LAWRENCE COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2022

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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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 Julian & Grube, Inc., for the audit period January 1, 2022 through December 31, 2022. 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.

Keith Faber
Auditor of State
Columbus, Ohio

June 11, 2024

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LAWRENCE COUNTY
LAWRENCE COUNTY, OHIO

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Independent Auditor's Report

Lawrence County
111 South Fourth Street
Ironton, Ohio 45638

To the Members of the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash-basis financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, as of December 31, 2022, and the respective changes in cash-basis financial position, thereof and the respective budgetary comparison for the General Fund, Board of Developmental Disabilities Fund, American Rescue Plan Act Fund, Job and Family Services Fund, and the Motor Vehicle Gasoline Tax Fund for the year then ended in accordance with the modified cash basis of accounting described in Note 2.

We did not audit the financial statements of the Lawrence Count Port Authority, which represent 47.75 percent, 47.75 percent, and 70.37 percent, respectively, of the assets, net position, and receipts of the discretely presented component units as of December 31, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lawrence County Port Authority, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

Ohio Administrative Code § 117-2-03(B) requires Lawrence 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 of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lawrence County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lawrence County's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the *management's discussion and analysis* but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2024 on our consideration of Lawrence County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lawrence County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lawrence County's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
May 30, 2024

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, 2022 within the limitations of the County's cash basis of accounting. Please read this in conjunction with the County's basic financial statements and notes to the basic financial statements.

Financial Highlights

Key financial highlights for 2022 are as follows:

Overall (Primary Government):

- Total net position increased $4,599,042 with governmental activities increasing by $5,479,715 and business-type activities decreasing by $880,673.
- Total cash receipts were $64,661,849 in 2022.
- Total program cash disbursements were $60,062,807 in 2022.

Governmental Activities:

- Total program cash receipts were $37,008,762 in 2022, while program cash disbursements were $56,104,346.
- Program cash disbursements were primarily composed of legislative and executive, judicial, public safety, public works, health, human services, and capital outlay, which were $7,387,682, $3,981,016, $9,505,113, $6,628,140, $11,070,501, $9,710,302, and $5,742,717, respectively, in 2022.

Business-Type Activities:

- Total program cash receipts were $3,064,841 for business-type activities, while corresponding program cash disbursements were $3,958,461.

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 board of developmental disabilities fund, the American rescue plan act fund, the job and family services fund, the motor vehicle gasoline tax fund, and the capital projects fund are the most significant governmental funds and have been presented as major governmental funds. The union-rome sewer fund is also considered a major enterprise 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 three 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: the Lawrence County Land Reutilization Corporation, 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 2022?" 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, other, capital outlay, intergovernmental, 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 the Lawrence County Land Reutilization Corporation, 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 three entities.

Reporting the County's Most Significant Funds

Fund Financial Statements

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 American rescue plan act fund, the job and family services fund, the motor vehicle gasoline tax fund and the capital projects 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 2022 compared to the prior year:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Equity in Pooled Cash and Cash Equivalents	$50,264,708	$44,790,622	$687,247	$1,554,553	$50,951,955	$46,345,175
Cash and Cash Equivalents In Segregated Accounts	212,901	207,272	221,871	235,238	434,772	442,510
Total Assets	50,477,609	44,997,894	909,118	1,789,791	51,386,727	46,787,685
Net Position						
Restricted	40,389,671	36,674,056	0	0	40,389,671	36,674,056
Unrestricted	10,087,938	8,323,838	909,118	1,789,791	10,997,056	10,113,629
Total Net Position	$50,477,609	$44,997,894	$909,118	$1,789,791	$51,386,727	$46,787,685

Total assets and net position increased by $4,599,042 from 2021 to 2022, which will be further discussed below.

Table 2 shows the changes in net position for 2022 and 2021.

Table 2
Net Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Receipts						
Program Cash Receipts						
Charges for Services and Sales	$10,204,663	$9,891,094	$3,064,841	$2,997,226	$13,269,504	$12,888,320
Operating Grants, Contributions, and Interest	24,674,724	23,950,452	0	0	24,674,724	23,950,452
Capital Grants, Contributions, and Interest	2,129,375	1,748,269	0	0	2,129,375	1,748,269
Total Program Cash Receipts	37,008,762	35,589,815	3,064,841	2,997,226	40,073,603	38,587,041
General Cash Receipts						
Property Taxes	10,240,839	9,612,555	0	0	10,240,839	9,612,555
Sales Taxes	11,300,647	10,894,239	0	0	11,300,647	10,894,239
Other Local Taxes	287,548	306,537	0	0	287,548	306,537
Payments in Lieu Taxes	126,867	6,247	0	0	126,867	6,247
Unrestricted Grants and Entitlements	1,945,637	1,886,572	0	0	1,945,637	1,886,572
Proceeds from Sale of Assets	8,978	13,470	0	0	8,978	13,470
Interest	402,488	453,716	0	0	402,488	453,716
Other	262,295	1,627,306	12,947	26,332	275,242	1,653,638
Total General Cash Receipts	24,575,299	24,800,642	12,947	26,332	24,588,246	24,826,974
Total Cash Receipts	61,584,061	60,390,457	3,077,788	3,023,558	64,661,849	63,414,015
Cash Disbursements						
Program Cash Disbursements						
General Government						
Legislative and Executive	7,387,682	6,689,233	0	0	7,387,682	6,689,233
Judicial	3,981,016	3,848,482	0	0	3,981,016	3,848,482
Public Safety	9,505,113	9,188,871	0	0	9,505,113	9,188,871
Public Works	6,628,140	5,058,376	0	0	6,628,140	5,058,376
Health	11,070,501	9,791,762	0	0	11,070,501	9,791,762
Human Services	9,710,302	9,175,277	0	0	9,710,302	9,175,277
Conservation and Recreation	0	10,000	0	0	0	10,000
Comm. and Econ. Development	515,879	406,858	0	0	515,879	406,858
Other	420,308	100,750	0	0	420,308	100,750
Capital Outlay	5,742,717	3,707,688	0	0	5,742,717	3,707,688
Intergovernmental	503,949	716,168	0	0	503,949	716,168
Loan of Ag Society	0	50,000		0	0	50,000
Debt Service:						
Principal Retirement	426,352	363,625	0	0	426,352	363,625
Interest and Fiscal Charges	212,387	227,176	0	0	212,387	227,176
Wastewater Treatment	0	0	3,958,461	3,510,633	3,958,461	3,510,633
Total Cash Disbursements	56,104,346	49,334,266	3,958,461	3,510,633	60,062,807	52,844,899

Table 2
Net Change in Net Position
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Change in Net Position	$5,479,715	$11,056,191	($880,673)	($487,075)	$4,599,042	$10,569,116
Net Position at Beginning of Year	44,997,894	33,941,703	1,789,791	2,276,866	46,787,685	36,218,569
Net Position at End of Year	$50,477,609	$44,997,894	$909,118	$1,789,791	$51,386,727	$46,787,685

Governmental Activities The increase in operating grants, contributions, and interest is primarily due to the receipt of $240,000 for Local Assistance and Tribal Consistency (LATCF), $46,000 for One Ohio Opioid, $136,000 for Board of Elections Special Election, and $250,000 for a community development block grant. Sales taxes increased between years due to a significant increase in local spending. Miscellaneous receipts decreased due to workers' compensation rebates reported as revenue for the prior year. Property taxes and sales taxes made up 17 percent and 18 percent, respectively, of cash receipts for governmental activities for Lawrence County in 2022. Operating grants, contributions, and interest and charges for services and sales made up 40 percent and 17 percent, respectively, of cash receipts for governmental activities for the County.

Legislative and executive and human services disbursements increased due to increases in ARPA monies spent during the current year. Public safety disbursements increased due to increases in costs for the EMS department and the Sheriff's office. Public works disbursements increased due to an increase in funds spent on repairs in the Motor Vehicle Gasoline Tax fund. Health disbursements increased due to an increase in costs for the department of developmental disabilities. Capital outlay increased due to money spent for the Proctorville senior center, EMS ambulances, real estate improvements, and county roads.

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, contributions, and interest; for all governmental activities, general cash receipts support is 36 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 and Net Cost of Program Services
Governmental Activities

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General Government				
Legislative and Executive	$7,387,682	$2,798,167	$6,689,233	($1,083,068)
Judicial	3,981,016	1,703,778	3,848,482	2,230,013
Public Safety	9,505,113	4,653,036	9,188,871	6,303,184
Public Works	6,628,140	50,026	5,058,376	(889,750)
Health	11,070,501	4,805,158	9,791,762	3,497,960
Human Services	9,710,302	269,137	9,175,277	343,797
Conservation and Recreation	0	0	10,000	10,000
Community and Economic Development	515,879	260,075	406,858	150,113
Other	420,308	209,699	100,750	82,704
Capital Outlay	5,742,717	3,247,730	3,707,688	1,782,079
Intergovernmental	503,949	503,949	716,168	716,168
Loan of Ag Society	0	0	50,000	50,000
Debt Service:				
Principal Retirement	426,352	417,352	363,625	355,025
Interest and Fiscal Charges	212,387	177,477	227,176	196,226
Total Cash Disbursements	$56,104,346	$19,095,584	$49,334,266	$13,744,451

Table 4
Total Cost of Program Services
Business-Type Activities

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Wastewater Treatment	$3,958,461	$893,620	$3,510,633	$513,407
Total Cash Disbursements	$3,958,461	$893,620	$3,510,633	$513,407

Business-Type Activities Business-type activities include wastewater treatment services. Overall net position decreased $880,673 from 2021 to 2022. Program receipts were less than program disbursements for the wastewater treatment segment in the amount of $893,620 primarily because of capital outlay related to the sewer system improvements project and debt service payments.

The County's Funds

The County's funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of $73,281,663 and cash disbursements and other financing uses of $67,801,948. The net change in fund balance for the year was most significant in the capital projects fund, where the cash balance went from $1,464,388 to $6,411,721. This increase is due primarily to unspent transfers on hand at year-end to be used for roofing projects, HVAC at the job and family services building and other projects.

The general fund balance increased $1,471,053 due primarily to an increase in sales tax receipts. The fund balance of the board of developmental disabilities fund increased $241,237 as receipts exceeded disbursements. The fund balance in the American rescue plan act fund decreased $3,746,129 as grant monies received in the prior year were spent during the current year as was the significant portion of grant funds received in the current year. The fund balance of the job and family services fund decreased $80,952, due to an increase in operating costs. The fund balance of the motor vehicle gasoline tax fund decreased $1,201,830, due to an increase in operating costs in addition to a $1,000,000 transfer out for county road improvements.

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 $21,265,278, which is over original budgeted receipts of $17,750,602 by $3,514,676. These increases were primarily the result of an increase in expected property and sales taxes as well as transfers in. Total actual receipts and other financing sources were $21,293,258 which above final budgeted amounts by $27,950. This increase is due to more interest receipts received than anticipated, which was offset by less monies received for charges for services. Total actual disbursements and other financing uses on the budget basis (cash outlays plus encumbrances) were $21,400,764. Original budgeted appropriations and other financing uses were $20,708,556, while final budgeted amounts were $21,400,764. Overall, total actual disbursements and other financing uses did not differ from the final budget. However, actual disbursements for judicial, public safety and actual transfers out were significantly higher than originally budgeted. Disbursements were lower than expected due to conservative budgeting by the County. Transfers out increased significantly from the original budget due to transfers for capital obligations and for transfers to budget stabilization funds.

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 $5,742,717 and $105,548 for its governmental activities and its business-type activities, respectively, during 2022.

Debt

Under the cash basis of accounting, the County does not report bonds, financed purchases, or long-term loans 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, and long-term notes. At December 31, 2022, the County had $5,369,744 outstanding in bonds and other long-term debt for governmental activities and $18,613,496 outstanding in bonds and other 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 2022 and 2021:

Table 5
Outstanding Debt at December 31
Governmental Activities

	2022	2021
General Obligation Bonds	$5,126,400	$5,483,200
Financed Purchase	243,344	312,896
Totals	$5,369,744	$5,796,096

Table 6 summarizes bonds and long-term debt outstanding for business-type activities for 2022 and 2021:

Table 6
Outstanding Debt at December 31
Business-Type Activities

	2022	2021
OWDA Loans	$17,139,246	$18,552,769
OPWC Loans	206,250	233,750
Sewer Bonds	1,268,000	1,406,000
Totals	$18,613,496	$20,192,519

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 Paul D. Knipp, County Auditor at Lawrence County, 111 South Fourth Street, Ironton, Ohio 45638.

Lawrence County
Statement of Net Position - Cash Basis
As of December 31, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$50,264,708	$687,247	$50,951,955
Cash and Cash Equivalents in Segregated Accounts	212,901	221,871	434,772
Total Assets	50,477,609	909,118	51,386,727
Net Position			
Restricted for:			
Developmental Disabilities	6,895,681	0	6,895,681
American Rescue Plan Act	1,248,976	0	1,248,976
Job and Family Services	223,178	0	223,178
Motor Vehicle Gasoline Tax	5,493,691	0	5,493,691
Court Development	293,719	0	293,719
Indigent Drivers	176,987	0	176,987
Juvenile and Probate Special Projects	115,580	0	115,580
Juvenile Probation Tech Grant	199,650	0	199,650
Concealed Handgun Law	126,327	0	126,327
Common Pleas Court In-House Mediation	265,494	0	265,494
County Court Computerization	289,137	0	289,137
Clerk of Courts Computerization	97,577	0	97,577
Electronic Monitoring	117,315	0	117,315
Juvenile Court IV-D Contract	160,963	0	160,963
Recorder Special Projects	368,910	0	368,910
Supervisory Fees	140,324	0	140,324
T Cap	526,619	0	526,619
Common Pleas Re-entry Court	78,953	0	78,953
Probate and Juvenile Court	241,208	0	241,208
Court Technology Grants	348,324	0	348,324
LATCF	240,912	0	240,912
Juvenile Court IV-E	152,264	0	152,264
Real Estate Assessment	630,304	0	630,304
Detention Home	179,713	0	179,713
Group Home Community Service	100,447	0	100,447
Care and Custody	214,076	0	214,076
Children Services	804,598	0	804,598
Child Support	1,846,466	0	1,846,466
EMS	4,561,752	0	4,561,752
Tax Credit Administration	178,753	0	178,753
Prosecutor	130,613	0	130,613
Unclaimed Monies	431,779	0	431,779
Debt Service	101,455	0	101,455
Capital Outlay	11,844,010	0	11,844,010
Other Purposes	1,563,916	0	1,563,916
Unrestricted	10,087,938	909,118	10,997,056
Total Net Position	$50,477,609	$909,118	$51,386,727

See accompanying notes to the basic financial statements.

Component Units		
Lawrence County Land Reutilization Corporation	Lawrence County Port Authority	Lawrence County Transportation Improvement District
$0	$0	$14,162
440,197	415,173	0
440,197	415,173	14,162
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
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0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
440,197	415,173	14,162
$440,197	$415,173	$14,162

Lawrence County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2022

		Program Receipts		
	Disbursements	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental Activities				
General Government:				
Legislative and Executive	$7,387,682	$2,611,886	$1,977,629	$0
Judicial	3,981,016	1,057,212	1,213,862	6,164
Public Safety	9,505,113	1,431,561	3,420,516	0
Public Works	6,628,140	51,654	6,526,460	0
Health	11,070,501	3,683,488	2,581,855	0
Human Services	9,710,302	916,960	8,524,205	0
Community and Economic Development	515,879	0	255,804	0
Other	420,308	41,716	168,893	0
Capital Outlay	5,742,717	366,276	5,500	2,123,211
Intergovernmental	503,949	0	0	0
Debt Service:				
Principal	426,352	9,000	0	0
Interest on Long-Term Debt	212,387	34,910	0	0
Total Governmental Activities	56,104,346	10,204,663	24,674,724	2,129,375
Business-Type Activities				
Wastewater Treatment	3,958,461	3,064,841	0	0
Total Business-Type Activities	3,958,461	3,064,841	0	0
Total Primary Government	$60,062,807	$13,269,504	$24,674,724	$2,129,375
Component Units				
Lawrence County Land Reutilization Corporation	$786,638	$325,262	$210,858	$0
Lawrence County Port Authority	2,012,761	194,228	952,571	0
Lawrence County Transportation Improvement District	2,145	0	0	0
Total Component Units	$2,801,544	$519,490	$1,163,429	$0

General Receipts
Property Taxes Levied for:
General Purposes
Board of Developmental Disabilities
Emergency Medical Services
Emergency Medical Services Capital Purposes
Sales Taxes Levied for General Purposes
Other Local Taxes
Payments in Lieu of Taxes
Grants and Entitlements not Restricted to Specific Programs
Interest
Miscellaneous
Notes Issued
Proceeds from Sale of Assets
Total General Receipts

