Lawrence County
Single Audit
For the Year Ended December 31, 2015

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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Dave Yost • Auditor of State

Board of County Commissioners
Lawrence County
111 South Fourth Street
Ironton, Ohio 45638

We have reviewed the *Independent Auditor's Report* of Lawrence County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2015 through December 31, 2015. 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. Lawrence County is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

November 3, 2016

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Lawrence County
Table of Contents
For the Year Ended December 31, 2015

CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

Board of Commissioners
Lawrence County
111 South Fourth Street
Ironton, Ohio 45638

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Ohio (the County), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of the component unit, the Lawrence County Port Authority, which represents 37 and 41 percent, respectively, of the assets/net position and receipts of the aggregate discretely presented component units. Those statements, which were prepared in accordance with accounting principles generally accepted in the United States of America, were audited by another auditor, whose report has been furnished to us. We have applied audit procedures on the adjustments to the financial statements of this component unit, which conform those financial statements to the cash accounting basis. Our opinion, insofar as it relates to the amounts included for the Lawrence County Port Authority, prior to the adjustments, is based solely on the report of the other auditor. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement. The financial statements of Tri-State Industries and Choices Inc. were audited in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*.

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

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

Opinion

In our opinion, based on our audit and the report of the other auditor, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Ohio, as of December 31, 2015, and the respective changes in cash financial position and the respective budgetary comparison for the General, Board of Developmental Disabilities, Job and Family Services, and Motor Vehicle Gasoline Tax Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code Section 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. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 20 of the financial statements, during 2015, the County adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27." We did not modify our opinion regarding this matter.

Other Matters

Supplemental Information

Our audit was conducted to opine on the financial statements taken as a whole.

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

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

We applied no procedures to the Management's Discussion and Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2016 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Natalie Millhuff-Stang

Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

September 23, 2016

The discussion and analysis of Lawrence County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2015, within the limitations of the County's cash basis of accounting. Please read this in conjunction with the County's basic financial statements that begin on page 11.

Financial Highlights

Key financial highlights for 2015 are as follows:

Overall (Primary Government):

Total net position increased $1,881,983 with governmental activities increasing by $1,466,650 and business-type activities increasing by $415,333.

Total cash receipts were $46,840,650 in 2015.

Total program cash disbursements were $44,958,667 in 2015.

Governmental Activities:

Total program cash receipts were $26,194,831 in 2015, while program cash disbursements were $42,094,446.

Program cash disbursements were primarily composed of human services, public safety, health, public works, legislative and executive, judicial, capital outlay and principal retirement related cash disbursements which were $7,754,104, $6,620,610, $11,067,443, $4,433,594, $4,689,865, $3,832,133, $1,697,002 and $849,532, respectively in 2015.

Business-Type Activities:

Total program cash receipts were $3,277,209 for business-type activities, while corresponding cash disbursements were $2,864,221.

Using this Basic Financial Report

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

The statement of net position-cash basis and statement of activities-cash basis provide information about the activities of the whole County, presenting both an aggregate view of the County's cash basis finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of Lawrence County, the General Fund, the Motor Vehicle Gasoline Tax Fund, the Job and Family Services Fund, and the Board of Developmental Disabilities Fund are the most significant governmental funds and have been presented as major funds. The Union-Rome Sewer Fund is also considered a major fund.

Reporting the County as a Whole

The County's Reporting Entity Presentation

This annual report includes all activities for which Lawrence County is fiscally responsible. These activities, defined as the County's reporting entity, are operated within separate legal entities that make up the primary government and four other separate legal entities that are presented as component units. The primary government consists of Lawrence County. The component unit presentation includes the following separate legal entities: Tri-State Industries, Inc., Choices, Inc., the Lawrence County Port Authority, and the Lawrence County Transportation Improvement District.

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all cash basis financial transactions and asks the question, "How did we do financially during 2015?" The statement of net position and the statement of activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *only net position* using the *cash basis of accounting,* which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid. These two statements report the County's *net position* and changes in net position. This change in net position is important because it tells the reader whether, for the County as a whole, the *cash basis financial position* of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the 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 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. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

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

> Governmental Activities – Most of the County's programs and services are reported here including general government, public safety, public works, health, human services, community and economic development, transportation, other, capital outlay, and debt service.
>
> Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the cash disbursements of the goods or services provided. The County's wastewater treatment program is reported as business-type activities.
>
> Component Unit Activities – Although Tri-State Industries, Inc., Choices, Inc., the Lawrence County Port Authority and the Lawrence County Transportation Improvement District are separate legal entities, the County includes their activities since the County is financially accountable for these four entities.

Reporting the County's Most Significant Funds

Fund Financial Statements

The analysis of the County's major funds begins on page 9. Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's most significant funds that have been presented as major governmental funds are the General Fund, the Board of Developmental Disabilities Fund, the Job and Family Services Fund, and the Motor Vehicle Gasoline Tax Fund. The County's most significant fund that has been presented as a major enterprise fund is the Union-Rome Sewer Fund.

Governmental Funds Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various County programs. Since the County is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross receipts and disbursements on the fund financial statements to the statement of activities due to transfers netted on the statement of activities. See note 2 to the basic financial statements entitled "*Government-Wide Financial Statements*".

Proprietary Funds The County's proprietary funds use the same basis of accounting (cash basis) as business-type activities; therefore, these statements will essentially match the information provided in the statements for the County as a whole.

Fiduciary Funds These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

Notes to the Basic Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The County as a Whole

Recall that the statement of net position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2015 compared to the prior year:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Assets						
Equity in Pooled Cash and Cash Equivalents	$18,199,857	$16,733,207	$3,042,223	$2,626,890	$21,242,080	$19,360,097
Total Assets	18,199,857	16,733,207	3,042,223	2,626,890	21,242,080	19,360,097
Net Position						
Restricted	14,634,112	13,335,304	-	-	14,634,112	13,335,304
Unrestricted	3,565,745	3,397,903	3,042,223	2,626,890	6,607,968	6,024,793
Total Net Position	$18,199,857	$16,733,207	$3,042,223	$2,626,890	$21,242,080	$19,360,097

Total assets and net position increased by $1,881,983 from 2014 to 2015, which will be further discussed on the next page.

Table 2 shows the changes in net position for 2015 and 2014.

Table 2
Changes in Net Cash Position

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Cash Receipts						
Program Cash Receipts						
Charges For Services	$7,515,495	$7,192,936	$3,277,209	$3,408,376	$10,792,704	$10,601,312
Operating Grants and Contributions	17,777,195	19,234,480	-	-	17,777,195	19,234,480
Capital Grants and Contributions	902,141	4,145,091	-	-	902,141	4,145,091
Total Program Cash Receipts	26,194,831	30,572,507	3,277,209	3,408,376	29,472,040	33,980,883
General Cash Receipts						
Property Taxes	4,854,623	4,311,459	-	-	4,854,623	4,311,459
Sales Taxes	8,965,402	8,724,967	-	-	8,965,402	8,724,967
Payments in Lieu of Taxes	152,070	164,101	-	-	152,070	164,101
Grants and Entitlements Not Restricted to Specific Programs	2,189,980	2,103,872	-	-	2,189,980	2,103,872
OPWC and OWDA Loans Issued	-	13,996	-	1,961	-	15,957
General Obligation Bonds Issued	496,679	2,381,500	-	331,533	496,679	2,713,033
Proceeds from the Sale of Assets	-	2,078	-	-	-	2,078
Interest Receipts	158,365	186,648	-	-	158,365	186,648
Miscellaneous	539,149	682,620	12,342	59,191	551,491	741,811
Total General Cash Receipts	17,356,268	18,571,241	12,342	392,685	17,368,610	18,963,926
Total Cash Receipts	43,551,099	49,143,748	3,289,551	3,801,061	46,840,650	52,944,809
Cash Disbursements						
Program Cash Disbursements						
General Government						
Legislative and Executive	4,689,865	4,344,471	-	-	4,689,865	4,344,471
Judicial	3,832,133	3,757,714	-	-	3,832,133	3,757,714
Public Safety	6,620,610	6,140,591	-	-	6,620,610	6,140,591
Public Works	4,433,594	4,595,865	-	-	4,433,594	4,595,865
Health	11,067,443	10,696,281	-	-	11,067,443	10,696,281
Human Services	7,754,104	8,187,861	-	-	7,754,104	8,187,861
Development	172,614	219,179	-	-	172,614	219,179
Transportation	139,107	137,559	-	-	139,107	137,559
Other	215,683	145,048	-	-	215,683	145,048
Capital Outlay	1,697,002	6,012,799	-	-	1,697,002	6,012,799
Loan to TID	500,000	-	-	-	500,000	-
Debt Service:						
Principal Retirement	849,532	3,736,050	-	-	849,532	3,736,050
Interest and Fiscal Charges	122,759	141,760	-	-	122,759	141,760
Wastewater Treatment	-	-	2,864,221	3,075,237	2,864,221	3,075,237
Total Cash Disbursements	42,094,446	48,115,178	2,864,221	3,075,237	44,958,667	51,190,415
Transfers						
Transfers In (Out)	9,997	9,997	(9,997)	(9,997)	-	-
Change in Net Cash Position	1,466,650	1,038,567	415,333	715,827	1,881,983	1,754,394
Net Position at Beginning of Year	16,733,207	15,694,640	2,626,890	1,911,063	19,360,097	17,605,703
Net Position at End of Year	$18,199,857	$16,733,207	$3,042,223	$2,626,890	$21,242,080	$19,360,097

Governmental Activities The decrease in Operating Grants and Contributions is primarily due to decreased funding received in the Job and Family Services and Board of Development Disabilities programs. The increase in Charges for Sales and services is due to more program services being reimbursed in the developmentally disabled, job and family services and public works programs. The decrease in Capital Grants and Contributions is due mainly to road projects which were funded by federal aid passed through the Ohio Department of Transportation and the decrease in bonds issued for road projects. There was also a decrease in funding for the Airport Improvement Program.

Property taxes and sales taxes made up 11 percent and 21 percent, respectively, of cash receipts for governmental activities for Lawrence County in 2015. Operating grants and contributions made up 36 percent of cash receipts for governmental activities for the County.

Capital outlay decreased $4,315,797 primarily due to road projects and the Airport Improvement Program being completed in 2014. Human services disbursements decreased $433,757 primarily due to decreased funding for the Job and Family Services programs. Principal retirements decreased due to the 2012 Road Improvement Bond Anticipation Note being paid off with the issuance of the Series 2014 Road Improvements Bonds in 2014.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Tables 3 and 4 show, for governmental and business-type activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax receipts and unrestricted State entitlements. The dependence upon tax receipts and intergovernmental monies for governmental and business-type activities is apparent. Most of the human services and public works activities are supported through charges for services and operating grants and contributions; for all governmental activities general cash receipts support is 38 percent as shown in Table 3. The taxpayers and the State of Ohio, as a whole, provide the vast majority of resources for Lawrence County. Tables 3 and 4 below show the total and net cost of services (on a cash basis) for the County.

