



Dave Yost • Auditor of State



**FINANCIAL CONDITION  
COLUMBIANA COUNTY**

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COLUMBIANA COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Columbiana County Board of Commissioners  
Columbiana County  
105 South Market Street  
Lisbon, Ohio 44432-1255

To the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Columbiana County, Ohio (the County), as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

Ohio Administrative Code § 117-2-03 (B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbiana County, Ohio, as of December 31, 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General, Public Assistance Fund, Mental Health Fund, Board of Developmental Disabilities Fund and the Motor Vehicle and Gas Tax Fund for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2011, on our consideration of the 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements taken as a whole. The federal awards expenditure schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject 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.



**Dave Yost**  
Auditor of State

August 17, 2011

**Columbiana County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*(Unaudited)*

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The discussion and analysis of Columbiana County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2010, within the limitations of the County's cash basis accounting. Readers should also review the cash basis financial statements and notes to enhance their understanding of the County's financial performance.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- Total net assets increased \$12,958,136, with the net assets of governmental activities increasing \$13,075,379 and business-type activities decreasing \$117,243.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$42,294,387, an increase of \$13,264,647 from the prior year.

**Using this Annual Financial Report**

This annual report is presented in a format consistent with the presentation requirements of Governmental Standards Board Statement No. 34, as applicable to the County's cash basis of accounting.

***Report Components***

The statement of net assets and the statement of activities provide information about the cash activities of the County as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the County as a way to segregate money whose use is restricted to a particular specified purpose.

These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expended explanation and detail regarding the information reported in the statements.

***Basis of Accounting***

The basis of accounting is a set of guidelines that determine when financial events are recorded. The County has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the County's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Columbiana County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
(Unaudited)

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**Reporting the County as a Whole**

The statement of net assets and the statement of activities reflect how the County did financially during 2010, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances of the governmental and business-type activities of the County at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the County's general receipts.

These statements reports the County's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the County's financial health. Over time, increases or decreases in the County's cash position is one indicator of whether the County's financial health is improving or deteriorating. When evaluating the County's financial condition, you should also consider other nonfinancial factors as well such as the County's property tax base, the extent of the County's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and sales taxes.

In the statement of net assets and the statement of activities, we divide the County into two types of activities:

***Governmental Activities*** – Most of the County's basic services are reported here, including public safety, public works, health and human services. State and federal grants and sales and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

***Business-Type Activities*** –The County has three business-type activities, the provision of sewer, police communication and water. Business-type activities are financed by a fee charged to the customers receiving the service.

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

Fund financial statements provide detailed information about the County's major funds – not the County as a whole. The County establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the County are split into three categories: governmental, proprietary and fiduciary.



**Columbiana County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*(Unaudited)*

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*Governmental Funds* – Most of the County's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the County's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the County's programs. The County's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Columbiana County's major governmental funds are the General fund, the Motor Vehicle and Gas Tax, the Mental Health, the Public Assistance and the Board of Developmental Disabilities special revenue funds and the Construction capital projects fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

*Proprietary Funds* – When the County charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The County has three enterprise funds, the sewer, police communications and water fund. When the services are provided to other departments of the County, the service is reported as an internal service fund. The County has one internal service fund to account for employee health-care claims.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs.

**Columbiana County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
(Unaudited)

**Columbiana County as a Whole**

Table 1 provides a summary of the County's net assets for 2010 compared to 2009 on a cash basis:

**Table 1**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Assets</b>						
Equity in Pool Cash and Cash Equivalents	\$ 39,329,726	\$ 26,607,049	\$ 1,904,180	\$ 2,021,423	\$ 41,233,906	\$ 28,628,472
Cash and Cash Equivalents with Fiscal Agents	3,284,680	2,931,978	0	0	3,284,680	2,931,978
Total Assets	42,614,406	29,539,027	1,904,180	2,021,423	44,518,586	31,560,450
<b>Net Assets</b>						
Restricted for:						
Capital Projects	11,095,926	796,697	0	0	11,095,926	796,697
Debt Service	2,282,424	2,044,668	0	0	2,282,424	2,044,668
Public Safety	2,186,045	2,059,551	0	0	2,186,045	2,059,551
Public Works	2,718,984	3,110,550	0	0	2,718,984	3,110,550
Health Services	3,952,603	3,454,443	0	0	3,952,603	3,454,443
Human Services	16,113,896	13,874,805	0	0	16,113,896	13,874,805
Unclaimed Monies	315,479	339,852	0	0	315,479	339,852
Other Purposes	2,190,776	2,158,815	0	0	2,190,776	2,158,815
Unrestricted	1,758,273	1,699,646	1,904,180	2,021,423	3,662,453	3,721,069
Total Net Assets	\$ 42,614,406	\$ 29,539,027	\$ 1,904,180	\$ 2,021,423	\$ 44,518,586	\$ 31,560,450

Net assets of governmental activities increased \$13,075,379, primarily due to the County receiving \$10,000,000 in bond and note proceeds during the year for the government services building. As of December 31, 2010, the County had not spent any of the proceeds. Construction of the new government services building is scheduled to begin during 2011.

**Columbiana County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
(Unaudited)

Table 2 shows the changes in net assets for 2010 compared to 2009.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Receipts</b>						
<i>Program Receipts</i>						
Charges for Services	\$ 8,433,474	\$ 7,406,471	\$ 1,997,528	\$ 1,894,116	\$ 10,431,002	\$ 9,300,587
Operating Grants & Contributions	42,859,231	43,043,971	0	0	42,859,231	43,043,971
Capital Grants & Contributions	5,538,733	3,696,093	2,088,072	192,157	7,626,805	3,888,250
<i>Total Program Receipts</i>	<u>56,831,438</u>	<u>54,146,535</u>	<u>4,085,600</u>	<u>2,086,273</u>	<u>60,917,038</u>	<u>56,232,808</u>
<i>General Receipts</i>						
Property Taxes	8,798,524	8,593,436	0	0	8,798,524	8,593,436
Permissive Sales Tax	12,292,651	11,825,059	0	0	12,292,651	11,825,059
Grants and Entitlements	2,335,422	2,336,732	0	0	2,335,422	2,336,732
Conveyance Fees	0	829,307	0	0	0	829,307
Investment Income	614,508	741,963	743	2,024	615,251	743,987
General Obligation Bonds Issued	2,105,000	0	0	0	2,105,000	0
General Obligation Notes Issued	7,895,000	0	0	0	7,895,000	0
OWDA Loan Issued	0	0	2,000,000	0	2,000,000	0
Mortgage Revenue Bonds Issued	0	0	3,256,459	83,397	3,256,459	83,397
Proceeds of Loans	750,100	0	0	0	750,100	0
HUD Loan Issued	0	340,000	0	0	0	340,000
Other	338,478	302,876	89,249	88,087	427,727	390,963
<i>Total General Receipts</i>	<u>35,129,683</u>	<u>24,969,373</u>	<u>5,346,451</u>	<u>173,508</u>	<u>40,476,134</u>	<u>25,142,881</u>
Transfers	(19,933)	(400,000)	19,933	400,000	0	0
<i>Total General Receipts and Transfers</i>	<u>\$ 91,941,188</u>	<u>\$ 78,715,908</u>	<u>\$ 9,451,984</u>	<u>\$ 2,659,781</u>	<u>\$ 101,393,172</u>	<u>\$ 81,375,689</u>

**Columbiana County, Ohio**  
*Management's Discussion and Analysis*  
For the Year Ended December 31, 2010  
(Unaudited)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Program Disbursements</b>						
General Government:						
Legislative and Executive	\$ 6,187,865	\$ 7,084,834	\$ 0	\$ 0	\$ 6,187,865	\$ 7,084,834
Judicial	5,383,862	5,393,532	0	0	5,383,862	5,393,532
Public Safety	7,661,531	8,038,005	0	0	7,661,531	8,038,005
Public Works	12,184,260	9,386,455	0	0	12,184,260	9,386,455
Health	10,258,427	11,718,230	0	0	10,258,427	11,718,230
Human Services	30,654,607	33,713,899	0	0	30,654,607	33,713,899
Conservation and Recreation	42,569	117,215	0	0	42,569	117,215
Economic Development and Assistance	2,048,578	954,628	0	0	2,048,578	954,628
Capital Outlay	1,600,779	1,294,695	0	0	1,600,779	1,294,695
Debt Service	2,012,699	1,934,092	0	0	2,012,699	1,934,092
Outside Contributions	768,469	745,699	0	0	768,469	745,699
Employee Contributions	62,163	55,052	0	0	62,163	55,052
Sewer	0	0	8,888,664	2,212,903	8,888,664	2,212,903
Police Communications	0	0	69,297	37,411	69,297	37,411
Water	0	0	611,266	447,286	611,266	447,286
<i>Total Program Disbursements</i>	<u>78,865,809</u>	<u>80,436,336</u>	<u>9,569,227</u>	<u>2,697,600</u>	<u>88,435,036</u>	<u>83,133,936</u>
<i>Change in Net Assets</i>	13,075,379	(1,720,428)	(117,243)	(37,819)	12,958,136	(1,758,247)
<i>Net Assets Beginning of Year</i>	<u>29,539,027</u>	<u>31,259,455</u>	<u>2,021,423</u>	<u>2,059,242</u>	<u>31,560,450</u>	<u>33,318,697</u>
<i>Net Assets End of Year</i>	<u>\$ 42,614,406</u>	<u>\$ 29,539,027</u>	<u>\$ 1,904,180</u>	<u>\$ 2,021,423</u>	<u>\$ 44,518,586</u>	<u>\$ 31,560,450</u>

***Governmental Activities***

Program receipts represent only 62 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money and grant money for various programs.

General receipts represent 38 percent of the County's total receipts, and of this amount 60 percent is property and sales taxes. State and federal grants and entitlements make up 7 percent of the County's general receipts. Bond, note and loan proceeds make up the majority of the balance of the County's general receipts (31 percent). Other receipts are insignificant and somewhat unpredictable revenue sources.

Health and human services make up 13 and 39 percent, respectively, of total governmental disbursements. The County actively seeks grant money in order to provide the best service possible to its residents.

**Columbiana County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
(Unaudited)

***Business-Type Activities***

Business-type activities include the County's sewer, police communication and water operations. Net assets for 2010 decreased \$117,243.

The statement of activities shows the cost of program services and the charges for services and grants and contributions offsetting those services. The following table shows the total cost of services and the net cost of services. The table identifies the cost of services supported by tax revenue and unrestricted state grants and entitlements.

(Table 3)  
**Total and Net Cost of Program Services**

	Total Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2010	Net Cost of Services 2009
<b>Program Disbursements</b>				
General Government:				
Legislative and Executive	\$ 6,187,865	\$ 7,084,834	\$ (3,460,552)	\$ (5,241,927)
Judicial	5,383,862	5,393,532	(2,772,739)	(2,847,305)
Public Safety	7,661,531	8,038,005	(6,001,289)	(6,374,673)
Public Works	12,184,260	9,386,455	(433,069)	54,409
Health	10,258,427	11,718,230	(1,433,221)	(2,185,387)
Human Services	30,654,607	33,713,899	(5,203,169)	(7,897,049)
Conservation and Recreation	42,569	117,215	(34,169)	(108,815)
Economic Development and Assistance	2,048,578	954,628	(32,102)	138,373
Capital Outlay	1,600,779	1,294,695	(620,510)	193,325
Debt Service	2,012,699	1,934,092	(2,012,699)	(1,934,092)
Outside Participation	768,469	745,699	(28,543)	(80,702)
Employee Contribution	62,163	55,052	(2,309)	(5,958)
Sewer	8,888,664	2,212,903	(5,205,592)	(520,827)
Police Communications	69,297	37,411	(24,100)	5,489
Water	611,266	447,286	(253,935)	(95,989)
<b>Total</b>	<b>\$ 88,435,036</b>	<b>\$ 83,133,936</b>	<b>\$ (27,517,998)</b>	<b>\$ (26,901,128)</b>

The negative amounts indicated in Table 3 should not be construed as something bad; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the general government. The total cost of services and the net cost of services both increased in 2010. The decreases in the net costs of services for the public safety and health functions are due to increases in operating grants during 2010. The decrease in the total and net cost of service for the human services function is due to the State taking over the child care expenses.

**Columbiana County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*(Unaudited)*

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## **Columbiana County's Funds**

### ***Governmental Funds***

Total governmental funds had receipts and other financing sources of \$93,787,871 and disbursements and other financing uses of \$80,523,224.

The General fund is the primary operating fund of the County. At the end of 2010, ending fund balance was \$1,753,733, which is an increase of \$223,522 from 2009. An increase in permissive sales tax receipts is the primary reason for the increase in fund balance.

The fund balance of the Motor Vehicle and Gas Tax fund decreased \$393,623 during 2010. An increase in the cost of maintenance and repairs of the County's roads contributed to the decreased fund balance.

During 2010, the fund balance of the Mental Health fund increased \$508,287, primarily due to a decrease in the cost of providing services.

The Public Assistance fund balance increased \$84,332 as compared to 2009. Although receipts decreased, disbursements were reduced by \$2,772,998.

The fund balance of the Board of Developmental Disabilities fund increased \$1,077,242 during 2010. The increase in fund balance is due to a slight increase in receipts and a decrease in disbursements.

The greatest change within governmental funds occurred within the construction fund. The construction fund receipts were \$9,868,872 more than disbursements due to the County issuing bonds and notes during 2010.

### ***Enterprise Funds***

Total enterprise funds had operating receipts of \$2,086,777 and operating disbursements of \$6,706,853. The sewer enterprise fund had an operating loss of \$4,471,090 as the County continues to improve the various sewer lines throughout the County.

### **General Fund Budgeting Highlights**

The County's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During 2010 the County amended its general fund budget several times to reflect changing circumstances. Final budgeted receipts were \$18,141,619, slightly above original budgeted receipts of \$17,890,634. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements (including other financing uses) were budgeted at \$18,759,587 while original disbursements were budgeted at \$18,399,902. Actual disbursements were \$570,460 less than the final budget.

**Columbiana County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*(Unaudited)*

**Capital Assets and Debt Administration**

***Capital Assets***

The County does not currently keep track of its capital assets and infrastructure. The County is researching various methods for a cost efficient way of tracking their capital assets and infrastructure.

***Debt***

At December 31, 2010, Columbiana County had the following debt outstanding:

**Table 4**  
**Outstanding Debt at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2010	Restated	2010	2009	2010	Restated
		2009				2009
General Obligation Notes	\$ 8,362,200	580,722	\$ 0	\$ 0	\$ 8,362,200	\$ 580,722
Mortgage Revenue Notes	0	0	50,100	58,450	50,100	58,450
General Obligation Bonds	17,022,892	15,528,027	0	0	17,022,892	15,528,027
Mortgage Revenue Bonds	0	0	6,807,679	3,661,668	6,807,679	3,661,668
OWDA Loans	679,573	728,101	95,992	597,405	775,565	1,325,506
OPWC Loans	0	0	544,412	594,572	544,412	594,572
HUD Loan	300,000	340,000	0	0	300,000	340,000
Columbia Drive Loan	750,100	0	0	0	750,100	0
Capital Leases	346,311	422,857	0	0	346,311	422,857
<i>Total</i>	<u>\$ 27,461,076</u>	<u>\$ 17,599,707</u>	<u>\$ 7,498,183</u>	<u>\$ 4,912,095</u>	<u>\$ 34,959,259</u>	<u>\$ 22,511,802</u>

For further information regarding the County's debt, refer to Note 11 to the basic financial statements.

**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.

**Contacting Columbiana 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 reflect the County's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Nancy Milliken, Columbiana County Auditor, 105 Market Street, Lisbon, Ohio 44432.

**Columbiana County, Ohio**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2010*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 39,329,726	\$ 1,904,180	\$ 41,233,906
Cash and Cash Equivalents with Fiscal Agent	3,284,680	0	3,284,680
<i>Total Assets</i>	<u>\$ 42,614,406</u>	<u>\$ 1,904,180</u>	<u>\$ 44,518,586</u>
<b>Net Assets</b>			
Restricted for:			
Capital Outlay	11,095,926	0	11,095,926
Debt Service	2,282,424	0	2,282,424
Public Safety	2,186,045	0	2,186,045
Public Works	2,718,984	0	2,718,984
Health Services	3,952,603	0	3,952,603
Human Services	16,113,896	0	16,113,896
Unclaimed Monies	315,479	0	315,479
Other Purposes	2,190,776	0	2,190,776
Unrestricted	1,758,273	1,904,180	3,662,453
<i>Total Net Assets</i>	<u>\$ 42,614,406</u>	<u>\$ 1,904,180</u>	<u>\$ 44,518,586</u>

See accompanying notes to the basic financial statements.



**Columbiana County, Ohio**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2010*

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General Government:							
Legislative and Executive	\$ 6,187,865	\$ 2,726,603	\$ 710	\$ 0	\$ (3,460,552)	\$ 0	\$ (3,460,552)
Judicial	5,383,862	2,452,749	158,374	0	(2,772,739)	0	(2,772,739)
Public Safety	7,661,531	1,264,293	395,949	0	(6,001,289)	0	(6,001,289)
Public Works	12,184,260	89,223	6,975,634	4,686,334	(433,069)	0	(433,069)
Health	10,258,427	280,008	8,545,198	0	(1,433,221)	0	(1,433,221)
Human Services	30,654,607	684,548	24,766,890	0	(5,203,169)	0	(5,203,169)
Conservation and Recreation	42,569	8,400	0	0	(34,169)	0	(34,169)
Economic Development and Assistance	2,048,578	0	2,016,476	0	(32,102)	0	(32,102)
Capital Outlay	1,600,779	127,870	0	852,399	(620,510)	0	(620,510)
Debt Service	2,012,699	0	0	0	(2,012,699)	0	(2,012,699)
Outside Contributions to Health Insurance	768,469	739,926	0	0	(28,543)	0	(28,543)
Employee Contributions to Health Insurance	62,163	59,854	0	0	(2,309)	0	(2,309)
<i>Total Governmental Activities</i>	<u>78,865,809</u>	<u>8,433,474</u>	<u>42,859,231</u>	<u>5,538,733</u>	<u>(22,034,371)</u>	<u>0</u>	<u>(22,034,371)</u>
<b>Business-Type Activities:</b>							
Sewer	8,888,664	1,607,500	0	2,075,572	0	(5,205,592)	(5,205,592)
Police Communications	69,297	45,197	0	0	0	(24,100)	(24,100)
Water	611,266	344,831	0	12,500	0	(253,935)	(253,935)
<i>Total Business-Type Activities</i>	<u>9,569,227</u>	<u>1,997,528</u>	<u>0</u>	<u>2,088,072</u>	<u>0</u>	<u>(5,483,627)</u>	<u>(5,483,627)</u>
<i>Total - Primary Government</i>	<u>\$ 88,435,036</u>	<u>\$ 10,431,002</u>	<u>\$ 42,859,231</u>	<u>\$ 7,626,805</u>	<u>(22,034,371)</u>	<u>(5,483,627)</u>	<u>(27,517,998)</u>
<b>General Receipts</b>							
Property Taxes Levied for:							
Human Services					6,685,186	0	6,685,186
Health Services					1,837,397	0	1,837,397
Debt Service					275,941	0	275,941
Permissive Sales Tax					12,292,651	0	12,292,651
Grants and Entitlements not Restricted to Specific Programs					2,335,422	0	2,335,422
Interest					614,508	743	615,251
General Obligation Bonds Issued					2,105,000	0	2,105,000
General Obligation Notes Issued					7,895,000	0	7,895,000
Mortgage Revenue Bonds Issued					0	3,256,459	3,256,459
Proceeds of Loans					750,100	0	750,100
Proceeds of OWDA Loan					0	2,000,000	2,000,000
Miscellaneous					338,478	89,249	427,727
<i>Total General Receipts</i>					<u>35,129,683</u>	<u>5,346,451</u>	<u>40,476,134</u>
Transfers					(19,933)	19,933	0
<i>Total General Receipts and Transfers</i>					<u>35,109,750</u>	<u>5,366,384</u>	<u>40,476,134</u>
<i>Change in Net Assets</i>					<u>13,075,379</u>	<u>(117,243)</u>	<u>12,958,136</u>
<i>Net Assets, Beginning of Year</i>					<u>29,539,027</u>	<u>2,021,423</u>	<u>31,560,450</u>
<i>Net Assets, End of Year</i>					<u>\$ 42,614,406</u>	<u>\$ 1,904,180</u>	<u>\$ 44,518,586</u>

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2010*

	General	Motor Vehicle and Gas Tax	Mental Health	Public Assistance	Board of Developmental Disabilities	Construction	All Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Equity in Pooled Cash and Cash Equivalents	\$ 1,753,733	\$ 2,673,450	\$ 3,831,159	\$ 603,907	\$ 8,383,629	\$ 10,553,665	\$ 11,210,164	\$ 39,009,707
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0	3,284,680	0	0	3,284,680
<i>Total Assets</i>	<u>\$ 1,753,733</u>	<u>\$ 2,673,450</u>	<u>\$ 3,831,159</u>	<u>\$ 603,907</u>	<u>\$ 11,668,309</u>	<u>\$ 10,553,665</u>	<u>\$ 11,210,164</u>	<u>\$ 42,294,387</u>
<b>Fund Balances</b>								
Reserved for Encumbrances	130,793	208,140	3,089	276,830	0	0	434,192	1,053,044
Reserved for Unclaimed Monies	315,479	0	0	0	0	0	0	315,479
Unreserved, Undesignated, Reported in:								
General Fund	1,307,461	0	0	0	0	0	0	1,307,461
Special Revenue Funds	0	2,465,310	3,828,070	327,077	11,668,309	0	7,951,287	26,240,053
Debt Service Funds	0	0	0	0	0	0	2,282,424	2,282,424
Capital Projects Funds	0	0	0	0	0	10,553,665	542,261	11,095,926
<i>Total Fund Balances</i>	<u>\$ 1,753,733</u>	<u>\$ 2,673,450</u>	<u>\$ 3,831,159</u>	<u>\$ 603,907</u>	<u>\$ 11,668,309</u>	<u>\$ 10,553,665</u>	<u>\$ 11,210,164</u>	<u>\$ 42,294,387</u>

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities - Cash Basis  
December 31, 2010*

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**Total Governmental Fund Balances** \$ 42,294,387

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

An internal service fund is used by management to charge the costs  
of insurance to individual funds. The assets of the internal  
service fund are included in governmental activities in the  
statement of net assets.

320,019

*Net Assets of Governmental Activities*

\$ 42,614,406

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

	General	Motor Vehicle and Gas Tax	Mental Health	Public Assistance	Board of Developmental Disabilities	Construction	All Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>								
Property Taxes	\$ 0	\$ 0	\$ 1,837,397	\$ 0	\$ 5,869,167	\$ 0	\$ 1,091,960	\$ 8,798,524
Permissive Sales Taxes	12,292,651	0	0	0	0	0	0	12,292,651
Charges for Services	1,883,982	37,815	0	14,878	11,768	0	4,317,519	6,265,962
Licenses and Permits	6,333	0	0	0	0	0	0	6,333
Fines and Forfeitures	141,496	39,714	0	0	0	0	223,792	405,002
Intergovernmental	2,261,314	11,585,576	8,476,365	10,448,464	7,300,554	275,000	10,301,085	50,648,358
Conveyance Fees	852,954	0	0	0	0	0	0	852,954
Interest	574,247	61,584	0	0	0	0	40,261	676,092
Rent	103,443	0	0	0	0	0	0	103,443
Contributions and Donations	0	0	8,327	0	14,461	0	656	23,444
Other	100,436	9,128	54,006	81,417	15,961	0	77,530	338,478
<b>Total Receipts</b>	<b>18,216,856</b>	<b>11,733,817</b>	<b>10,376,095</b>	<b>10,544,759</b>	<b>13,211,911</b>	<b>275,000</b>	<b>16,052,803</b>	<b>80,411,241</b>
<b>Disbursements</b>								
Current:								
General Government:								
Legislative and Executive	4,870,347	0	0	0	0	0	1,274,442	6,144,789
Judicial	4,202,968	0	0	0	0	0	1,134,987	5,337,955
Public Safety	6,209,672	0	0	0	0	0	1,428,091	7,637,763
Public Works	0	12,127,440	0	0	0	0	24,746	12,152,186
Health	1,924	0	9,867,808	0	0	0	383,098	10,252,830
Human Services	1,525,234	0	0	10,720,374	11,329,669	0	7,071,837	30,647,114
Conservation and Recreation	42,569	0	0	0	0	0	0	42,569
Economic Development and Assistance	16,091	0	0	0	0	0	2,031,986	2,048,077
Capital Outlay	0	0	0	0	0	575,767	1,025,012	1,600,779
Debt Service:								
Principal Retirements	87,505	0	0	0	0	0	813,091	900,596
Interest and Fiscal Charges	52,224	0	0	0	0	0	678,350	730,574
Issuance Costs	0	0	0	0	0	355,408	0	355,408
<b>Total Disbursements</b>	<b>17,008,534</b>	<b>12,127,440</b>	<b>9,867,808</b>	<b>10,720,374</b>	<b>11,329,669</b>	<b>931,175</b>	<b>15,865,640</b>	<b>77,850,640</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>1,208,322</b>	<b>(393,623)</b>	<b>508,287</b>	<b>(175,615)</b>	<b>1,882,242</b>	<b>(656,175)</b>	<b>187,163</b>	<b>2,560,601</b>
<b>Other Financing Sources and (Uses)</b>								
Transfers In	65,000	0	0	259,947	0	805,000	1,143,881	2,273,828
Transfers Out	(1,049,800)	0	0	0	(805,000)	0	(438,961)	(2,293,761)
General Obligation Bonds Issued	0	0	0	0	0	2,105,000	0	2,105,000
General Obligation Notes Issues	0	0	0	0	0	7,641,168	253,832	7,895,000
Proceeds of Loans	0	0	0	0	0	0	750,100	750,100
Discount on Debt Issued	0	0	0	0	0	(26,121)	0	(26,121)
<b>Total Other Financing Sources and (Uses)</b>	<b>(984,800)</b>	<b>0</b>	<b>0</b>	<b>259,947</b>	<b>(805,000)</b>	<b>10,525,047</b>	<b>1,708,852</b>	<b>10,704,046</b>
<b>Net Change in Fund Balance</b>	<b>223,522</b>	<b>(393,623)</b>	<b>508,287</b>	<b>84,332</b>	<b>1,077,242</b>	<b>9,868,872</b>	<b>1,896,015</b>	<b>13,264,647</b>
<b>Fund Balance, Beginning of Year</b>	<b>1,530,211</b>	<b>3,067,073</b>	<b>3,322,872</b>	<b>519,575</b>	<b>10,591,067</b>	<b>684,793</b>	<b>9,314,149</b>	<b>29,029,740</b>
<b>Fund Balance, End of Year</b>	<b>\$ 1,753,733</b>	<b>\$ 2,673,450</b>	<b>\$ 3,831,159</b>	<b>\$ 603,907</b>	<b>\$ 11,668,309</b>	<b>\$ 10,553,665</b>	<b>\$ 11,210,164</b>	<b>\$ 42,294,387</b>

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Reconciliation of the Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
of Governmental Funds to the Statement of Activities - Cash Basis  
For The Year Ended December 31, 2010*

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<b>Net Change in Fund Balance - Total Governmental Funds</b>	\$ 13,264,647
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*Amounts reported for governmental activities in the statement  
of activities are different because*

Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund disbursements and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements).	<u>(189,268)</u>
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<i>Change in Net Assets of Governmental Activities</i>	<u>\$ 13,075,379</u>
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See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Year Ended December 31, 2010*

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Receipts</b>				
Sales Taxes	\$ 12,072,517	\$ 12,241,881	\$ 12,292,651	\$ 50,770
Charges for Services	1,850,244	1,876,201	1,883,982	7,781
Licenses and Permits	6,220	6,307	6,333	26
Fines and Forfeitures	138,962	140,912	141,496	584
Intergovernmental	2,220,819	2,251,975	2,261,314	9,339
Conveyance Fees	837,680	849,431	852,954	3,523
Interest	563,964	571,875	574,247	2,372
Rent	101,591	103,016	103,443	427
Other	98,637	100,021	100,436	415
<i>Total Receipts</i>	<u>17,890,634</u>	<u>18,141,619</u>	<u>18,216,856</u>	<u>75,237</u>
<b>Disbursements</b>				
Current:				
General Government:				
Legislative and Executive	5,190,769	5,202,842	4,971,228	231,614
Judicial	4,202,590	4,286,622	4,212,171	74,451
Public Safety	6,214,698	6,349,589	6,214,739	134,850
Health	2,000	2,000	1,924	76
Human Services	1,629,903	1,629,903	1,540,876	89,027
Conservation and Recreation	10,000	42,569	42,569	0
Economic Development and Assistance	1,000	16,091	16,091	0
Debt Service:				
Principal Retirement	87,505	87,505	87,505	0
Interest and Fiscal Charges	52,773	52,773	52,224	549
<i>Total Disbursements</i>	<u>17,391,238</u>	<u>17,669,894</u>	<u>17,139,327</u>	<u>530,567</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>499,396</u>	<u>471,725</u>	<u>1,077,529</u>	<u>605,804</u>
<b>Other Financing Sources and (Uses)</b>				
Transfers In	0	0	65,000	65,000
Transfers Out	(1,008,664)	(1,089,693)	(1,049,800)	39,893
<i>Total Other Financing Sources and (Uses)</i>	<u>(1,008,664)</u>	<u>(1,089,693)</u>	<u>(984,800)</u>	<u>104,893</u>
<i>Net Change in Fund Balance</i>	(509,268)	(617,968)	92,729	710,697
<i>Fund Balance, Beginning of Year</i>	1,104,876	1,104,876	1,104,876	0
<i>Prior Year Encumbrances Appropriated</i>	<u>425,335</u>	<u>425,335</u>	<u>425,335</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 1,020,943</u>	<u>\$ 912,243</u>	<u>\$ 1,622,940</u>	<u>\$ 710,697</u>

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*Motor Vehicle and Gasoline Tax Fund*  
*For the Year Ended December 31, 2010*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Receipts</b>				
Charges for Services	\$ 24,815	\$ 37,467	\$ 37,815	348
Fines and Forfeitures	26,061	39,349	39,714	365
Intergovernmental	7,602,721	11,479,105	11,585,576	106,471
Interest	40,413	61,018	61,584	566
Other	5,990	9,044	9,128	84
<i>Total Receipts</i>	<u>7,700,000</u>	<u>11,625,983</u>	<u>11,733,817</u>	<u>107,834</u>
<b>Disbursements</b>				
Current:				
Public Works	<u>7,638,700</u>	<u>12,760,868</u>	<u>12,335,580</u>	<u>425,288</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>61,300</u>	<u>(1,134,885)</u>	<u>(601,763)</u>	<u>533,122</u>
<i>Net Change in Fund Balance</i>	61,300	(1,134,885)	(601,763)	533,122
<i>Fund Balance, Beginning of Year</i>	2,928,373	2,928,373	2,928,373	0
<i>Prior Year Encumbrances Appropriated</i>	<u>138,700</u>	<u>138,700</u>	<u>138,700</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 3,128,373</u>	<u>\$ 1,932,188</u>	<u>\$ 2,465,310</u>	<u>\$ 533,122</u>

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*Mental Health Fund*  
*For the Year Ended December 31, 2010*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Receipts</b>				
Property Taxes	\$ 1,821,150	\$ 1,821,150	\$ 1,837,397	\$ 16,247
Intergovernmental	7,825,854	7,745,392	8,476,365	730,973
Contributions and Donations	7,688	7,609	8,327	718
Other	49,861	49,349	54,006	4,657
<i>Total Receipts</i>	<u>9,704,553</u>	<u>9,623,500</u>	<u>10,376,095</u>	<u>752,595</u>
<b>Disbursements</b>				
Current:				
Health	<u>9,705,353</u>	<u>13,027,425</u>	<u>9,870,897</u>	<u>3,156,528</u>
<i>Net Change in Fund Balance</i>	(800)	(3,403,925)	505,198	3,909,123
<i>Fund Balance, Beginning of Year</i>	3,322,072	3,322,072	3,322,072	0
<i>Prior Year Encumbrances Appropriated</i>	<u>800</u>	<u>800</u>	<u>800</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 3,322,072</u>	<u>\$ (81,053)</u>	<u>\$ 3,828,070</u>	<u>\$ 3,909,123</u>

See accompanying notes to the basic financial statements.



**Columbiana County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*Public Assistance Fund*  
*For the Year Ended December 31, 2010*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Receipts</b>				
Charges for Services	\$ 17,270	\$ 15,743	\$ 14,878	\$ (865)
Intergovernmental	12,128,277	11,055,987	10,448,464	(607,523)
Other	<u>94,507</u>	<u>86,151</u>	<u>81,417</u>	<u>(4,734)</u>
<i>Total Receipts</i>	<u>12,240,054</u>	<u>11,157,881</u>	<u>10,544,759</u>	<u>(613,122)</u>
<b>Disbursements</b>				
Current:				
Human Services	<u>12,762,730</u>	<u>11,937,403</u>	<u>10,997,204</u>	<u>940,199</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(522,676)</u>	<u>(779,522)</u>	<u>(452,445)</u>	<u>327,077</u>
<b>Other Financing Source</b>				
Transfers In	<u>259,947</u>	<u>259,947</u>	<u>259,947</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(262,729)	(519,575)	(192,498)	327,077
<i>Fund Balance, Beginning of Year</i>	256,845	256,845	256,845	0
<i>Prior Year Encumbrances Appropriated</i>	<u>262,730</u>	<u>262,730</u>	<u>262,730</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 256,846</u>	<u>\$ 0</u>	<u>\$ 327,077</u>	<u>\$ 327,077</u>

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*Board of Developmental Disabilities Fund*  
*For the Year Ended December 31, 2010*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Receipts</b>				
Property Taxes	\$ 5,787,000	\$ 6,151,764	\$ 5,869,167	(282,597)
Charges for Services	20,284	10,425	11,768	1,343
Intergovernmental	12,583,543	6,467,512	7,300,554	833,042
Contributions and Donations	24,926	12,811	14,461	1,650
Other	27,511	14,140	15,961	1,821
<i>Total Receipts</i>	<u>18,443,264</u>	<u>12,656,652</u>	<u>13,211,911</u>	<u>555,259</u>
<b>Disbursements</b>				
Current:				
Human Services	<u>11,625,839</u>	<u>12,990,708</u>	<u>11,682,371</u>	<u>1,308,337</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>6,817,425</u>	<u>(334,056)</u>	<u>1,529,540</u>	<u>1,863,596</u>
<b>Other Financing Use</b>				
Transfers Out	<u>0</u>	<u>(805,000)</u>	<u>(805,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	6,817,425	(1,139,056)	724,540	1,863,596
<i>Fund Balance, Beginning of Year</i>	<u>7,659,089</u>	<u>7,659,089</u>	<u>7,659,089</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 14,476,514</u>	<u>\$ 6,520,033</u>	<u>\$ 8,383,629</u>	<u>\$ 1,863,596</u>

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Statement of Fund Net Assets - Cash Basis*  
*Proprietary Funds*  
*December 31, 2010*

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor Enterprise	Total	
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,591,101</u>	<u>\$ 313,079</u>	<u>\$ 1,904,180</u>	<u>\$ 320,019</u>
 <b>Net Assets</b>				
Unrestricted	<u>\$ 1,591,101</u>	<u>\$ 313,079</u>	<u>\$ 1,904,180</u>	<u>\$ 320,019</u>

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets - Cash Basis*  
*Proprietary Funds*  
*For the Year Ended December 31, 2010*

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor Enterprise	Total	
<b>Operating Receipts</b>				
Charges for Services	\$ 1,607,500	\$ 390,028	\$ 1,997,528	\$ 4,906,490
Other	5,663	83,586	89,249	0
<i>Total Operating Receipts</i>	<u>1,613,163</u>	<u>473,614</u>	<u>2,086,777</u>	<u>4,906,490</u>
<b>Operating Disbursements</b>				
Personal Services	605,878	97,902	703,780	5,770
Contractual Services	659,014	238,900	897,914	303,847
Materials and Supplies	51,362	56,094	107,456	0
Claims	0	0	0	4,786,141
Capital Outlay	4,652,614	196,401	4,849,015	0
Other	115,385	33,303	148,688	0
<i>Total Operating Disbursements</i>	<u>6,084,253</u>	<u>622,600</u>	<u>6,706,853</u>	<u>5,095,758</u>
<i>Operating Income (Loss)</i>	<u>(4,471,090)</u>	<u>(148,986)</u>	<u>(4,620,076)</u>	<u>(189,268)</u>
<b>Non-Operating Receipts (Disbursements)</b>				
Proceeds of OWDA Loan	2,000,000	0	2,000,000	0
Mortgage Revenue Bonds Issued	3,256,459	0	3,256,459	0
Interest	743	0	743	0
Capital Grants	2,049,514	12,500	2,062,014	0
Special Assessments	26,058	0	26,058	0
Principal Retirement	(2,615,920)	(54,451)	(2,670,371)	0
Interest and Fiscal Charges	(188,491)	(3,512)	(192,003)	0
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>4,528,363</u>	<u>(45,463)</u>	<u>4,482,900</u>	<u>0</u>
<i>Income (Loss) Before Transfers</i>	57,273	(194,449)	(137,176)	(189,268)
Transfers In	14,933	5,000	19,933	0
<i>Change in Net Assets</i>	72,206	(189,449)	(117,243)	(189,268)
<i>Net Assets, Beginning of Year</i>	<u>1,518,895</u>	<u>502,528</u>	<u>2,021,423</u>	<u>509,287</u>
<i>Net Assets, End of Year</i>	<u>\$ 1,591,101</u>	<u>\$ 313,079</u>	<u>\$ 1,904,180</u>	<u>\$ 320,019</u>

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Statement of Fiduciary Net Assets - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2010*

	Private Purpose Trust	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 4,311,256
Cash and Cash Equivalents in Segregated Accounts	81,231	798,619
<i>Total Assets</i>	\$ 81,231	\$ 5,109,875
<b>Net Assets</b>		
Held in Trust for Children Services	81,231	0
Unrestricted	0	5,109,875
	\$ 81,231	\$ 5,109,875

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Statement of Changes in Fiduciary Net Assets - Cash Basis*  
*Fiduciary Funds*  
*For the Year Ended December 31, 2010*

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	<u>Private Purpose Trust</u>
<b>Additions</b>	
Interest	\$ 1,024
Contributions and Donations	<u>21,812</u>
<i>Total Additions</i>	<u>22,836</u>
<b>Deductions</b>	
Payments in Accordance with Trust Agreements	<u>16,523</u>
<i>Change in Net Assets</i>	6,313
<i>Net Assets, Beginning of Year</i>	<u>74,918</u>
<i>Net Assets, End of year</i>	<u><u>\$ 81,231</u></u>

See accompanying notes to the basic financial statements.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 1 – Reporting Entity**

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 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.

*A. Primary Government*

The primary government of the County consists of all funds, agencies, departments and offices 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 Mental Health Center, Columbiana County Board of Developmental Disabilities (which includes the Robert Bycroft School for Retarded Children, 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. The County is also financially accountable for any organizations that are fiscally dependent on the County in that the County approves their budget, the issuance of their debt, or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the County, are accessible to the County and are significant in amount to the County. The County has no component units.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 1 – Reporting Entity (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 14 and 16, respectively, to the basic financial statements. The County is also involved in the following jointly governed organizations:

Columbiana County Planning Commission  
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 15 to the basic financial statements.

**Note 2 – Summary of Significant Accounting Policies**

As discussed further under Basis of Accounting, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The County does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. Following are the more significant of the County's accounting policies.

**A. Basis of Presentation**

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



**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Government-Wide Financial Statements*** The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts 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. The activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements.

The government-wide statement of net assets presents the cash balance of the governmental and business-type activities of the County at year end. The government-wide statement of activities compares disbursements and program receipts for each program or function of the County’s governmental activities and business-type activities of the County. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services and 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. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on a cash basis or draws from the County’s general receipts.

***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 receipts generally result from exchange transactions such as charges for services directly relating to the funds’ principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements 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. The following are the County’s major governmental funds:

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**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.

**Motor Vehicle and Gasoline Tax Fund** – The motor vehicle and gas 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 a center 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.

**Public Assistance Fund** – The public assistance fund accounts for various Federal and State grants as well as transfers from the general fund used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

**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 a county-wide property tax levy.

**Construction Fund** – The construction fund accounts for bond proceeds, grants and transfers from other funds, which are used to acquire, construct or improve County buildings.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose.

**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 following is the County’s major enterprise fund:

**Sewer Fund** – The Sewer Fund accounts for sanitary sewer services provided to County individual and commercial users in the majority of the unincorporated areas of the County. The costs of providing these services are provided primarily through user charges.

The County also has two nonmajor enterprise funds: police communications which accounts for dispatching services and water which accounts for water services to individual and commercial users in the majority of the unincorporated areas of the County.

**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.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fiduciary Funds*** Fiduciary fund reporting focuses on net assets and changes in net assets. 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.

***C. Basis of Accounting***

The County's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in the notes.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

***D. 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 ordinance 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 the County Auditor projects increases or decreases in receipts. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time the original and final appropriations were passed by the County Commissioners.

The County Commissioners may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation ordinance for a fund covering the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation ordinance the County Commissioners passed during the year.

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***E. Cash and Cash Equivalents***

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 cash equivalents.”

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

During 2010, investments were limited to certificates of deposit federal farm credit bank notes, federal home loan mortgage corporation notes, federal home loan bank notes, federal national mortgage association notes, commercial paper, corporate bonds, money markets and STAROhio.

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

STAROhio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price, which is the price the investment could be sold for on December 31, 2010.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2010 amounted to \$574,247, which includes \$445,409 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.

***F. Inventory and Prepaid Items***

On the cash-basis of accounting, inventories of supplies and prepaid items are reported as disbursements when purchased. These items are not reflected as assets in the accompanying financial statements.

***G. Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

***H. Accumulated Leave***

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the County’s cash basis of accounting.

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***I. Interfund Activity***

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

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements 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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

***J. Long-Term Obligations***

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. These statements report proceeds of debt when cash is received and debt service disbursements for debt principal and interest payments are reported when paid.

***K. Net Assets***

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net assets reports \$40,856,133 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes primarily include real estate assessment, indigent guardianship and probate business.

The County first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

***L. Fund Balance Reserves***

The County reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and unclaimed monies.

Under Ohio law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 3 – Compliance**

Ohio Administrative Code, section 117-2-03 (B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net assets/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

The Columbiana County Auditor and Commissioners chose not to prepare GAAP statements due to budget concerns and staffing availability.

**Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Disbursements and Change in Cash Basis Fund Balance – (Budget Basis) for the General Fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).
2. Unrecorded cash, which consists of N.E.O.N. activity is not reported by the County on the operating statements (budgetary basis), but is reported on the cash basis operating statements.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	Motor Vehicle Gas Tax	Mental Health	Public Assistance	Board of Developmental Disabilities
Cash Basis	\$ 223,522	\$ (393,623)	\$ 508,287	\$ 84,332	\$ 1,077,242
Beginning Unrecorded Cash	0	0	0	0	2,931,978
Ending Unrecorded Cash	0	0	0	0	(3,284,680)
Encumbrances	(130,793)	(208,140)	(3,089)	(276,830)	0
Budget Basis	<u>\$ 92,729</u>	<u>\$ (601,763)</u>	<u>\$ 505,198</u>	<u>\$ (192,498)</u>	<u>\$ 724,540</u>

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 5 – Deposits and Investments**

Monies held by the County are classified by State statute into two categories, active and inactive. Active monies are public deposits 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.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged to the County 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 uninsured public monies deposited with the institution.

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 Bills, Bonds, Notes, 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 securities 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 governmental 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 (1) or (2) above, and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value;

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 5 – 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, which are rated in the highest classification established by two nationally recognized standard rating services, which do not need exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase;
  - b. Banker's acceptances eligible for purchase by the Federal Reserve System and which mature within 180 days after purchase.
10. Fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions that are doing business under authority granted by the U.S. 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 fund 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 of instrumentality, and/or highly rate commercial paper.
12. One percent of the County's average portfolio in debt interest rated at the time of purchase in the three categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.



**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 5 – Deposits and Investments (Continued)**

**Deposits**

***A. Cash on Hand***

At year end, the County had \$125,185 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 \$3,284,680 in cash held by an outside party which is included on the financial statements of the County as “Cash with Fiscal Agent.” The amount is not included in deposits with financial institutions below.

***C. Deposits with Financial Institutions***

At fiscal year end, the carrying amount of the County’s deposits was \$17,244,896. Based on the criteria described in GASB 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2010, \$17,081,715 of the County’s bank balance of \$18,410,552 was exposed to custodial credit risk as discussed below, while \$1,328,837 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the County’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of deposits. Such collateral, as permitted by the Ohio Revised Code, is held in a single financial institution collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all the uninsured public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the County.

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**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2010

**Note 5 – Deposits and Investments (Continued)**

**Investments**

At December 31, 2010, the County had the following investments (market value):

	Maturity in Years			Total
	Less Than 1	1 - 3	3 - 5	
Federal Farm Credit Bank Notes	\$ 0	\$ 1,415,406	\$ 3,050,000	\$ 4,465,406
Federal Home Loan Mortgage Corporation Notes	0	4,293,784	1,508,469	5,802,253
Federal Home Loan Bank Notes	0	5,487,546	2,502,813	7,990,359
First National Mortgage Association Notes	0	3,509,274	4,525,000	8,034,274
Commercial Paper	999,513	0	0	999,513
Corporate Bonds	0	742,925	0	742,925
Money Market	193,310	0	0	193,310
STAROhio	665,750	0	0	665,750
<b>Total Investments</b>	<b>\$ 1,858,573</b>	<b>\$ 15,448,935</b>	<b>\$ 11,586,282</b>	<b>\$ 28,893,790</b>

The market value is less than the carrying value of investments by \$161,141.

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the County's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute limits investments in repurchase agreements to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

**Credit Risk** The Federal Farm Credit Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes and Federal National Mortgage Association Notes all carry a credit rating of AAA by Standard and Poor's. The commercial paper carries a rating of AAA by Standard and Poor's. The money market carries a rating of AAAM by Standard and Poor's. The corporate bonds carry ratings of AA and AA+ by Standard and Poor's. STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest 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. The Federal Farm Credit Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes and Federal National Mortgage Association Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by counterparty's trust department or agent but not in the County's name. The County has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the treasurer or governing board or an agent designated by the treasurer or governing board.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 5 – Deposits and Investments (Continued)**

**Concentration of Credit Risk** The County places no limit on the amount it may invest in any one issuer. The following is the County’s allocation as of December 31, 2010:

Investment Issuer	Percentage of Investments
Federal Farm Credit Bank Notes	15.46%
Federal Home Loan Mortgage Corporation Notes	20.08%
Federal Home Loan Bank Notes	27.65%
Federal National Mortgage Association Notes	27.81%
Commercial Paper	3.46%
Corporate Bonds	2.57%
Money Market	0.67%
STAROhio	2.30%

**Note 6 – 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. 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 State Auditor. The Tax Commissioner’s certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County. The County received \$12,292,651 in sales tax receipts in 2010.

**Note 7 – Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2010 for real and public utility property taxes represents collections of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed values as of January 1, 2010, the lien date. Assessed values are established by State statute at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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 tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes which became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 7 – Property Taxes (Continued)**

2010 tangible personal property taxes are levied after October 1, 2009, on the value as of December 31, 2009. Collections are made in 2010. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory is zero for 2010. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated in 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by taxing districts due to the phasing out of the tax. In calendar years 2006-2010, taxing districts were fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

The full tax rate for all County operations for the year ended December 31, 2010, was \$9.25 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property	\$	1,821,532,920
Public Utility		86,319,990
 Total		 \$ 1,907,852,910

**Note 8 – Risk Management**

**A. Property and Liability**

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. During 2010, the County contracted with the County Risk Sharing Authority (CORSA) for insurance coverage as follows:

General Liability	\$	1,000,000
Law Enforcement Liability		1,000,000
Public Officials Liability		1,000,000
Automobile Liability		1,000,000
Errors and Omissions		1,000,000
Property		129,584,763
Other Property Insurance:		
Extra Expense		1,000,000
Flood and Earthquakes		100,000,000
Crime Coverage		1,000,000
Excess Liability		5,000,000

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 8 – Risk Management (Continued)**

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

***B. Self-Insurance***

The County has elected to provide a comprehensive medical benefits package to the employees through a fully-insured program. This package provides a comprehensive medical, prescription and dental plan, which is administered by Anthem. Total claims disbursements in the internal service fund during 2010 were \$4,786,141.

***C. Workers' Compensation***

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

**Note 9 – Defined Benefit Pension Plans**

***A. Ohio Public Employees Retirement System***

Plan Description - The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2010, members in state and local classification contributed 10 percent of covered payroll, public safety members and law enforcement members contributed 10.5 percent and 11.1 percent, respectively.

The County's contribution rate for 2010 was 14 percent, except for those plan members in law enforcement or public safety, for whom the County's contribution was 17.87 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 9 – Defined Benefit Pension Plans (Continued)**

The County's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$1,638,540, \$1,601,995 and \$1,597,062, respectively; 78 percent has been contributed for 2010 and 100 percent for 2009 and 2008. Contributions to the member-directed plan for 2010 were \$30,699 made by the County and \$21,928 made by plan members.

***B. State Teachers Retirement System***

Plan Description – Certified teachers, employed by the school for Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad St., Columbus, OH 43215-3771, by calling toll-free 888-227-7877, or by visiting the STRS Ohio 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. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. 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 DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 9 – Defined Benefit Pension Plans (Continued)**

The County's required contribution for pension obligations for the STRS Ohio for the fiscal years ended December 31, 2010, 2009, and 2008 were \$103,249, \$104,970 and \$110,688, respectively; 100 percent been contributed for 2010, 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$10,442 made by the County and \$7,459 made by the plan members.