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Disbursements) Receipts and Changes in Net Position					
			Component Units		
Primary Government					
Governmental Activities	Business-Type Activities	Total	Lawrence County Land Reutilization Corporation	Lawrence County Port Authority	Lawrence County Transportation Improvement District
($2,798,167)	$0	($2,798,167)	$0	$0	$0
(1,703,778)	0	(1,703,778)	0	0	0
(4,653,036)	0	(4,653,036)	0	0	0
(50,026)	0	(50,026)	0	0	0
(4,805,158)	0	(4,805,158)	0	0	0
(269,137)	0	(269,137)	0	0	0
(260,075)	0	(260,075)	0	0	0
(209,699)	0	(209,699)	0	0	0
(3,247,730)	0	(3,247,730)	0	0	0
(503,949)	0	(503,949)	0	0	0
(417,352)	0	(417,352)	0	0	0
(177,477)	0	(177,477)	0	0	0
(19,095,584)	0	(19,095,584)	0	0	0
0	(893,620)	(893,620)	0	0	0
0	(893,620)	(893,620)	0	0	0
(19,095,584)	(893,620)	(19,989,204)	0	0	0
			(250,518)	0	0
			0	(865,962)	0
			0	0	(2,145)
			(250,518)	(865,962)	(2,145)
4,388,397	0	4,388,397	0	0	0
2,935,203	0	2,935,203	0	0	0
2,480,066	0	2,480,066	0	0	0
437,173	0	437,173	0	0	0
11,300,647	0	11,300,647	0	0	0
287,548	0	287,548	0	0	0
126,867	0	126,867	0	0	0
1,945,637	0	1,945,637	216,958	0	0
402,488	0	402,488	0	193,700	0
262,295	12,947	275,242	28	0	0
0	0	0	0	250,000	0
8,978	0	8,978	0	198,700	0
24,575,299	12,947	24,588,246	216,986	642,400	0
5,479,715	(880,673)	4,599,042	(33,532)	(223,562)	(2,145)
44,997,894	1,789,791	46,787,685	473,729	638,735	16,307
$50,477,609	$909,118	$51,386,727	$440,197	$415,173	$14,162

Lawrence County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
As of December 31, 2022

	General	Board of Developmental Disabilities	American Rescue Plan Act	Job and Family Services	Motor Vehicle Gasoline Tax	Capital Projects	All Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	$9,372,099	$6,895,681	$1,248,976	$223,178	$5,493,064	$6,411,721	$20,188,210	$49,832,929
Cash and Cash Equivalents in Segregated Accounts	57,414	0	0	0	627	0	154,860	212,901
Restricted Cash and Cash Equivalents	431,779	0	0	0	0	0	0	431,779
Total Assets	$9,861,292	$6,895,681	$1,248,976	$223,178	$5,493,691	$6,411,721	$20,343,070	$50,477,609
Fund Balances								
Nonspendable	$431,779	$0	$0	$0	$0	$0	$0	$431,779
Restricted	0	6,895,681	1,248,976	223,178	5,493,691	6,411,721	19,684,645	39,957,892
Committed	0	0	0	0	0	0	658,425	658,425
Assigned	4,986,473	0	0	0	0	0	0	4,986,473
Unassigned	4,443,040	0	0	0	0	0	0	4,443,040
Total Fund Balances	$9,861,292	$6,895,681	$1,248,976	$223,178	$5,493,691	$6,411,721	$20,343,070	$50,477,609

See accompanying notes to the basic financial statements.

Lawrence County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General	Board of Developmental Disabilities	American Rescue Plan Act	Job and Family Services	Motor Vehicle Gasoline Tax	Capital Projects	All Other Governmental Funds	Total Governmental Funds
Receipts								
Property Taxes	$4,388,397	$2,935,203	$0	$0	$0	$0	$2,917,239	$10,240,839
Sales Taxes	11,300,647	0	0	0	0	0	0	11,300,647
Other Local Taxes	0	0	0	0	0	0	287,548	287,548
Payments in Lieu of Taxes	123,225	1,766	0	0	0	0	1,876	126,867
Charges for Services	2,670,471	199,896	0	573,580	0	0	6,335,000	9,778,947
Licenses and Permits	2,975	0	0	0	0	0	115	3,090
Fines and Forfeitures	299,037	0	0	0	17,884	0	105,705	422,626
Intergovernmental	1,671,510	2,470,927	5,774,996	4,962,321	5,969,035	514,508	7,300,591	28,663,888
Interest	402,488	39,399	0	0	28,110	0	364	470,361
Contributions and Donations	500	1,100	0	0	0	0	16,375	17,975
Other	40,967	1,821	0	118	14,657	0	204,732	262,295
Total Receipts	20,900,217	5,650,112	5,774,996	5,536,019	6,029,686	514,508	17,169,545	61,575,083
Disbursements								
Current:								
General Government:								
Legislative and Executive	3,039,773	0	2,534,291	0	0	0	1,813,618	7,387,682
Judicial	2,408,593	0	993,723	0	0	3,800	574,900	3,981,016
Public Safety	3,735,162	0	3,038,366	0	0	0	2,731,585	9,505,113
Public Works	128,659	0	722,098	0	5,777,383	0	0	6,628,140
Health	342,031	5,345,271	477,358	0	0	0	4,905,841	11,070,501
Human Services	281,597	0	556,664	5,616,971	0	0	3,255,070	9,710,302
Community and Economic Development	0	0	353,490	0	0	0	162,389	515,879
Other	158,930	0	261,378	0	0	0	0	420,308
Capital Outlay	103,361	63,604	583,757	0	463,111	313,395	4,215,489	5,742,717
Intergovernmental	0	0	0	0	0	0	503,949	503,949
Debt Service:								
Principal	0	0	0	0	0	0	426,352	426,352
Interest	0	0	0	0	0	0	212,387	212,387
Total Disbursements	10,198,106	5,408,875	9,521,125	5,616,971	6,240,494	317,195	18,801,580	56,104,346
Excess of Receipts Over (Under) Disbursements	10,702,111	241,237	(3,746,129)	(80,952)	(210,808)	197,313	(1,632,035)	5,470,737
Other Financing Sources (Uses)								
Transfers In	0	0	0	0	0	5,200,000	5,565,791	10,765,791
Proceeds from Sale of Assets	0	0	0	0	8,978	0	0	8,978
Advances In	0	0	0	0	0	0	931,811	931,811
Transfers Out	(8,381,058)	0	0	0	(1,000,000)	(449,980)	(934,753)	(10,765,791)
Advances Out	(850,000)	0	0	0	0	0	(81,811)	(931,811)
Total Other Financing Sources (Uses)	(9,231,058)	0	0	0	(991,022)	4,750,020	5,481,038	8,978
Net Change in Fund Balances	1,471,053	241,237	(3,746,129)	(80,952)	(1,201,830)	4,947,333	3,849,003	5,479,715
Fund Balances at Beginning of Year	8,390,239	6,654,444	4,995,105	304,130	6,695,521	1,464,388	16,494,067	44,997,894
Fund Balances at End of Year	$9,861,292	$6,895,681	$1,248,976	$223,178	$5,493,691	$6,411,721	$20,343,070	$50,477,609

See accompanying notes to the basic financial statements.

Lawrence County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Receipts				
Property Taxes	$3,897,199	$4,422,843	$4,422,843	$0
Sales Taxes	9,957,592	11,300,647	11,300,647	0
Payments in Lieu of Taxes	108,580	123,225	123,225	0
Charges for Services	2,009,102	2,280,085	2,227,369	(52,716)
Licenses and Permits	2,621	2,975	2,975	0
Fines and Forfeitures	263,497	299,037	299,037	0
Intergovernmental	1,472,855	1,671,510	1,671,510	0
Interest	28,659	321,525	402,221	80,696
Other	10,497	11,913	11,913	0
Total Receipts	17,750,602	20,433,760	20,461,740	27,980
Disbursements				
Current:				
General Government:				
Legislative and Executive	4,620,591	2,705,179	2,705,179	0
Judicial	4,253,504	2,538,555	2,538,555	0
Public Safety	6,644,506	3,952,623	3,952,623	0
Public Works	235,760	141,200	141,200	0
Health	446,213	343,085	343,085	0
Human Services	1,459,004	876,571	876,571	0
Other	264,530	158,930	158,930	0
Capital Outlay	267,248	160,563	160,563	0
Total Disbursements	18,191,356	10,876,706	10,876,706	0
Excess of Receipts Over (Under) Disbursements	(440,754)	9,557,054	9,585,034	27,980
Other Financing Sources (Uses)				
Transfers In	0	831,518	831,518	0
Transfers Out	(2,517,200)	(9,674,058)	(9,674,058)	0
Advances Out	0	(850,000)	(850,000)	0
Total Other Financing Sources (Uses)	(2,517,200)	(9,692,540)	(9,692,540)	0
Net Change in Fund Balances	(2,957,954)	(135,486)	(107,506)	27,980
Fund Balances at Beginning of Year	5,126,645	5,126,645	5,126,645	0
Prior Year Encumbrances Appropriated	195,861	195,861	195,861	0
Fund Balances at End of Year	$2,364,552	$5,187,020	$5,215,000	$27,980

See accompanying notes to the basic financial statements.

Lawrence County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Receipts				
Property Taxes	$3,117,738	$2,960,536	$2,960,536	$0
Payments in Lieu of Taxes	1,860	1,766	1,766	0
Charges for Services	210,510	199,896	199,896	0
Intergovernmental	2,600,825	2,469,687	2,470,927	1,240
Interest	41,491	39,399	39,399	0
Contributions and Donations	1,158	1,100	1,100	0
Other	1,918	1,821	1,821	0
Total Receipts	5,975,500	5,674,205	5,675,445	1,240
Disbursements				
Current:				
Health	5,672,740	5,329,779	5,329,779	0
Capital Outlay	67,697	63,604	63,604	0
Total Disbursements	5,740,437	5,393,383	5,393,383	0
Net Change in Fund Balances	235,063	280,822	282,062	1,240
Fund Balances at Beginning of Year	5,892,181	5,892,181	5,892,181	0
Fund Balances at End of Year	$6,127,244	$6,173,003	$6,174,243	$1,240

See accompanying notes to the basic financial statements.

Lawrence County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
American Rescue Plan Act Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Intergovernmental	$5,774,996	$5,774,996	$5,774,996	$0
Total Receipts	5,774,996	5,774,996	5,774,996	0
Disbursements				
Current:				
General Government:				
Legislative and Executive	3,278,013	2,854,152	2,854,152	0
Judicial	1,233,115	1,749,710	1,749,710	0
Public Safety	2,315,515	3,142,739	3,142,739	0
Public Works	511,826	722,098	722,098	0
Health	497,683	509,379	509,379	0
Human Services	146,484	556,664	556,664	0
Community and Economic Development	250,555	353,490	353,490	0
Other	185,266	261,378	261,378	0
Capital Outlay	439,803	620,486	620,486	0
Total Disbursements	8,858,260	10,770,096	10,770,096	0
Excess of Receipts Under Disbursements	(3,083,264)	(4,995,100)	(4,995,100)	0
Other Financing Uses				
Transfers Out	(1,000,000)	0	0	0
Total Other Financing Uses	(1,000,000)	0	0	0
Net Change in Fund Balances	(4,083,264)	(4,995,100)	(4,995,100)	0
Fund Balances at Beginning of Year	3,136,844	3,136,844	3,136,844	0
Prior Year Encumbrances Appropriated	1,858,261	1,858,261	1,858,261	0
Fund Balances at End of Year	$911,841	$5	$5	$0

See accompanying notes to the basic financial statements.

Lawrence County

Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)

Job and Family Services Fund

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Charges for Services	$743,610	$573,580	$573,580	$0
Intergovernmental	6,433,337	4,962,321	4,962,321	0
Other	153	118	118	0
Total Receipts	7,177,100	5,536,019	5,536,019	0
Disbursements				
Current:				
Human Services	7,177,100	5,605,971	5,605,971	0
Total Disbursements	7,177,100	5,605,971	5,605,971	0
Net Change in Fund Balances	0	(69,952)	(69,952)	0
Fund Balances at Beginning of Year	139,186	139,186	139,186	0
Fund Balances at End of Year	$139,186	$69,234	$69,234	$0

See accompanying notes to the basic financial statements.

Lawrence County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle Gasoline Tax Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Fines and Forfeitures	$43,291	$18,338	$18,338	$0
Intergovernmental	14,091,384	5,969,035	5,969,035	0
Interest	66,361	28,110	28,110	0
Other	48,964	20,741	20,741	0
Total Receipts	14,250,000	6,036,224	6,036,224	0
Disbursements				
Current:				
Public Works	16,725,007	6,202,974	6,202,974	0
Capital Outlay	2,043,832	984,885	984,885	0
Total Disbursements	18,768,839	7,187,859	7,187,859	0
Excess of Receipts Under Disbursements	(4,518,839)	(1,151,635)	(1,151,635)	0
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	0	8,978	8,978	0
Transfers Out	(1,100,000)	(1,000,000)	(1,000,000)	0
Total Other Financing Sources (Uses)	(1,100,000)	(991,022)	(991,022)	0
Net Change in Fund Balances	(5,618,839)	(2,142,657)	(2,142,657)	0
Fund Balances at Beginning of Year	6,004,598	6,004,598	6,004,598	0
Prior Year Encumbrances Appropriated	580,711	580,711	580,711	0
Fund Balances at End of Year	$966,470	$4,442,652	$4,442,652	$0

See accompanying notes to the basic financial statements.

Lawrence County

Statement of Fund Net Position - Cash Basis

Proprietary Fund

As of December 31, 2022

	Union-Rome Sewer
Assets	
Equity in Pooled Cash and Cash Equivalents	$687,247
Cash and Cash Equivalents in Segregated Accounts	221,871
Total Assets	909,118
Net Position	
Unrestricted	909,118
Total Net Position	$909,118

See accompanying notes to the basic financial statements.

Lawrence County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Fund
For the Year Ended December 31, 2022

	Union-Rome Sewer
Operating Receipts	
Charges for Services	$3,064,841
Other	12,947
Total Operating Receipts	3,077,788
Operating Disbursements	
Salaries and Benefits	1,079,479
Contractual Services	748,255
Materials and Supplies	105,423
Capital Outlay	105,548
Other	25,899
Total Operating Disbursements	2,064,604
Operating Income	1,013,184
Nonoperating Disbursements	
Debt Service:	
Principal Retirement	(1,579,023)
Interest and Fiscal Charges	(314,834)
Total Nonoperating Disbursements	(1,893,857)
Change in Net Position	(880,673)
Net Position Beginning of Year	1,789,791
Net Position End of Year	$909,118

See accompanying notes to the basic financial statements.

Lawrence County

Statement of Fiduciary Net Position - Cash Basis

Custodial Funds

As of December 31, 2022

Assets	
Equity in Pooled Cash and Cash Equivalents	$5,877,023
Cash and Cash Equivalents in Segregated Accounts	802,733
Total Assets	6,679,756
Net Position	
Restricted for Individuals, Organizations, and Other Governments	6,679,756
Total Net Position	$6,679,756

See accompanying notes to the basic financial statements.

Lawrence County
Statement of Changes in Fiduciary Net Position - Cash Basis
Custodial Funds
For the Year Ended December 31, 2022

Additions	
Intergovernmental	$5,278,107
Amounts Received as Fiscal Agent	2,820,980
Licenses and Permits and Fees for Other Governments	12,380,831
Fines and Forfeitures for Other Governments	542,535
Property Tax Collections for Other Governments	42,090,740
Sheriff Sale Collections for Others	335,969
Total Additions	63,449,162
Deductions	
Distributions as Fiscal Agent	2,609,491
Distributions of State Funds to Other Governments	5,768,660
Licenses and Permits and Fees Distributions to Other Governments	12,252,780
Fines and Forfeitures Distributions to Other Governments	560,484
Property Tax Distributions to Other Governments	41,616,347
Sheriff Sale Distributions to Others	391,968
Total Deductions	63,199,730
Change in Net Position	249,432
Net Position at Beginning of Year	6,430,324
Net Position at End of Year	$6,679,756

See accompanying notes to the basic financial statements.

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:

Lawrence County Land Reutilization Corporation – The Corporation is a legally separate, not-for-profit corporation served by a five-member self-appointed board. The Corporation's board is comprised of two County Commissioners, the County Treasurer, the Mayor of the City of Ironton, and the fiscal officer for Upper Township. The Corporation acquires abandoned, un-utilized or blighted properties, through tax foreclosure of delinquent lands, property donations and limited property purchases with the goal of redeveloping those properties to revitalize the County. The Corporation operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from the Lawrence County Land Reutilization Corporation, Ironton, Ohio.

Lawrence County Port Authority – The 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, Ironton, Ohio.

Lawrence County Transportation Improvement District – The TID is a legally separate entity pursuant to the Ohio Revised Code Section 5540.03(A)(1). The purpose of the TID is to plan, construct and improve highways, roads, bridges, interchanges and accompanying capital improvements and developments throughout Lawrence County. The Board of Directors is appointed pursuant to the Ohio Revised Code Section 5540.02(C)(2). The Board of Directors 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

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 custodial 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.

American Rescue Plan Act Fund – This fund accounts for resources received from the federal government under the American Rescue Plan Act restricted to expenditures to support the County during the Coronavirus public health emergency.

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 contributions 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.

Capital Projects Fund – This fund is used for receipts and disbursements for various capital projects within the County. The primary source of funding is monies received through transfers from the General Fund.

The other governmental funds of the County account for grants and other resources, debt service, and capital projects, whose use is restricted, committed, or assigned 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:

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 custodial funds. The County's only fiduciary funds are custodial funds.

Custodial Funds – Custodial funds (assets equal net position) 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 custodial 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 three legally separate entities, or component units, for which the County is fiscally responsible. These three component units: the Lawrence County Land Reutilization Corporation, the Lawrence County Port Authority, and the Lawrence County Transportation Improvement District are described further in note 1 to the basic financial statements.

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. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

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

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.

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 legal level of control has been established by the County Commissioners at the fund, department, and object level for all funds. 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.

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

Cash and cash equivalents consist of the total of fund cash balances of all funds as of December 31, 2022. To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary and fiduciary 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 2022, interest receipts amounted to $470,361, of which $402,488 was recorded in the general fund; $39,399 was recorded in the board of developmental disabilities fund; $28,110 was recorded in the motor vehicle gasoline tax fund; and $364 was recorded in all other governmental funds.

Cash and cash equivalents that are held separately within departments of the County are recorded as "cash and cash equivalents in segregated accounts".

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the County are reported as restricted.

Inventory and Prepaid Items

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

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.

Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

Leases

For 2022, GASB Statement No. 87, "Leases" was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The County is the lessee (as defined by GASB 87) in various leases related to equipment under noncancelable leases. Lease payables are not reflected under the County's cash basis of accounting. Lease disbursements are recognized when they are paid.

Net 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. None of the County's restricted net position 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. The County did not record any transfers between governmental activities and business-type activities during 2022.

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/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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/OPEB systems report investments at fair value.

Note 3 – Equity in Pooled Cash and Investments

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 bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government

National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided 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 the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to Ohio Revised Code (ORC) sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments 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 simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:
   a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other state, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
   b. Bankers acceptances of banks that are insured by the Federal Deposit Insurance Corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state, provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that they will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the County's bank balance of $9,445,879 was either covered by FDIC or collateralized in the manner described below.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

- Eligible securities pledged to the County and deposited either with qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The County had the following investments as of December 31, 2022:

	Investment Balance	<1 Year	Maturity 1-2 Years	>2 Years	Percent Invested
Commissioners Vehicle EMS Securities	53,000	53,000	0	0	0.11%
Commissioners/EMS Amb Securities	567,000	28,000	28,000	511,000	1.15%
Commissioners/Sewer Securities	1,268,000	142,000	146,000	980,000	2.57%
Commissioners Bldg	389,000	9,200	9,500	370,300	0.79%
Fayette Twp 2021 Securities	85,700	42,500	43,200	0	0.17%
Fayette Twp 2019 Securities	32,800	16,100	16,700	0	0.07%
Fayette Twp 2018 Securities	177,182	177,182	0	0	0.36%
South Point Sewer 2017 Securities	540,000	0	36,000	504,000	1.10%
Rome Township 2020 Securities	214,149	23,997	24,741	165,411	0.43%
Union Township 2021 Securities	76,864	18,378	18,926	39,560	0.16%
Upper Township 2018 Securities	4,470	4,470	0	0	0.01%
Hamilton Township 2019 Securities	128,000	84,000	44,000	0	0.26%
Village of Coal Grove 2020 Securities	10,200	3,300	6,900	0	0.02%
Lawrence Township 2021 Securities	60,600	19,800	20,200	20,600	0.12%
Commissioners Electric Equip Securities	242,400	31,500	32,500	178,400	0.49%
Windsor Township Securities	25,100	12,400	12,700	0	0.05%
City of Ironton Securities	147,596	72,699	74,897	0	0.30%
STAR Ohio	7,603,645	7,603,645	0	0	15.42%
First American Govt Money Market	12,374	12,374	0	0	0.03%
Federal Farm Credit Bank	4,678,234	542,448	569,717	3,566,069	9.49%
Federal Home Loan Bank	5,509,134	499,351	1,348,358	3,661,425	11.18%
Federal National Mortgage Association	1,343,719	199,540	197,496	946,683	2.73%
Federal Home Loan Mortgage Corporation	1,519,287	395,600	514,050	609,637	3.08%
Other Agency Bonds	1,258,901	854,370	0	404,531	2.55%
Commercial Paper	3,528,293	3,528,293	0	0	7.16%
Corporate Bonds	5,480,445	694,888	2,431,995	2,353,562	11.12%
Municipal Bonds	430,355	0	0	430,355	0.87%
Negotiable Certificates of Deposit	738,741	0	494,905	243,836	1.50%
Treasury Bonds	3,196,273	199,445	1,282,713	1,714,115	6.48%
Treasury Notes	9,972,977	1,747,965	2,076,535	6,148,477	20.23%
Total	$49,294,439	$17,016,445	$9,430,033	$22,847,961	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. Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association securities, and U.S. Treasury bonds and notes are rated AA+ by S&P. Commercial Paper securities and corporate bonds are rated ranging from A+1 to A-1 by S&P. Municipal bonds are rated Aa2 by Moody's. The First American Government Obligations money market fund and STAR Ohio are rated AAAm by S&P. Other agency bonds, negotiable certificates of deposit, and local government securities are not rated.

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.

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.

Component Units

At December 31, 2022, the Lawrence County Land Reutilization Corporation's carrying amount was $440,197 and the bank balance was $440,225. The entire amount was covered by federal deposit insurance or collateralized by the Ohio Pooled Collateral System.

At December 31, 2022, the Lawrence County Port Authority's carrying amount of deposits was $415,173 and the depository balance was $415,173. The Port Authority's deposits at year-end consisted entirely of deposits with one financial institution. The depository balance in excess of $250,000 is not insured by the Federal Deposit Insurance Corporation which totaled $165,173. Management believes the financial institution has a strong credit rating and credit risk related to these deposits is minimal.

At December 31, 2022, the Lawrence County Transportation Improvement District's deposit balance was $14,162 which is held in Lawrence County's deposit and investment pool.

Note 4 – Budgetary Basis Fund Balances

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statements of receipts, disbursements and changes in fund balance – budget and actual (budget basis) presented for the general and major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budget basis) rather than as restricted, committed or assigned fund balance (cash basis).
2. Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund and board of developmental disabilities fund on the cash basis.
3. Cash that is held by custodial funds on behalf of County funds on a budget basis are allocated and reported on the cash basis in the appropriate County fund.
4. Cash that is held in bank accounts by individual departments, not yet deposited in the County treasury are allocated and reported on the cash basis in the appropriate County fund.

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

	General Fund	Board of Developmental Disabilities	American Rescue Plan Act	Job and Family Services	Motor Vehicle Gasoline Tax
Budgetary Basis Fund Balances	$5,215,000	$6,174,243	$5	$69,234	$4,442,652
Encumbrances	503,223	0	1,248,971	0	947,286
Excluded Funds for Budget Purposes	3,359,843	295,213	0	0	0
Cash Held in Custodial Funds at Year-End	725,812	426,225	0	153,944	103,126
Cash Held in Segregated Accounts at Year-End	57,414	0	0	0	627
Fund Cash Balances	$9,861,292	$6,895,681	$1,248,976	$223,178	$5,493,691

Note 5 – Property Taxes

Property taxes include amounts levied against all real, and public utility property located in the County. Property tax revenue received during 2022 for real and public utility property taxes represents collection of 2021 taxes.

2022 real property taxes are levied after October 1, 2022 on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are intended to finance 2023.

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.

Public utility property currently is assessed at varying percentages of true value; public utility property is assessed at 35 percent of true value. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The assessed value for the taxes levied in 2022 was $1,665,032,920 of which real property represented 69 percent ($1,147,327,890) of the total and public utility property represented 31 percent ($517,705,030) of the total. The full tax rate for all County operations for taxes collected in 2022 was $7.60 per $1,000 of assessed valuation.

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 custodial funds of the County.

Note 6 – 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 2022 amounted to $11,300,647 and is recorded in the general fund.

Note 7 – 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.

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	$2,000,000/$4,000,000	$0
Public Officials Liability	2,000,000/4,000,000	5,000
Law Enforcement	2,000,000/4,000,000	5,000
Auto Liability	2,000,000 per occurrence	Per Schedule
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	5,000	100
Blanket Bond	250,000	0
Elected Officials Bond	Per Bond Schedule	0
Boiler and Machinery	53,014,044	1,000
Inland Marine	5,201,444	1,000
Auto Comprehensive	Per Schedule	Per Schedule
Auto Collision	Per Schedule	Per Schedule
Employees Benefits Liability	2,000,000/4,000,000	0

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 2022, 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 8 – Defined Benefit Pension Plans

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

Net Pension Liability (Asset)/Net OPEB Asset

Pensions and OPEB are a component of exchange transactions–between an employer and its employees–of salaries and benefits for employee services. Pensions are provided to an employee–on a deferred-payment basis–as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

The net pension/net OPEB liability (asset) are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the pension disclosures. See note 9 for the OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

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

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

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

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
Traditional Plan 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	**Traditional Plan 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	**Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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**
Traditional Plan 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	**Traditional Plan 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	**Traditional Plan 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. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

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

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

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

	State and Local	Public Safety	Law Enforcement
Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee*	10.0 %	**	***
Actual Contribution Rates			
Employer:			
Pension****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

*Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
**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.
****These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated at 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution to OPERS was $2,856,233 for fiscal year 2022.

State Teachers Retirement System (STRS)

Plan Description – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website 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 is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS Ohio was $74,684 for 2022.

Pension Liability (Asset)

The net pension liability (asset) for OPERS and STRS was measured as of December 31, 2021 and June 30, 2022, respectively, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Proportion of the Net Pension Liability (Asset):				
Current Measurement Date	0.1305721%	0.0630920%	0.0039824%	
Prior Measurement Date	0.1324800%	0.0644560%	0.0043621%	
Change in Proportionate Share	-0.0019079%	-0.0013640%	-0.0003797%	
Proportionate Share of the:				
Net Pension Liability	$11,360,301	$0	$885,297	$12,245,598
Net Pension Asset	0	(248,586)	0	(248,586)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

Discount Rate – The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate
The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	$29,951,935	$11,360,301	($4,110,410)
OPERS Combined Plan	(185,490)	(248,586)	(297,794)

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

Inflation	2.50 percent
Projected Salary Increases	From 2.50 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent

Post-retirement mortality rates for 2022 are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Post-retirement mortality rates for 2021 are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP- 2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

* Target allocation percentage is effective July 1, 2022. Targe weights were phased in over a 3-month period concluding on October 1, 2022.

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	$1,337,361	$885,297	$502,990

Changes Between the Measurement Date and the Reporting Date In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the Public Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the Public Employees Retirement System/State Teachers Retirement System. As of December 31, 2022, no members of the County have elected Social Security. The County’s liability is 6.2 percent of wages paid.

Note 9 – Defined Benefit OPEB Plans

Net OPEB Liability (Asset)

See note 8 for a description of the net OPEB liability (asset).

Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $5,382 for 2022.

State Teachers Retirement System (STRS Ohio)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. 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 to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. For STRS, the net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	STRS	Total
Proportion of the Net OPEB Asset:			
Current Measurement Date	0.1242372%	0.0039824%	
Prior Measurement Date	0.1262710%	0.0043621%	
Change in Proportionate Share	-0.0020338%	-0.0003797%	
Proportionate Share of the:			
Net OPEB Asset	($3,891,298)	($103,118)	($3,994,416)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding.

Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2034	8.5 percent, initial 3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other Investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The following table presents the County's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
County's proportionate share of the net OPEB asset	($2,288,449)	($3,891,298)	($5,221,688)

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate – Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	($3,933,349)	($3,891,298)	($3,841,413)

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021 actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected Salary Increases	Varies by service from 2.50 percent to 8.50 percent	Varies by age from 2.5 percent to 12.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent	3.00 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends:		
Medical:		
Pre-Medicare	7.50 percent initial, 3.94 percent ultimate	5.00 percent initial, 4.00 percent ultimate
Medicare	-68.78 percent initial, 3.94 percent ultimate	-16.18 percent initial, 4.00 percent ultimate
Prescription Drug:		
Pre-Medicare	9.00 percent initial, 3.94 percent ultimate	6.50 percent initial, 4.00 percent ultimate
Medicare	-5.47 percent initial, 3.94 percent ultimate	29.98 percent initial, 4.00 percent ultimate

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

For 2022, healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

*Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

*10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	($95,330)	($103,118)	($109,789)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	($106,959)	($103,118)	($98,270)

Note 10 – Debt Obligations

Primary Government

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 2022 is as follows:

Governmental Activities Long-Term Obligations

	Outstanding 12/31/21	Additions	Deletions	Outstanding 12/31/22	Due in One Year
General Obligation Bonds:					
2018 EMS Acq Bonds 2.50%	$64,300	$0	($64,300)	$0	$0
2019 Center Street Acq Bonds 3.25%	398,000	0	(9,000)	389,000	9,200
2019 BOE Equipment Acq Bonds 3.10%	273,000	0	(30,600)	242,400	31,500
2019 Ambulance Acq Bonds 4.00%	103,900	0	(50,900)	53,000	53,000
2020 EMS Building Notes 3.175%	594,000	0	(27,000)	567,000	28,000
Direct Borrowing:					
2018 VP Improvement Bonds 3.76%	4,050,000	0	(175,000)	3,875,000	180,000
Subtotal General Obligation Bonds	5,483,200	0	(356,800)	5,126,400	301,700
Direct Borrowing:					
Financed Purchase Agreement 2010 5.877%	312,896	0	(69,552)	243,344	76,309
Total Governmental Long-Term Obligations	$5,796,096	$0	($426,352)	$5,369,744	$378,009

Union-Rome Sewer Fund Obligations

	Outstanding 12/31/21	Additions	Deletions	Outstanding 12/31/22	Due in One Year
OWDA Loans:					
Direct Borrowings:					
2007 OWDA Loan #4781 3.25%	$17,527,981	$0	($1,266,245)	$16,261,736	$426,310
2009 OWDA Loan #5423 1.00%	698,027	0	(100,317)	597,710	33,774
2009 OWDA Loan #5424 1.00%	326,761	0	(46,961)	279,800	15,810
Subtotal OWDA Loans	18,552,769	0	(1,413,523)	17,139,246	475,894
OPWC Loan:					
Direct Borrowing:					
2009 OPWC Loan 0.00%	233,750	0	(27,500)	206,250	27,500
General Obligation Bonds:					
2020 Sewer Improvement Bonds 3.10%	1,406,000	0	(138,000)	1,268,000	142,000
Total Union-Rome Sewer Fund Obligations	$20,192,519	$0	($1,579,023)	$18,613,496	$645,394

The EMS Acquisition Bonds Series 2018 in the amount of $248,000 were issued in February 2018 with the final maturity date of February 2022. These bonds were repaid from the EMS debt service fund. The final payment was made during 2022.

The Center Street Building Acquisition Bonds Series 2019 in the amount of $415,000 were issued in October 2019 with a final maturity date of October 2049. These bonds will be repaid from the 415 Center Street building debt service fund.

The Board of Elections Equipment Acquisition Bonds Series 2019 in the amount of $331,500 were issued in October 2019 with a final maturity date of October 2029. These bonds will be repaid from the 2019 BOE equipment debt service fund.

The Ambulance Acquisition Bonds Series 2019 in the amount of $200,000 were issued in May 2019 with a final maturity date of May 2023. These bonds will be repaid from the 2019 ambulance debt service fund.

The EMS Building Improvement Bonds Series 2020 in the amount of $620,000 were issued in July 2020 with a final maturity date of July 2038. These bonds will be repaid from the Rock Hill EMS Station debt service fund.

The Various Purpose Improvement Bonds Series 2018 in the amount of $4,060,000 were issued in December 2018 with a final maturity of December 2038. These bonds will be repaid from the general debt service fund.

Financed Purchase

The County entered into a financed purchase 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 financed purchase in the amount of $215,000. Under financed purchase agreements ownership of underlying assets transfer to the County by the end of the contract. The finance purchase agreement is being retired from the debt service fund, with the final payment made in 2019 on the 2012 portion of the agreement. The original balance will mature in February 2025.

Default Stipulations for Direct Borrowings and Remedies

In accordance with the lease agreement, upon the occurrence of an event of default, the lessor may, at its sole discretion, exercise any or all of the following remedies: 1) enforce the agreement by appropriate action to collect amounts due or to become due thereunder, by acceleration or otherwise, or to cause lessee to perform its other obligations thereunder in which event lessee shall be liable for all costs and expenses incurred by lessor; 2) enter upon lessee's premises and take possession of the equipment, without demand or notice and without court order or any process of law, and remove the same and re-lease or otherwise dispose of the equipment for lessee's account, in which event lessee waives any and all damages resulting therefrom and shall be liable for all costs and expenses, incurred by lessor in connection therewith and the difference, if any, between the amounts to be paid pursuant to paragraph 2 of the lease agreement and the amounts received and to be received by lessor in connection with any such re-letting; 3) terminate the agreement and repossess the equipment, in which event lessee shall be liable for any amounts payable thereunder through the date of such termination and all costs and expenses incurred by lessor in connection therewith; or 4) pursue and exercise any other remedy available at law or in equity, in which event lessee shall be liable for any and all costs and expenses incurred by lessor in connection therewith. In addition, as provided in paragraph 2 of the lease agreement, under no circumstances shall lessee be liable, under the Default and Lessor's Remedies paragraph, subsection (b) of the lease agreement, for any amount in excess of the sum appropriated for the previous and current fiscal years, less all amounts previously due and paid during such previous and current fiscal years from amounts so appropriated. Further, if lessee fails to pay any rental payment and such failure constitutes an event of default according to section 13(a)(i) of the lease agreement, lessee shall pay to lessor interest on such delinquent payment from the due date until paid at the highest legal rate per annum available under State law.

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

Year Ending December 31,	General Obligation Principal	General Obligation Interest	Financed Purchase Agreement Principal	Financed Purchase Agreement Interest
2023	$301,700	$182,594	$76,309	$10,691
2024	255,000	171,449	81,737	7,338
2025	268,400	162,099	85,298	3,747
2026	274,700	152,361	0	0
2027	288,100	142,299	0	0
2028-2032	1,480,400	550,443	0	0
2033-2037	1,684,700	264,773	0	0
2038-2042	438,500	37,161	0	0
2043-2047	93,200	16,058	0	0
2048-2049	41,700	2,044	0	0
Total	$5,126,400	$1,681,281	$243,344	$21,776

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 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. This loan will mature in January 2030.

In connection with the OWDA and OPWC loans, 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, 2022 was $17,345,496 and $1,544,912, respectively. The net revenue available for these loans was $698,350 and principal and interest paid was $1,712,270. The coverage ratio for the loans was 0.4 for the year ended December 31, 2022.

The Sewer Improvement Bonds Series 2020 in the amount of $1,540,000 were issued in February 2020 with a final maturity date of March 2030. This debt is being paid from sewer charges.

Default Stipulations for Direct Borrowings and Remedies

The OPWC loans are subject to default stipulations. According to the OPWC loan agreements, if the County fails to make any payment due and is not corrected within thirty days, the amount in default shall bear interest thereafter at the default rate of 8 percent per annum from the date of default until the date of payment. In addition, the entire principal remaining unpaid, together with accrued interest and other charges shall, at OPWC's option, become immediately due and payment.

The OWDA loans are also direct borrowings. However, the agreements for these issuances do not include stipulations for events of default.

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

Year Ending December 31,	OPWC Principal	OWDA Principal	OWDA Interest	Sewer Improvement Bonds Principal	Sewer Improvement Bonds Interest
2023	$27,500	$475,894	$85,697	$142,000	$39,308
2024	27,500	958,938	164,242	146,000	34,906
2025	27,500	968,552	154,628	151,000	30,380
2026	27,500	978,261	144,919	156,000	25,699
2027	27,500	988,068	135,112	161,000	20,863
2028-2032	68,750	4,982,709	525,248	512,000	32,085
2033-2037	0	4,793,713	282,469	0	0
2038-2040	0	2,993,111	52,597	0	0
Total	$206,250	$17,139,246	$1,544,912	$1,268,000	$183,241

At December 31, 2022, the County's overall legal debt margin was $33,731,423 with an unvoted debt margin of $16,650,329.

Component Units

Lawrence County Port Authority

On July 19, 2012, the Port Authority entered into a loan agreement with Ohio River Valley Bank (now Peoples 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 current interest rate on the note is 4.25%. The note matures in August 2027. On May 21, 2021, the Port Authority made a lump sum payment of $300,000 on the note reducing the principal to $177,623. The due date of the principal payments was advanced to June 5, 2022. During 2022, the note payable principal and interest was paid in full.

On March 18, 2021, the Port Authority entered into a loan agreement with Citizens Deposit Bank (now Peoples Bank). The Loan Agreement was for $224,063 for twenty 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 at 4.0% initial interest. The note matures in April 2041. The balance outstanding at December 31, 2022 was $210,754.

On December 12, 2022, the Port Authority entered into a loan agreement with The Ohio Valley Bank. The loan agreement was for $250,000 for twenty years and is collateralized by assignment of leases and rents. The terms of the note provide, among other things, for repayment in equal monthly payments including principal and initial interest which is indexed at the 5 year treasury index plus 3.125%. The note matures in December 2042. The balance outstanding at December 31, 2022 was $250,000.

Lawrence County Land Reutilization Corporation

The Corporation entered into an interest free loan agreement with Lawrence County. This loan had an outstanding balance of $631,487 at December 31, 2022. The Corporation borrowed an additional $140,990 during 2022 and paid $148,690 in principal during 2022.

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 2022.

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 2022, the County paid the CAO $189,309 for various services which include: provision of workforce investment act services, residential development services, the planning commission, and floodplain management. Additionally, the County paid Choices, Inc., whose properties, liabilities and assets are now managed by the CAO, $5,352 during 2022.

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 2022, the County paid $41,057 in dues 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 2022, the County made $11,332 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.

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 2022, Lawrence County paid $304,049 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 $402,663 to the District during 2022. 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

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, 2022, if applicable, cannot be determined at this time, except as disclosed in the following paragraph.

The County is currently party to legal proceedings. However, management is of the opinion that the ultimate outcome of those proceedings will not have a material adverse effect on the County's financial position.

Component Units

Currently, there is no pending litigation against the Lawrence County Port Authority, the Lawrence County Transportation Improvement District or the Lawrence County Land Reutilization Corporation.

Note 16 – Interfund Activity

Interfund Balances

Interfund balances at December 31, 2022 consisted of the following individual fund receivables and payables:

	Advances Out	Advances In
Major Funds		
General Fund	$850,000	$0
All Other Governmental Funds	81,811	931,811
Total All Funds	$931,811	$931,811

Interfund balances at December 31, 2022, consisted of $850,000 advanced from the general fund to other governmental funds and $81,811 was advanced between other governmental funds to provide working capital for operations or projects until grant funding is received. The interfund receivables/payables are expected to be repaid within one year.

Interfund Transfers

	Transfers In	Transfers Out
Major Funds		
General Fund	$0	$8,381,058
Motor Vehicle Gasoline Tax Fund	0	1,000,000
Capital Projects Fund	5,200,000	449,980
All Other Governmental Funds	5,565,791	934,753
Total All Funds	$10,765,791	$10,765,791

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 from the Motor Vehicle Gasoline Tax Fund, Capital Projects Fund and other governmental funds to other governmental funds were for debt service and capital improvement projects. All transfers were done in accordance with the Ohio Revised Code.

Note 17 – Related Party Transactions

Lawrence County Land Reutilization Corporation (the Corporation), a component unit of Lawrence County, entered into a reimbursement agreement with the County. The agreement provided that Lawrence County would incur costs related to County employees working on the land bank operations and other operational start up costs up front and those costs would be reimbursed to the County once the Corporation was financially able. As of December 31, 2022, the total dollar amounts of costs incurred was $631,487. The amounts related to the services provided are expected to be repaid as the Corporation has available resources. The liability has not been recorded in the accompanying financial statements as these statements are reported on the cash basis.

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Lawrence County Commissioners to receive 5 percent of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax Assessment Collection fund and will be available for appropriation by the Corporation to fund operations. Lawrence County paid a total of $216,958 to the Corporation in DTAC funds in 2022.

