

LAWRENCE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
LAWRENCE COUNTY
REGULAR AUDIT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023



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Board of Directors
Lawrence County Transportation Improvement District
111 South 4th Street
Ironton, Ohio 45638

We have reviewed the *Independent Auditor's Report* of the Lawrence County Transportation Improvement District, Lawrence County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

August 29, 2024

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Lawrence County Transportation Improvement District
Lawrence County
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Independent Auditor's Report

Board of Directors
Lawrence County Transportation Improvement District
Lawrence County
111 South 4th Street
Ironton, Ohio 45638

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Lawrence County Transportation Improvement District, Lawrence County, (the District), a component unit of Lawrence County, Ohio which comprises the cash balances, receipts and disbursements for the governmental fund type as of and for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the governmental fund type as of and for the year ended December 31, 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2023, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

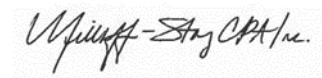
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of the District'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

June 14, 2024

Lawrence County Transportation Improvement District
Lawrence County, Ohio
(A Component Unit of Lawrence County)
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
Governmental Fund Type
For the Year Ended December 31, 2023

	General
Cash Disbursements	
<i>Current:</i>	
General Government	\$2,018
<i>Total Cash Disbursements</i>	2,018
<i>Net Change in Fund Cash Balances</i>	(2,018)
<i>Fund Cash Balances, January 1</i>	14,162
<i>Fund Cash Balances, December 31</i>	\$12,144

See accompanying notes to the basic financial statement.

Lawrence County Transportation Improvement District
Lawrence County, Ohio
(A Component Unit of Lawrence County)
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Lawrence County Transportation Improvement District, Lawrence County, Ohio (the District) is a body corporate and politic established to plan, construct and improve highways, roads, bridges, interchanges and accompanying capital improvements and developments throughout Lawrence County. The District was formed under Ohio Revised Code Chapter 5540.02, by action of the Board of Lawrence County Commissioners on March 3, 2011.

The resolution to create the District states the Board shall consist of seven members. The members shall be appointed as follows: five (5) members shall be appointed by the County Commissioners; one (1) nonvoting member appointed by the Speaker of the Ohio House of Representatives of the general assembly; and one (1) nonvoting member appointed by the President of the Senate of the general assembly.

The Board of Directors appoints a Chairperson, who presides at all meetings and is the chief officer of the District. The chairperson has the authority to sign all contracts, leases, notes, bonds and other instruments and documents to be executed on behalf of the District. The chairperson is the chief officer of the District for the purpose of civil process and is authorized to accept such services on behalf of the District. The chairperson performs such other duties and has such authority as may be provided from time to time by the Board.

The District is a discretely presented component unit in Lawrence County’s annual financial report, as defined by the provisions of GASB Statements No. 14, 39 and 61. The Lawrence County Auditor acts as fiscal agent for the District and the Lawrence County Treasurer acts as custodian of all funds. The District’s management believes this financial statement presents all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District’s financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) by governmental fund type.

Fund Accounting

The District 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 District presents the following fund:

General Fund – The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). The basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Lawrence County Transportation Improvement District
Lawrence County, Ohio
(A Component Unit of Lawrence County)
Notes to the Financial Statement
For the Year Ended December 31, 2023

Deposits and Investments

The District's assets are held in Lawrence County's cash and investment pool and are valued at the County Treasurer's reported carrying value. All risks associated with deposits and investments held at the Treasurer's office are the responsibility of Lawrence County.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Nonspendable – The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

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

Committed – The Board can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

For regulatory purposes, limited disclosure related to fund balance is included in note 7.

Lawrence County Transportation Improvement District
Lawrence County, Ohio
(A Component Unit of Lawrence County)
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 3 – Equity in Pooled Cash

The District’s fiscal agent, Lawrence County, is the custodian for the District’s cash. The District’s assets are held in the County’s cash and investment pool, and are valued at the County Treasurer’s reported carrying amount of \$12,144. The Ohio Revised Code prescribes allowable deposits and investments.

Deposits – The County is responsible for maintaining adequate depository collateral for all funds in the County’s deposit and investment pool. All risks associated with the above deposits are the responsibility of the County.

Note 4 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the District was covered through Lawrence County who contracted with the Ohio Plan for liability insurance. Coverages provided by the program are as follows:

	<u>Each Occurrence</u>
General Liability	\$1,000,000
Employee Blanket Dishonesty	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. The County reviewed its coverage during the year and updated where deemed appropriate.

Note 5 – Debt

The District had no debt balances as of or during the year ended December 31, 2023.

Note 6 – Contingent Liabilities

The District is not currently party to litigation.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. Grants may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 7 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the District had outstanding encumbrances of \$5,000 in the general fund.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
Lawrence County Transportation Improvement District
111 South 4th Street
Ironton, Ohio 45638

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Lawrence County Transportation Improvement District, Lawrence County (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements and have issued our report thereon dated June 14, 2024, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Internal Control Over Financial Reporting

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

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

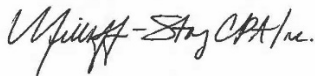
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

June 14, 2024

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OHIO AUDITOR OF STATE KEITH FABER



LAWRENCE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

LAWRENCE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/10/2024

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov