The graphs below illustrate the revenue of the general fund for 2017 and 2016.



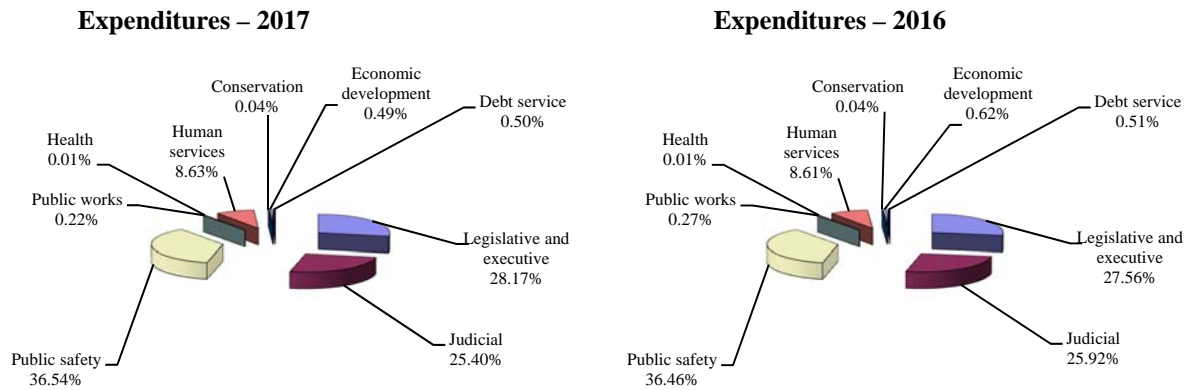
The table that follows assists in illustrating the expenditures of the general fund. The largest expenditure of the general is public safety which total \$7,628,991 or 36.55% of general fund expenditures. Public safety expenditures consist of primarily County sheriff services and prison housing. The increase from 2016 resulted mainly from an increase in prisoner housing costs.

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>				
General government				
Legislative and executive	\$ 5,881,345	\$ 5,548,214	\$ 333,131	6.00
Judicial	5,301,992	5,217,412	84,580	1.62
Public safety	7,628,991	7,339,869	289,122	3.94
Public works	45,512	53,893	(8,381)	(15.55)
Health	1,469	1,454	15	1.03
Human services	1,801,256	1,733,395	67,861	3.91
Conservation and recreation	8,923	7,098	1,825	25.71
Economic development	101,710	123,880	(22,170)	(17.90)
Capital outlay	-	23,946	(23,946)	(100.00)
Debt service	103,647	104,720	(1,073)	(1.02)
<b>Total</b>	<b>\$ 20,874,845</b>	<b>\$ 20,153,881</b>	<b>\$ 720,964</b>	<b>3.58</b>

# COLUMBIANA COUNTY, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The graphs below illustrate the expenditures of the general fund for 2017 and 2016.



### ***Job and Family Services Fund***

The job and family services fund, a major governmental fund, had revenues and other financing sources of \$9,233,054 in 2017. The job and family services fund had expenditures of \$9,153,313 in 2017. The job and family services fund balance increased \$79,741 from 2016 to 2017. This increase was the result of more grant support compared to last 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 \$9,964,590 in 2017. The motor vehicle and gasoline tax fund had expenditures of \$10,000,168 in 2017. The motor vehicle and gasoline tax fund balance decreased \$35,578 from 2016 to 2017. The decrease in fund balance is the result of decreased costs in comparison to 2016 while revenues decreased from the prior year.

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

The mental health fund, a major governmental fund, had revenues of \$4,213,171 in 2017. The mental health fund had expenditures and other financing resources of \$3,844,515 in 2017. The mental health fund balance increased \$368,656 from 2016 to 2017. While intergovernmental decreased and expenditures increased, the revenue support was enough to outweigh the costs.

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

The board of developmental disabilities fund, a major governmental fund, had revenues of \$13,180,795 in 2017. The board of developmental disabilities fund had expenditures of \$13,413,605 in 2017. The board of developmental disabilities fund balance decreased \$232,810 from 2016 to 2017. This decrease was due to a large increase in costs.

### ***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, 2017**

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 \$18,618,611 and were increased to \$23,266,613 in the final budget due to increases in sales tax revenue projections. Actual revenues and other financing sources of \$25,023,639 were more than the final budgeted revenues and other financing sources by \$1,757,026 or 7.55%. 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 \$19,060,215. These were increased to \$26,288,626 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 \$25,842,619 were less than final budgeted amounts by \$446,007 or 1.70%. 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 2017, the County had \$50,398,579 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. Of this total, \$40,780,057 was reported in governmental activities and \$9,618,522 was reported in business-type activities.

The following table shows December 31, 2017 balances compared to December 31, 2016:

**Capital Assets at December 2017 (Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 1,281,026	\$ 1,281,026	\$ 62,433	\$ 62,433	\$ 1,343,459	\$ 1,343,459
Construction in progress	119,341	-	2,577,581	-	2,696,922	-
Land improvements	502,518	475,345	3,218	6,050	505,736	481,395
Building and improvements	17,108,411	17,635,194	1,017,957	1,070,735	18,126,368	18,705,929
Machinery and equipment	1,106,265	1,179,037	366,889	395,425	1,473,154	1,574,462
Vehicles	765,480	1,057,536	56,168	118,158	821,648	1,175,694
Infrastructure	19,847,906	19,906,851	5,534,276	5,779,330	25,382,182	25,686,181
Software	49,110	31,267	-	-	49,110	31,267
<b>Total</b>	<b>\$ 40,780,057</b>	<b>\$ 41,566,256</b>	<b>\$ 9,618,522</b>	<b>\$ 7,432,131</b>	<b>\$ 50,398,579</b>	<b>\$ 48,998,387</b>

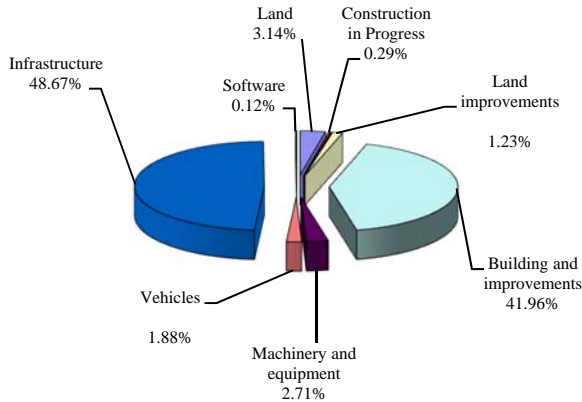
See Note 10 to the basic financial statements for detail on governmental activities and business-type activities capital assets.

**COLUMBIANA COUNTY, OHIO**

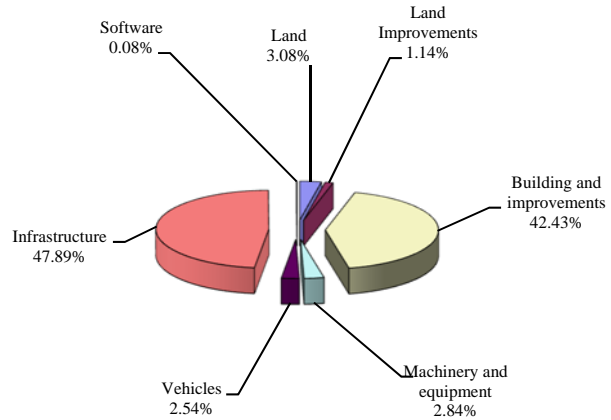
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

The following graphs show the breakdown of governmental capital assets by category at December 31, 2016 and December 31, 2017.

**Capital Assets - Governmental Activities 2017**



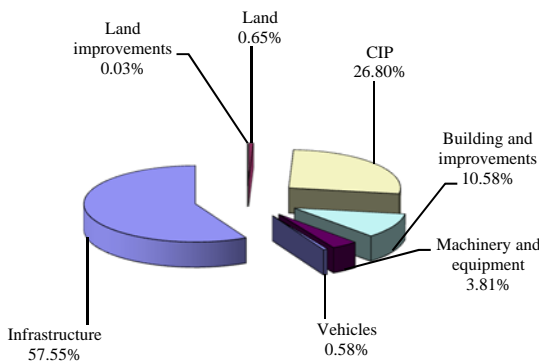
**Capital Assets - Governmental Activities 2016**



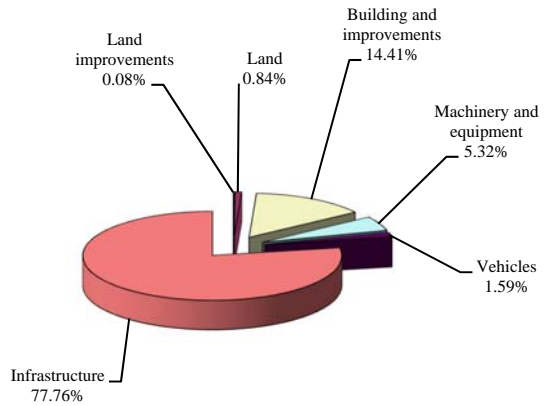
The County's largest governmental activities capital asset category is infrastructure, which includes roads and bridges. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 48.67% of the County's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category at December 31, 2017 and December 31, 2016.

**Capital Assets - Business - Type Activities 2017**



**Capital Assets - Business - Type Activities 2016**



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 57.55% of the County's total business-type capital assets.

**COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

***Debt Administration***

At December 31, 2017, the County had long-term obligations of \$64,602 in general obligation notes, \$18,545,407 in general obligation bonds, \$6,237,384 in mortgage revenue bonds, \$1,118,830 in OPWC loans, \$462,523 in OWDA loans and \$33,580 in capital lease obligations. Of this total, \$1,485,391 is due within one year and \$25,224,036 is due in more than one year.

The following table summarizes the short-term and long-term obligations outstanding at December 31, 2016 and December 31, 2017.

	<b>Outstanding Debt, at Year End</b>			
	Governmental Activities <u>2017</u>	Business-type Activities <u>2017</u>	Governmental Activities <u>2016</u>	Business-type Activities <u>2016</u>
Long-Term Obligations:				
General obligation notes	\$ 64,602	\$ -	\$ 261,506	\$ -
General obligation bonds	18,545,407	-	19,469,939	-
Mortgage revenue bonds	-	6,237,384	-	6,093,750
OPWC loans	-	1,118,830	-	1,208,324
OWDA loans	247,101	462,523	320,263	474,223
Capital lease obligations	<u>33,580</u>	<u>-</u>	<u>45,348</u>	<u>-</u>
Total	<u>\$ 18,890,690</u>	<u>\$ 7,818,737</u>	<u>\$ 20,097,056</u>	<u>\$ 7,776,297</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.

In 2011 the electorate of Ohio has approved a Constitutional amendment permitting gaming in the state of Ohio. We anticipate receiving approximately \$1,000,000 a year in additional revenue.

**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.

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COLUMBIANA COUNTY, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Columbiana County Land Reutilization Corporation
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 57,909,959	\$ 2,196,286	\$ 60,106,245	\$ 35,129
Cash and cash equivalents with fiscal agent . . .	159,718	-	159,718	-
Cash and cash equivalents in segregated accounts . . . . .	244,775	-	244,775	-
Receivables:				
Sales taxes . . . . .	4,011,549	-	4,011,549	-
Real and other taxes . . . . .	13,388,729	-	13,388,729	-
Accounts . . . . .	147,709	185,429	333,138	3,727
Special assessments . . . . .	-	491,513	491,513	-
Accrued interest . . . . .	142,591	-	142,591	-
Due from other governments . . . . .	17,610,721	-	17,610,721	-
Loans receivable . . . . .	66,459	-	66,459	-
Due from component unit . . . . .	202,005	-	202,005	-
Materials and supplies inventory . . . . .	739,321	2,842	742,163	-
Prepayments . . . . .	454,218	3,722	457,940	8,847
Net pension asset . . . . .	52,656	1,355	54,011	-
Assets held for resale . . . . .	-	-	-	707,500
Internal balance . . . . .	21,254	(21,254)	-	-
Capital assets:				
Nondepreciable capital assets . . . . .	1,400,367	2,640,014	4,040,381	-
Depreciable capital assets, net . . . . .	39,379,690	6,978,508	46,358,198	-
Total capital assets, net . . . . .	40,780,057	9,618,522	50,398,579	-
Total assets . . . . .	135,931,721	12,478,415	148,410,136	755,203
<b>Deferred outflows of resources:</b>				
Unamortized deferred charges on debt refunding	135,552	-	135,552	-
Pension - OPERS . . . . .	14,084,776	369,813	14,454,589	-
Pension - STRS . . . . .	323,243	-	323,243	-
Total deferred outflows of resources . . . . .	14,543,571	369,813	14,913,384	-
<b>Liabilities:</b>				
Accounts payable . . . . .	2,075,570	63,405	2,138,975	30,685
Contracts payable . . . . .	63,978	598,849	662,827	-
Retainage payable . . . . .	-	128,873	128,873	-
Accrued wages and benefits payable . . . . .	1,278,854	31,342	1,310,196	-
Due to other governments . . . . .	932,313	98,298	1,030,611	3,715
Due to primary government . . . . .	-	-	-	202,005
Accrued interest payable . . . . .	176,297	45,518	221,815	-
Claims payable . . . . .	77,832	-	77,832	-
Due to external parties . . . . .	6,881	-	6,881	-
Long-term liabilities:				
Due within one year . . . . .	1,904,323	486,524	2,390,847	-
Due in more than one year:				
Net pension liability . . . . .	37,554,247	937,141	38,491,388	-
Other amounts . . . . .	21,276,671	7,432,017	28,708,688	-
Total liabilities . . . . .	65,346,966	9,821,967	75,168,933	236,405
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . .	12,158,217	-	12,158,217	-
Pension - OPERS . . . . .	553,293	191,355	744,648	-
Pension - STRS . . . . .	279,650	-	279,650	-
Total deferred inflows of resources . . . . .	12,991,160	191,355	13,182,515	-
<b>Net position:</b>				
Net investment in capital assets . . . . .	22,024,919	1,072,063	23,096,982	-
Restricted for:				
Debt service . . . . .	2,791,543	-	2,791,543	-
Capital projects . . . . .	90,579	-	90,579	-
Legislative and executive programs . . . . .	1,058,859	-	1,058,859	-
Judicial programs . . . . .	1,511,908	-	1,511,908	-
Public safety programs . . . . .	2,319,293	-	2,319,293	-
Public works programs . . . . .	5,207,386	-	5,207,386	-
Health programs . . . . .	6,671,279	-	6,671,279	-
Human services programs . . . . .	9,219,446	-	9,219,446	-
Economic development programs . . . . .	1,750,382	-	1,750,382	-
Unclaimed monies . . . . .	389,354	-	389,354	-
Unrestricted . . . . .	19,102,218	1,762,843	20,865,061	518,798
Total net position . . . . .	\$ 72,137,166	\$ 2,834,906	\$ 74,972,072	\$ 518,798