**Note 10 – Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment health care 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.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14 percent of covered payroll (17.63 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll from January 1 through March 31, 2010 and 5.5 percent of covered payroll from April 1 through December 31, 2010.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$1,590,838, \$1,557,900 and \$1,557,517, respectively; 78 percent has been contributed for 2010 and 100 percent for 2009 and 2008.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 10 – Postemployment Benefits (Continued)**

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

***B. State Teachers Retirement System***

Plan Description – The County provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (“STRS Ohio”). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio.

STRS Ohio issues a financial report that includes financial information for the health care plan. Interested parties can view the most recent report at [www.strsoh.org](http://www.strsoh.org) or obtain a copy by calling 888-227-7877.

Funding Policy – Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2010, 2009 and 2008. The 14 percent contribution is the maximum rate allowed under Ohio law.

All benefit recipients pay a portion of the health care cost in the form of a monthly premium. The County’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009 and 2008 were \$7,942, \$8,075 and \$8,514 respectively; 100 percent has been contributed for 2010, 2009 and 2008.

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**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

**Note 11 – Long-Term Obligations**

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
<b><i>Governmental Activities Debt</i></b>			
General Obligation Notes:			
County EMA	4.73%	\$ 112,000	2016
Board of Election Loan	5.25%	9,488	2010
Data Processing Loan	4.10%	1,000,000	2014
Government Services Building	1.50%-2.50%	7,895,000	2015
General Obligation Bonds:			
Refunding Jail Facilities Bonds	4.00%-4.12%	8,490,000	2024
Courthouse Window Renovations	4.13%	844,000	2037
Guilford Sanitary Sewer Improvement	5.00%	276,000	2019*
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
Government Services Building 2010B Bonds	6.85%-7.85%	1,615,000	2038
Ohio Water Development Authority Loan:			
Hanoverton Planning Permanent Financing	6.04%	1,178,054	2021
HUD Loan	Variable	340,000	2016
Columbia Drive Loan	2.20%	750,100	2011

\*This loan was paid off early during 2010.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 11 – Long-Term Obligations (Continued)**

***Business-Type Activities Debt***

Mortgage Revenue Notes:

Vodry State Route 170/Duke Road Sewer	4.97%	\$ 83,500	2016
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Mortgage Revenue Bonds:

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
Beaver Local Wastewater #2	4.15%	192,250	2014
Roseview Acres	4.85%	46,500	2018
Glenmoor/Lacroft Sanitary Sewer	4.25%	3,534,000	2049

Ohio Water Development Authority Loans:

Stagecoach-Dairy Lane	6.02%	317,372	2014
Glenmoor/Lacroft Sanitary Sewer	0.00%	2,000,000	2010
Glenmoor/Lacroft	1.00%	776,268	2012*

Ohio Public Works Commission Loans:

State Route 7 Water Line Extension #1	0.00%	50,000	2022
State Route 7 Water Line Extension #2	0.00%	96,000	2023
Stagecoach-Dairy Lane	0.00%	122,347	2013
State Route 45 Water Line Extension	0.00%	375,000	2017
Roseview Acres Treatment Plant	0.00%	1,816,619	2037

\*This loan was paid off early during 2010.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2010

**Note 11 – Long-Term Obligations (Continued)**

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

	Restated Balance 12/31/2009	Additions	Reductions	Balance 12/31/2010	Amounts Due Within One Year
<b>Governmental Activities</b>					
<i>General Obligation Notes:</i>					
County EMA	\$ 78,400	\$ 0	\$ (11,200)	\$ 67,200	\$ 11,200
Board of Election Loan	2,322	0	(2,322)	0	0
Data Processing Loan	500,000	0	(100,000)	400,000	100,000
Government Services Building Notes	0	7,895,000	0	7,895,000	0
<i>Total General Obligation Notes</i>	<u>580,722</u>	<u>7,895,000</u>	<u>(113,522)</u>	<u>8,362,200</u>	<u>111,200</u>
<i>General Obligation Bonds:</i>					
Refunding Jail Facilities Bonds	7,775,000	0	(385,000)	7,390,000	400,000
Unamortized Premium	70,292	0	(4,686)	65,606	0
Unamortized Accounting Loss	(248,265)	0	16,551	(231,714)	0
Total Refunding Jail Facilities Bonds	<u>7,597,027</u>	<u>0</u>	<u>(373,135)</u>	<u>7,223,892</u>	<u>400,000</u>
Courthouse Window Renovations	814,000	0	(16,000)	798,000	17,000
Guilford Sanitary Sewer Improvement	73,000	0	(73,000)	0	0
Courthouse Renovations	2,570,000	0	(53,000)	2,517,000	55,000
Ohio Wellsville Water System	1,140,000	0	(23,000)	1,117,000	24,000
Murray Trucking Old Farm Village	458,000	0	(7,000)	451,000	7,000
Municipal Court Bonds #1	273,000	0	(6,000)	267,000	6,000
Municipal Court Bonds #2	2,603,000	0	(59,000)	2,544,000	62,000
Government Services Bldg 2010A Bonds	0	490,000	0	490,000	0
Government Services Bldg 2010B Bonds	0	1,615,000	0	1,615,000	0
<i>Total General Obligation Bonds</i>	<u>15,528,027</u>	<u>2,105,000</u>	<u>(610,135)</u>	<u>17,022,892</u>	<u>571,000</u>
<i>Ohio Water Development Authority Loan:</i>					
Hanoverton Planning Permanent Financing	728,101	0	(48,528)	679,573	51,460
HUD Loan	340,000	0	(40,000)	300,000	40,000
Columbia Drive Loan	0	750,100	0	750,100	750,100
Capital Leases	422,857	0	(76,546)	346,311	80,019
<i>Total Governmental Activities</i>	<u>\$ 17,599,707</u>	<u>\$ 10,750,100</u>	<u>\$ (888,731)</u>	<u>\$ 27,461,076</u>	<u>\$ 1,603,779</u>

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2010

**Note 11 – Long-Term Obligations (Continued)**

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

	Balance 12/31/2009	Additions	Reductions	Balance 12/31/2010	Amounts Due Within One Year
<b>Business-Type Activities</b>					
<i>Mortgage Revenue Notes:</i>					
Vodry State Route 170 Duke Road Sewer	\$ 58,450	\$ 0	\$ (8,350)	\$ 50,100	\$ 8,350
<i>Mortgage Revenue Bonds:</i>					
Guilford Lake Sewer	160,000	0	(13,000)	147,000	13,000
Ohio Elkrun Sewer	1,816,000	0	(30,000)	1,786,000	31,000
Winona Area Waste System #1	570,000	0	(7,000)	563,000	7,000
Winona Area Waste System #2	350,000	0	(4,000)	346,000	4,000
Winona Sanitary Sewer	113,435	0	(10,372)	103,063	10,860
Beaver Local Wastewater #1	362,471	0	(12,156)	350,315	12,736
Beaver Local Wastewater #2	163,392	0	(30,018)	133,374	31,294
Roseview Acres	42,973	0	(3,902)	39,071	4,095
Glenmoor/Lacroft Sanitary Sewer	83,397	3,256,459	0	3,339,856	0
<b>Total Mortgage Revenue Bonds</b>	<b>3,661,668</b>	<b>3,256,459</b>	<b>(110,448)</b>	<b>6,807,679</b>	<b>113,985</b>
<i>OWDA Loans:</i>					
Stagecoach-Dairy Lane	106,337	0	(10,345)	95,992	21,936
Glenmoor/LaCroft Sanitary Sewer	0	2,000,000	(2,000,000)	0	0
Glenmoor/LaCroft	491,068	0	(491,068)	0	0
<b>Total OWDA Loans</b>	<b>597,405</b>	<b>2,000,000</b>	<b>(2,501,413)</b>	<b>95,992</b>	<b>21,936</b>
<i>OPWC Loans:</i>					
State Route 7 Water Line Extension #1	30,000	0	(1,250)	28,750	2,500
State Route 7 Water Line Extension #2	62,400	0	(2,400)	60,000	4,800
Stagecoach-Dairy Lane	26,607	0	(2,956)	23,651	5,913
State Route 45 Water Line Extension	300,000	0	(37,500)	262,500	37,500
Roseview Acres Treatment Plant	175,565	0	(6,054)	169,511	6,054
<b>Total OPWC Loans</b>	<b>594,572</b>	<b>0</b>	<b>(50,160)</b>	<b>544,412</b>	<b>56,767</b>
<b>Total Business-Type Activities</b>	<b>\$ 4,912,095</b>	<b>\$ 5,256,459</b>	<b>\$ (2,670,371)</b>	<b>\$ 7,498,183</b>	<b>\$ 201,038</b>

The general obligation notes are paid from the general fund, the emergency management special revenue fund and the bond retirement debt service fund. The mortgage revenue notes and bonds are paid with user charges from the recorders' equipment special revenue fund and the sewer enterprise fund. The general obligation bonds are paid from the bond retirement debt service fund. The OWDA and OPWC loans are paid with user charges from the general fund and the water and sewer enterprise funds. The capital lease is paid from the bond retirement debt service fund.

At the end of 2009, the County reported an ending balance on the law library note of \$63,918. It was determined during the current year, the County paid off this note during 2009, therefore, the ending balance at December 31, 2009 should have been zero. The beginning balance has been restated to reflect this.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 11 – 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. At December 31, 2010, the County had only received \$3,339,856 of bond proceeds. The entire amount of the bonds of \$3,534,000 is reflected in the amortization schedule.

During 2009, the County was notified they were liable for the HUD loan, which has not been reported as the County's debt in prior years. This loan was originally issued to Mahoning Valley Economic Development Corporation (MVEDC) for the purpose of issuing loans to small businesses. When many of the businesses defaulted on their loan payments MVEDC became unable to make payments to HUD, and the County became responsible for the debt. During 2009, the County refinanced the debt and made principal and interest payments.

During 2010, the County issued a \$750,100 loan for the Columbia Drive road project. This loan will be repaid during 2011, once the County receives grant revenues from the Ohio Department of Development. The County is responsible for the repayment of the principal balance and St. Clair Township is responsible for the interest portion.

***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 serial bonds were issued with a varying interest rate of 2.0-4.0 percent. The Series 2010B term bonds that mature in the year 2025, with an interest rate of 6.85 percent are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1 in each of the years 2021 through 2024 (with the balance of \$75,000 to be paid at stated maturity on December 1, 2025) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date according to the following schedule:

Year	Principal Amount to be Redeemed
2021	\$65,000
2022	65,000
2023	70,000
2024	70,000

The Series 2010B term bonds maturing on December 1, 2030 are subject to mandatory sinking fund redemption. The mandatory redemption is to occur on December 1 in each of the years 2026 through 2029 (with the balance of \$90,000 to be paid at stated maturity on December 1, 2030) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Principal Amount to be Redeemed
2026	\$75,000
2027	80,000
2028	80,000
2029	85,000

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 11 – Long-Term Obligations (Continued)**

The Series 2010B term bonds maturing on December 1, 2038 are subject to mandatory sinking fund redemption. The mandatory redemption is to occur on December 1 in each of the years 2031 through 2037 (with the balance of \$125,000 to be paid at stated maturity on December 1, 2038) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2031	\$90,000
2032	95,000
2033	100,000
2034	105,000
2035	110,000
2036	115,000
2037	120,000

During 2010, the Ohio Water Development Authority (OWDA) approved a loan in the amount of \$2,000,000 to the County for the Glenmoor/LaCroft sanitary sewer project. The entire amount of the loan was forgiven through assistance from funding through the American Recovery and Reinvestment Act of 2009 (ARRA).

The County has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$7,498,183 of mortgage revenue notes and bonds, Ohio Public Works Commission (OPWC) loans and Ohio Water Development Authority (OWDA) loans. Annual principal and interest payments, as a percentage of net customer revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were 143.3 percent. The total principal and interest remaining to be paid on the debt is \$14,310,467. Principal and interest paid for the current year and total net revenues were \$2,862,374 and \$2,317,754, respectively.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2010

**Note 11 – Long-Term Obligations (Continued)**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2010 are as follows:

***Governmental Activities***

	General Obligation Notes		General Obligation Bonds		OWDA Loan		HUD Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 111,200	\$ 189,774	\$ 571,000	\$ 744,169	\$ 51,460	\$ 41,046	\$ 40,000	\$ 1,483
2012	321,200	201,658	647,000	731,269	54,567	37,938	45,000	1,290
2013	321,200	195,929	676,000	706,100	57,864	34,642	50,000	1,053
2014	321,200	189,925	693,000	679,755	61,359	31,148	55,000	794
2015	7,276,200	182,685	722,000	652,467	65,064	27,441	55,000	514
2016-2020	11,200	530	4,094,000	2,804,576	389,259	73,270	55,000	210
2021-2025	0	0	4,283,000	1,885,476	0	0	0	0
2026-2030	0	0	2,122,000	1,169,255	0	0	0	0
2031-2035	0	0	2,410,000	638,852	0	0	0	0
2036-2040	0	0	945,000	106,706	0	0	0	0
2041	0	0	26,000	1,170	0	0	0	0
<b>Total</b>	<b>\$ 8,362,200</b>	<b>\$ 960,501</b>	<b>\$ 17,189,000</b>	<b>\$ 10,119,795</b>	<b>\$ 679,573</b>	<b>\$ 245,485</b>	<b>\$ 300,000</b>	<b>\$ 5,344</b>

	Columbia Drive Loan	
	Principal	Interest
2011	\$ 750,100	\$ 16,875

***Business-Type Activities***

	Mortgage Revenue Notes		Mortgage Revenue Bonds		OWDA Loans		OPWC
	Principal	Interest	Principal	Interest	Principal	Interest	Loans Principal
2011	\$ 8,350	\$ 2,525	\$ 113,985	\$ 305,402	\$ 21,936	\$ 5,778	\$ 56,767
2012	8,350	2,110	158,584	300,239	23,256	4,458	56,767
2013	8,350	1,683	166,445	293,032	24,656	3,058	56,767
2014	8,350	1,262	172,361	285,547	26,144	1,572	56,766
2015	8,350	841	144,450	278,164	0	0	50,854
2016-2020	8,350	422	952,998	1,266,169	0	0	141,770
2021-2025	0	0	665,000	1,084,535	0	0	46,020
2026-2030	0	0	826,000	924,439	0	0	30,269
2031-2035	0	0	1,018,000	726,302	0	0	30,270
2036-2040	0	0	1,153,000	784,159	0	0	18,162
2041-2045	0	0	930,000	271,638	0	0	0
2046-2049	0	0	701,000	74,805	0	0	0
<b>Total</b>	<b>\$ 50,100</b>	<b>\$ 8,843</b>	<b>\$ 7,001,823</b>	<b>\$ 6,594,431</b>	<b>\$ 95,992</b>	<b>\$ 14,866</b>	<b>\$ 544,412</b>

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

**Note 12 – Capital Leases**

In prior years, the County entered into a capitalized lease obligation for a Sheriff’s radio and cabling equipment installed in the courthouse. These leases meet the criteria of a capital lease as they transfer benefits and risks of ownership to the lessee. The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2010.

	Amounts
2011	\$ 95,235
2012	95,235
2013	95,235
2014	50,464
2015	50,464
Total Minimum Lease Payments	386,633
Less: Amount Representing Interest	(40,322)
Present Value of Minimum Lease Payments	\$ 346,311

**Note 13 – Interfund Transfers**

Interfund transfers for the year ended December 31, 2010 consisted of the following:

Transfers To	Transfers From			Total
	General	Board of Developmental Disabilities	Other Governmental	
General	\$ 0	\$ 0	\$ 65,000	\$ 65,000
Public Assistance	259,947	0	0	259,947
Construction	0	805,000	0	805,000
Other Governmental	789,853	0	354,028	1,143,881
Business Type:				
Sewer	0	0	14,933	14,933
Non-Major Enterprise	0	0	5,000	5,000
<i>Total Transfers</i>	\$ 1,049,800	\$ 805,000	\$ 438,961	\$ 2,293,761

Transfers were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed. The transfer from the general fund to the public assistance fund was for the mandated share. The Board of Developmental Disabilities fund transferred money to the construction fund for the Board of Developmental Disabilities construction. The transfer from other governmental funds to the general fund was for excess monies in the Clerk of Courts Title fund, as allowed under the Ohio Revised Code. The transfers from the other governmental funds to other governmental funds consisted of transfers from the municipal court funds to the debt service funds for debt payments. The transfers from other governmental funds to the business-type funds were for a residual equity transfer to close out a fund.



**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 14 – Shared 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.

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. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2010 was \$338,076.

**Note 15 – Jointly Governed Organizations**

***Columbiana County Planning Commission*** The County participates in the Columbiana County Planning Commission (the "Commission") which is a statutorily created, political subdivision of the State of Ohio. The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. The Commission is jointly governed by Columbiana County and local municipalities and townships. In 2010, the County did not contribute to the Commission.

***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. In 2010, the County did not contribute 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 \$975,414 to the System during 2010.

**Columbiana County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 15 – Jointly Governed Organizations (Continued)**

***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.

**Note 16 – Related Organization**

***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 contributed \$9,786 to the Airport Authority in 2010.

**Note 17 – Contingencies**

The County was a co-defendant in a civil suit filed in the Columbiana County Common Pleas Court, involving a contract dispute. The City of East Liverpool and the County had previously entered into a Water Agreement whereby the City of East Liverpool supplied the County with potable water in conjunction with the County's operation of its Water and Sewer District Number 2. The County subsequently transferred such water and sewer district operations to a newly formed public utility, Buckeye Water District, and this Water Agreement was assigned to Buckeye as part of this transfer. Buckeye subsequently terminated the Agreement with East Liverpool, and East Liverpool filed suit against both Buckeye and the County. In February 2008, a judgment was granted in favor of the plaintiff. The award amount was \$9.7 million plus interest. On appeal, the Court of Appeals reduced this judgment to \$4.85 million, and such judgment (as reduced) is now final.

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

FINANCIAL CONDITION  
COLUMBIANA COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
<b><u>UNITED STATES DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed through the Ohio Department of Education:</i>			
National School Lunch Program	10.555	03-PU-06-10	23,563
National School Lunch Program	10.555	03-PU-06-11	12,907
<b>Total CFDA # 10.555</b>			<b>36,470</b>
<b>Total U.S. Department of Agriculture</b>			<b>36,470</b>
<b><u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grant	14.228	B-C-09-1A0-1	187,145
Community Development Block Grant	14.228	B-F-08-1A0-1	212,734
Community Development Block Grant	14.228	B-F-09-1A0-1	57,216
Community Development Block Grant	14.228	B-Z-09-1A0-1	1,096,711
Community Development Block Grant	14.228	B-F-07-015-1	225,263
<b>Total CFDA #14.228</b>			<b>1,779,069</b>
HOME Investment Partnership Program	14.239	B-C-07-015-2	51,633
<b>Total CFDA # 14.239</b>			<b>51,633</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>1,830,702</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	20.205	COL-CR403-1.96	1,887,067
Highway Planning and Construction	20.205	COL-CR403-1.96	565,159
Highway Planning and Construction	20.205	COL-CR428-5.62	311,548
Highway Planning and Construction	20.205	COL-CR428-5.62	41,437
Highway Planning and Construction	20.205	COL-TRAIN STATION	58,626
Highway Planning and Construction	20.205	COL-TRAIN STATION	85,960
USDA Rural Development Glenmoor Sewer Project			2,997,098
Ohio EPA ARRA Glenmoor Sewer Project			2,000,000
<b>Total CFDA # 20.205</b>			<b>7,946,895</b>
<b>Total U.S. Department of Transportation</b>			<b>7,946,895</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<i>Passed through Governor's Office of Criminal Justice:</i>			
Crime Victim's Assistance - VOCA	16.575	2011VAGENE174	60,580
Crime Victim's Assistance - SVAA	16.575	2011SAGENE174	17,042
VOCA Court Advocate	16.575		5,622
Juvenile Justice/Mental Health	16.745		18,527
<b>Total CFDA # 16.575 &amp; 16.745</b>			<b>101,771</b>
Edward Byrne Memorial Justice Assistance Grant	16.738		53,333
Edward Byrne Memorial Justice Assistance Grant	16.738		45,470
Bulletproof Vest Partnership	16.607		1,623
Selective Traffic	20.600		13,003
Cops Technology Grant	16.710		50,000
<b>Total CFDA # 16.738, 16.607, 16.710 &amp; 20.600</b>			<b>163,429</b>
Juvenile Accountability Block Grant	16.523		48
Juvenile Accountability Block Grant	16.523		563
<b>Total CFDA # 16.523</b>			<b>611</b>
<b>Total U.S. Department of Justice</b>			<b>265,811</b>

FINANCIAL CONDITION  
COLUMBIANA COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<i>Passed through the Ohio Department of Mental Retardation and Development Disabilities:</i>			
Community Alternative IO	93.778		150,000
Community Alternative IO	93.778		805,000
Community Alternative IO	93.778		15,009
Community Alternative IO	93.778		700,000
Community Alternative IO	93.778		27,912
Targeted Case Management FY 2011	93.778		173,881
Targeted Case Management FY 2010	93.778		148,361
I/O Match FY 2010	93.778		33,891
I/O Match FY 2011	93.778		79,378
Community Alternative ARRA Retro	93.778		40,356
Community Alternative ARRA I/O	93.778		3,283
Community Alternative ARRA Retroactive	93.778		77,243
Community Alternative ARRA I/O LV1	93.778		245,526
Community Alternative ARRA TCM	93.778		36,963
<b>Total CFDA # 93.778</b>			<b>2,536,803</b>
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services:</i>			
Women's Focus Project	93.959		147,668
Federal Per Capita	93.959		285,676
TANF Prevention Services	93.959		35,267
Prevention at Work	93.959		22,684
Alcohol & Drug Federal Youth Led Prev Grant	93.959		3,686
<b>Total CFDA # 93.959</b>			<b>494,981</b>
Title XIX Medical Assistance Program	93.778		534,606
ARRA Medicaid Assist	93.778		81,844
ARRA Medicaid Assist	93.778		475,316
<b>Total CFDA # 93.778</b>			<b>1,091,766</b>
<i>Passed through the Ohio Department of Mental Health:</i>			
Block Grants for Community Mental Health Services Community Plan	93.958		36,298
Suicide Prevention Grant	93.958		1,000
<b>Total CFDA # 93.958</b>			<b>37,298</b>
Title XIX Medical Assistance Program	93.778		3,329,763
<b>Total CFDA # 93.778</b>			<b>3,329,763</b>
Title XX Social Services Block Grant	93.667		83,510
<b>Total CFDA # 93.667</b>			<b>83,510</b>
Mental Health Childcare Quality	93.575		36,058
<b>Total CFDA # 93.575</b>			<b>36,058</b>
<i>Passed through the Ohio Department of Aging:</i>			
Special Program for the Aging - Title III, Part B	93.044		64,717
<b>Total CFDA # 93.044</b>			<b>64,717</b>
Special Program for the Aging - Title III, Part D	93.043		6,689
<b>Total CFDA # 93.043</b>			<b>6,689</b>
Voting Access for Individuals with Disabilities	93.617		710
<b>Total CFDA # 93.617</b>			<b>710</b>
<b>Total U.S. Department of Health and Human Services</b>			<b>7,682,295</b>
<b>Secretary of State</b>			
HAVA Title II (BOE)	90.401		857
<b>Total CFDA # 90.401</b>			<b>857</b>
<b>Total Secretary of State</b>			<b>857</b>

FINANCIAL CONDITION  
COLUMBIANA COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Passed through the Ohio Department of Education:</i>			
Special Education Cluster	84.027	065920-6BSF-2010	38,919
Special Education Part B	84.027	065920-6BSF-2011	38,919
Special Education Part B - ARRA	84.027	065920-6BSF-2010	20,979
Early Childhood Special Education	84.173	065920-PGS1-2010P	7,916
Early Childhood Special Education	84.173	065920-PGS1-2011P	4,523
<b>Total CFDA # 84.027 &amp; 84.173</b>			<u>111,256</u>
Safe and Drug Free Schools	84.186B		23,312
<b>Total CFDA # 84.186B</b>			<u>23,312</u>
<b>Total U.S. Department of Education</b>			<u>134,568</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<i>Passed through Ohio Emergency Management Agency:</i>			
Emergency Management Performance Grant	97.042	2008-EME-80002	64,711
<b>Total CFDA # 97.042</b>			<u>64,711</u>
State Homeland Security Program	97.067	2007-GET-70030	63,811
<b>Total CFDA # 97.067</b>			<u>63,811</u>
<i>Passed through the Emergency Food and Shelter Board:</i>			
Emergency Food and Shelter Program	97.024	671000-099	10,669
<b>Total CFDA #97.024</b>			<u>10,669</u>
<b>Total U.S. Department of Homeland Security</b>			<u>139,191</u>
<b><u>OHIO DEPARTMENT OF JOB &amp; FAMILY SERVICES</u></b>			
Food Stamps	10.561		593,140
TANF	93.558		3,169,072
CCDF	93.575		17,501
CCDF	93.596		174,000
Title XX	93.667		1,489,321
TANF Summer Youth Stimulus	93.714		660,292
Medicaid	93.778		1,397,690
IV-D	93.563		1,360,824
IV-B	93.556		86,763
IV-b	93.645		103,191
CAN	93.669		2,000
Chaffee	93.674		18,371
Foster Care Title IV-E	93.658		776,020
<b>Total Ohio Department of Job &amp; Family Services</b>			<u>9,848,185</u>
<b>Total Federal Awards Expenditures</b>			<u><u>\$27,884,974</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**FINANCIAL CONDITION  
COLUMBIANA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2010**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the County of Columbiana's (the County's) federal award programs disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - SUBRECIPIENTS**

The County passes certain federal awards received from the Ohio Department of Alcohol and Drug Addiction Services to other governments or not-for-profit agencies (subrecipients). As Note A describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the government has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE C - MATCHING REQUIREMENTS**

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

**NOTE D – OHIO DEPARTMENT OF JOB AND FAMILY SERVICES ADJUSTMENT**

The Ohio Department of Job and Family Services (ODJFS) sub-awarded to Columbiana County, Federal funding from the U.S. Department of Health and Human Services. Although these programs were administered at the County level, in July 2010 ODJFS adjusted some of the County's child care expenditures to align them with available funding sources. ODJFS' adjustments were retroactive to the beginning of the grant period (October 1, 2009). Therefore, these July 2010 adjustments affect 2009 calendar-year program expenditures previously reported as follows:

<b>Child Care Cluster</b>	<b>CFDA #</b>	<b>Pass through #</b>	<b>2009 Federal Expenditures Reported</b>	<b>July 2010 Adjustment</b>	<b>Adjusted 2009 Federal Expenditures Reported</b>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G-1011-11-5023	\$1,594,353	(\$737,419)	\$856,934
Total			\$1,594,353	(\$737,419)	\$856,934

**FINANCIAL CONDITION  
COLUMBIANA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2010  
(Continued)**

**NOTE E - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The County established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to moderate income households and to rehabilitate homes. 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 the accompanying Schedule of Federal Awards Expenditures. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to the same compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by equipment and mortgages.

Activity in the CDBG revolving loan fund during 2010 is as follows:

Beginning loans receivable balance as of January 1, 2010	\$143,383
Loans made	0
Loan principal repaid	29,026
Ending loans receivable balance as of December 31, 2010	<u>\$114,357</u>
Cash balance on hand in the revolving loan fund as of December 31, 2010	\$135,683

Activity in the CDBG microenterprise loan fund during 2010 is as follows:

Beginning loans receivable balance as of January 1, 2010	\$131,596
Loans made	14,250
Loan principal repaid	<u>29,949</u>
Ending loans receivable balance as of December 31, 2010	<u>\$115,897</u>

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Columbiana County Board of Commissioners  
Columbiana County  
105 South Market Street  
Lisbon, Ohio 44432-1255

To the Board of Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbiana County, (the "County") as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 17, 2011, wherein we noted the County uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, 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 more than a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### Compliance and Other Matters

As part of reasonably assuring whether the 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, providing an opinion 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2010-001.

We also noted certain matters not requiring inclusion in this report that we reported to the County's management in a separate letter dated August 17, 2011.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the County's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, the Board of Commissioners and federal awarding agencies and pass-through entities, and others within the County. We intend it for no one other than these specified parties.



**Dave Yost**  
Auditor of State

August 17, 2011



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Columbiana County Board of Commissioners  
Columbiana County  
105 South Market Street  
Lisbon, Ohio 44432-1255

To the Board of Commissioners:

### Compliance

We have audited the compliance of Columbiana County (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Columbiana County's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Columbiana County complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2010.

### Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated August 17, 2011.

We intend this report solely for the information and use of the audit committee, management, the Board of Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

August 17, 2011

**FINANCIAL CONDITION  
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2010**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b> Community Development Block Grant Highway Planning and Construction Medical Assistance Program Alcohol and Drug Addiction Services Foster Care Title IV-E	CFDA # 14.228 – Community Development Block Grant 20.205 – Highway Planning and Construction 93.778 – Medical Assistance Program 93.959 – Block Grant for Prevention and Treatment of Substance Abuse 93.658 – Foster Care Title IV-E
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 814,427 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

**FINANCIAL CONDITION  
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2010**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2010-01**

**Noncompliance**

**Ohio Revised Code Section 117.38** provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

**Ohio Administrative Code Section 117-2-03(B)** requires the County to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP).

The County chose to prepare its financial statements and notes on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than GAAP. The financial statements and notes omit assets, liabilities, fund equities, and disclosures that are material, however cannot be determined at this time.

It is recommended that the County prepare its annual financial report in accordance with GAAP.

**Official's Response:** Columbiana County has tried to abide by the State's requirements, but the County has had considerable financial problems over the past few years. The requirement for ORC 117.38 is almost an impossible task for the County. The Commissioners and the County Auditor decided against it due not only to money concerns, but also having adequate staffing to pull together the appropriate records and still maintain their normal job duties. Additionally, the County weighed in the extra cost the audit would incur if GAAP statements were prepared, and decided it was not in the County's best interest to implement GAAP statements this year. The County feels the GAAP look-alike report provides a suitable substitution.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**None**

**FINANCIAL CONDITION  
COLUMBIANA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2010**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2009-001	Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03, the County failed to prepare its financial statements in accordance with generally accepted accounting principles	No	Re-issued as Finding 2010-001

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# Dave Yost • Auditor of State

## COLUMBIANA COUNTY FINANCIAL CONDITION

### 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 29, 2011