Table 3
Total Cost of Program Services
Governmental Activities

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General Government:				
Legislative and Executive	$ 4,689,865	$ 3,320,850	$ 4,344,471	$ 3,029,672
Judicial	3,832,133	2,885,486	3,757,714	2,839,179
Public Safety	6,620,610	3,405,146	6,140,591	3,474,477
Public Works	4,433,594	1,181,396	4,595,865	1,328,936
Health	11,067,443	1,573,325	10,696,281	2,126,843
Human Services	7,754,104	1,186,123	8,187,861	1,682,783
Community and Economic Development	172,614	22,719	219,179	40,963
Transportation	139,107	18,309	137,559	25,709
Other	215,683	187,432	145,048	124,190
Capital Outlay	1,697,002	646,538	6,012,799	(1,007,891)
Loan to TID	500,000	500,000	-	-
Debt Service:				
Principal Retirements	849,532	849,532	3,736,050	3,736,050
Interest and Fiscal Charges	122,759	122,759	141,760	141,760
Total Cash Disbursements	$ 42,094,446	$ 15,899,615	$48,115,178	$17,542,671

Table 4
Total Cost of Program Services
Business-Type Activities

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Wastewater Treatment	$2,864,221	($412,988)	$3,075,237	($333,139)
Total Cash Disbursements	$2,864,221	($412,988)	$3,075,237	($333,139)

Business-Type Activities Business-type activities include wastewater treatment services. Overall net position increased $415,333 from 2014 to 2015. Program receipts exceeded program disbursements for the wastewater treatment segment in the amount of $412,988 primarily as a result of decreased contractual services.

The County's Funds

Information about the County's major funds starts on page 14. These funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of $47,692,267 and cash disbursements and other financing uses of $46,225,617. The net change in fund balance for the year was most significant in the Board of Developmental Disabilities and the Motor Vehicle Gasoline Tax Fund, where the Board of Developmental Disabilities fund cash balance went from $5,048,447 in 2014 to $5,506,491 for 2015, and the Motor Vehicle Gasoline Tax Fund cash balance went from $2,733,253 in 2014 to $2,170,458 for 2015. The primary reason for the change in the Motor Vehicle Gasoline Tax Fund was due to transfers out to a capital projects fund for project expenditures and payments of $500,000 to the Lawrence County Transportation Improvement District as a loan for projects. The primary reason for this change in the Board of Developmental Disabilities was due to increased property tax monies. For the Jobs and Family Services Fund, the fund balance increased $216,650, while the fund balance of the General Fund increased $167,842.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. Final budgeted receipts and other financing sources were $15,893,104, which is over original budgeted receipts of $13,501,357. The primary reasons for the increase in budgeted receipts were due to increased sales tax and intergovernmental receipts being higher than originally budgeted. Total actual receipts were $15,893,104, above original budget estimates of $13,501,357. Total actual disbursements and other financing uses on the budget basis (cash outlays plus encumbrances) were $15,680,841, $212,263 below cash receipts and other financing sources. Original budgeted appropriations and other financing uses were $15,502,819, while final budgeted amounts were $15,711,994. The increase is due to mainly to increases in judicial disbursements and transfers out, which was partially offset by a decrease in other disbursements.

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of $1,697,002 and $65,351 for its governmental activities and its business-type activities, respectively, during 2015.

Debt

Under the cash basis of accounting the County does not report bonds, leases, long-term notes or short-term notes in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about bonds, leases, long-term notes and short-term notes. At December 31, 2015, the County had $3,567,272 outstanding in bonds and related long-term debt for governmental activities and $24,798,313 outstanding in bonds and related long-term debt for business-type activities. For additional information regarding debt, please see note 10 to the basic financial statements.

Table 5 summarizes bonds and long-term debt outstanding for governmental activities for 2015 and 2014:

Table 5
Outstanding Debt at December 31
Governmental Activities

	2015	2014
General Obligation Bonds	$2,427,695	$2,516,506
Lease Financing Agreements	791,295	866,615
OPWC Loans	5,000	14,995
Long Term Notes	343,282	522,009
Totals	$3,567,272	$3,920,125

Table 6 summarizes bonds and long-term debt outstanding for business-type activities for 2015 and 2014:

Table 6
Outstanding Debt at December 31
Business-Type Activities

	2015	2014
OWDA Loans	$24,000,032	$24,829,440
OPWC Loans	530,137	611,754
Sewer Bonds	268,144	331,533
Total	$24,798,313	$25,772,727

Current Financial Related Activities

As the preceding information shows, the County heavily depends on its property and sales taxpayers as well as intergovernmental monies. Since the property tax receipts do not grow at the same level as inflation, and sales tax receipts are dependent upon the economy, the County will be faced with significant challenges over the next several years to contain costs and ultimately determine what options are available to the County to increase financial resources.

All of the County's financial abilities will be needed to meet the challenges of the future.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's cash basis finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jason C. Stephens, County Auditor at Lawrence County, 111 South Fourth Street, Ironton, Ohio 45638.

Lawrence County
Statement of Net Position - Cash Basis
As of December 31, 2015

	Primary Government			Component Units			
	Governmental Activities	**Business-Type Activities**	**Total**	**Tri-State Industries**	**Choices, Inc.**	**Lawrence County Port Authority**	**Lawrence County Transportation Improvement District**
ASSETS							
Equity in Pooled Cash and Cash Equivalents	$ 18,199,857	$ 3,042,223	$ 21,242,080	$ -	$ -	$ -	$ 487,635
Cash and Cash Equivalents in Segregated Accounts	-	-	-	26,647	39,208	330,547	-
Total Assets	18,199,857	3,042,223	21,242,080	26,647	39,208	330,547	487,635
NET POSITION							
Restricted for:							
Developmental Disabilities	5,506,491	-	5,506,491	-	-	-	-
Job and Family Services	439,764	-	439,764	-	-	-	-
Motor Vehicle and Gas Tax	2,170,458	-	2,170,458	-	-	-	-
Real Estate Assessment	462,614	-	462,614	-	-	-	-
Court Development	375,828	-	375,828	-	-	-	-
Care and Custody	258,426	-	258,426	-	-	-	-
Probate and Juvenile Court	356,502	-	356,502	-	-	-	-
Family Resources	54,833	-	54,833	-	-	-	-
Auditor IT	406,890	-	406,890	-	-	-	-
Child Support	583,555	-	583,555	-	-	-	-
GIS	77,779	-	77,779	-	-	-	-
Indigent Drivers	146,783	-	146,783	-	-	-	-
Common Pleas Court	231,891	-	231,891	-	-	-	-
EMS Capital Improvement	457,903	-	457,903	-	-	-	-
EMS	318,270	-	318,270	-	-	-	-
Debt Service	69,560	-	69,560	-	-	-	-
Capital Projects	606,334	-	606,334	-	-	-	-
Other Purposes	2,110,231	-	2,110,231	-	39,208	330,547	487,635
Unrestricted	3,565,745	3,042,223	6,607,968	26,647	-	-	-
Total Net Position	$ 18,199,857	$ 3,042,223	$ 21,242,080	$ 26,647	$ 39,208	$ 330,547	$ 487,635

The notes to the basic financial statements are an integral part of this statement.

Lawrence County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2015

		Program Cash Receipts		
Governmental Activities	**Cash Disbursements**	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
General Government:				
Legislative and Executive	$ 4,689,865	$ 750,627	$ 618,388	$ -
Judicial	3,832,133	603,872	342,775	-
Public Safety	6,620,610	1,576,364	1,639,100	-
Public Works	4,433,594	807,773	2,384,518	59,907
Health	11,067,443	2,116,362	7,377,756	-
Human Services	7,754,104	1,478,156	5,089,825	-
Community and Economic Development	172,614	33,108	116,787	-
Transportation	139,107	26,681	94,117	-
Other	215,683	28,251	-	-
Capital Outlay	1,697,002	94,301	113,929	842,234
Loan to Transporation Improvement District	500,000	-	-	-
Debt Service:				
Principal Retirements	849,532	-	-	-
Interest and Fiscal Charges	122,759	-	-	-
Total Governmental Activities	42,094,446	7,515,495	17,777,195	902,141
Business-Type Activities:				
Wastewater Treatment	2,864,221	3,277,209	-	-
Total Business-Type Activities	2,864,221	3,277,209	-	-
Total Primary Government	$ 44,958,667	$ 10,792,704	$ 17,777,195	$ 902,141
Component Units:				
Tri-State Industries, Inc.	$ 1,336,315	$ 514,761	$ 828,762	$ -
Choices, Inc.	144,317	155,667	-	-
Lawrence County Port Authority	1,526,931	508,407	1,096,292	-
Lawrence County Transportation Improvement District	501,636	-	-	489,271
Total Component Units	$ 3,509,199	$ 1,178,835	$ 1,925,054	$ 489,271

General Cash Receipts and Transfers:
Property Taxes Levied for:
General Purposes
DD
Sales Taxes
Payments in Lieu of Taxes
Grants and Entitlements, Not Restricted to Specific Programs
Transfers In (Out)
General Obligation Bonds and Notes Issued
Loan Proceeds
Interest Receipts
Miscellaneous

Total General Cash Receipts and Transfers

Changes in Net Position

Net Position Beginning of Year (Restated, See Note 20 for Tri-State Industries)

Net Position End of Year

The notes to the basic financial statements are an integral part of this statement.

Net (Cash Disbursements) Cash Receipts
and Changes in Net Cash Position

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Tri-State Industries	Choices Inc.	Lawrence County Port Authority	Lawrence County Transportation Improvement
$ (3,320,850)	$ -	$ (3,320,850)	$ -	$ -	$ -	$ -
(2,885,486)	-	(2,885,486)	-	-	-	-
(3,405,146)	-	(3,405,146)	-	-	-	-
(1,181,396)	-	(1,181,396)	-	-	-	-
(1,573,325)	-	(1,573,325)	-	-	-	-
(1,186,123)	-	(1,186,123)	-	-	-	-
(22,719)		(22,719)				
(18,309)	-	(18,309)	-	-	-	-
(187,432)	-	(187,432)	-	-	-	-
(646,538)	-	(646,538)	-	-	-	-
(500,000)	-	(500,000)	-	-	-	-
			-	-	-	-
(849,532)	-	(849,532)	-	-	-	-
(122,759)	-	(122,759)	-	-	-	-
(15,899,615)	-	(15,899,615)	-	-	-	-
-	412,988	412,988	-	-	-	-
-	412,988	412,988	-	-	-	-
(15,899,615)	412,988	(15,486,627)	-	-	-	-
			7,208	-	-	-
			-	11,350	-	-
			-	-	77,768	-
			-	-	-	(12,365)
			7,208	11,350	77,768	(12,365)
2,840,988	-	2,840,988	-	-	-	-
2,013,635	-	2,013,635	-	-	-	-
8,965,402	-	8,965,402	-	-	-	-
152,070	-	152,070	-	-	-	-
2,189,980	-	2,189,980	-	-	-	-
9,997	(9,997)	-	-	-	-	-
496,679	-	496,679	-	-	-	-
-	-	-	-	-	-	500,000
158,365	-	158,365	-	-	129,337	-
539,149	12,342	551,491	4,141	-	15,704	-
17,366,265	2,345	17,368,610	4,141	-	145,041	500,000
1,466,650	415,333	1,881,983	11,349	11,350	222,809	487,635
16,733,207	2,626,890	19,360,097	15,298	27,858	107,738	-
$ 18,199,857	$ 3,042,223	$ 21,242,080	$ 26,647	$ 39,208	$ 330,547	$ 487,635

Lawrence County
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds - Cash Basis
As of and For the Year Ended December 31, 2015

	General	Board of Developmental Disabilities	Job and Family Services	Motor Vehicle Gasoline Tax	All Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS						
Property Taxes	$ 2,840,988	$ 2,013,635	$ -	$ -	$ -	$ 4,854,623
Sales Taxes	8,965,402	-	-	-	-	8,965,402
Payments in Lieu of Taxes	149,957	2,113	-	-	-	152,070
Charges for Services	1,936,522	836,081	207,984	7,243	4,051,179	7,039,009
Licenses and Permits	3,185	-	-	-	1,244	4,429
Fines and Forfeitures	449,874	-	-	22,183	-	472,057
Intergovernmental	1,862,486	4,929,398	5,679,102	4,172,062	4,226,268	20,869,316
Interest	115,661	34,277	-	8,035	392	158,365
Other	54,482	-	9,462	54,753	420,452	539,149
Total Cash Receipts	16,378,557	7,815,504	5,896,548	4,264,276	8,699,535	43,054,420
CASH DISBURSEMENTS						
Current:						
General Government:						
Legislative and Executive	3,775,873	-	-	-	913,992	4,689,865
Judicial	3,325,503	-	-	-	506,630	3,832,133
Public Safety	4,197,984	-	-	-	2,422,626	6,620,610
Public Works	849,316	-	-	3,514,371	69,907	4,433,594
Health	162,957	7,357,460	-	-	3,547,026	11,067,443
Human Services	231,229	-	5,679,898	-	1,842,977	7,754,104
Community and Economic Development	-	-	-	-	172,614	172,614
Transportation	-	-	-	-	139,107	139,107
Other	174,772	-	-	-	40,911	215,683
Capital Outlay	12,838	-	-	63,505	1,620,659	1,697,002
Debt Service:						
Principal Retirements	-	-	-	400,000	449,532	849,532
Interest and Fiscal Charges	-	-	-	38,930	83,829	122,759
Total Cash Disbursements	12,730,472	7,357,460	5,679,898	4,016,806	11,809,810	41,594,446
Excess of Cash Receipts Over (Under) Cash Disbursements	3,648,085	458,044	216,650	247,470	(3,110,275)	1,459,974
OTHER FINANCING SOURCES (USES)						
Transfers In	23,963	-	-	-	4,117,205	4,141,168
General Obligation Bonds Issued	-	-	-	-	496,679	496,679
Loan to Transportation Improvement District	-	-	-	(500,000)	-	(500,000)
Transfers Out	(3,504,206)	-	-	(310,265)	(316,700)	(4,131,171)
Total Other Financing Sources (Uses)	(3,480,243)	-	-	(810,265)	4,297,184	6,676
Net Change in Fund Cash Balances	167,842	458,044	216,650	(562,795)	1,186,909	1,466,650
Cash Basis Fund Balances at Beginning of Year	3,397,903	5,048,447	223,114	2,733,253	5,330,490	16,733,207
Cash Basis Fund Balances at End of Year	$ 3,565,745	$ 5,506,491	$ 439,764	$ 2,170,458	$ 6,517,399	$ 18,199,857
CASH BASIS ASSETS AT END OF YEAR						
Equity in Pooled Cash and Cash Equivalents	$ 3,565,745	$ 5,506,491	$ 439,764	$ 2,170,458	$ 6,517,399	$ 18,199,857
Total Assets	$ 3,565,745	$ 5,506,491	$ 439,764	$ 2,170,458	$ 6,517,399	$ 18,199,857
CASH FUND BALANCES AT YEAR END						
Nonspendable	$ 195,593	$ -	$ -	$ -	$ -	$ 195,593
Restricted	-	5,506,491	439,764	2,170,458	6,517,399	14,634,112
Assigned	2,282,970	-	-	-	-	2,282,970
Unassigned	1,087,182	-	-	-	-	1,087,182
Total Cash Basis Fund Balances	$ 3,565,745	$ 5,506,491	$ 439,764	$ 2,170,458	$ 6,517,399	$ 18,199,857

The notes to the basic financial statements are an integral part of this statement.

Lawrence County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS				
Property Taxes	$ 2,645,000	$ 2,840,988	$ 2,840,988	$ -
Sales Taxes	7,470,867	8,965,402	8,965,402	-
Payments in Lieu of Taxes	124,959	149,957	149,957	-
Charges for Services	1,214,912	1,457,953	1,457,953	-
Licenses and Permits	2,654	3,185	3,185	-
Fines and Forfeitures	374,881	449,875	449,875	-
Intergovernmental	1,552,008	1,862,485	1,862,485	-
Interest	95,829	115,000	115,000	-
Other	20,246	24,296	24,296	-
Total Receipts	13,501,356	15,869,141	15,869,141	-
DISBURSEMENTS				
Current:				
General Government:				
Legislative and Executive	3,717,147	3,841,773	3,841,046	727
Judicial	1,904,977	2,966,949	2,966,949	-
Public Safety	4,158,425	4,252,791	4,241,194	11,597
Public Works	690,226	871,100	871,100	-
Health	169,100	166,389	166,389	-
Human Services	233,000	231,229	231,229	-
Other	1,895,944	174,622	174,622	-
Capital Outlay	-	12,838	12,838	-
Total Disbursements	12,768,819	12,517,691	12,505,367	12,324
Excess of Receipts Over Disbursements	732,537	3,351,450	3,363,774	12,324
OTHER FINANCING SOURCES (USES)				
Transfer In	-	23,963	23,963	-
Transfers Out	(2,734,000)	(3,194,303)	(3,175,474)	18,829
Total Other Financing Sources (Uses)	(2,734,000)	(3,170,340)	(3,151,511)	18,829
Net Change in Fund Balance	(2,001,463)	181,110	212,263	31,153
Fund Balance at Beginning of Year	1,829,256	1,829,256	1,829,256	-
Prior Year Encumbrances Appropriated	219,161	219,161	219,161	-
Fund Balance at End of Year	$ 46,954	$ 2,229,527	$ 2,260,680	$ 31,153

The notes to the basic financial statements are an integral part of this statement.

Lawrence County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS				
Property Taxes	$ -	$ 2,013,635	$ 2,013,635	$ -
Payments in Lieu of Taxes	2,549	2,113	2,113	-
Charges for Services	1,008,738	836,081	836,081	-
Intergovernmental	5,947,357	4,929,398	4,929,398	-
Interest	41,355	34,277	34,277	-
Total Receipts	6,999,999	7,815,504	7,815,504	-
DISBURSEMENTS				
Current:				
Health	7,672,232	7,772,232	7,423,966	348,266
Capital Outlay	100,000	-	-	-
Total Disbursements	7,772,232	7,772,232	7,423,966	348,266
Net Change in Fund Balance	(772,233)	43,272	391,538	348,266
Fund Balance at Beginning of Year	5,048,347	5,048,347	5,048,347	-
Prior Year Encumbrances Appropriated	100	100	100	-
Fund Balance at End of Year	$ 4,276,214	$ 5,091,719	$ 5,439,985	$ 348,266

The notes to the basic financial statements are an integral part of this statement.

Lawrence County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Job and Family Services Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS				
Intergovernmental	$ 6,815,060	$ 5,679,102	$ 5,679,102	$ -
Charges for Services	249,586	207,984	207,984	-
Other	11,355	9,462	9,462	-
Total Receipts	7,076,001	5,896,548	5,896,548	-
DISBURSEMENTS				
Current:				
Human Services	7,186,463	5,843,489	5,843,489	-
Total Disbursements	7,186,463	5,843,489	5,843,489	-
Net Change in Fund Balance	(110,462)	53,059	53,059	-
Fund Balance at Beginning of Year	127,808	127,808	127,808	-
Prior Year Encumbrances Appropriated	95,306	95,306	95,306	-
Fund Balance at End of Year	$ 112,652	$ 276,173	$ 276,173	$ -

The notes to the basic financial statements are an integral part of this statement.

Lawrence County

Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Motor Vehicle Gasoline Tax Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS				
Fines and Forfeitures	$ 34,392	$ 22,183	$ 22,183	$ -
Intergovernmental	6,468,312	4,172,062	4,172,062	-
Charges for Services	11,229	7,243	7,243	-
Interest	12,457	8,035	8,035	-
Other	68,609	44,253	44,253	-
Total Receipts	6,594,999	4,253,776	4,253,776	-
DISBURSEMENTS				
Current:				
Public Works	3,862,137	3,889,976	3,767,092	122,884
Capital Outlay	65,107	65,905	63,505	2,400
Loan to Transportation Improvement District	-	500,000	500,000	-
Debt Service:				
Principal Retirements	410,092	400,000	400,000	-
Interest and Fiscal Charges	39,912	38,930	38,930	-
Total Disbursements	4,377,248	4,894,811	4,769,527	125,284
Excess of Receipts Over (Under) Disbursements	2,217,751	(641,035)	(515,751)	125,284
OTHER FINANCING SOURCES (USES)				
Advances In	-	10,500	10,500	-
Transfers Out	-	(1,812,586)	(310,265)	1,502,321
	-			
Total Other Financing Sources (Uses)	-	(1,802,086)	(299,765)	1,502,321
Net Change in Fund Balance	2,217,751	(2,443,121)	(815,516)	1,627,605
Fund Balance at Beginning of Year	2,456,006	2,456,006	2,456,006	-
Prior Year Encumbrances Appropriated	277,249	277,249	277,249	-
Fund Balance at End of Year	$ 4,951,006	$ 290,134	$ 1,917,739	$ 1,627,605

The notes to the basic financial statements are an integral part of this statement.

Lawrence County

Statement of Cash Basis Assets and Net Cash Position and Cash Receipts,
Cash Disbursements and Changes in Net Position
Proprietary Funds - Cash Basis
As of and For the Year Ended December 31, 2015

	Union-Rome Sewer Fund
OPERATING CASH RECEIPTS	
Charges for Services	$ 3,277,209
Other	12,342
Total Operating Cash Receipts	3,289,551
OPERATING CASH DISBURSEMENTS	
Salaries and Benefits	786,760
Contractual Services	675,718
Materials and Supplies	85,940
Capital Outlay	65,351
Other	21,998
Total Operating Cash Disbursements	1,635,767
Excess of Operating Cash Receipts Over Operating Cash Disbursements	1,653,784
NON-OPERATING CASH RECEIPTS (CASH DISBURSEMENTS)	
Interest and Fiscal Charges	(254,040)
Principal Retirement	(974,414)
Total Non-Operating Cash Receipts (Cash Disbursements)	(1,228,454)
Cash Receipts Over Cash Disbursements Before Transfers	425,330
Transfers Out	(9,997)
Change in Net Position	415,333
Net Position at Beginning of Year	2,626,890
Net Position at End of Year	$ 3,042,223
CASH BASIS ASSETS AT END OF YEAR	
Equity in Pooled Cash and Cash Equivalents	$ 3,042,223
NET POSITION AT END OF YEAR	
Unrestricted	$ 3,042,223

The notes to the basic financial statements are an integral part of this statement.

Lawrence County

Statement of Fiduciary Net Position - Cash Basis

As of December 31, 2015

	Agency Funds
ASSETS	
Equity Pooled in Cash and Cash Equivalents	$ 3,556,253
Cash and Cash Equivalents in Segregated Accounts	678,409
Total Assets	4,234,662
NET POSITION	
Unrestricted	4,234,662
Total Net Position	$ 4,234,662

The notes to the basic financial statements are an integral part of this statement.

NOTE 1 - DESCRIPTION OF THE COUNTY AND REPORTING ENTITY

Lawrence County, Ohio (the County), was settled in 1797, and it was formally established on December 20, 1816 as a County by taking portions of Gallia and Scioto Counties. The County is comprised of fourteen townships. The County is governed by a three-member Board of County Commissioners elected by the voters of the County. The County Auditor is responsible for the fiscal controls of the resources of the County that are maintained in the funds described below. The County Treasurer is the custodian of funds and the investment officer. Other officials that manage various segments of the County's operations are the Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, two Common Pleas Court Judges, and one Judge for the Probate and Juvenile Courts. All of these officials are elected. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrator of public services for the County, including each of these departments.

Reporting Entity

The County utilizes the standards of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statements No. 39 and 61, for determining the reporting entity.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Lawrence County, this includes the Board of Developmental Disabilities, the Union-Rome Sewer District, and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt or the levying of taxes.

The County has the following component units:

> Choices, Inc., is a legally separate, not-for-profit corporation, served by a self-appointing board of trustees. The organization assists in providing housing for persons with mental retardation or developmental disabilities. The Lawrence County Board of Developmental Disabilities (DD) obtains grants to subsidize the purchase of houses for Choices, Inc. Choices, Inc. then rents the houses to developmentally disabled tenants. Based on the significant resources provided by the County to Choices, Inc. and Choices' sole purpose of providing housing to developmentally disabled persons in Lawrence County, Choices, Inc. is a component unit of Lawrence County. Choices, Inc. operates on a fiscal year ending June 30. Separately issued financial statements can be obtained from Choices, Inc., Coal Grove, Ohio.

NOTE 1 - DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

Reporting Entity (Continued)

Tri-State Industries, Inc., is a legally separate, not-for-profit corporation, served by a self-appointing board of trustees. The workshop, under a contractual agreement with the Lawrence County Board of Developmental Disabilities (DD), provides sheltered employment for developmentally disabled or handicapped adults in Lawrence County. The Lawrence County Board of DD provides the workshop with staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, and other funds as necessary for the operation of the workshop. Based on the significant services and resources provided by the County to the workshop and the workshop's sole purpose of providing assistance to the developmentally disabled and handicapped adults of Lawrence County, the workshop is a component unit of Lawrence County. Tri-State Industries, Inc. operates on a fiscal year ending June 30. Separately issued financial statements can be obtained from Tri-State Industries, Inc., Coal Grove, Ohio.

The Lawrence County Port Authority, is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio pursuant to the authority of Sections 4582.21 to 4582.59 of the Ohio Revised Code. The Port Authority was established on December 2, 2004 by the Lawrence County Commissioners. The purpose of the Port Authority is to be involved in the activities that enhance, foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research within Lawrence County. The Port Authority provides services that are enumerated in Sections 4582.21 to 4582.59 of the Ohio Revised Code. These services include but are not limited to the power to purchase, construct, reconstruct, enlarge, improve, equip, develop, sell, exchange, lease, convey other interest in, and operate Port Authority facilities to accomplish these activities. The Lawrence County Port Authority operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from the Lawrence County Port Authority, South Point, Ohio.

The Lawrence County Transportation Improvement District (LCTID) is a legally separate entity pursuant to the Ohio Revised Code Section 5540.03(A)(1). The purpose of the LCTID is to improve the transportation system in Lawrence County in order to contribute to the creation or preservation of jobs or employment opportunities or the improvement of economic welfare of the people within the area of the LCTID and to all the State. The Board of Trustees is appointed pursuant to the Ohio Revised Code Section 5540.02(C)(2). The Board of Trustees is made up of five voting members appointed by the Lawrence County Commissioners, there are also two nonvoting members, one of which is appointed by the Speaker of the Ohio House of Representatives and the other is appointed by the president of the Ohio Senate. Separately issued financial statements can be obtained from the Lawrence County Transportation Improvement District, Ironton, Ohio.

The County has elected to include the above component units in the accompanying basic financial statements. See also note 2 to the basic financial statements entitled *Government-wide Financial Statements.*

The following potential component units have been excluded because the County is not financially accountable for these organizations nor are these entities for which the County approves the budget, the issuance of debt, or the levying of taxes.

The Lawrence County Agricultural Society
The Lawrence County Educational Service Center
Collins Career Center
The Lawrence County Historical Society
The Lawrence County Extension Service
The Lawrence County Economic Development Corporation
The Lawrence County Domestic Violence Task Force, Inc.
The Lawrence County Council on Aging
The Lawrence County Airpark

NOTE 1 - DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

Reporting Entity (Continued)

As the custodian of public funds, the County Treasurer 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 activity of the following districts and agencies is presented as agency funds within the County's financial statements:

The Lawrence County Soil and Water Conservation District was statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

Lawrence County Health District is governed by a five member Board of Health which oversees the operation of the Health District. The Board is appointed by an advisory council comprised of the president of the township trustees, mayors of participating municipalities and one County Commissioner. The Board has sole budgetary authority, and controls surpluses and deficits. The County is not legally obligated for the Health District's debt. Funding is based on a rate per taxable valuation, along with state and federal grants applied for by the Health District.

The Local Emergency Planning Commission was established by the State Emergency Response Commission, which designates Emergency Planning Districts within the State. Commission members are recommended by the County Commissioners and appointed by the State Emergency Response Commission. The Commission receives operating resources in the form of grants from the State.

The County is involved with the following organizations that are defined as jointly governed organizations. Additional financial information concerning the jointly governed organizations is presented in note 11.

Adams, Lawrence, Scioto Alcohol, Drug Addiction, and Mental Health Services Board
Private Industry Council
Ironton-Lawrence County Community Action Organization
The KYOVA Interstate Planning Commission
Ohio Valley Regional Development Commission

The County is involved in the following organizations that are defined as public entity shared risk pools. Additional information concerning the public entity shared risk pools is presented in note 12.

Buckeye Joint-County Self-Insurance Council
County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is involved in the following organization that is defined as a joint venture. Additional financial information concerning the joint venture is presented in note 13.

Scioto-Lawrence Counties Joint Solid Waste District

The County is involved with the following organization that is defined as a related organization. Additional financial information concerning the related organization is presented in note 14.

Briggs-Lawrence County Public Library

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lawrence County have been prepared following the cash accounting basis. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements omit assets, liabilities, deferred inflows and outflows of resources, fund equities, and certain disclosures. The more significant accounting policies are described below.

Fund Accounting

The County's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific County functions or activities. The operation of each fund is accounted for within a separate self-balancing set of accounts.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. The following are the County's major governmental funds:

General Fund

The General Fund is the general operating fund of the County and is used to account for all financial resources except those accounted for in another fund. The General Fund is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Board of Developmental Disabilities Special Revenue Fund

This fund is used to provide assistance and training to developmentally disabled individuals. The primary sources of funding are various federal and state grants and a property tax levy.

Job and Family Services Special Revenue Fund

This fund is used to provide public assistance to general relief recipients, pay their providers of medical assistance, and for certain public social services. The primary sources of funding are various federal and state grants as well as transfers from the General Fund.

Motor Vehicle Gasoline Tax Special Revenue Fund

This fund is used for maintenance and repair of roads and bridges. The primary sources of funding are monies received from state gasoline tax and motor vehicle registration fees.

The other governmental funds of the County account for grants and other resources, debt service, and capital projects, whose use is restricted to a particular purpose.

Proprietary Funds

The proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector. Enterprise funds are the County's only proprietary fund type. The following is the County's major enterprise fund:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Union-Rome Sewer Fund

The Union-Rome Sewer Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered through user charges. The County's Union-Rome Sewer Fund accounts for wastewater treatment services for the County. The major ongoing source of funding is charges for services.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. The County's only fiduciary funds are agency funds.

Agency Funds

Agency funds are custodial in nature (assets equal net position) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

The County's agency funds account for assets held for political subdivisions in which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures that have been collected and which will be distributed to other political subdivisions.

Basis of Presentation

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

The government-wide financial statements also display information regarding four legally separate entities, or component units, for which the County is fiscally responsible. These four component units are Tri-State Industries, Inc., Choices, Inc., the Lawrence County Port Authority, and the Lawrence County Transportation Improvement District, and are described further in note 1 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Basis of Accounting

Although required by Ohio Administrative Code Section 117-2-03(B) to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP), the County chooses to prepare its financial statements and notes on the cash basis of accounting. This basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

As a result of the use of the 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 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. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

For comparability purposes, the component units' financial information has been presented on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP).

Cash Receipts – Exchange and Non-exchange Transactions

Cash receipts resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the cash basis when the exchange takes place. On a cash basis, receipts are recorded in the year in which the resources are received.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On a cash basis, receipts from property taxes are recognized in the year in which the taxes are received. Receipts from grants, entitlements and donations are also recognized in the year in which the monies have been received.

Cash Disbursements

On the cash basis of accounting, disbursements are recognized at the time payments are made.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

Budget

In accordance with Section 5747.53 of the Ohio Revised Code, the County Budget Commission has provided for the apportionment of undivided local government funds under an alternative method that has been approved by governmental subdivisions within the County. Under this alternative method, the County Budget Commission has waived the requirement for the Taxing Authority of a subdivision to adopt a tax budget.

Estimated Resources

The County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources that states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the County must revise its budget so that the total contemplated disbursements from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include January 1 unencumbered fund balances. However, those fund balances are available for appropriation.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the County Commissioners. Several supplemental appropriation resolutions were legally enacted by the County Commissioners during the year. The original budget figures that appear in the statements of budgetary comparison represent the first appropriation measure that covered the entire fiscal year. The final budget figures that appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances

The County is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the disbursement of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

Fund Balance

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Fund balance is reported as 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 committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action (resolution) employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the County Commissioners.

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

The County applies restricted resources first when expenditures are incurred for purposes for which 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.

Cash and Cash Equivalents and Investments

Cash and cash equivalents consist of the total of fund cash balances of all funds as of December 31, 2015. To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. County funds are maintained in several checking accounts as well as invested in certificates of deposit with terms of one to twelve months. Individual fund balance integrity is maintained through the County's records. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. All interest receipts are reported in the General Fund except those specifically related to those funds deemed appropriate according to Board of County Commissioners policy. For 2015, interest receipts amounted to $158,365 in which $115,661 was recorded in the General Fund; $34,277 was recorded in the Board of Developmental Disabilities Special Revenue Fund; $8,035 was recorded in the Motor Vehicle Gasoline Tax Special Revenue Fund; and $392 was recorded in All Other Governmental Funds.

Capital Assets and Depreciation

Capital assets (fixed assets) acquired or constructed for the County are recorded as disbursements at the time of acquisition. However, under the cash basis of accounting, capital assets and the related depreciation are not reported separately on the basic financial statements.

Compensated Absences

Vacation and sick leave benefits are not accrued under the cash basis of accounting as previously described. All leave will either be absorbed by time off from work or, within certain limitations, be paid to the employees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In general, bonds, long-term loans, and capital leases are recorded as cash disbursements in the basic financial statements when paid and are not accrued as liabilities.

Operating Cash Receipts and Cash Disbursements

Operating cash receipts are those cash receipts that are generated directly from the primary activity of the proprietary funds. For the County, these receipts are charges for services for sewer services. Operating cash disbursements are necessary costs incurred to provide the good or service that is the primary activity of the fund. Cash receipts and disbursements not meeting these definitions are reported as non-operating.

Net Cash Position

Net position represents the cash basis assets held by the County at year end. Net position is 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. Net position restricted for other purposes include resources restricted for grants. The County applies restricted resources when a cash disbursement is made for purposes for which both restricted and unrestricted net position is available.

Of the County's $14,634,112 in restricted net position, none is restricted by enabling legislation.

Interfund Transactions

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash 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 cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide financial statements, transfers within governmental activities or within business-type activities are eliminated. Transfers between governmental activities and business-type activities are shown in the same manner as general revenues.

Interfund Receivables/Payable

The County reports advances in and advances out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Pensions

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

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

A. Primary Government

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

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 home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and federal national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the 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;

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 division (A) or (B) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;

9. High grade commercial paper in an amount not to exceed 5 percent of the County's total average portfolio;

10. Certain bankers' acceptances for a period not to exceed one hundred and eighty days and commercial paper notes for a period not to exceed two hundred and seventy days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;

11. Under limited circumstances, corporate debt interests rated in any of the three highest rating classifications by at least two nationally recognized rating agencies;

12. Notes issued by corporations incorporated and operating within the United States, or by depository institutions doing business under any state or United States authority and operating within the United States. Such investments shall not exceed fifteen percent of the County's total average portfolio and meet other requirements; and

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

A. Primary Government (Continued)

13. A current unpaid or delinquent tax line of credit authorized under division (G) of section 135.341 of the Revised Code provided that all of the conditions for entering into such a line of credit under that division are satisfied.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. The County maintains a cash pool which is used by all funds.

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

Deposits:

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The County's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

The County's bank balance of $21,974,480 was either covered by FDIC or collateralized by the financial institutions' public entity deposit pools.

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

A. Primary Government (Continued)

Investments:

The County had the following investments as of December 31, 2015:

	Investment Balance	Maturity <1 year	1-2	>2 years	Percent Invested
Village of Protorville Securities	$87,200	$12,200	$75,000	$0	1.78%
Fairland Schools Securities	1,430,000	230,000	465,000	735,000	29.24%
Fayette Twp Securities	115,200	57,000	58,200	0	2.36%
Rome Twp Securities	24,715	12,235	12,480	0	0.51%
Mason Twp Securities	5,139	2,570	2,570	0	0.11%
Windsor Twp Securities	19,600	9,700	9,900	0	0.40%
Elizabeth Twp Securities	10,300	3,400	6,900	0	0.21%
Fairland School/Lease Securities	567,000	189,000	378,000	0	11.60%
City of Ironton Securities	266,400	132,300	134,100	0	5.45%
Rome Twp #2 Securities	48,528	11,730	24,258	12,540	0.99%
Village of South Point Securities	394,286	65,715	131,429	197,143	8.06%
Village of Hanging Rock Securities	37,700	12,400	25,300	0	0.77%
City of Ironton Securities #2	136,000	33,120	67,990	34,890	2.78%
Village of South Point Securities #2	375,000	53,571	107,142	214,286	7.67%
Commissioners Securities	76,200	37,720	38,480	0	1.56%
Commissioners Dome Securities	18,360	6,000	12,360	0	0.38%
EMS #2 Securities	73,421	23,991	49,430	0	1.50%
Sheriff Securities	89,329	29,189	60,140	0	1.83%
Building Securities	10,198	5,049	5,149	0	0.21%
911 Securities	43,200	14,120	29,080	0	0.88%
Ambulance Securities	166,222	54,584	111,638	0	3.40%
Sewer Securities	268,144	64,815	134,039	69,290	5.48%
Jail Improvement Securities	26,286	6,354	13,140	6,792	0.54%
Real Estate Securities	104,000	25,000	52,000	27,000	2.13%
Elections Equipment Securities	135,000	25,810	53,380	55,810	2.76%
Commissioners Vehicle Sheriff Securities	48,464	9,266	19,163	20,035	0.99%
Commissioners Vehicle EMS Securities	313,215	59,887	123,846	129,481	6.41%
	$4,889,107	$1,186,726	$2,200,114	$1,502,267	100.00%

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County limits their investments to those authorized by State statute. All government securities are unrated.

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

A. Primary Government (Continued)

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy allows investments in U.S Treasury Obligations, Federal Agency Obligations, Repurchase Agreements, Commercial Paper, Bankers' Acceptances, Municipal Obligations, Bank Deposits, State Pool, Registered Investment Companies (Mutual Funds), Corporate Bonds, Certificates of Deposit or within financial institutions with the State of Ohio as designated by the Federal Reserve Board and other investments permitted by the Ohio Revised Code. The County invested 100% in government securities during 2015.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investments are held in the name of the County.

B. Component Units

At its fiscal year-end, the carrying amount of Tri-State Industries' deposits was $26,647. The entire amount was covered by federal deposit insurance.

At its fiscal year-end, the carrying amount of Choices, Inc.'s deposits was $39,208. The entire amount was covered by federal deposit insurance.

At December 31, 2015, the carrying amount of the Lawrence County Port Authority's deposits was $330,547. The entire amount was covered by federal depository insurance.

At December 31, 2015, the Lawrence County Transportation Improvement District's deposit balance was $487,635 which is held in Lawrence County's deposit and investment pool.

NOTE 4- BUDGETARY BASIS FUND BALANCES

Differences between the budgetary basis fund balances and fund cash balances are due to encumbrances and funds included as part of the General Fund for cash reporting purposes, but excluded for budgetary purposes. The table below presents those differences for the County's major funds:

	General Fund	Board of Developmental Disabilities	Job and Family Services	Motor Vehicle Gasoline Tax
Budgetary Basis Fund Balances	$2,260,680	$5,439,985	$276,173	$1,917,739
Encumbrances	135,659	66,506	163,591	252,719
Excluded Funds for Budget Purposes	1,169,406	-	-	-
Fund Cash Balances	$3,565,745	$5,506,491	$439,764	$2,170,458

NOTE 5 - PROPERTY TAX

Property taxes include amounts levied against all real, and public utility property located in the County. Property tax revenue received during 2015 for real and public utility property taxes represents collection of 2014 taxes.

2015 real property taxes are levied after October 1, 2014 on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are intended to finance 2016.

Public utility property currently is assessed at varying percentages of true value; public utility property is assessed at 35 percent of true value. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The assessed value for the taxes levied in 2015 was $913,903,220 of which real property represented 90 percent ($823,083,050) of the total and public utility property represented 10 percent ($90,820,170) of the total. The full tax rate for all County operations for taxes collected in 2015 was $5.60 per $1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due by 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.

The Lawrence County Treasurer collects property tax on behalf of all taxing districts within the County. The Lawrence County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County.

NOTE 6 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. By contracting with Buckeye Joint-County Self-Insurance Council for auto, crime, liability and property insurance, the County has addressed these various types of risk.

In the event of losses, the first $250 to $1,000 of any valid claim depending on the type of loss will be paid by the member. The next payment, with a maximum pay range from $100,000 to $2,000,000 per occurrence, will come from the self-insurance pool based on the member's percentage of contribution. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments. Lawrence County does not have any ongoing financial interest or responsibility.

NOTE 6 - RISK MANAGEMENT (Continued)

This jointly governed organization is a cost-sharing pool. Coverage provided to the County by the program is as follows:

Policy Type	Annual/ Aggregate Coverage	Deductible
General Liability	$1,000,000/$3,000,000	$1,000
Public Officials Liability	$1,000,000/$3,000,000	$5,000
Law Enforcement	$1,000,000/$3,000,000	$5,000
Auto Liability	$1,000,000 per occurrence	$0
Pollution Liability	$100,000	$1,000
All Risk Blanket Property	Building and Contents per Schedule	$1,000
Flood (Zone A coverage)	$5,000,000	$25,000
Extra Expense	$1,000,000	$1,000
Personal Property of Others	$1,000,000	$1,000
Earthquake	$5,000,000	$25,000
Electronic Data Processing Equipment	$500,000	$1,000
Blanket Bond	$250,000	$0
Elected Officials Bond	Per Bond Schedule	$0
Boiler and Machinery	$47,488,783	$1,000
Inland Marine	$4,109,843	$1,000
Auto Comprehensive	Per Schedule	$100
Auto Collision	Per Schedule	$250
Employees Benefits Liability	$1,000,000/$3,000,000	$1,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. For 2015, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see note 12). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

NOTE 7 - PERMISSIVE SALES AND USE TAX

In February 1983, the Tax Commissioners adopted by resolution a one percent Permissive Sales and Use Tax. In April 1998 a one half percent Permissive Sales and Use Tax, as allowed by Sections 5739.02 and 5742.02, Revised Code was also adopted. Sales and use tax revenue for 2015 amounted to $8,965,402 and is recorded in the General Fund.

NOTE 8 - RETIREMENT SYSTEM

Net Pension Liability

For fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68" were effective. These GASB pronouncements had no effect on beginning net position as reported December 31, 2014, as the net pension liability and related deferred inflows and outflows of resources are not reported in the accompanying financial statements. The net pension liability has been disclosed below.

NOTE 8 - RETIREMENT SYSTEM (Continued)

Net Pension Liability (Continued)

Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred. The net pension liability represents the County's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension. GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

NOTE 8 - RETIREMENT SYSTEM (Continued)

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

NOTE 8 - RETIREMENT SYSTEM (Continued)

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

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

	State and Local	Public Safety	Law Enforcement
2015 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2015 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0	2.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution to OPERS was $2,459,781 for fiscal year 2015.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

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

NOTE 8 - RETIREMENT SYSTEM (Continued)

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The County was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was $106,865 for fiscal year 2015.

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

The net pension liability reported as of December 31, 2015 was measured as of December 31, 2014 for OPERS and as of June 30, 2014 for STRS, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	STRS	Total
Proportionate Share of the Net Pension Liability	$17,680,995	$2,011,122	$19,692,117
Proportion of the Net Pension Liability	0.1465950%	0.0072769%	0.153872%

NOTE 8 - RETIREMENT SYSTEM (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

NOTE 8 - RETIREMENT SYSTEM (Continued)

Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation for 2014	Weighted Average Long Term Expected Real Rate of Return
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other Investments	18.00	4.59
Total	100.00 %	5.28 %

Discount Rate The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
County's proportionate share of the net pension liability	$32,527,965	$17,680,995	$5,176,269

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

NOTE 8 - RETIREMENT SYSTEM (Continued)

Actuarial Assumptions – STRS (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	$2,793,601	$2,011,122	$1,349,420

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS)

A. Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and Local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The County's actual contributions for 2015, 2014, and 2013, which were used to fund OPEB were $409,963, $380,681, and $188,178, respectively.

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

State Teachers Retirement System (STRS Ohio)

Plan Description – The County participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The County's contributions for health care for the fiscal years ended December 31, 2015, 2014, and 2013 were $0, $7,977, and $8,273 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

NOTE 10 - DEBT OBLIGATIONS

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. However, information regarding such changes in the County's long-term obligations during 2015 is as follows:

Governmental Long-Term Obligations:	Outstanding 12/31/2014	Additions	Deletions	Outstanding 12/31/2015	Due In One Year
Series 2005B 3.71% Equipment Bond	$ 23,702	$ -	$ 23,702	$ -	$ -
Series 2013 Ambulance Acquisition Bonds 2.00%	96,941	-	23,520	73,421	23,991
Series 2013 County Building Improvement Bonds 2.00%	15,148	-	4,950	10,198	5,049
Series 2013 Police Cruiser Acquisistion Bonds 2.00%	117,945	-	28,616	89,329	29,189
Series 2013 Building Improvement Bonds 2.00%	24,240	-	5,880	18,360	6,000
Series 2013 Equipment Acquisition Bonds 2.00%	57,030	-	13,830	43,200	14,120
Series 2014 Ambulance Acquisition Bonds 1.50%	220,000	-	53,778	166,222	54,584
Series 2014 County Jail Improvements Bonds 2.25%	32,500	-	6,214	26,286	6,354
Series 2014 Road Improvements Bonds 2.29%	1,800,000	-	400,000	1,400,000	400,000
Series 2014 Real Estate Acquisition Bonds 2.25%	129,000	-	25,000	104,000	25,000
Series 2015 Police Vehicle Acquisition Bonds 2.25%	-	48,464	-	48,464	9,266
Series 2015 Equipment Acquisition Bonds 2.25%	-	135,000	-	135,000	25,810
Series 2015 EMS Equipment Acquisition Bonds 2.25%	-	313,215	-	313,215	59,887
Subtotal General Obligation Bonds	2,516,506	496,679	585,490	2,427,695	659,250
Lease Financing Agreement 2010 5.877%	866,615	-	75,320	791,295	79,364
OPWC Loan 1995 0.00%	14,995	-	9,995	5,000	5,000
Long Term Notes:					
Various Purpose Bond Anticipation Note 2010 3.03%	293,686	-	52,780	240,906	55,603
Computer Equipment Note 2009 3.23%	43,654	-	43,654	-	-
BAN 2012 Emergency Equipment Acquisition 1.25%	41,604	-	41,604	-	-
Road Improvement BAN 2011 4.73%	29,875	-	3,699	26,176	3,874
Various Purpose BAN 2012 2.00%	113,190	-	36,990	76,200	37,720
Total Governmental Long-Term Obligations	$ 3,920,125	$ 496,679	$ 849,532	$ 3,567,272	$ 840,811

Union-Rome Sewer Fund Obligations:	Outstanding 12/31/2014	Additions	Deletions	Outstanding 12/31/2015	Due In One Year
Sewer 2007 3.25% OWDA Loan	$ 23,194,893	$ -	$ 787,212	$ 22,407,681	$ 793,138
OWDA Loan Agreement #5423, 2010, 0%	1,097,679	-	13,060	1,084,619	62,836
OWDA Loan 5424	536,868	-	29,136	507,732	29,415
Subtotal OWDA Loans	24,829,440	-	829,408	24,000,032	885,389
Sewer Bonds Series 2014	331,533	-	63,389	268,144	64,815
OPWC Loan 1995 0.00%	199,254	-	54,117	145,137	54,117
OPWC Loan 2009 0.00%	412,500	-	27,500	385,000	27,500
Subtotal Non OWDA	943,287	-	145,006	798,281	146,432
Total Union-Rome-Sewer Fund Obligations	$ 25,772,727	$ -	$ 974,414	$ 24,798,313	$ 1,031,821

NOTE 10 - DEBT OBLIGATIONS (Continued)

The equipment acquisition bonds issued in 2005 in the amount of $200,000 were used to acquire GIS and voting equipment. The debt is being retired from property taxes.

The Ambulance Acquisition Bonds Series 2013 in the amount of $120,000 were issued in October 2013 with a final maturity date of October 2018. These bonds are being repaid from the EMS Fund.

The Building Improvement Acquisition bonds in the amount of $20,000 were issued in October 2013 with a final maturity date of October 2017. These bonds are being repaid from the Building Improvement Debt Service Fund.

The Police Cruiser Acquisition Bonds Series 2013 in the amount of $146,000 were issued in October 2013 with a final maturity date of October 2018. These bonds are being repaid from the Cruisers Capital Projects Fund.

The Building Improvement Bonds Series 2013 in the amount of $30,000 were issued in April 2013 with a final maturity date of June 2018. These bonds are being repaid from the Courthouse Jail Capital Projects Fund.

The Equipment Acquisition Bonds Series 2013 in the amount of $70,605 were issued in December 2013 with a final maturity date of December 2018. These bonds are being repaid from the 911 Emergency Special Revenue Fund.

The Ambulance Acquisition Bonds Series 2014 in the amount of $220,000 were issued in April 2014 with a final maturity date of April 2018. These bonds will be repaid from the EMS Capital Improvement Fund.

The County Jail Improvements Bonds Series 2014 in the amount of $32,500 were issued in July 2014 with a final maturity date of July 2019. These bonds will be repaid from the Courthouse and Jail Capital Improvement Fund.

The Road Improvements Bonds Series 2014 in the amount of $2,000,000 were issued in February 2014 with a final maturity date of February 2019. These are being repaid from the Motor Vehicle Gasoline Tax Fund.

The Real Estate Acquisition Bonds Series 2014 in the amount of $129,000 were issued in December 2014 with a final maturity date of December 2019. These bonds will be repaid from the Mended Reeds Debt Service Fund.

The Police Acquisition Series 2015 in the amount of $48,464 were issued in November 2015 with a final maturity date of November 2020. These bonds will be repaid from the General Fund.

The Equipment Acquisition Bonds Series 2015 in the amount of $135,000 were issued in July 2015 with a final maturity date of July 2020. These bonds will be repaid from the General Fund.

The EMS Equipment Acquisition Bonds Series 2015 in the amount of $313,215 were issued in November 2015 with a final maturity date of November 2020. These bonds will be repaid from the EMS Fund.

The County entered into a lease financing agreement in February 2010 in the amount of $820,522 for the purpose of various energy conservation improvements. In 2012 an addition was made to this lease in the amount of $215,000. The lease financing agreement is being retired from the debt service fund.

The County received an Ohio Public Works Commission loan in 1995 in the amount of $199,937 to improve storm drainage in the eastern part of the County. The debt is being paid from property taxes.

The various purpose long term bond anticipation notes in the amount of $520,000 were issued on May 1, 2010 and have a 10 year amortization period. This long term note is being retired from the Auditor-Treasurer Update Fund.

The computer equipment acquisition note in the amount of $77,296 was issued on May 8, 2009 and has a 10 year amortization period. This long term note is being retired from the Clerk of Courts Computer Debt fund.

NOTE 10 - DEBT OBLIGATIONS (Continued)

On June 28, 2012, the County issued Emergency Equipment Acquisition BANs in the amount of $123,279 with a final maturity date of June 1, 2015. This long term note will be retired from the EMS Capital Improvement fund.

The County issued bond anticipation notes in the amount of $40,000 on March 17, 2011 for the purpose of paying the County's share of making improvements to North Huntington Heights Road in the Village of Chesapeake. These notes have a 10 year amortization period. This long term note is being retired from the North Huntington Heights Debt Service fund.

The County Issued Various Purpose BAN in the amount of $185,000 on June 7, 2012. This long term note is being retired from the Courthouse/Jail fund.

Annual debt service requirements to maturity for general obligation debt are as follows:

Year Ending December 31	General Obligation Principal	General Obligation Interest	OPWC Loan Principal	Lease Financing Agreement Principal	Lease Financing Agreement Interest	Long Term Note Principal	Long Term Note Interest
2016	$659,250	$55,593	$5,000	$79,364	$44,141	$97,197	$15,274
2017	664,916	36,611	-	83,627	39,878	101,116	14,329
2018	664,410	22,105	-	88,123	35,382	65,962	7,643
2019	335,314	7,670	-	92,864	30,641	69,464	4,140
2020	103,805	2,336	-	79,611	25,642	4,661	451
2021-2025	-	-	-	367,706	67,294	4,882	231
Total	$2,427,695	$124,315	$5,000	$791,295	$242,978	$343,282	$42,068

The County received an OWDA Loan (#4781) dated 2007 for Union Rome Wastewater Treatment Plant improvements in the total amount of $24,740,171. This loan has a 30 year payment period and will be paid off in July 2040. This debt is being paid from sewer charges.

The County received two OWDA loans to assist with the Union Rome Collection System Rehabilitation project. The first loan was for a total amount of $2,002,432 and was repaid with ARRA principal forgiveness grants in prior years. The second loan (#5423) was for a total amount of $1,329,787 with a 20 year payment period with a final payment due in July 2031.

The County received two OWDA loans to assist with the Union Rome Wastewater Treatment Plant Biosolids project. The first loan was for a total amount of $732,403 and was repaid with ARRA principal forgiveness grants in prior years. The second loan (#5424) was for a total amount of $622,500 with a 20 year payment period with a final payment due in July 2031.

The County issued Sewer Bonds in the amount of $331,533 on May 15, 2014 to improve the sewer system in the County. These bonds is being repaid from sewer charges.

In connection with the OWDA loans and Sewer Bonds, the County has pledged future customer revenues of the Union-Rome Sewer Fund net of specified operating expenses, to repay these loans. The loans are payable, through final maturities, from net revenues applicable to the Union-Rome Sewer Fund. Total principal and interest remaining on these loans at December 31, 2015 was $24,268,176 and $3,123,237, respectively. The net revenue available for these loans was $1,399,744 and principal and interest paid was $1,146,825. The coverage ratio for the loans was 1.22 for the year ended December 31, 2015.

The County received Ohio Public Works Commission loans in 1995 totaling $1,082,341 to complete three phases of the Union Rome equalization project. The debt is being paid from sewer charges.

NOTE 10 - DEBT OBLIGATIONS (Continued)

The County received an Ohio Public Works Commission loan in 2009 in the amount of $550,000 for wastewater treatment plant improvements. The debt is being paid from sewer charges.

The Union-Rome Sewer Fund debt service requirements to maturity are as follows:

Year Ending December 31	OPWC Loans	OWDA Principal	OWDA Interest	Sewer Bonds Principal	Sewer Bonds Interest
2016	$81,617	$885,389	$237,792	$64,815	$6,033
2017	81,617	894,264	228,918	66,274	4,575
2018	61,636	903,229	219,951	67,765	3,084
2019	30,267	912,284	210,897	69,290	1,559
2020	27,500	921,430	201,751	-	-
2021-2025	137,500	4,747,574	868,328	-	-
2026-2030	110,000	4,990,366	625,537	-	-
2031-2035	-	4,801,407	377,963	-	-
2036-2040	-	4,944,089	136,849	-	-
	$530,137	$24,000,032	$3,107,986	$268,144	$15,251

At December 31, 2015, the County's overall legal debt margin was $21,241,183 with an unvoted debt margin of $10,312,121.

Component Units

Lawrence County Port Authority

On October 11, 2005, the Port Authority entered into a loan agreement with Oak Hill Bank (now Wesbanco). The Loan Agreement is for $4,158,061 for thirty years. The terms of the note provide among other things, for repayment in equal monthly installments including principal and an adjustable interest rate not to go higher than 6% interest. The balance of the loan as of December 31, 2015 was $2,323,356. The note matures in October 2026.

On September 11, 2007, the Port Authority entered into a loan agreement for $600,000 with the State of Ohio in the Pioneer 166 Loan Program. The loan consists of monthly installments including principal and 3% interest. The balance of the loan as of December 31, 2015 was $304,100. The note matures in October 2022.

On December 7, 2009, the Port Authority entered into a loan agreement with Liberty Federal Bank to finance EMS stations. The Loan Agreement is for $338,250 for thirty years and is collateralized by the associated assets being financed. The terms of the note provide among other things, for repayment in equal monthly installments including principal and 4.37% interest. The balance of the loan as of December 31, 2015 is $155,415. The note matures in January 2020.

On July 19, 2012, the Port Authority entered into a loan agreement with Ohio River Valley Bank (now Citizens Deposit Bank). The Loan Agreement is for $700,000 for fifteen years and is collateralized by an open-end mortgage on the property. The terms of the note provide among other things, for repayment in equal monthly installments including principal and 3.30% initial interest, adjusting every 5 years based on the New York Prime Rate as published by the Wall Street Journal. The balance of the loan as of December 31, 2015 is $613,490. The note matures in August 2027.

NOTE 10 - DEBT OBLIGATIONS (Continued)

Choices, Inc.
Choices, Inc. entered into seven notes payable with Liberty Federal Savings Bank. The notes were issued at a 5.50% interest rate and have an outstanding balance of $194,745 at June 30, 2015.

Choice, Inc. entered into a note payable with the Ironton & Lawrence County CAO. The note was issued at a 0% interest rated and had an outstanding balance of $19,193 at June 30, 2015.

Choices, Inc. maintains a line of credit at an interest rate of 5.50% with a local banking institution. The line of credit had a balance of $0 at June 30, 2015.

Lawrence County Transportation Improvement District
In 2015, the County provided an interest-free loan to the District in the amount of $500,000 in anticipation of grant revenue. This amount is to be paid back in full in 2016 when the District is reimbursed by the grantor agency.

NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS

Adams, Lawrence, Scioto Alcohol, Drug Addiction, and Mental Health Services (ADAMH) Board

The ADAMH Board is responsible for the delivery of comprehensive mental health and substance abuse services in Adams, Lawrence, and Scioto Counties. The Board provides no direct services but contracts for their delivery. The Board's function is to assess needs, and to plan, monitor, fund, and evaluate the services provided. The Board is managed by eighteen members, two appointed by the Commissioners of Adams County; three by the Commissioners of Lawrence County; five by the Commissioners of Scioto County; four by the Ohio Department of Alcohol and Drug Addiction Services; and four by the Ohio Department of Mental Health.

Each participating county's influence is limited to the number of members each appoints to the Board. The Board exercises total control of the budgeting, appropriation, contracting, and management. Revenues are provided by state and federal grants awarded to the multi-county board. Continued existence of the Board is not dependent on the County's continued participation, no debt exists, and the County does not have an equity interest in the Board.

Private Industry Council (PIC)

The PIC is a jointly governed organization consisting of representatives from the private and public sectors of Athens, Gallia, Hocking, Lawrence, Meigs, Perry, and Vinton Counties appointed by the County Commissioners from each county. The advisory council is the Governing Board of the PIC. The Board sets policies for the private industry council. State grants are received from the Ohio Department of Job and Family Services in the name of the Ironton-Lawrence County Community Action Organization, which acts as the council's administrative agent. The grants are disbursed among the participating counties based on population. The County does not have any financial interest or responsibility. No contributions were provided to the Board by Lawrence County during 2015.

Ironton-Lawrence County Community Action Organization (CAO)

The CAO is an IRS 501(c)(3) non-profit organization established to plan, develop, and coordinate programs and services designed to combat problems of poverty and seek the elimination of the conditions of poverty that affect the residents of Lawrence County. The CAO administers Community Development and Litter Control Block Grants for Lawrence County as well as similar grants for the City of Ironton. The CAO Board is comprised of public officials from the County, municipalities, villages, and townships within the County. Other members are representatives of the poor in the area served and officials or members of the private sector of the community. The CAO controls its own operations and budget. In 2015, the County paid the CAO $102,604 for various services which include: provision of workforce investment act services, residential development services, the planning commission, and floodplain management.

NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

The KYOVA Interstate Planning Commission

The KYOVA Interstate Planning Commission was established by joint resolution adopted by the State of West Virginia and Ohio. The objectives and policies of the Commission are prescribed in the West Virginia State Code, Chapter 8, Article 4C-4 and the Ohio Revised Code, Section 713.30 et seq. Membership is comprised of elected or appointed county and municipal officials or their officially appointed designees as determined by the three county governing bodies of Cabell and Wayne Counties, West Virginia, and Lawrence County, Ohio, and by the governing bodies of the cities of Huntington, West Virginia, and Ironton, Ohio. The Commission is not dependent upon Lawrence County for its continued existence. In 2015, the County made $17,962 in contributions to the Commission.

Ohio Valley Regional Development Commission

The Ohio Valley Regional Development Commission is a jointly governed organization that serves a twelve county economic development planning district in southern Ohio.

The Commission was formed to influence favorably the future economic, physical and social development of Adams, Brown, Clermont, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton Counties. Membership is comprised of elected and appointed county, municipal and township officials or their officially appointed designees, as well as members of the private sector, community action agencies and regional planning commissions. The Commission is not dependent upon Lawrence County for its existence. In 2015, the County made $11,170 in contributions to the Commission.

NOTE 12 - PUBLIC ENTITY SHARED RISK POOLS

Buckeye Joint-County Self-Insurance Council

The Buckeye Joint-County Self-Insurance Council is a public entity shared risk pool that serves Athens, Hocking, Jackson, Lawrence, Meigs, Monroe, Morgan, Noble, Perry, Pike, Vinton, and Washington Counties. The Council was formed as an Ohio non-profit corporation for the purpose of establishing a shared risk pool to provide general liability, law enforcement, professional, and fleet insurance. Member counties provide operating resources to the Council based on actuarially determined rates. The degree of control exercised by any participating government is limited to its representation on the Board. The Governing Board is composed of at least one County Commissioner from each of the participating counties. The Governing Board annually elects officers which include a President, Vice President, Second Vice President and two Governing Board Members. The expenditures and investment of funds by the officers must be approved by the Governing Board unless specific limits have been set by the Governing Board to permit otherwise.

NOTE 12 - PUBLIC ENTITY SHARED RISK POOLS (Continued)

Lawrence County does not have any ongoing financial interest or responsibility. The agreement between the County and the Council indicates that a voluntary withdrawal or termination by the County shall constitute a forfeiture of any pro rata share of the Council reserve fund. In the event of the termination of the Council, current members shall be paid in an amount they have contributed to the Council as of the last month of the Council's existence. Current calculation of the potential residual interest is therefore not possible. During 2015, Lawrence County paid $379,916 to the Council for basic insurance coverage and claims.

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year and each elected member shall be a County Commissioner.

NOTE 13 - JOINT VENTURE

The Scioto-Lawrence Counties Joint Solid Waste District

The Scioto-Lawrence Counties Joint Solid Waste District is jointly operated by Scioto and Lawrence Counties for the purpose of making disposal of waste in the two-county area more comprehensive in terms of recycling, incinerating and landfill. The Board of Directors consists of nine members, including one County Commissioner from each County.

Lawrence County contributed $262,083 to the District during 2015. The Joint Venture was funded by Special Assessment monies collected. Continued existence of the District is dependent upon the County's continued participation; however, the County does not have an equity interest in the District. The District is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County.

NOTE 14 - RELATED ORGANIZATION

Briggs-Lawrence County Public Library

The Briggs-Lawrence County Public Library is statutorily created as a separate and distinct political subdivision of the State. The Library is governed by a six member Board of Trustees appointed by the Judge of the Court of Common Pleas. While the County Budget Commission approves the budget and any tax levies the Library desires to place on the ballot, these are ministerial functions. The Trustees adopt their own appropriations, hire and fire their own staff, authorize the Library expenditures and do not rely on the County to finance deficits.

NOTE 15 - CONTINGENT LIABILITIES

A. Primary Government

The County received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the County at December 31, 2015, if applicable, cannot be determined at this time, except as disclosed in the following paragraph.

A finding for recovery against the Temporary Assistance for Needy Family Federal Program in the amount of $380,080 was identified by the Ohio Department of Job and Family Services (ODJFS) as a result of a special audit performed by ODJFS. ODJFS approved a repayment plan with annual payments of $78,000 beginning in 2016.

B. Component Units

Currently, there is no pending litigation against Tri-State Industries, Inc., Choices, Inc., the Lawrence County Port Authority, or the Lawrence County Transportation Improvement District.

NOTE 16 - RELATED PARTY TRANSACTIONS

Tri-State Industries, Inc., a component unit of Lawrence County, received contributions from the County DD. In Tri-State Industries, Inc.'s fiscal year 2015, these contributions were $811,989.

The Lawrence County Transportation Improvement District, a component unit of Lawrence County, received an interest free loan from the County in the amount of $500,000 in anticipation of grant revenue.

NOTE 17 - INTERFUND ACTIVITY

Transfers

Funds	Transfers In	Transfers Out
General Fund - Major	$23,963	$3,504,206
Motor Vehicle Gasoline Tax Fund - Major	-	310,265
Other Non-Major Governmental Funds	4,117,205	316,700
Total Governmental Funds	4,141,168	4,131,171
Union Rome Enterprise Fund	-	9,997
Grand Total	$4,141,168	$4,141,168

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Transfers into the General Fund were for court-ordered transfers from the County Court Improvement, Common Pleas and Delinquent Taxes Funds. Transfers from the Motor Vehicle Gasoline Tax Fund and other governmental funds to other governmental funds were for debt service and capital improvement projects. Transfer from the Union Rome Enterprise fund was for debt service. All transfers were done in accordance with the Ohio Revised Code.

NOTE 18 - COMPLIANCE

The Ohio Administrative Code Section 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. Contrary to this requirement, the County elects to prepare its annual financial report in accordance with the cash basis of accounting.

NOTE 19 – SIGNIFICANT COMMITMENTS

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end, the amount of significant encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Major Funds:	
General	$135,659
Board of Developmental Disabilities	66,506
Job and Family Services	163,591
Motor Vehicle Gasoline Tax	252,721
Union Rome Sewer	32,266
Total Major Funds	650,743
Non-Major Funds:	
Real Estate Assessment Fund	$173,138
EMS Capital Improvement	233,576
Cruisers Capital Improvements	51,000
IT Fund	400,000
Chesapeake / Proctorville Access	124,759
Total Non-Major Funds	982,473
Total	$1,633,216

NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF BALANCES

For 2015, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No.27” and GASB Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.”

Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI).

Statement No. 71 amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

The implementation of these statements did not have any impact on the beginning net position of the County as they are reporting on the cash basis of accounting.

Errors were identified in previously report balance for Tri-State Industries. The correction of the errors resulted in the restatement of beginning net assets from $5,916 to $15,298 as of June 30, 2014.

NOTE 21 – FUND BALANCES

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

Fund Balances	General	Board of Developmental Disabilities	Job and Family Services	Motor Vehicle Gasoline Tax	All Other Governmental Funds	Total Governmental Funds
Nonspendable						
Unclaimed Monies	$ 195,593	$ -	$ -	$ -	$ -	$ 195,593
Restricted for						
Developmental Disabilities	-	5,506,491	-	-	-	5,506,491
Job and Family Services	-	-	439,764	-	-	439,764
Motor Vehicle and Gas Tax	-	-	-	2,170,458	-	2,170,458
Real Estate Assessment	-	-	-	-	462,614	462,614
Court Development	-	-	-	-	375,828	375,828
Care and Custody	-	-	-	-	258,426	258,426
Probate and Juvenile Court	-	-	-	-	356,502	356,502
Family Resources	-	-	-	-	54,833	54,833
Auditor IT	-	-	-	-	406,890	406,890
Child Support	-	-	-	-	583,555	583,555
GIS	-	-	-	-	77,779	77,779
Indigent Drivers	-	-	-	-	146,783	146,783
Common Pleas Court	-	-	-	-	231,891	231,891
EMS Capital Improvement	-	-	-	-	457,903	457,903
EMS					318,270	318,270
Debt Service	-	-	-	-	69,560	69,560
Capital Projects	-	-	-	-	606,334	606,334
Other Purposes	-	-	-	-	2,110,231	2,110,231
Total Restricted	-	5,506,491	439,764	2,170,458	6,517,399	14,634,112
Assigned to						
Future Year's Appropriations	1,677,466					1,677,466
Other Purposes	605,504	-	-	-	-	605,504
Total Assigned	2,282,970	-	-	-	-	2,282,970
Unassigned	1,087,182	-	-	-	-	1,087,182
Total Fund Balances	$ 3,565,745	$ 5,506,491	$ 439,764	$ 2,170,458	$ 6,517,399	$ 18,199,857

NOTE 22 – SUBSEQUENT EVENT NOTE

On September 15, 2016, the County approved a General Obligation Note through the County Treasurer Neighborhood Investment Program in the amount of $200,000 for County Auditor equipment. The note was issued at a rate of 2.25% and matures in 2021.

In July of 2016, the Lawrence County Transportation Improvement District repaid the $500,000 loan from the County in full.

In March of 2016, the Lawrence County Port Authority authorized the issuance and sale of revenue bonds in an amount not to exceed $8,500,000 for the purpose of developing certain Port Authority facilities. In April of 2016, the Port Authority entered in a lease agreement with Precision Paint Systems, LLC for the use of the aforementioned facilities.

Lawrence County
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2015

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity's Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
United States Department of Agriculture				
Passed Through Ohio Department of Education:				
Nutrition Cluster:				
School Breakfast Program	3L70	10.553	$10,789	$0
National School Lunch Program	3L60	10.555	18,527	2,047
Total Nutrition Cluster			29,316	2,047
Passed Through Ohio Department of Job and Family Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-1617-11-5534	10.561	345,755	0
Total United States Department of Agriculture			**375,071**	**2,047**
United States Department of Housing and Urban Development				
Passed Through Ohio Development Services Agency:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-F-13-1BN-1	14.228	74,988	0
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-F-14-1BN-1	14.228	96,943	0
Total United States Department of Housing and Urban Development			**171,931**	**0**
United States Department of Justice				
Passed through the State of Ohio Office of Criminal Justice Services:				
Crime Victim Assistance:				
Crime Victim Assistance	2015VAGENE051	16.575	53,453	0
Crime Victim Assistance	2016VAGENE051	16.575	20,984	0
Total Crime Victim Assistance			74,437	
Edward Byrne Memorial Justice Assistance Grant Program:				
Drug/Major Crimes Task Force	2014-JG-A01-6284	16.738	31,500	0
Total United States Department of Justice			**105,937**	**0**
United States Department of Transportation				
Passed Through Ohio Department of Transportation:				
Highway Planning and Construction	PID #95952	20.205	369,521	0
Total United States Department of Transportation			**369,521**	**0**
United States Department of Education				
Passed Through Ohio Department of Education:				
Special Education Cluster:				
Special Education_Grants to States	3M20	84.027	64,531	0
Special Education_Preschool Grants	3C50	84.173	63,805	0
Total Special Education Cluster			128,336	0
Passed Through Ohio Department of Health:				
Speical Education - Grants for Infants and Families	G-1617-11-5534	84.181	77,477	0
Total United States Department of Education			**205,813**	**0**

(continued)

Lawrence County
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2015

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity's Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
United States Department of Health and Human Services				
Passed Through Ohio Department of Developmental Disabilities:				
Social Services Block Grant	N/A	93.667	$34,501	$0
Medical Assistance Program				
Targeted Case Management - MAC Payments	N/A	93.778	64,708	0
Total Medical Assistance Program			64,708	0
Passed Through Ohio Department of Job and Family Services:				
Temporary Assistance for Needy Families	G-1617-11-5534	93.558	2,236,874	0
Promoting Safe and Stable Families	G-1617-11-5534	93.556	8,315	0
Child Support Enforcement	G-1617-11-5534	93.563	724,492	0
Adoption Assistance	G-1617-11-5534	93.659	450	0
Social Services Block Grant	G-1617-11-5534	93.667	1,006,903	0
Chafee Foster Care Independence Program	G-1617-11-5534	93.674	7,360	0
Medical Assistance Program	G-1617-11-5534	93.778	795,053	0
Foster Care_Title IV-E	G-1617-11-5534	93.658	385,993	0
Child Care and Development Block Grant	G-1617-11-5534	93.575	120,581	0
Total United States Department of Health and Human Services			**5,385,230**	**0**
United States Department of Homeland Security				
Passed Through Ohio Emergency Management Agency:				
Emergency Management Performance Grants	N/A	97.042	17,157	0
Total United States Department of Homeland Security			**17,157**	**0**
Total Federal Awards Expenditures			**$6,630,660**	**$2,047**

N/A - pass-through entity number not available.

See the accompanying notes to the schedule of federal awards expenditures.

Note A – Significant Accounting Policies

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of Lawrence County (the County's) under programs of federal government for the year ended December 31, 2015. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note B – Basis of Accounting

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, where in certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C – Community Development Block Grant (CDBG) Programs Without Continuing Compliance Requirements

The County has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low-to-moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the County, passed through the Ohio Development Services Agency. During 2015, no loans were made or administrative costs incurred. There were no loans outstanding at December 31, 2015. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

Note D – Matching Requirements

Certain Federal programs require that the County contribute non-federal funds (matching funds) to support the Federally-funded programs. The County has complied with applicable matching requirements. The expenditure of non-federal matching funds is not included in the schedule.

Note E – Food Donation

The County reports commodities consumed on the Schedule at the fair market value. The County allocated donated food commodities to the respective program(s) that benefited from the use of those donated food commodities.

Note F – Child Nutrition Cluster

The County commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the County assumes it expends federal monies first.

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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 Commissioners
Lawrence County
111 South Fourth 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Lawrence County, Ohio (the County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 23, 2016 wherein we noted the County followed the cash basis of accounting rather than accounting principles generally accepted in the United States of America. We also noted that the County adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27." Our report includes a reference to another auditor who audited the financial statements of the Lawrence County Port Authority as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that is reported on separately by the auditor. The financial statements of Tri-State Industries and Choices, Inc. were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Tri-State Industries or Choices, Inc.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness as item 2015-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-001.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on them.

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 result 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.

Natalie Millhuff-Stang

Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

September 23, 2016

Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Board of Commissioners
Lawrence County
111 South Fourth Street
Ironton, Ohio 45638

Report on Compliance for Each Major Federal Program

We have audited Lawrence County's, Ohio (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The County's basic financial statements include the operations of the Lawrence County Port Authority, a discretely presented component unit, which expended $779,681 in federal awards which is not included in the County's schedule for the year ended December 31, 2015. Our audit, described below, did not include the operations of the Lawrence County Port Authority because the component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

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

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

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

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

Natalie Millhuff-Stang

Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

September 23, 2016

Section I – Summary of Auditor's Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified (Cash Basis)
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	Yes
Federal Awards	
Internal control over major program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major program(s):	Temporary Assistance for Needy Families (CFDA #93.558); Medical Assistance Program (CFDA #93.778); Social Services Block Grant (CFDA #93.667)
Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2015-001 – Noncompliance – Financial Reporting

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 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

Ohio Administrative Code 117-2-03 (B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP). However, the County prepared its financial statements in accordance with the cash basis of accounting. The accompanying financial statements and notes omit material assets, liabilities, fund equities, and disclosures. Pursuant to Ohio Revised Code Section 117.38, the County is subject to fines and various other administrative remedies. The County should consider filing on a GAAP basis in order to comply with state regulations.

Client Response:
After doing a cost benefit analysis, it has been determined that there is no true benefit for the County to incur the costs to prepare (and have audited) its financial statements on the GAAP basis. The County would rather use that money for the benefit of public safety and keep Sheriff's deputies on the road.

Finding 2015-002 – Material Weakness – Internal Controls Over Financial Reporting

A monitoring system by the County should be in place to prevent or detect misstatements for the fair presentation of the County's financial statements. During the course of testing, we identified various misclassifications of transactions, including misclassifications of cash, receipts, expenditures, and net position. We also noted a misstatement of segregated cash balances for agency funds. All identified errors were related to the year-end compilation of the annual financial report and were not the result of errors within the County's accounting system. Some misclassifications and misstatements were corrected in order to fairly present the financial statements. Other misclassifications were deemed immaterial and correction was waived. The County should implement additional monitoring procedures to ensure financial statements are properly presented.

Client Response:
We will continue to monitor the compiling of our financial statements to ensure proper classifications of revenues and expenses.

Section III – Federal Award Findings and Questioned Costs

None.

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
Finding 2014-001	Noncompliance with ORC Section 117.38/OAC Section 117-2-03(B) – Failure to Report on Required Accounting Basis	No	Reissued as Finding 2015-001
Finding 2014-002	Noncompliance/Material Weakness – Cash Management – CDBG	Yes	
Finding 2014-003	Noncompliance/Material Weakness –Activities Allowed and Unallowed – TANF and Medical Assistance	No	Reissued in management letter
Finding 2014-004	Noncompliance/Material Weakness – Suspension and Debarment – Airport	N/A	Finding No Longer Valid – No Expenditures in 2015
Finding 2014-005	Noncompliance/Material Weakness/Questioned Costs – Period of Availability – CDBG	Yes	
Finding 2014-006	Noncompliance/Material Weakness – Cash Management – CDBG	Yes	

LAWRENCE 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
NOVEMBER 29, 2016

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