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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 . . . . .	\$ 8,584,600	\$ 2,974,028	\$ 156,574	\$ -
Judicial . . . . .	6,817,041	3,283,888	676,279	-
Public safety . . . . .	10,810,885	920,536	1,501,562	-
Public works . . . . .	11,101,436	169,997	10,812,122	356,772
Health . . . . .	3,640,467	907,591	1,917,834	-
Human services . . . . .	35,654,338	669,007	18,335,149	-
Conservation and recreation . . . . .	8,923	-	-	-
Economic development and assistance . . . . .	894,963	-	2,057,741	-
Interest and fiscal charges . . . . .	812,935	488,507	-	-
Total governmental activities . . . . .	<u>78,325,588</u>	<u>9,413,554</u>	<u>35,457,261</u>	<u>356,772</u>
<b>Business-type activities:</b>				
Sewer . . . . .	2,904,007	1,860,380	479,955	750,000
Water . . . . .	342,654	301,651	-	-
Other enterprise . . . . .	43,604	44,900	-	-
Total business-type activities . . . . .	<u>3,290,265</u>	<u>2,206,931</u>	<u>479,955</u>	<u>750,000</u>
Totals . . . . .	<u>\$ 81,615,853</u>	<u>\$ 11,620,485</u>	<u>\$ 35,937,216</u>	<u>\$ 1,106,772</u>
<b>Component unit:</b>				
Columbiana County Land Reutilization Corporation . . . . .	<u>\$ 486,163</u>	<u>\$ -</u>	<u>\$ 357,509</u>	<u>\$ -</u>

**General revenues:**

Property taxes levied for:
Mental health - health . . . . .
Board of developmental disabilities - human services
Childrens services - human services . . . . .
Senior Services . . . . .
Debt service . . . . .
Sales taxes levied for:
General purposes . . . . .
Grants and entitlements not restricted
to specific programs. . . . .
Investment earnings. . . . .
Gas and oil lease . . . . .
Contributions and donations not
restricted for specific programs . . . . .
Sale of assets . . . . .
Miscellaneous . . . . .
Total general revenues . . . . .
Transfers . . . . .
Total general revenues and transfers . . . . .
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**

<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Columbiana County Land Reutilization Corporation</b>
\$ (5,453,998)	\$ -	\$ (5,453,998)	\$ -
(2,856,874)	-	(2,856,874)	-
(8,388,787)	-	(8,388,787)	-
237,455	-	237,455	-
(815,042)	-	(815,042)	-
(16,650,182)	-	(16,650,182)	-
(8,923)	-	(8,923)	-
1,162,778	-	1,162,778	-
(324,428)	-	(324,428)	-
(33,098,001)	-	(33,098,001)	-
-	186,328	186,328	-
-	(41,003)	(41,003)	-
-	1,296	1,296	-
-	146,621	146,621	-
(33,098,001)	146,621	(32,951,380)	-
-	-	-	(128,654)
2,055,320	-	2,055,320	-
6,814,953	-	6,814,953	-
948,146	-	948,146	-
827,028	-	827,028	-
306,059	-	306,059	-
16,212,038	-	16,212,038	-
10,991,097	-	10,991,097	209,211
640,569	17,896	658,465	-
22,250	-	22,250	-
-	-	-	172,000
-	-	-	6,609
249,590	221,353	470,943	4,521
39,067,050	239,249	39,306,299	392,341
(924,514)	924,514	-	-
38,142,536	1,163,763	39,306,299	392,341
5,044,535	1,310,384	6,354,919	263,687
67,092,631	1,524,522	68,617,153	255,111
\$ 72,137,166	\$ 2,834,906	\$ 74,972,072	\$ 518,798

**COLUMBIANA COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

	<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 . . . . .	\$ 13,380,137	\$ 557,814	\$ 4,777,629	\$ 7,025,777
Cash and cash equivalents with fiscal agent . .	-	-	-	-
Cash and cash equivalents in segregated accounts . . . . .	-	-	-	-
Receivables:				
Sales taxes . . . . .	4,011,549	-	-	-
Real and other taxes . . . . .	-	-	-	2,531,290
Accounts . . . . .	24,573	8,413	7,886	-
Accrued interest . . . . .	140,424	-	-	-
Due from other funds . . . . .	192,234	298,685	-	87
Due from other governments . . . . .	4,195,257	5,706,349	3,035,380	165,886
Loans receivable . . . . .	-	-	-	-
Due from component units . . . . .	202,005	-	-	-
Materials and supplies inventory . . . . .	112,051	77,997	541,968	264
Prepayments . . . . .	212,929	50,399	3,072	2,900
Total assets . . . . .	<u>\$ 22,471,159</u>	<u>\$ 6,699,657</u>	<u>\$ 8,365,935</u>	<u>\$ 9,726,204</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 498,979	\$ 114,759	\$ 150,241	\$ 69,061
Contracts payable . . . . .	-	-	-	-
Accrued wages and benefits payable . . . . .	473,954	266,647	161,459	16,052
Compensated absences payable . . . . .	46,129	4,235	-	-
Due to other governments . . . . .	325,060	96,123	50,431	300,432
Due to other funds . . . . .	30,089	121,964	1,635	1,336
Due to external parties . . . . .	-	6,881	-	-
Total liabilities . . . . .	<u>1,374,211</u>	<u>610,609</u>	<u>363,766</u>	<u>386,881</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . .	-	-	-	2,325,131
Delinquent property tax revenue not available . .	-	-	-	206,159
Accrued interest not available . . . . .	89,140	-	-	-
Miscellaneous revenue not available . . . . .	-	351	-	-
Intergovernmental revenues not available . . . .	684,482	4,285,595	2,007,649	151,466
Sales taxes not available . . . . .	1,497,369	-	-	-
Total deferred inflows of resources . . . . .	<u>2,270,991</u>	<u>4,285,946</u>	<u>2,007,649</u>	<u>2,682,756</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	714,334	128,396	545,040	3,164
Restricted . . . . .	-	1,674,706	5,449,480	6,653,403
Committed . . . . .	7,259,508	-	-	-
Assigned . . . . .	939,752	-	-	-
Unassigned . . . . .	9,912,363	-	-	-
Total fund balances . . . . .	<u>18,825,957</u>	<u>1,803,102</u>	<u>5,994,520</u>	<u>6,656,567</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 22,471,159</u>	<u>\$ 6,699,657</u>	<u>\$ 8,365,935</u>	<u>\$ 9,726,204</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>
\$ 10,119,263	\$ 20,596,894	\$ 56,457,514
159,718	-	159,718
-	244,775	244,775
-	-	4,011,549
8,323,483	2,533,956	13,388,729
42,325	64,512	147,709
-	2,167	142,591
-	68,272	559,278
502,688	4,005,161	17,610,721
-	66,459	66,459
-	-	202,005
5,105	1,936	739,321
33	184,885	454,218
<u>\$ 19,152,615</u>	<u>\$ 27,769,017</u>	<u>\$ 94,184,587</u>
\$ 275,645	\$ 916,870	\$ 2,025,555
-	63,978	63,978
190,796	169,658	1,278,566
-	-	50,364
92,039	68,130	932,215
941	412,261	568,226
-	-	6,881
<u>559,421</u>	<u>1,630,897</u>	<u>4,925,785</u>
7,485,963	2,347,123	12,158,217
837,520	186,833	1,230,512
-	775	89,915
-	-	351
438,021	2,730,167	10,297,380
-	-	1,497,369
<u>8,761,504</u>	<u>5,264,898</u>	<u>25,273,744</u>
5,138	186,821	1,582,893
9,826,552	14,469,587	38,073,728
-	6,216,814	13,476,322
-	-	939,752
-	-	9,912,363
<u>9,831,690</u>	<u>20,873,222</u>	<u>63,985,058</u>
<u>\$ 19,152,615</u>	<u>\$ 27,769,017</u>	<u>\$ 94,184,587</u>

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**COLUMBIANA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2017

<b>Total governmental fund balances</b>	\$	63,985,058
<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.		40,780,057
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Sales taxes receivable	\$ 1,497,369	
Real and other taxes receivable	1,230,512	
Accounts receivable	351	
Accrued interest receivable	89,915	
Due from other governments	10,297,380	
Total	13,115,527	13,115,527
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		1,348,953
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.		(176,297)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		135,552
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	52,644	
Deferred outflows of resources	14,404,719	
Deferred inflows of resources	(832,707)	
Net pension liability	(37,545,710)	
Total	(23,921,054)	(23,921,054)
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 notes payable	(64,602)	
General obligation bonds payable	(18,545,407)	
OWDA loans payable	(247,101)	
Capital lease obligations	(33,580)	
Recorder loan	(100,000)	
Compensated absences payable	(4,139,940)	
Total	(23,130,630)	(23,130,630)
<b>Net position of governmental activities</b>	<b>\$</b>	<b>72,137,166</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, 2017

	<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. . . . .	\$ 16,358,194	\$ -	\$ -	\$ -
Real and other taxes. . . . .	-	-	-	2,089,050
Charges for services. . . . .	3,136,727	29,272	14,426	966
Licenses and permits . . . . .	5,510	-	-	-
Fines and forfeitures . . . . .	204,977	-	29,032	-
Intergovernmental. . . . .	9,575,393	7,675,502	9,437,916	2,121,779
Investment income. . . . .	607,523	-	30,412	-
Rental income . . . . .	7,200	-	8,910	-
Contributions and donations. . . . .	100	-	-	550
Conveyance fees . . . . .	1,138,499	-	-	-
Gas and oil lease . . . . .	22,250	-	-	-
Other . . . . .	247,081	1,308,456	404,486	826
Total revenues . . . . .	<u>31,303,454</u>	<u>9,013,230</u>	<u>9,925,182</u>	<u>4,213,171</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	5,881,345	-	-	-
Judicial. . . . .	5,301,992	-	-	-
Public safety . . . . .	7,628,991	-	-	-
Public works . . . . .	45,512	-	9,813,288	-
Health . . . . .	1,469	-	-	3,775,590
Human services. . . . .	1,801,256	9,153,313	-	-
Conservation and recreation . . . . .	8,923	-	-	-
Economic development and assistance . . . . .	101,710	-	-	-
Capital outlay . . . . .	-	-	-	-
Debt service:				
Principal retirement. . . . .	82,714	-	180,497	-
Interest and fiscal charges . . . . .	20,933	-	6,383	-
Total expenditures . . . . .	<u>20,874,845</u>	<u>9,153,313</u>	<u>10,000,168</u>	<u>3,775,590</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>10,428,609</u>	<u>(140,083)</u>	<u>(74,986)</u>	<u>437,581</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	219,824	39,408	-
Transfers (out). . . . .	(2,250,646)	-	-	(68,925)
Loan proceeds . . . . .	100,000	-	-	-
Total other financing sources (uses) . . . . .	<u>(2,150,646)</u>	<u>219,824</u>	<u>39,408</u>	<u>(68,925)</u>
Net change in fund balances . . . . .	8,277,963	79,741	(35,578)	368,656
<b>Fund balances at beginning of year . . . . .</b>	<u>10,547,994</u>	<u>1,723,361</u>	<u>6,030,098</u>	<u>6,287,911</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 18,825,957</u>	<u>\$ 1,803,102</u>	<u>\$ 5,994,520</u>	<u>\$ 6,656,567</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>
\$ -	\$ -	\$ 16,358,194
6,798,728	2,124,796	11,012,574
149,515	3,713,726	7,044,632
-	-	5,510
-	728,008	962,017
6,148,092	8,030,209	42,988,891
-	(1,833)	636,102
-	488,386	504,496
13,090	20,147	33,887
-	-	1,138,499
-	-	22,250
71,370	889,970	2,922,189
<u>13,180,795</u>	<u>15,993,409</u>	<u>83,629,241</u>
-	1,172,080	7,053,425
-	1,104,809	6,406,801
-	3,039,582	10,668,573
-	-	9,858,800
-	366,795	4,143,854
13,413,605	7,739,278	32,107,452
-	-	8,923
-	916,992	1,018,702
-	829,160	829,160
-	934,623	1,197,834
-	788,952	816,268
<u>13,413,605</u>	<u>16,892,271</u>	<u>74,109,792</u>
<u>(232,810)</u>	<u>(898,862)</u>	<u>9,519,449</u>
-	1,291,911	1,551,143
-	(231,572)	(2,551,143)
-	-	100,000
-	<u>1,060,339</u>	<u>(900,000)</u>
(232,810)	161,477	8,619,449
10,064,500	20,711,745	55,365,609
<u>\$ 9,831,690</u>	<u>\$ 20,873,222</u>	<u>\$ 63,985,058</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, 2017

**Net change in fund balances - total governmental funds** \$ 8,619,449

*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	\$ 2,249,286	
Current year depreciation	<u>(2,856,340)</u>	
Total		(607,054)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (179,145)

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

Sales taxes	(146,156)	
Real and other taxes	(61,068)	
Intergovernmental revenues	845,052	
Accounts receivable	(7,311)	
Investment income	<u>34,879</u>	
Total		665,396

Proceeds of loans 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. (100,000)

Repayment of note, 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 notes payable	196,904	
General obligation bonds payable	916,000	
OWDA loans payable	73,162	
Capital lease obligations	<u>11,768</u>	
Total		1,197,834

-- 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, 2017  
(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	\$	12,590	
Amortization of deferred amounts on refunding		(17,789)	
Amortization of bond premiums		8,532	
Total	\$		3,333

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. (98,869)

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,791,569

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities. (7,121,042)

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. (126,936)

**Change in net position of governmental activities** \$ 5,044,535

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Sales taxes . . . . .	\$ 12,461,800	\$ 15,583,869	\$ 16,568,295	\$ 984,426
Charges for services . . . . .	1,374,030	1,718,268	1,826,810	108,542
Licenses and permits . . . . .	4,144	5,183	5,510	327
Fines and forfeitures . . . . .	153,490	191,944	204,069	12,125
Intergovernmental . . . . .	3,092,513	3,868,847	4,113,240	244,393
Investment income . . . . .	566,376	690,165	733,762	43,597
Rental income . . . . .	5,415	6,772	7,200	428
Contributions and donations . . . . .	75	94	100	6
Conveyance fees . . . . .	856,319	1,070,854	1,138,499	67,645
Gas and oil . . . . .	16,735	20,928	22,250	1,322
Other . . . . .	87,714	109,689	116,618	6,929
<b>Total revenues . . . . .</b>	<b>18,618,611</b>	<b>23,266,613</b>	<b>24,736,353</b>	<b>1,469,740</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Legislative and executive . . . . .	5,272,910	5,780,935	5,526,541	254,394
Judicial . . . . .	4,189,791	4,653,985	4,609,670	44,315
Public safety . . . . .	6,644,303	7,951,485	7,876,014	75,471
Public works . . . . .	53,000	53,000	48,221	4,779
Health . . . . .	1,880	1,880	1,469	411
Human services . . . . .	1,733,973	1,847,885	1,791,941	55,944
Conservation and recreation . . . . .	10,000	8,923	8,923	-
Economic development and assistance . . . . .	100,650	124,750	121,954	2,796
<b>Debt service:</b>				
Principal retirement . . . . .	73,162	73,162	73,162	-
Interest and fiscal charges . . . . .	19,344	19,344	19,344	-
<b>Total expenditures . . . . .</b>	<b>18,099,013</b>	<b>20,515,349</b>	<b>20,077,239</b>	<b>438,110</b>
<b>Excess of revenues over expenditures . . . . .</b>	<b>519,598</b>	<b>2,751,264</b>	<b>4,659,114</b>	<b>1,907,850</b>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	287,286	287,286
Transfers (out) . . . . .	(961,202)	(5,773,277)	(5,765,380)	7,897
<b>Total other financing sources (uses) . . . . .</b>	<b>(961,202)</b>	<b>(5,773,277)</b>	<b>(5,478,094)</b>	<b>295,183</b>
<b>Net change in fund balances . . . . .</b>	<b>(441,604)</b>	<b>(3,022,013)</b>	<b>(818,980)</b>	<b>2,203,033</b>
<b>Fund balances at beginning of year . . . . .</b>	<b>2,752,653</b>	<b>2,752,653</b>	<b>2,752,653</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>514,578</b>	<b>514,578</b>	<b>514,578</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 2,825,627</b>	<b>\$ 245,218</b>	<b>\$ 2,448,251</b>	<b>\$ 2,203,033</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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Charges for services . . . . .	\$ 25,588	\$ 29,909	\$ 29,463	\$ (446)
Intergovernmental . . . . .	6,885,168	8,047,877	7,707,955	(339,922)
Other . . . . .	1,089,244	1,273,187	1,254,187	(19,000)
Total revenues . . . . .	<u>8,000,000</u>	<u>9,350,973</u>	<u>8,991,605</u>	<u>(359,368)</u>
<b>Expenditures:</b>				
Current:				
Human services . . . . .	8,175,440	9,945,858	9,417,867	527,991
Total expenditures . . . . .	<u>8,175,440</u>	<u>9,945,858</u>	<u>9,417,867</u>	<u>527,991</u>
Excess of expenditures over revenues . . . . .	<u>(175,440)</u>	<u>(594,885)</u>	<u>(426,262)</u>	<u>168,623</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	219,824	219,824
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>219,824</u>	<u>219,824</u>
Net change in fund balances . . . . .	(175,440)	(594,885)	(206,438)	388,447
<b>Fund balances at beginning of year . . . . .</b>	419,862	419,862	419,862	-
<b>Prior year encumbrances appropriated . . . . .</b>	175,440	175,440	175,440	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 419,862</u>	<u>\$ 417</u>	<u>\$ 388,864</u>	<u>\$ 388,447</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 MOTOR VEHICLE AND GASOLINE TAX FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<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 . . . . .	\$ 14,163	\$ 11,223	\$ 14,426	\$ 3,203
Fines and forfeitures . . . . .	37,187	27,181	37,877	10,696
Intergovernmental. . . . .	5,786,082	9,455,804	9,422,792	(33,012)
Investment income. . . . .	29,858	2,632	30,412	27,780
Rental income . . . . .	9,893	-	10,077	10,077
Other . . . . .	422,817	332,532	397,249	64,717
<b>Total revenues . . . . .</b>	<u>6,300,000</u>	<u>9,829,372</u>	<u>9,912,833</u>	<u>83,461</u>
<b>Expenditures:</b>				
Current:				
Public works . . . . .	6,435,928	10,490,300	10,035,851	454,449
<b>Total expenditures . . . . .</b>	<u>6,435,928</u>	<u>10,490,300</u>	<u>10,035,851</u>	<u>454,449</u>
Excess of expenditures over revenues . . . . .	<u>(135,928)</u>	<u>(660,928)</u>	<u>(123,018)</u>	<u>537,910</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	39,408	39,408
<b>Total other financing sources . . . . .</b>	<u>-</u>	<u>-</u>	<u>39,408</u>	<u>39,408</u>
Net change in fund balances . . . . .	(135,928)	(660,928)	(83,610)	577,318
<b>Fund balances at beginning of year . . . . .</b>	4,456,894	4,456,894	4,456,894	-
<b>Prior year encumbrances appropriated . . .</b>	135,928	135,928	135,928	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,456,894</u>	<u>\$ 3,931,894</u>	<u>\$ 4,509,212</u>	<u>\$ 577,318</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, 2017

	<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. . . . .	\$ 1,074,338	\$ 1,074,338	\$ 2,067,504	\$ 993,166
Charges for services. . . . .	502	502	966	464
Intergovernmental. . . . .	1,130,435	1,130,435	2,175,459	1,045,024
Contributions and donations. . . . .	286	286	550	264
Other . . . . .	1,039	1,039	2,000	961
Total revenues . . . . .	<u>2,206,600</u>	<u>2,206,600</u>	<u>4,246,479</u>	<u>2,039,879</u>
<b>Expenditures:</b>				
Current:				
Health . . . . .	1,463,000	7,776,994	3,540,247	4,236,747
Total expenditures . . . . .	<u>1,463,000</u>	<u>7,776,994</u>	<u>3,540,247</u>	<u>4,236,747</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>743,600</u>	<u>(5,570,394)</u>	<u>706,232</u>	<u>6,276,626</u>
<b>Other financing sources (uses):</b>				
Transfers (out). . . . .	-	(68,925)	(68,925)	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>(68,925)</u>	<u>(68,925)</u>	<u>-</u>
Net change in fund balances . . . . .	743,600	(5,639,319)	637,307	6,276,626
<b>Fund balances at beginning of year . . . . .</b>	<u>6,388,470</u>	<u>6,388,470</u>	<u>6,388,470</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 7,132,070</u>	<u>\$ 749,151</u>	<u>\$ 7,025,777</u>	<u>\$ 6,276,626</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, 2017

	<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. . . . .	\$ 4,763,812	\$ 5,483,773	\$ 6,713,215	\$ 1,229,442
Charges for services. . . . .	106,556	122,660	150,160	27,500
Intergovernmental. . . . .	4,763,521	5,483,437	6,712,803	1,229,366
Contributions and donations. . . . .	9,289	10,693	13,090	2,397
Other . . . . .	75,021	86,359	65,720	(20,639)
Total revenues . . . . .	<u>9,718,199</u>	<u>11,186,922</u>	<u>13,654,988</u>	<u>2,468,066</u>
<b>Expenditures:</b>				
Current:				
Human services. . . . .	<u>9,718,044</u>	<u>16,679,473</u>	<u>13,142,263</u>	<u>3,537,210</u>
Total expenditures . . . . .	<u>9,718,044</u>	<u>16,679,473</u>	<u>13,142,263</u>	<u>3,537,210</u>
Net change in fund balances . . . . .	155	(5,492,551)	512,725	6,005,276
<b>Fund balances at beginning of year . . . . .</b>	<u>9,606,538</u>	<u>9,606,538</u>	<u>9,606,538</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 9,606,693</u>	<u>\$ 4,113,987</u>	<u>\$ 10,119,263</u>	<u>\$ 6,005,276</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



COLUMBIANA COUNTY, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	Nonmajor Enterprise Funds	Total	
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and investments . . . . .	\$ 2,049,868	\$ 71,639	\$ 74,779	\$ 2,196,286	\$ 1,452,445
Receivables:					
Accounts . . . . .	138,501	46,928	-	185,429	-
Special assessments . . . . .	491,513	-	-	491,513	-
Due from other funds . . . . .	10,274	-	-	10,274	-
Materials and supplies inventory . . . . .	2,842	-	-	2,842	-
Prepayments . . . . .	3,722	-	-	3,722	-
Total current assets . . . . .	2,696,720	118,567	74,779	2,890,066	1,452,445
Noncurrent assets:					
Net pension asset . . . . .	1,277	20	58	1,355	12
Capital assets:					
Nondepreciable capital assets . . . . .	2,640,014	-	-	2,640,014	-
Depreciable capital assets, net . . . . .	5,339,414	1,639,094	-	6,978,508	-
Total capital assets, net . . . . .	7,979,428	1,639,094	-	9,618,522	-
Total noncurrent assets . . . . .	7,980,705	1,639,114	58	9,619,877	12
Total assets . . . . .	10,677,425	1,757,681	74,837	12,509,943	1,452,457
<b>Deferred outflows of resources:</b>					
Pension - OPERS . . . . .	341,594	5,764	22,455	369,813	3,300
Total deferred outflows of resources . . . . .	341,594	5,764	22,455	369,813	3,300
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable . . . . .	63,405	-	-	63,405	50,015
Contracts payable . . . . .	598,849	-	-	598,849	-
Retainage payable . . . . .	128,873	-	-	128,873	-
Accrued wages and benefits payable . . . . .	31,342	-	-	31,342	288
Due to other funds . . . . .	1,326	-	-	1,326	-
Due to other governments . . . . .	78,196	18,302	1,800	98,298	98
Accrued interest payable . . . . .	45,518	-	-	45,518	-
Compensated absences payable - current . . . . .	27,854	-	-	27,854	-
Mortgage revenue bonds payable - current . . . . .	394,741	-	-	394,741	-
OWDA loans payable . . . . .	11,935	-	-	11,935	-
OPWC loans payable . . . . .	44,694	7,300	-	51,994	-
Claims payable . . . . .	-	-	-	-	77,832
Total current liabilities . . . . .	1,426,733	25,602	1,800	1,454,135	128,233
Long-term liabilities:					
Compensated absences payable . . . . .	71,950	-	-	71,950	-
Mortgage revenue bonds payable . . . . .	5,842,643	-	-	5,842,643	-
OWDA loans payable . . . . .	450,588	-	-	450,588	-
OPWC loans payable . . . . .	1,036,486	30,350	-	1,066,836	-
Net pension liability . . . . .	883,466	13,574	40,101	937,141	8,537
Total long-term liabilities . . . . .	8,285,133	43,924	40,101	8,369,158	8,537
Total liabilities . . . . .	9,711,866	69,526	41,901	9,823,293	136,770
<b>Deferred inflows of resources:</b>					
Pension - OPERS . . . . .	27,870	163,215	270	191,355	236
Total deferred inflows of resources . . . . .	27,870	163,215	270	191,355	236
<b>Net position:</b>					
Net investment in capital assets . . . . .	(529,381)	1,601,444	-	1,072,063	-
Unrestricted (deficit) . . . . .	1,808,664	(70,740)	55,121	1,793,045	1,318,751
Total net position (deficit) . . . . .	\$ 1,279,283	\$ 1,530,704	\$ 55,121	2,865,108	\$ 1,318,751
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds . . . . .					
				(30,202)	
Net position of business-type activities				\$ 2,834,906	

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, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Sewer</b>	<b>Water</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 1,860,380	\$ 301,651	\$ 44,900	\$ 2,206,931	\$ 4,434,549
Other operating revenues . . . . .	155,245	66,108	-	221,353	362
<b>Total operating revenues.</b> . . . .	<u>2,015,625</u>	<u>367,759</u>	<u>44,900</u>	<u>2,428,284</u>	<u>4,434,911</u>
<b>Operating expenses:</b>					
Personal services . . . . .	1,312,578	25,295	34,604	1,372,477	6,875
Contractual services. . . . .	684,465	245,615	-	930,080	885,757
Materials and supplies. . . . .	107,498	-	-	107,498	-
Claims expense . . . . .	-	-	-	-	4,694,138
Depreciation. . . . .	392,239	35,984	-	428,223	-
Other . . . . .	134,370	35,203	9,000	178,573	-
<b>Total operating expenses.</b> . . . .	<u>2,631,150</u>	<u>342,097</u>	<u>43,604</u>	<u>3,016,851</u>	<u>5,586,770</u>
Operating income (loss) . . . . .	<u>(615,525)</u>	<u>25,662</u>	<u>1,296</u>	<u>(588,567)</u>	<u>(1,151,859)</u>
<b>Nonoperating revenues (expenses):</b>					
Interest and fiscal charges . . . . .	(248,491)	-	-	(248,491)	-
Interest income. . . . .	17,896	-	-	17,896	-
Intergovernmental . . . . .	479,955	-	-	479,955	-
<b>Total nonoperating revenues (expenses).</b> . . . .	<u>249,360</u>	<u>-</u>	<u>-</u>	<u>249,360</u>	<u>-</u>
Income (loss) before contributions and transfers . . . . .	(366,165)	25,662	1,296	(339,207)	(1,151,859)
Transfer in . . . . .	-	-	-	-	1,000,000
Capital contributions. . . . .	1,674,514	-	-	1,674,514	-
Change in net position . . . . .	1,308,349	25,662	1,296	1,335,307	(151,859)
<b>Net position (deficit) at beginning of year . . . .</b>	<u>(29,066)</u>	<u>1,505,042</u>	<u>53,825</u>	<u>-</u>	<u>1,470,610</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 1,279,283</u>	<u>\$ 1,530,704</u>	<u>\$ 55,121</u>	<u>\$ 1,335,307</u>	<u>\$ 1,318,751</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds. . . . .				(24,923)	
Change in net position of business-type activities.				<u>\$ 1,310,384</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY, OHIO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer	Water	Nonmajor Enterprise Fund	Total	
<b>Cash flows from operating activities:</b>					
Cash received from sales/charges for services . . . . .	\$ 1,884,639	\$ 307,169	\$ 44,900	\$ 2,236,708	\$ 4,434,549
Cash received from other operations . . . . .	155,245	18,750	-	173,995	362
Cash payments for personal services . . . . .	(1,183,287)	(25,497)	(27,228)	(1,236,012)	(5,825)
Cash payments for contractual services . . . . .	(716,107)	(246,877)	-	(962,984)	(836,131)
Cash payments for materials and supplies . . . . .	(99,065)	-	-	(99,065)	-
Cash payments for claims . . . . .	-	-	-	-	(4,841,790)
Cash payments for other expenses . . . . .	(133,757)	(35,203)	(7,200)	(176,160)	-
Net cash provided by (used in) operating activities . . . . .	(92,332)	18,342	10,472	(63,518)	(1,248,835)
<b>Cash flows from noncapital financing activities:</b>					
Cash received from grants and subsidies . . . . .	479,955	-	-	479,955	-
Cash received from transfers in . . . . .	-	-	-	-	1,000,000
Net cash provided by noncapital financing activities . . . . .	479,955	-	-	479,955	1,000,000
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets . . . . .	(962,378)	-	-	(962,378)	-
Principal retirement on mortgage revenue bonds . . . . .	(157,009)	-	-	(157,009)	-
Principal retirement on OPWC loans . . . . .	(44,694)	(44,800)	-	(89,494)	-
Principal retirement on OWDA loans . . . . .	(195,918)	-	-	(195,918)	-
Interest and fiscal charges . . . . .	(250,168)	-	-	(250,168)	-
Issuance of revenue bonds . . . . .	300,643	-	-	300,643	-
Issuance of OWDA loans . . . . .	184,218	-	-	184,218	-
Capital contributions . . . . .	750,000	-	-	750,000	-
Net cash used in capital and related financing activities . . . . .	(375,306)	(44,800)	-	(420,106)	-
<b>Cash flows from investing activities:</b>					
Interest received . . . . .	17,896	-	-	17,896	-
Net cash provided by investing activities . . . . .	17,896	-	-	17,896	-
Net increase (decrease) in cash and investments . . . . .	30,213	(26,458)	10,472	14,227	(248,835)
<b>Cash and investments at beginning of year . . . . .</b>	<u>2,019,655</u>	<u>98,097</u>	<u>64,307</u>	<u>2,182,059</u>	<u>1,701,280</u>
<b>Cash and investments at end of year . . . . .</b>	<u>\$ 2,049,868</u>	<u>\$ 71,639</u>	<u>\$ 74,779</u>	<u>\$ 2,196,286</u>	<u>\$ 1,452,445</u>

-- Continued

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Sewer</b>	<b>Water</b>	<b>Nonmajor Enterprise Fund</b>	<b>Total</b>	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss) . . . . .	\$ (615,525)	\$ 25,662	\$ 1,296	\$ (588,567)	\$ (1,151,859)
Adjustments:					
Depreciation. . . . .	392,239	35,984	-	428,223	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable. . . . .	25,998	5,518	-	31,516	-
Special assessments receivable . . . . .	3,547	-	-	3,547	-
Due from other funds . . . . .	(5,286)	-	-	(5,286)	-
Materials and supplies inventory . . . . .	791	-	-	791	-
Net pension asset . . . . .	20	604	(29)	595	-
Deferred outflows - OPERS . . . . .	(67,280)	126,242	(16,260)	42,702	(676)
Accounts payable. . . . .	(43,480)	-	-	(43,480)	49,626
Accrued wages and benefits . . . . .	(2,485)	-	-	(2,485)	-
Due to other governments . . . . .	17,293	(1,464)	1,566	17,395	(70)
Compensated absences payable. . . . .	24,486	-	-	24,486	-
Due to other funds . . . . .	(4,613)	-	-	(4,613)	-
Net pension liability . . . . .	169,128	(330,184)	23,969	(137,087)	1,704
Deferred inflows - OPERS . . . . .	12,835	155,980	(70)	168,745	92
Claims payable . . . . .	-	-	-	-	(147,652)
Net cash provided by (used in) operating activities . . . . .	<u>\$ (92,332)</u>	<u>\$ 18,342</u>	<u>\$ 10,472</u>	<u>\$ (63,518)</u>	<u>\$ (1,248,835)</u>

**Noncash transactions:**

During 2017, the sewer fund received \$924,514 in capital contributions from governmental activities.  
 During 2017, the sewer fund purchased \$727,722 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2017

	<u>Private-Purpose Trust</u>	<u>Agency</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and investments . . . . .	\$ -	\$ 5,910,948
Cash and cash equivalents in segregated accounts . . . . .	2,208	986,749
Receivables:		
Real and other taxes . . . . .	-	86,358,173
Accounts . . . . .	-	1,416
Special assessments . . . . .	-	614,461
Due from other governments . . . . .	-	7,835,162
Prepayments . . . . .	-	191,790
Due from external parties . . . . .	-	6,881
	<hr/>	<hr/>
Total assets . . . . .	2,208	\$ 101,905,580
	<hr/>	<hr/>
<b>Liabilities:</b>		
Accounts payable . . . . .	-	\$ 9,814
Intergovernmental payable . . . . .	-	99,966,091
Deposits held and due to others . . . . .	-	986,749
Undistributed assets . . . . .	-	97,859
Payroll withholdings . . . . .	-	845,067
	<hr/>	<hr/>
Total liabilities . . . . .	-	\$ 101,905,580
	<hr/>	<hr/>
<b>Net position:</b>		
Held in trust for children services . . . . .	2,208	
	<hr/>	
Total net position . . . . .	\$ 2,208	
	<hr/>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<b>Private-Purpose Trust</b>
<b>Additions:</b>	
Contributions and donations. . . . .	\$ 2,058
Total additions . . . . .	2,058
 <b>Deductions:</b>	
Payments in accordance with trust agreements	1,821
Total deductions. . . . .	1,821
Change in net position. . . . .	237
 <b>Net position at beginning of year. . . . .</b>	 1,971
<b>Net position at end of year . . . . .</b>	 \$ 2,208

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## COLUMBIANA COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

#### 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. Columbiana County controls five of the seven board seats of the Columbiana County Land Reutilization Corporation (the “Corporation”) and is therefore able to impose its will on the Corporation. The Corporation is therefore presented as a component unit of the County. Information related to the component unit is presented in Note 25.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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 agency 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.)  
Northeast Ohio Trade and Economic Consortium

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 a 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, 2017

**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, 2017

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

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

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

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

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

**PROPRIETARY FUNDS**

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

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

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

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

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

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

**FIDUCIARY FUNDS**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency 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. Agency funds are purely custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are private-purpose trust funds and agency funds. The private-purpose trust funds are for monies received in trust for children services. The County's agency 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, 2017

**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.

**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, 2017

**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 Note 12 for deferred outflows of resources related to the County's net pension liability. 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 (revenue) until that time. For the County, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 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 Note 12 for deferred inflows of resources related to the County's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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.

**E. Budgetary Process**

All funds, except agency 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 North East Ohio Network (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 2017, investments were limited to JP Morgan Commercial Paper, Credit Suisse Commercial Paper, Nataxis Commercial Paper, U.S. Treasury Bonds, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities and State Treasury Asset Reserve of Ohio (STAR Ohio).

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

During 2017, 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 Governmental Accounting Standards Board (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.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 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 2017 amounted to \$607,523, which includes \$575,537 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. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items 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.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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.

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.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, net pension liability 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.

**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 agency 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, 2017, there was no net position restricted by enabling legislation.



**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

**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, 2017

**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. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County administration and that are either unusual in nature or infrequent in occurrence. The County had no extraordinary or special items during 2017.

**U. Pensions**

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

**V. 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**

**Change in Accounting Principles**

For 2017, the County has implemented GASB Statement No. 80, "*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*", GASB Statement No. 81 "*Irrevocable Split-Interest Agreements*", and GASB Statement No. 82, "*Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*".

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the County.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the County.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the County.

**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, Government National Mortgage Association, and Student Loan Marketing 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 market 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 or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
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 (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange securities, or cash, equal value for equal value;

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

9. Up to twenty-five 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 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 County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the County Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the 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. 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 \$20,986 in undeposited cash on hand, which is included on the financial statements of the County as part of "equity in pooled cash and investments".

**B. Cash with Fiscal Agent**

At year-end, the County had \$159,718 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.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**C. Deposits with Financial Institutions**

At December 31, 2017, the carrying amount of all County deposits was \$4,768,818 and the bank balance of all County deposits was \$6,379,918. Of the bank balance, \$1,282,661 was covered by the FDIC and the remaining was covered by the Ohio Pooled Collateral System.

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 and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 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 market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State.

**D. Investments**

As of December 31, 2017, 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
Amortized cost:						
STAR Ohio	\$ 12,171,432	\$ 12,171,432	\$ -	\$ -	\$ -	\$ -
Fair Value:						
J.P. Morgan Securities	735,000	735,000	-	-	-	-
Credit Suisse	2,125,000	125,000	2,000,000	-	-	-
Nataxis	500,000	500,000	-	-	-	-
U.S. Treasury Bonds	2,160,472	-	-	-	1,040,902	1,119,570
FFCB	9,366,446	2,182,450	1,640,532	989,711	1,980,024	2,573,729
FHLB	11,624,787	724,077	1,492,695	-	1,134,011	8,274,004
FHLMC	9,323,939	999,058	-	2,029,866	-	6,295,015
FNMA	14,454,045	999,568	174,171	817,865	4,778,492	7,683,949
<b>Total</b>	<b>\$ 62,461,121</b>	<b>\$ 18,436,585</b>	<b>\$ 5,307,398</b>	<b>\$ 3,837,442</b>	<b>\$ 8,933,429</b>	<b>\$ 25,946,267</b>

The weighted average maturity of investments at December 31, 2017 is 1.72 years.

The County's investments in federal agency securities (FFCB, FHLB, FHLMC, FNMA), U.S. Treasury bonds, and commercial paper, 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.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

*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, 2017:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Percent of Total</u>
Amortized cost:		
STAR Ohio	\$ 12,171,432	19.49
Fair Value:		
J.P. Morgan Securities	735,000	1.18
Credit Suisse	2,125,000	3.40
Nataxis	500,000	0.80
U.S. Treasury Bonds	2,160,472	3.46
FFCB	9,366,446	15.00
FHLB	11,624,787	18.61
FHLMC	9,323,939	14.93
FNMA	<u>14,454,045</u>	<u>23.13</u>
Total	<u>\$ 62,461,121</u>	<u>100.00</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**E. 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, 2017:

Cash and investments per note

Carrying amount of deposits	\$ 4,768,818
Investments	62,461,121
Cash on hand	20,986
Cash with fiscal agent	<u>159,718</u>
Total	<u>\$ 67,410,643</u>

Cash and investments per statement of net position

Governmental activities	\$ 58,314,452
Business-type activities	2,196,286
Private purpose trust	2,208
Agency funds	<u>6,897,697</u>
Total	<u>\$ 67,410,643</u>

**NOTE 5 - INTERFUND RECEIVABLES/PAYABLES**

**A.** Due to/from other funds at December 31, 2017, consisted of the following as reported on the fund statements:

	General	Job and Family Services	Mental Health	Other Governmental	Sewer	Total Due to Other Funds
General	\$ -	\$ -	\$ -	\$ 20,756	\$ 9,333	\$ 30,089
Job and Family Services	115,510	39	-	6,415	-	121,964
Motor Vehicle and						
Gasoline Tax	1,635	-	-	-	-	1,635
Mental Health	-	-	-	1,336	-	1,336
Board of						
Developmental Disabilities		-	-	-	941	941
Other Governmental	73,763	298,646	87	39,765	-	412,261
Sewer	<u>1,326</u>	-	-	-	-	<u>1,326</u>
Total due from other funds	<u>\$ 192,234</u>	<u>\$ 298,685</u>	<u>\$ 87</u>	<u>\$ 68,272</u>	<u>\$ 10,274</u>	<u>\$ 569,552</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.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 5 - INTERFUND RECEIVABLES/PAYABLES - (Continued)**

B. Due to/from external parties at December 31, 2017, consisted of the following as reported on the fund statements:

	Job and Family Services	Total Due from External Parties
Agency	\$ 6,881	\$ 6,881
Total due to external parties	\$ 6,881	\$ 6,881

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.

**NOTE 6 - INTERFUND TRANSFERS**

During 2017, the following transfers were made:

	<u>Transfers Out</u>			
	<u>General</u>	<u>Mental Health</u>	<u>Other Governmental</u>	<u>Total</u>
<u>Transfers In</u>				
Job and family services	\$ 219,824	\$ -	\$ -	\$ 219,824
Motor vehicle and gasoline tax fund	39,408	-	-	39,408
Nonmajor governmental	991,414	68,925	231,572	1,291,911
Internal service	<u>1,000,000</u>	-	-	<u>1,000,000</u>
Total	<u>\$ 2,250,646</u>	<u>\$ 68,925</u>	<u>\$ 231,572</u>	<u>\$ 2,551,143</u>

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 \$68,925 transfer from the mental health fund to the municipal court special projects fund (a nonmajor governmental fund) was to fund the drug court administration. Transfers out of the other governmental funds consisted of a \$40,716 transfer from the common pleas rehab fund (a nonmajor governmental fund) to the courtrooms renovation debt service fund (a nonmajor governmental fund) for the purpose of making the related debt service payments and a \$190,856 transfer from the municipal court special project fund (a nonmajor governmental fund) to the courtrooms renovation debt service fund (a nonmajor governmental fund) for the purpose of making the related 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.

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



**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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 \$16,358,194 in sales tax revenues on a modified accrual basis in 2017.

**NOTE 8 - PROPERTY TAXES**

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

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 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, 2017 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 2017 property tax receipts were based are as follows:

<u>Real Property</u>	
Residential/Agricultural	\$ 1,355,942,690
Commercial/Industrial/Mineral	277,695,170
Public Utility	<u>182,156,140</u>
Total Assessed Value	<u><u>\$ 1,815,794,000</u></u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2017, consisted of accounts (billings for user charged services, including unbilled utility services); sales taxes; accrued interest; amounts due from other governments including grants, entitlements, and shared revenues; interfund; real and other taxes, loans (microenterprise and economic development revolving loan fund monies loaned to County residents), and special assessments. All receivables are considered collectible in full and within one year, except for real and other taxes (property taxes), loans and special assessments. Real and other taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

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, 2017, were \$66,459. Loans receivable are net of \$216,729 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	\$ 582,733
	Medicaid sales tax transition	2,995,877
	Casino revenue	<u>616,647</u>
Total General Fund		<u>4,195,257</u>
Job and Family Services Fund	Grants	5,700,371
	Miscellaneous	<u>5,978</u>
Total Job and Family Services Fund		<u>5,706,349</u>
Motor Vehicle and Gasoline Tax Fund	Gas tax	1,151,834
	Motor vehicle license fees	1,836,858
	Grants	39,402
	Miscellaneous	<u>7,286</u>
Total Motor Vehicle and Gasoline Tax Fund		<u>3,035,380</u>
Mental Health Fund	Homestead and rollback	141,857
	Grants	<u>24,029</u>
Total Mental Health Fund		<u>165,886</u>
Board of Developmental Disabilities Fund	Homestead and rollback	438,021
	Grants	18,548
	Miscellaneous	<u>46,119</u>
Total Board of Development Disabilities Fund		<u>502,688</u>
Nonmajor governmental funds	Homestead and rollback	103,221
	Grants	3,631,767
	Miscellaneous	<u>270,173</u>
		<u>4,005,161</u>
Total Governmental Funds		<u>\$ 17,610,721</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017 was as follows:

<b><u>Governmental activities:</u></b>	<u>Balance</u>		<u>Balance</u>
	<u>12/31/16</u>	<u>Additions</u>	<u>12/31/17</u>
<i>Capital assets, not being depreciated:</i>			
Land	\$ 1,281,026	\$ -	\$ 1,281,026
Construction in progress	-	119,341	119,341
Total capital assets, not being depreciated	<u>1,281,026</u>	<u>119,341</u>	<u>1,400,367</u>
<i>Capital assets, being depreciated:</i>			
Land improvements	2,911,828	89,760	3,001,588
Buildings and improvements	31,102,482	99,282	31,201,764
Machinery and equipment	7,957,687	188,067	(234,750) 7,911,004
Vehicles	8,720,708	165,118	(290,073) 8,595,753
Infrastructure	31,775,098	1,557,230	(1,085,189) 32,247,139
Software	537,901	30,488	- 568,389
Total capital assets, being depreciated	<u>83,005,704</u>	<u>2,129,945</u>	<u>(1,610,012) 83,525,637</u>
<i>Less: accumulated depreciation:</i>			
Land improvements	(2,436,483)	(62,587)	- (2,499,070)
Buildings and improvements	(13,467,288)	(626,065)	- (14,093,353)
Machinery and equipment	(6,778,650)	(260,839)	234,750 (6,804,739)
Vehicles	(7,663,172)	(416,324)	249,223 (7,830,273)
Infrastructure	(11,868,247)	(1,477,880)	946,894 (12,399,233)
Software	(506,634)	(12,645)	- (519,279)
Total accumulated depreciation	<u>(42,720,474)</u>	<u>(2,856,340)</u>	<u>1,430,867 (44,145,947)</u>
Total capital assets, being depreciated net	<u>40,285,230</u>	<u>(726,395)</u>	<u>(179,145) 39,379,690</u>
Governmental activities capital assets, net	<u>\$ 41,566,256</u>	<u>\$ (607,054)</u>	<u>\$ (179,145) \$ 40,780,057</u>

Depreciation expense was charged to governmental functions as follows:

**Governmental activities:**

Legislative and executive	\$ 61,315
Judicial	116,478
Public safety	399,993
Public works	1,741,973
Health	1,169
Human services	<u>535,412</u>
Total depreciation expense	<u>\$ 2,856,340</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

	Balance			Balance
<b><u>Business-type activities</u></b>	<u>12/31/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/17</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 62,433	\$ -	\$ -	\$ 62,433
Construction in progress	-	<u>2,577,581</u>	-	<u>2,577,581</u>
Total capital assets, not being depreciated	<u>62,433</u>	<u>2,577,581</u>	-	<u>2,640,014</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	4,663,666	37,033	-	4,700,699
Vehicles	1,035,831	-	-	1,035,831
Infrastructure	<u>10,551,318</u>	-	-	<u>10,551,318</u>
Total capital assets, being depreciated	<u>18,635,275</u>	<u>37,033</u>	-	<u>18,672,308</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(161,017)	(2,832)	-	(163,849)
Buildings and improvements	(1,146,658)	(52,778)	-	(1,199,436)
Machinery and equipment	(4,268,241)	(65,569)	-	(4,333,810)
Vehicles	(917,673)	(61,990)	-	(979,663)
Infrastructure	<u>(4,771,988)</u>	<u>(245,054)</u>	-	<u>(5,017,042)</u>
Total accumulated depreciation	<u>(11,265,577)</u>	<u>(428,223)</u>	-	<u>(11,693,800)</u>
Total capital assets, being depreciated net	<u>7,369,698</u>	<u>(391,190)</u>	-	<u>6,978,508</u>
Business-type activities capital assets, net	<u>\$ 7,432,131</u>	<u>\$ 2,186,391</u>	<u>\$ -</u>	<u>\$ 9,618,522</u>

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

**Business-type activities:**

Sewer	\$ 392,239
Water	<u>35,984</u>
Total depreciation expense	<u>\$ 428,223</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 2017, 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, 2017

**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
Excess Liability	5,000,000
Direct Physical Loss or Damage	171,058,878
Business Income/Extra Expense	1,000,000
Collapse	Per statement of values
Foster Parents Coverage	6,000,000
Crime	1,000,000
Equipment Breakdown	100,000,000

**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 \$77,832 reported on the basic financial statements at December 31, 2017, 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>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of End of Year</u>
2017	\$ 225,484	\$ 4,694,138	\$ (4,841,790)	\$ 77,832
2016	281,897	3,774,179	(3,830,592)	225,484

**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, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability/Asset*

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

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

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
<b>2017 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2017 Actual Contribution Rates</b>			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	<u>1.0 %</u>	<u>1.0 %</u>	<u>1.0 %</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.

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 \$2,828,918 for 2017. Of this amount, \$470,302 is reported as due to other governments.



COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

*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 retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 11.5% of the 13% member rate goes to the DC Plan and the remaining 1.5% 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 services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the year ending December 31, 2017, plan members were required to contribute 14% of their annual covered salary. The County was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The 2017 contribution rates were equal to the statutory maximum rates.

The County’s contractually required contribution to STRS was \$34,240 for 2017. Of this amount, \$3,657 is reported as due to other governments.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2016, 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. OP&F’s total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The County’s proportion of the net pension liability or asset was based on the County’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.176199%	0.113280%	0.081257%	0.00504698%	
Proportion of the net pension liability/asset current measurement date	<u>0.17163%</u>	<u>0.100582%</u>	<u>0.083671%</u>	<u>0.00472247%</u>	
Change in proportionate share	<u>-0.004569%</u>	<u>-0.01269800%</u>	<u>0.00241400%</u>	<u>-0.00032451%</u>	
Proportionate share of the net pension liability	\$ 37,369,555	\$ -	\$ -	\$ 1,121,833	\$ 38,491,388
Proportionate share of the net pension asset	-	(53,676)	(335)	-	(54,011)
Pension expense	7,774,445	38,779	412	(544,929)	7,268,707

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 50,652	\$ -	\$ 3,402	\$ 43,319	\$ 97,373
Net difference between projected and actual earnings on pension plan investments	5,565,190	13,096	288	-	5,578,574
Changes of assumptions	5,927,262	13,082	376	245,358	6,186,078
Changes in employer's proportionate percentage/difference between employer contributions	52,323	-	-	326	52,649
County contributions subsequent to the measurement date	2,738,185	51,785	38,948	34,240	2,863,158
Total deferred outflows of resources	<u>\$ 14,333,612</u>	<u>\$ 77,963</u>	<u>\$ 43,014</u>	<u>\$ 323,243</u>	<u>\$ 14,777,832</u>
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 222,405	\$ 27,450	\$ -	\$ 9,042	\$ 258,897
Net difference between projected and actual earnings on pension plan investments	-	-	-	37,022	37,022
Changes in employer's proportionate percentage/difference between employer contributions	494,793	-	-	233,586	728,379
Total deferred outflows of resources	<u>\$ 717,198</u>	<u>\$ 27,450</u>	<u>\$ -</u>	<u>\$ 279,650</u>	<u>\$ 1,024,298</u>

\$2,863,158 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, 2018.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
2018	\$ 4,472,565	\$ 2,543	\$ 595	\$ (23,486)	\$ 4,452,217
2019	4,610,370	2,543	595	26,878	4,640,386
2020	1,958,421	1,976	576	4,940	1,965,913
2021	(163,127)	(2,664)	470	1,023	(164,298)
2022	-	(2,175)	487	(2)	(1,690)
Thereafter	-	(3,495)	1,343	-	(2,152)
<b>Total</b>	<b>\$ 10,878,229</b>	<b>\$ (1,272)</b>	<b>\$ 4,066</b>	<b>\$ 9,353</b>	<b>\$ 10,890,376</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 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, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	18.00	4.92
<b>Total</b>	<b>100.00 %</b>	<b>5.66 %</b>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. 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 to Changes in the Discount Rate** - The following table presents the County's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the County's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 57,090,345	\$ 37,369,555	\$ 20,935,759
Combined Plan	3,858	(53,676)	(98,370)
Member-Directed Plan	802	(335)	(802)

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Projected salary increases	2.50% at age 65 to 12.50% at age 20
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-Living Adjustments (COLA)	0% effective July 1, 2017

Post-retirement mortality rates are based on RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016; pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016; and post-retirement disabled mortality rates are based on RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. The 2016 year mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022–Scale AA) for Males and Females. Males' ages were set back two years through age 89 and no set back for age 90 and above. Females younger than age 80 were set back four years, one year set back from age 80 through 89 and no set back from age 90 and above.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study, effective July 1, 2017. As a result of the experience study, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the COLA was reduced to zero, (b) inflation assumptions were lowered from 2.75% to 2.50%, (c) Investment return assumptions were lowered from 7.75% to 7.45%, (d) total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (e) payroll growth assumptions were lowered to 3.00%, (f) updated the health and disability mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016 and (g) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

The 10 year expected real rate of return on pension plan investments was determined by STRS’ investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2017. A discount rate of 7.75% was used in the previous measurement period. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.4 % was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

*Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* - The following table 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 (6.4%) or one-percentage-point higher (8.4%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net pension liability	\$ 1,608,109	\$ 1,121,833	\$ 712,218

**NOTE 13 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - 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 health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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 OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.



**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 was 1.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$240,077, \$451,825, and \$405,038, respectively; 85.26% has been contributed for 2017 and 100% has been contributed for 2016 and 2015. The remaining 2017 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

**B. State Teachers Retirement System**

Plan Description – The County participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) 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 reimbursement of monthly Medicare Part B premiums. 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 law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2017, STRS Ohio did not allocate any employer contributions to the Health Care Stabilization Fund. The County did not make any contributions for health care for the fiscal years ended December 31, 2017, 2016 and 2015.

**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

In prior years, the County entered into capital lease agreements for copiers and plotters for the engineer's department.

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 juvenile court fund (a nonmajor governmental fund) in the fund financial statements. Capital assets, acquired by lease, have been capitalized in the amount of \$77,228. This amount is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded. Accumulated depreciation on the equipment totaled \$46,238 leaving a current book value of \$30,990. Principal payments in 2017 totaled \$9,552 in the general fund and \$2,216 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, 2017:

<u>Year Ending December 31,</u>	<u>Equipment</u>
2018	\$ 12,587
2019	10,960
2020	9,974
2021	<u>2,969</u>
Total minimum lease payments	36,490
Less: amount representing interest	<u>(2,910)</u>
Present value of future minimum lease payments	<u>\$ 33,580</u>

**NOTE 15 - OPERATING LEASE**

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

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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 Notes:</u>			
Auditors & Veterans Services Upgrades	2.75%	155,676	2017
Engineer's Property	2.50%	135,178	2017
Engineer's Salt Storage Shed	2.80%	342,014	2018
Engineer's Trucks	2.41%	346,449	2017
<u>General Obligation Bonds:</u>			
Refunding Jail Facilities Bonds	4.00 - 4.12%	8,490,000	2024
Government Services Building 2012	2.00 - 4.375%	7,405,000	2052
Courthouse Renovations	4.25%	2,714,000	2036
Ohio Wellsville Water System	3.25%	1,332,000	2039
Murray Trucking Old Farm Village	4.50%	502,000	2041
Municipal Court Bonds #1	4.38%	300,000	2034
Municipal Court Bonds #2	4.38%	2,865,000	2034
Government Services Building 2010A Bonds	2.00 - 4.00%	490,000	2020
Series 2013 Refunding Bonds	3.50%	1,686,000	2033
<u>Ohio Water Development Authority Loan:</u>			
Hanoverton Planning Permanent Financing	6.04%	1,178,054	2021
<u>Other Long-Term Obligations:</u>			
Recorder's Loan	0.00%	100,000	2027

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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:</u>			
Guilford Lake Sewer	5.00%	350,000	2019
Ohio Elkrun Sewer	4.50%	2,051,000	2039
Winona Area Waste System #1	4.25%	595,000	2045
Winona Area Waste System #2	4.50%	360,000	2046
Winona Sanitary Sewer	4.75%	118,776	2018
Beaver Local Wastewater #1	4.70%	383,000	2018
Roseview Acres	4.85%	46,500	2018
Glenmoor/Lacroft Sanitary Sewer	4.25%	3,534,000	2049
Kensington Sewer	N/A	300,643	N/A
<u>Ohio Public Works Commission Loans:</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
State Route 45 Water Line Extension	0.00%	375,000	2017
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:</u>			
County Home Road Sanitary Sewer	N/A	N/A	N/A
County Home Road Waterline Extension	2.00%	262,793	2032
Household Sewage Treatment System Repair	N/A	N/A	N/A

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

	<u>Balance</u>			<u>Balance</u>	<u>Amount Due</u>
<u>Governmental Activities:</u>	<u>12/31/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/17</u>	<u>In One Year</u>
<u>General Obligation Notes:</u>					
Auditors & Veterans Services Upgrades	\$ 16,407	\$ -	\$ (16,407)	\$ -	\$ -
Engineer's Property	2,366	-	(2,366)	-	-
Engineer's Salt Storage Building	125,166	-	(60,564)	64,602	64,602
Engineer's Truck	<u>117,567</u>	<u>-</u>	<u>(117,567)</u>	<u>-</u>	<u>-</u>
Total General Obligation Notes	<u>261,506</u>	<u>-</u>	<u>(196,904)</u>	<u>64,602</u>	<u>64,602</u>
<u>General Obligation Bonds:</u>					
Refunding Jail Facilities Bonds	4,710,000	-	(510,000)	4,200,000	535,000
Unamortized Premium	<u>37,490</u>	<u>-</u>	<u>(4,686)</u>	<u>32,804</u>	<u>-</u>
Total Refunding Jail Facilities Bonds	<u>4,747,490</u>	<u>-</u>	<u>(514,686)</u>	<u>4,232,804</u>	<u>535,000</u>
Government Services Bldg 2012 Bonds	6,790,000	-	(150,000)	6,640,000	150,000
Unamortized Premium	<u>138,449</u>	<u>-</u>	<u>(3,846)</u>	<u>134,603</u>	<u>-</u>
Total Government Services Bldg 2012 Bonds	<u>6,928,449</u>	<u>-</u>	<u>(153,846)</u>	<u>6,774,603</u>	<u>150,000</u>
Courthouse Renovations	2,150,000	-	(70,000)	2,080,000	73,000
Ohio Wellsville Water Systems	963,000	-	(29,000)	934,000	30,000
Murray Trucking Old Farm Village	404,000	-	(9,000)	395,000	10,000
Municipal Court Bonds #1	224,000	-	(8,000)	216,000	9,000
Municipal Court Bonds #2	2,127,000	-	(80,000)	2,047,000	84,000
Government Services Bldg 2010A Bonds	240,000	-	(60,000)	180,000	60,000
Series 2013 Refunding Bonds	<u>1,686,000</u>	<u>-</u>	<u>-</u>	<u>1,686,000</u>	<u>-</u>
Total General Obligation Bonds	<u>19,469,939</u>	<u>-</u>	<u>(924,532)</u>	<u>18,545,407</u>	<u>951,000</u>
<u>Ohio Water Development Authority Loan:</u>					
Hanoverton Planning Permanent Financing	<u>320,263</u>	<u>-</u>	<u>(73,162)</u>	<u>247,101</u>	<u>77,581</u>
<u>Other Long-Term Obligations:</u>					
Recorder's Loan	-	100,000	-	100,000	10,000
Capital Leases	45,348	-	(11,768)	33,580	11,119
Compensated Absences	4,080,588	2,069,612	(1,959,896)	4,190,304	790,021
Net pension liability	<u>29,929,226</u>	<u>8,192,564</u>	<u>(567,543)</u>	<u>37,554,247</u>	<u>-</u>
Total Governmental Activities	<u>\$ 54,106,870</u>	<u>\$ 10,362,176</u>	<u>\$ (3,733,805)</u>	<u>\$ 60,735,241</u>	<u>\$ 1,904,323</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

<u><b>Business-Type Activities:</b></u>	Balance <u>12/31/16</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/17</u>	Amount Due <u>In One Year</u>
<u><b>Mortgage Revenue Bonds:</b></u>					
Guilford Lake Sewer	\$ 57,000	\$ -	\$ (18,000)	\$ 39,000	\$ 19,000
Ohio Elkrun Sewer	1,577,000	-	(41,000)	1,536,000	42,000
Winona Area Waste System #1	514,000	-	(9,000)	505,000	10,000
Winona Area Waste System #2	318,000	-	(5,000)	313,000	6,000
Winona Sanitary Sewer	29,513	-	(14,468)	15,045	15,045
Beaver Local Wastewater #1	263,228	-	(16,129)	247,099	247,099
Roseview Acres	11,009	-	(5,412)	5,597	5,597
Glenmoor/Lacroft Sanitary Sewer	3,324,000	-	(48,000)	3,276,000	50,000
Kensington Sewer	<u>-</u>	<u>300,643</u>	<u>-</u>	<u>300,643</u>	<u>-</u>
Total Mortgage Revenue Bonds	<u>6,093,750</u>	<u>300,643</u>	<u>(157,009)</u>	<u>6,237,384</u>	<u>394,741</u>
<u><b>OPWC Loans:</b></u>					
State Route 7 Water Line Extension #1	13,750	-	(2,500)	11,250	2,500
State Route 7 Water Line Extension #2	31,200	-	(4,800)	26,400	4,800
State Route 45 Water Line Extension	37,500	-	(37,500)	-	-
Roseview Acres Treatment Plant	136,214	-	(6,054)	130,160	6,054
Glenmoor Sewer System	171,011	-	(8,144)	162,867	8,144
Home Road Sewer Project	530,000	-	(20,000)	510,000	20,000
County Home Road Waterline Project	<u>288,649</u>	<u>-</u>	<u>(10,496)</u>	<u>278,153</u>	<u>10,496</u>
Total OPWC Loans	<u>1,208,324</u>	<u>-</u>	<u>(89,494)</u>	<u>1,118,830</u>	<u>51,994</u>
<u><b>OWDA Loans:</b></u>					
County Home Road Sanitary Sewer	255,970	-	-	255,970	-
County Home Road Waterline Extension	218,253	-	(11,700)	206,553	11,935
Household Sewage Treatment Repair	<u>-</u>	<u>184,218</u>	<u>(184,218)</u>	<u>-</u>	<u>-</u>
Total OWDA Loans	<u>474,223</u>	<u>184,218</u>	<u>(195,918)</u>	<u>462,523</u>	<u>11,935</u>
<u><b>Other Long-Term Obligations:</b></u>					
Compensated Absences	75,318	65,928	(41,442)	99,804	27,854
Net Pension Liability	<u>1,074,228</u>	<u>-</u>	<u>(137,087)</u>	<u>937,141</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 8,925,843</u>	<u>\$ 550,789</u>	<u>\$ (620,950)</u>	<u>\$ 8,855,682</u>	<u>\$ 486,524</u>

The general obligation notes are paid from the motor vehicle and gasoline tax special revenue fund and the bond retirement debt service fund (a nonmajor governmental fund). The mortgage revenue notes and bonds are paid with user charges from the water and sewer enterprise funds. The general obligation bonds are paid from the bond retirement debt service fund (a nonmajor governmental fund). The OWDA and OPWC loans are paid with user charges from the general fund and the water and sewer enterprise funds. The Kensington Sewer mortgage revenue bond has not been fully disbursed and does not have an amortization schedule.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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.

Recorder's Loan: The County recorder received a \$100,000 Local Government Initiative (LGI) loan to assist in upgrading county land recorder software. 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 primarily the sewer fund.

Net pension liability: See Note 12 for details.

***Government Services Building Notes/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 2.0-3.75 percent.

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, 2017 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.

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

***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 balances on these loans at December 31, 2017 were \$1,118,830.

***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 County Home Road Sanitary Sewer loan has not been fully disbursed as of December 31, 2017, therefore are not reflected in the amortization schedule below.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

The County has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$7,818,737 of mortgage revenue notes and 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 217.58 percent and 29.06 percent, respectively. The total principal and interest remaining to be paid on the debt is \$11,590,781. Principal and interest paid for the current year, total net revenues and total operating revenues were \$692,589, \$318,315 and \$2,383,384, respectively.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2017 are as follows:

***Governmental Activities***

Year Ended	General Obligation Notes		General Obligation Bonds		OWDA Loan		Recorder's
	Principal	Interest	Principal	Interest	Principal	Interest	Loan Principal
2018	\$ 64,602	\$ 1,769	\$ 951,000	\$ 751,783	\$ 77,581	\$ 14,925	\$ 10,000
2019	-	-	974,000	713,688	82,267	10,239	10,000
2020	-	-	1,003,000	674,358	87,253	5,251	10,000
2021	-	-	1,047,000	633,848	-	-	10,000
2022	-	-	1,075,000	591,134	-	-	10,000
2023 - 2027	-	-	4,010,000	2,344,577	-	-	50,000
2028 - 2032	-	-	3,180,000	1,674,770	-	-	-
2033 - 2037	-	-	2,121,000	1,061,038	-	-	-
2038 - 2042	-	-	1,342,000	748,595	-	-	-
2043 - 2047	-	-	1,305,000	472,062	-	-	-
2048 - 2052	-	-	1,370,000	180,907	-	-	-
Total	<u>\$ 64,602</u>	<u>\$ 1,769</u>	<u>\$ 18,378,000</u>	<u>\$ 9,846,760</u>	<u>\$ 247,101</u>	<u>\$ 30,415</u>	<u>\$ 100,000</u>

***Business-Type Activities***

Year Ended	Mortgage Revenue Bonds		OPWC Loans		OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 394,741	\$ 257,455	\$ 51,994	\$ -	\$ 11,935	\$ 4,072
2019	132,000	239,198	51,993	-	12,175	3,832
2020	117,000	233,273	51,993	-	12,420	3,587
2021	122,000	228,120	51,993	-	12,669	3,337
2022	127,000	222,755	50,743	-	12,924	3,083
2023 - 2027	726,000	1,023,947	225,867	-	68,625	11,412
2028 - 2032	898,000	850,123	223,467	-	75,805	4,230
2033 - 2037	1,109,000	634,724	223,467	-	-	-
2038 - 2042	1,030,000	390,901	161,561	-	-	-
2043 - 2047	926,000	191,827	25,752	-	-	-
2048 - 2049	355,000	22,781	-	-	-	-
Total	<u>\$ 5,936,741</u>	<u>\$ 4,295,104</u>	<u>\$ 1,118,830</u>	<u>\$ -</u>	<u>\$ 206,553</u>	<u>\$ 33,553</u>



**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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 \$41,750,248 at December 31, 2017.

**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 2017, 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 2017, 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 2017, property taxes of the County were abated by approximately \$70,000.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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	\$ 112,051	\$ 77,997	\$ 541,968	\$ 264
Prepays	212,929	50,399	3,072	2,900
Unclaimed monies	<u>389,354</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonspendable	<u>714,334</u>	<u>128,396</u>	<u>545,040</u>	<u>3,164</u>
Restricted:				
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Legislative and executive	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	5,449,480	-
Health services	-	-	-	6,653,403
Human services	-	1,674,706	-	-
Economic development	-	-	-	-
Total restricted	<u>-</u>	<u>1,674,706</u>	<u>5,449,480</u>	<u>6,653,403</u>
Committed:				
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Legislative & executive	-	-	-	-
Accumulated sick leave	59,508	-	-	-
General escrow	<u>7,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total committed	<u>7,259,508</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned:				
Legislative & executive	161,248	-	-	-
Judicial	300	-	-	-
Public safety	769,990	-	-	-
Public works	900	-	-	-
Human services	<u>7,314</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assigned	<u>939,752</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>9,912,363</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 18,825,957</u>	<u>\$ 1,803,102</u>	<u>\$ 5,994,520</u>	<u>\$ 6,656,567</u>

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Fund balance	Board of Developmental Disabilities	Other Governmental Funds	Total
Nonspendable:			
Materials and supplies inventory	\$ 5,105	\$ 1,936	\$ 739,321
Prepays	33	184,885	454,218
Unclaimed monies	-	-	389,354
Total nonspendable	<u>5,138</u>	<u>186,821</u>	<u>1,582,893</u>
Restricted:			
Debt service	-	2,900,157	2,900,157
Capital outlay	-	90,579	90,579
Legislative and executive	-	1,453,342	1,453,342
Judicial	-	1,754,105	1,754,105
Public safety	-	2,687,209	2,687,209
Public works	-	-	5,449,480
Health services	-	201,862	6,855,265
Human services	9,826,552	4,905,584	16,406,842
Economic development	-	476,749	476,749
Total restricted	<u>9,826,552</u>	<u>14,469,587</u>	<u>38,073,728</u>
Committed:			
Debt service	-	17,075	17,075
Capital outlay	-	6,169,236	6,169,236
Legislative & executive	-	30,503	30,503
Accumulated sick leave	-	-	59,508
General escrow	-	-	7,200,000
Total committed	<u>-</u>	<u>6,216,814</u>	<u>13,476,322</u>
Assigned:			
Legislative & executive	-	-	161,248
Judicial	-	-	300
Public safety	-	-	769,990
Public works	-	-	900
Human services	-	-	7,314
Total assigned	<u>-</u>	<u>-</u>	<u>939,752</u>
Unassigned	<u>-</u>	<u>-</u>	<u>9,912,363</u>
Total fund balances	<u>\$ 9,831,690</u>	<u>\$ 20,873,222</u>	<u>\$ 63,985,058</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, 2017**

**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 2017, 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 \$1,058,959 to the System during 2017.

***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.

***Northeast Ohio Trade and Economic Consortium (Consortium)***

The consortium is a jointly governed organization by the counties of Columbiana, Portage, Stark, Mahoning, Trumbull and Summit. A six member regional council oversees the operations of the Consortium. Each county appoints one council member. The Council exercises total authority for the day-to-day operations of the Consortium. These include budgeting, appropriating, contracting and designating management. The County has no financial responsibility for any of the Consortium's liabilities. Complete financial statements may be obtained from the Northeast Ohio Trade and Economic Consortium, Akron, Ohio.

**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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 2017.

**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 and the motor vehicle and gasoline tax, mental health, job and family services, and board of developmental disabilities special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 22 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

	Governmental Funds				
	<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	\$ (818,980)	\$ (206,438)	\$ (83,610)	\$ 637,307	\$ 512,725
Net adjustment for revenue accruals	(157,057)	21,625	12,349	(33,308)	(474,193)
Net adjustment for expenditure accruals	(329,334)	95,604	(232,734)	(235,343)	(271,342)
Net adjustment for other sources/uses	32,152	-	-	-	-
Funds budgeted elsewhere	9,094,397	-	-	-	-
Adjustment for encumbrances	<u>456,785</u>	<u>168,950</u>	<u>268,417</u>	<u>-</u>	<u>-</u>
GAAP Basis	<u>\$ 8,277,963</u>	<u>\$ 79,741</u>	<u>\$ (35,578)</u>	<u>\$ 368,656</u>	<u>\$ (232,810)</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, revolving fund and Medicaid sales tax transition fund.

**NOTE 23 - CONTINGENCIES**

**A. Grants**

The County received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have an overall effect on the overall financial position of the County at December 31, 2017.

**B. Litigation**

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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	\$ 4,905
Job and family services fund	63,933
Motor vehicle and gasoline tax fund	146,712
Other governmental funds	<u>358,839</u>
 Total	 <u>\$ 574,389</u>

**NOTE 25 - 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.

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 25 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION -  
(Continued)**

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organization Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus”, the Corporation’s primary government and basic financial statements include components units which are defined as legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization’s governing board and (1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization’s resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of an organization. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation’s management believes these basic financial statements present all activities for which the Corporation is financially accountable. The Corporation is a component unit of Columbiana County, Ohio.

**Summary of Significant Accounting Policies**

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

The Corporation’s significant accounting policies are described below.

*Basis of Presentation*

The Corporation’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities.

**Government-Wide Financial Statements**

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

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



**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 25 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION -  
(Continued)**

*Measurement Focus*

Government-Wide Financial Statements

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

Revenues and Expenses

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

*Budgetary Process*

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

*Federal Income Tax*

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

*Cash and Cash Equivalents*

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

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

*Prepayments*

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

**COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 25 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION - (Continued)**

*Assets Held for Resale*

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. For donated or forfeited properties, the asset is reported at fair value. The Corporation holds the properties until the home is either sold to a new homeowner, sold to an individual who will rehabilitate the home, or the home on the property is demolished. Properties with demolished homes could be transferred to the County or township they are in after demolition, until those parcels may be merged with adjacent parcels for development or green space projects, or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

*Accrued Liabilities and Long-Term Obligations*

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

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

*Net Position*

Net position represents the difference between assets plus deferred outflows of resources less liabilities plus 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, 2017.

*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.

**Prior Period Adjustment**

A net position restatement is required in order to properly report an unrecorded accounts payable in the amount of \$157,425 in the prior year. The governmental activities at December 31, 2016 have been restated as follows:

	Governmental Activities
Total net position previously stated	\$ 412,536
Unrecorded payable	(157,425)
Restated net position at December 31, 2016	<u>\$ 255,111</u>

COLUMBIANA COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 25 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION -  
(Continued)**

**Deposits and Investments**

*Deposits with Financial Institutions*

At December 31, 2017, the carrying amount of all Corporation deposits was \$35,129. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2017, all of the Corporation’s bank balance of \$35,129 was covered by the Federal Deposit Insurance Corporation (FDIC).

**Risk Management**

*Public Officials Liability and Employment Practices Liability and Commercial General Liability Insurance*

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 2017, the Corporation contracted with Darwin National Assurance Company and United Specialty Insurance for Public Officials Liability and Employment Practices Liability Insurance and Commercial General Liability Insurance, respectively.

The limitations of coverages are as follows:

Public Officials and Employment Practices:

Public Officials Liability	\$1,000,000
Non-Monetary - Defense Only	\$50,000 - \$100,000
Employment Practices and Third Party Liability	\$1,000,000
Policy Aggregate Limit of Liability	\$1,000,000
Public Official Crisis Management Limit of Insurance	\$25,000
Commercial General Liability:	
General Aggregate Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000

There has been no reduction in coverage from the prior year and settled claims have not exceeded the Corporation’s coverage in the past two years and there was no significant change in insurance coverage from the prior year.

**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, 2017, the Corporation recognized revenues of \$209,211 for these fees that were collected by the County in 2017.

During 2017, the Corporation paid \$11,108 in various costs to the Columbiana County Auditor and Treasurer. The Corporation also had \$202,005 due to Columbiana County for an advance of funds in the amount of \$100,000 and \$102,005 for services provided by the County Development Department.

**COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 25 - COMPONENT UNIT - COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION -  
(Continued)**

**Contingencies**

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

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**REQUIRED SUPPLEMENTARY INFORMATION**

**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF 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 FOUR YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
County's proportion of the net pension liability	0.171630%	0.176199%	0.172642%	0.172642%
County's proportionate share of the net pension liability	\$ 37,369,555	\$ 29,314,078	\$ 20,639,436	\$ 20,173,260
County's covered payroll	\$ 20,355,042	\$ 20,311,217	\$ 20,380,933	\$ 21,546,108
County's proportionate share of the net pension liability as a percentage of its covered payroll	183.59%	144.32%	101.27%	93.63%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>				
County's proportion of the net pension asset	0.100582%	0.113280%	0.092063%	0.092063%
County's proportionate share of the net pension asset	\$ 53,676	\$ 52,946	\$ 35,134	\$ 9,574
County's covered payroll	\$ 391,475	\$ 324,858	\$ 336,525	\$ 319,162
County's proportionate share of the net pension asset as a percentage of its covered payroll	13.71%	16.30%	10.44%	3.00%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>				
County's proportion of the net pension asset	0.083671%	0.081257%	n/a	n/a
County's proportionate share of the net pension asset	\$ 335	\$ 297	n/a	n/a
County's covered payroll	\$ 343,842	\$ 452,542	n/a	n/a
County's proportionate share of the net pension asset as a percentage of its covered payroll	0.10%	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.40%	103.91%	n/a	n/a

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 year were determined as of the County's measurement date which is the prior year-end.

**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability	0.00472247%	0.00504698%	0.00589206%	0.06021610%
County's proportionate share of the net pension liability	\$ 1,121,833	\$ 1,689,376	\$ 1,628,393	\$ 1,464,664
County's covered payroll	\$ 525,521	\$ 604,243	\$ 576,707	\$ 650,654
County's proportionate share of the net pension liability as a percentage of its covered payroll	213.47%	279.59%	282.36%	225.11%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%

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 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 REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 2,738,185	\$ 2,442,605	\$ 2,437,346	\$ 2,445,712
Contributions in relation to the contractually required contribution	<u>(2,738,185)</u>	<u>(2,442,605)</u>	<u>(2,437,346)</u>	<u>(2,445,712)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 21,062,962	\$ 20,355,042	\$ 20,311,217	\$ 20,380,933
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 51,785	\$ 46,977	\$ 38,983	\$ 40,383
Contributions in relation to the contractually required contribution	<u>(51,785)</u>	<u>(46,977)</u>	<u>(38,983)</u>	<u>(40,383)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 398,346	\$ 391,475	\$ 324,858	\$ 336,525
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 38,948	\$ 41,261	\$ 54,305	
Contributions in relation to the contractually required contribution	<u>(38,948)</u>	<u>(41,261)</u>	<u>(54,305)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 389,480	\$ 343,842	\$ 452,542	
Contributions as a percentage of covered payroll	10.00%	12.00%	12.00%	

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 2,800,994	\$ 2,169,916	\$ 2,232,797	\$ 1,638,540	\$ 1,601,995	\$ 1,597,062
<u>(2,800,994)</u>	<u>(2,169,916)</u>	<u>(2,232,797)</u>	<u>(1,638,540)</u>	<u>(1,601,995)</u>	<u>(1,597,062)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,546,108	\$ 21,699,160	\$ 22,327,970	\$ 18,376,150	\$ 19,716,862	\$ 22,815,171
13.00%	10.00%	10.00%	8.92%	8.13%	7.00%
\$ 41,491	\$ -	\$ -	\$ -	\$ -	\$ -
<u>(41,491)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 319,162	\$ -	\$ -	\$ -	\$ -	\$ -
13.00%	7.95%	7.95%	9.69%	8.13%	7.00%

**COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 68,340	\$ 73,573	\$ 84,594	\$ 80,739
Contributions in relation to the contractually required contribution	<u>(68,340)</u>	<u>(73,573)</u>	<u>(84,594)</u>	<u>(80,739)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 488,143	\$ 525,521	\$ 604,243	\$ 576,707
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 84,585	\$ 93,779	\$ 101,287	\$ 103,249	\$ 104,970	\$ 110,688
<u>(84,585)</u>	<u>(93,779)</u>	<u>(101,287)</u>	<u>(103,249)</u>	<u>(104,970)</u>	<u>(110,688)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 650,654	\$ 721,377	\$ 779,131	\$ 794,223	\$ 807,462	\$ 851,446
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**COLUMBIANA COUNTY, OHIO**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2017.

*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%.

*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, the Cost of Living Adjustment (COLA) was reduced to 0% effective July 1, 2017.

*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) the COLA was reduced to zero, (b) inflation assumptions were lowered from 2.75% to 2.50%, (c) Investment return assumptions were lowered from 7.75% to 7.45%, (d) total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (e) payroll growth assumptions were lowered to 3.00%, (f) updated the health and disability mortality assumption to the "RP-2014" mortality tables with generational improvement scale MP-2016 and (g) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

## **SUPPLEMENTAL INFORMATION**

COLUMBIANA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/ Pass Through Grantor Program Title	Pass Through/ Entity Number	Federal CFDA Number	(A),(B) Cash Federal Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education:</i>			
<b>Child Nutrition Cluster:</b>			
(C),(D) School Breakfast Program	EDU01-3L70	10.553	\$ 8,113
(C),(D) National School Lunch Program	EDU01-3L60	10.555	14,116
<b>Total Child Nutrition Cluster</b>			<u>22,229</u>
<i>Passed Through Ohio Department of Jobs &amp; Family Services:</i>			
<b>Supplemental Nutrition Assistance Program Cluster:</b>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-1617-11-5498 & G-1819-11-5725	10.561	698,392
<b>Total Supplemental Nutrition Assistance Program Cluster</b>			<u>698,392</u>
<b>Total U.S. Department of Agriculture</b>			<u>720,621</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Ohio Department of Development:</i>			
(F) Community Development Block Grant	B-C-16-1AO-1	14.228	48,350
(F) Community Development Block Grant	B-C-16-1AO-2	14.228	251,297
(F) Community Development Block Grant	B-F-13-1AO-1	14.228	198,733
(F) Community Development Block Grant	B-F-15-1AO-1	14.228	129,000
(F) Community Development Block Grant	B-F-16-1AO-1	14.228	230,000
(F) Community Development Block Grant	B-P-14-1AO-1	14.228	250,000
(F) Community Development Block Grant	B-W-14-1AO-1	14.228	510,000
(F) Community Development Block Grant	B-W-15-1AO-1	14.228	315,187
(F) Community Development Block Grant	B-W-15-1AO-2	14.228	203,925
(F) Community Development Block Grant	S-P-15-1AO-1	14.228	131,211
(F) Community Development Block Grant	S-C-16-1AO-1	14.228	13,845
<b>Total Community Development Block Grant</b>			<u>2,281,548</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>2,281,548</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Passed Through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	2017-VOCA-43551250 / 2018-VOCA-109147786	16.575	73,633
(E) Crime Victim Assistance	2017-VOCA-43551254 / 2018-VOCA-109147791	16.575	17,165
Crime Victim Assistance	N/A	16.575	87,605
<b>Total Crime Victim Assistance</b>			<u>178,403</u>
(E) Edward Byrne Memorial Justice Assistance Grant Program	N/A	16.738	13,584
(E) Bulletproof Vest Partnership Program	N/A	16.607	400
<b>Total U.S. Department of Justice</b>			<u>192,387</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
<i>Passed Through Ohio Department of Jobs &amp; Family Services:</i>			
Senior Community Service Employment Program	Project 319	17.235	35,003
<b>Total U.S. Department of Labor</b>			<u>35,003</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION / FEDERAL HIGHWAY ADMINISTRATION</b>			
<i>Passed Through Ohio Department of Transportation:</i>			
<b>Highway Planning and Construction Cluster:</b>			
Highway Planning and Construction	PID 102125	20.205	181,150
Highway Planning and Construction	PID 24452	20.205	31,114
Highway Planning and Construction	PID 104199	20.205	39,814
Highway Planning and Construction	PID 103470	20.205	1,155
Highway Planning and Construction	PID 89468	20.205	679,979
Highway Planning and Construction	PID 95514	20.205	46,084
Highway Planning and Construction	PID 22329	20.205	26,758
Highway Planning and Construction	PID 84859	20.205	48,483
<b>Total Highway Planning and Construction Cluster</b>			<u>1,054,537</u>
<i>Passed Through Ohio Environmental Protection Agency:</i>			
State Emergency Response Commission	HME01016090	20.703	22,236
<i>Passed Through Ohio Environmental Protection Agency:</i>			
<b>Highway Safety Cluster:</b>			
(E) Law Enforcement Traffic Safety Partners	N/A	20.616	4,790
<b>Total Highway Safety Cluster</b>			<u>4,790</u>
<b>Total U.S. Department of Transportation / Federal Highway Administration</b>			<u>1,081,563</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education:</i>			
<b>Special Education Cluster:</b>			
Special Education Part B Flowthru 2015	EDU01-3M20-065920 6B Grant-2015	84.027	32,187
Special Education Part B Flowthru 2016	EDU01-3M20-065920 6B Grant-2016	84.027	21,738
<b>Total Special Education Cluster</b>			<u>53,925</u>
Special Education Grants for Infants and Toddlers (Help Me Grow Part C)	3920-DOH-FY 14/15	84.181	143,949
<b>Total U.S. Department of Education</b>			<u>197,874</u>

(Continued)

COLUMBIANA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through/ Entity Number	Federal CFDA Number	(A),(B) Cash Federal Disbursements
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Jobs &amp; Family Services:</i>			
Promoting Safe and Stable Families	G-1617-11-5498 & G-1819-11-5725	93.556	75,072
<b>477 Cluster:</b>			
Temporary Assistance for Needy Families	G-1617-11-5498 & G-1819-11-5725	93.558	2,206,534
Child Care and Development Block Grant	G-1617-11-5498 & G-1819-11-5725	93.575	162,208
<b>Total 477 Cluster</b>			<u>2,368,742</u>
Child Support Enforcement	G-1617-11-5498 & G-1819-11-5725	93.563	1,262,826
Stephanie Tubbs Jones Child Welfare Services Program	G-1617-11-5498 & G-1819-11-5725	93.645	85,896
Foster Care_Title IV-E	G-1617-11-5498 & G-1819-11-5725	93.658	1,529,795
Foster Care_Title IV-E (Subgrant)	G-1617-06-0343 & G-1819-06-0149	93.658	31,651
<b>Total Foster Care</b>			<u>1,561,446</u>
Adoption Assistance	G-1617-11-5498 & G-1819-11-5725	93.659	143,166
Social Services Block Grant	G-1617-11-5498 & G-1819-11-5725	93.667	1,034,426
MH Federal Social Services Title XX-Treatment	N/A	93.667	83,630
Title XX Early Intervention	DMR01-100912	93.667	66,932
<b>Total Social Services Block Grant</b>			<u>1,184,988</u>
Chaffee Foster Care Independence Program	G-1617-11-5498 & G-1819-11-5725	93.674	19,343
<b>Medicaid Cluster:</b>			
Medical Assistance Program (Family Caregiver)	G-1617-11-5498 & G-1819-11-5725	93.778	1,875,705
Medical Assistance Program (Medicaid Title XIX) (MAC)	DMR01-100912	93.778	182,179
<b>Total Medicaid Cluster</b>			<u>2,057,884</u>
Children's Health Insurance Program	G-1617-11-5498 & G-1819-11-5725	93.767	55,532
<i>Passed Through Ohio Department of Mental Health and Addiction Services:</i>			
Projects for Assistance in Transition from Homelessness (PATH)	N/A	93.150	40,756
Access to Recovery Grant	N/A	93.243	10,000
<b>Maternal, Infant, and Early Childhood Home Visiting Cluster:</b>			
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	3920-DOH12W4	93.505	210,788
<b>Total Maternal, Infant, and Early Childhood Home Visiting Cluster</b>			<u>210,788</u>
21st Century Cures - CCDJFS	N/A	93.788	3,856
21st Century Cures - Counseling Center	N/A	93.788	9,787
21st Century Cures - Family Recovery Center	N/A	93.788	2,037
<b>Total 21st Century Cures Act</b>			<u>15,680</u>
Forensic Monitoring	N/A	93.958	2,370
Treatment Grant	N/A	93.958	80,212
Supportive Housing	N/A	93.958	50,000
CJBLP-CCMB&RSB	N/A	93.958	18,162
CJBLP-Counseling Center	N/A	93.958	67,412
CJBLP-Family Recovery	N/A	93.958	81,400
MHBRG-CC Juvenile Court	N/A	93.958	9,557
MHBRG-Family and Children First	N/A	93.958	6,213
MHBRG-Counseling Center	N/A	93.958	8,967
<b>Total Block Grants for Community Mental Health Services</b>			<u>324,293</u>
Women Treatment	N/A	93.959	133,263
Counseling Center	N/A	93.959	71,220
Prevention Services	N/A	93.959	109,323
Family Recovery	N/A	93.959	86,828
<b>Total Block Grant for Prevention and Treatment of Substance Abuse</b>			<u>400,634</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>9,817,046</b></u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Passed Through Ohio Emergency Management Agency:</i>			
Emergency Management Performance Grant	EMC-2016-EP-00003-S01	97.042	91,045
<b>Total U.S. Department of Homeland Security</b>			<u><b>91,045</b></u>
<b>Total Federal Financial Assistance</b>			<u><b>\$ 14,417,087</b></u>

(Continued)



**COLUMBIANA COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(Continued)

**Notes to the Schedule of Expenditures of Federal Awards:**

- (A) This schedule includes the federal award activity of Columbiana County under programs of the federal government for the year ended December 31, 2017 and is prepared in accordance with the cash basis of accounting. 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 Columbiana County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Columbiana County.
- (B) Certain federal programs require the County contribute non-federal funds (matching funds) to support the federally funded programs. Columbiana County has complied with the matching requirements. The expenditure of non-federal matching funds are not included on the schedule.
- (C) Included as part of the "Child Nutrition Cluster" in determining major programs.
- (D) Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.
- (E) Pass-through number was unable to be obtained for this grant.
- (F) 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 2017 is as follows:

Beginning loans receivable balance as of January 1, 2017	\$ 285,798
Loans Disbursed	-
Loans Repaid	<u>(2,609)</u>
Ending loans receivable balance as of December 31, 2017	<u>\$ 283,189</u>
Cash balance on hand as of December 31, 2017	\$ 157,543
Administrative cost expended during 2017	\$ 140
Interest Received	\$ 191

The table above reports the gross receivable. Of the loans receivable as of December 31, 2017, Columbiana County estimates \$273,012 to be uncollectible.

- (G) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The County has not elected to use the 10% de minimis indirect cost rate.
- (H) Amounts were pass-through Ohio Department of Mental Health and Addiction Services
- (I) Amounts were pass-through Ohio Department of Developmental Disabilities



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Required by *Government Auditing Standards***

Columbiana County  
105 South Market Street  
Lisbon, Ohio 44432

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Columbiana County's basic financial statements and have issued our report thereon dated June 29, 2018.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered Columbiana County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of Columbiana County's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of Columbiana County's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Commissioners  
Columbiana County

***Compliance and Other Matters***

As part of reasonably assuring whether Columbiana County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of Columbiana County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering Columbiana County's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
June 29, 2018



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Compliance With Requirements Applicable to  
Each Major Federal Program and on Internal Control Over Compliance  
Required by the *Uniform Guidance***

Columbiana County  
105 South Market Street  
Lisbon, Ohio 44432

To the Board of Commissioners:

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

We have audited Columbiana County's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Columbiana County's major federal programs for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies Columbiana County's major federal programs.

***Management's Responsibility***

Columbiana County's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on Columbiana County's compliance for each of Columbiana County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about Columbiana County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, Columbiana County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2017.

Board of Commissioners  
Columbiana County

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

Columbiana County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered Columbiana County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of Columbiana 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.  
June 29, 2018

**COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS**

*2 CFR § 200.515*

**DECEMBER 31, 2017**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Highway Planning and Construction Cluster, Child Support Enforcement, CFDA #93.563; Social Services Block Grant, CFDA #93.667; Community Development Block Grant, CFDA #14.228
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2CFR § 200.520?</i>	No

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None



# Dave Yost • Auditor of State

COLUMBIANA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
SEPTEMBER, 27 2018