Note 18 – 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	American Rescue Plan Act	Job and Family Services	Motor Vehicle Gasoline Tax	Capital Projects	Nonmajor Funds	Total Governmental Funds
Nonspendable								
Unclaimed Monies	$431,779	$0	$0	$0	$0	$0	$0	$431,779
Restricted								
Developmental Disabilities	0	6,895,681	0	0	0	0	0	6,895,681
American Rescue Plan Act	0	0	1,248,976	0	0	0	0	1,248,976
Job and Family Services	0	0	0	223,178	0	0	0	223,178
Motor Vehicle and Gas Tax	0	0	0	0	5,493,691	0	0	5,493,691
Court Development	0	0	0	0	0	0	293,719	293,719
Indigent Drivers	0	0	0	0	0	0	176,987	176,987
Juvenile/Probate Spec. Proj.	0	0	0	0	0	0	115,580	115,580
Juvenile Probation Tech Grt	0	0	0	0	0	0	199,650	199,650
Concealed Handgun Law	0	0	0	0	0	0	126,327	126,327
CP Ct. In-House Mediation	0	0	0	0	0	0	265,494	265,494
County Ct. Computerization	0	0	0	0	0	0	289,137	289,137
Clk. of Cts. Computerization	0	0	0	0	0	0	97,577	97,577
Electronic Monitoring	0	0	0	0	0	0	117,315	117,315
Juvenile Ct. IV-D	0	0	0	0	0	0	160,963	160,963
Recorder Special Projects	0	0	0	0	0	0	368,910	368,910
Supervisory Fees	0	0	0	0	0	0	140,324	140,324
T Cap	0	0	0	0	0	0	526,619	526,619
CP Re-entry Grant	0	0	0	0	0	0	78,953	78,953
Probate and Juvenile Court	0	0	0	0	0	0	241,208	241,208
Technology Grant	0	0	0	0	0	0	348,324	348,324
LATCF	0	0	0	0	0	0	240,912	240,912
Juvenile Court IV-E	0	0	0	0	0	0	152,264	152,264
Real Estate Assessment	0	0	0	0	0	0	630,304	630,304
Rehab	0	0	0	0	0	0	179,713	179,713
Group Home Comm. Serv.	0	0	0	0	0	0	100,447	100,447
Care and Custody	0	0	0	0	0	0	214,076	214,076
Children Services	0	0	0	0	0	0	804,598	804,598
Child Support	0	0	0	0	0	0	1,846,466	1,846,466
EMS	0	0	0	0	0	0	4,561,752	4,561,752
Tax Claim Administration	0	0	0	0	0	0	178,753	178,753
Prosecutor	0	0	0	0	0	0	130,613	130,613
Debt Service	0	0	0	0	0	0	101,455	101,455
Capital Projects	0	0	0	0	0	6,411,721	5,432,289	11,844,010
Other Purposes	0	0	0	0	0	0	1,563,916	1,563,916
Total Restricted	0	6,895,681	1,248,976	223,178	5,493,691	6,411,721	19,684,645	39,957,892
Committed								
Capital Projects	0	0	0	0	0	0	658,425	658,425

Fund Balances	General	Board of Developmental Disabilities	American Rescue Plan Act	Job and Family Services	Motor Vehicle Gasoline Tax	Capital Projects	Nonmajor Funds	Total Governmental Funds
Assigned								
Future Appropriations	$3,280,099	$0	$0	$0	$0	$0	$0	$3,280,099
Purchases on Order	518,084	0	0	0	0	0	0	518,084
Other Purposes	1,188,290	0	0	0	0	0	0	1,188,290
Total Assigned	4,986,473	0	0	0	0	0	0	4,986,473
Unassigned	4,443,040	0	0	0	0	0	0	4,443,040
Total Fund Balances	$9,861,192	$6,895,681	$1,248,976	$223,178	$5,493,691	$6,411,721	$20,343,070	$50,477,609

Note 19 – Significant Commitments

Contracts

At December 31, 2022, the County had the following significant contractual commitments in place.

Contractor/Contract	Contract Amount	Amount Paid as of 12/31/22	Unpaid Balance
George J Igel & Co/Bridge Replacement	$1,009,100	$928,372	$80,728
The Shelly Co/County Road Resurfacing	1,672,916	0	1,672,916

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 amounts of significant governmental fund encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Major Governmental Funds:	
General	$518,084
American Rescue Plan Act	1,248,970
Motor Vehicle Gasoline Tax	947,286
Capital Projects	80,683
Nonmajor Governmental Funds	4,133,402
All Governmental Funds	$6,928,425

Note 20 – 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. The County also did not file its annual financial report within sixty days as required by Ohio Revised Code Section 117.38 for cash basis entities.

Note 21 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the County received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Note 22 – Subsequent Events

In June 2023, Lawrence County sold the Union-Rome Sewer to Aqua Ohio Wastewater, Inc. in the amount of $25,500,000 and all related debt was paid in full.

SUPPLEMENTARY INFORMATION

Lawrence County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor *Pass-Through Grantor* Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Federal Disbursements	Non-Cash Disbursements
United States Department of Agriculture				
Passed Through Ohio Department of Education and Workforce:				
Child Nutrition Cluster:				
School Breakfast Program	N/A	10.553	$23,569	$0
National School Lunch Program	N/A	10.555	45,424	2,113
Total Child Nutrition Cluster			68,993	2,113
Passed Through Ohio Department of Job and Family Services:				
Supplemental Nutrition Assistance Program (SNAP/Food Assistance) Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-2223-11-6947	10.561	122,403	0
Total SNAP Cluster			122,403	0
Direct from the Federal Government:				
Law Enforcement Agreements	N	10.704	3,240	0
Total United States Department of Agriculture			**194,636**	**2,113**
United States Department of Justice				
Passed through the State of Ohio Attorney General:				
Crime Victim Assistance:				
Crime Victim Assistance	2023-VOCA-135106864	16.575	15,132	0
Crime Victim Assistance	2022-VOCA-134714542	16.575	47,232	0
Total Crime Victim Assistance			62,364	
Passed through the State of Ohio Office of Criminal Justice Services:				
Drugs and Major Crimes Task Force	2021-JG-A01-6284	16.738	31,497	0
Comprehensive Opioid, Stimulant, and Substance Abuse Program:				
DTF/Quick Response Team	2021-CS-LEF-507A	16.838	112,295	0
Total United States Department of Justice			**206,156**	**0**
United States Department of Transportation				
Direct from the Federal Government:				
Airport Improvement Program	N	20.106	29,066	0
Total United States Department of Transportation			**29,066**	**0**
United States Department of the Treasury				
Direct from the Federal Government:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N, COVID-19	21.027	9,521,125	0
Total United States Department of the Treasury			**9,521,125**	**0**
United States Department of Education				
Passed Through Ohio Department of Education:				
Special Education Cluster (IDEA):				
Special Education_Grants to States	N/A	84.027	54,158	0
COVID- 19 Special Education_Grants to States	N/A, COVID-19	84.027X	2,482	0
Total Special Education_Grants to States			56,640	
Special Education_Preschool Grants	N/A	84.173	14,913	0
COVID-19 Special Education_Preschool Grants	N/A, COVID-19	84.173X	184	0
Total Special Education_Preschool Grants			15,097	
Total Special Education Cluster (IDEA)			71,737	0
COVID-19 Governor's Emergency Education Relief (GEER) Fund	N/A, COVID-19	84.425C	88,866	0
Total United States Department of Education			**160,603**	**0**
United States Department of Health and Human Services				
Direct from Federal Government:				
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	N, COVID-19	93.498	49,129	0
Passed Through Ohio Department of Job and Family Services:				
COVID-19 Elder Abuse Prevention Interventions Program	G-2223-11-6947, COVID-19	93.747	37,916	0
Children's Health Insurance Program	G-2223-11-6947	93.767	1,760	0

(continued)

Lawrence County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor *Pass-Through Grantor* Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Federal Disbursements	Non-Cash Disbursements
Temporary Assistance for Needy Families (TANF):				
COVID-19 Temporary Assistance for Needy Families	G-2223-11-6947, COVID-19	93.558	$254,735	$0
Temporary Assistance for Needy Families	G-2223-11-6947	93.558	1,646,223	0
Total Temporary Assistance for Needy Families (TANF)			1,900,958	0
MaryLee Allen Promoting Safe and Stable Families Program	G-2223-11-6947	93.556	10,040	0
Child Support Enforcement	G-2223-11-6947	93.563	460,572	0
Adoption Assistance	G-2223-11-6947	93.659	2,855	0
Foster Care_Title IV-E	G-2223-11-6947	93.658	1,195,005	0
Child Care Development Fund Cluster:				
Child Care and Development Block Grant	G-2223-11-6947	93.575	104,453	0
Total Child Care Development Fund Cluster			104,453	0
Social Services Block Grant:				
Passed Through Ohio Department of Job and Family Services:				
Social Services Block Grant	G-2223-11-6947	93.667	619,756	0
Passed Through Ohio Department of Developmental Disabilities:				
Social Services Block Grant	2201OHSOSR	93.667	39,125	0
Total Social Services Block Grant			658,881	0
Medicaid Cluster:				
Passed Through Ohio Department of Job and Family Services:				
Medical Assistance Program	G-2223-11-6947	93.778	1,157,925	0
Total Medicaid Cluster			1,157,925	0
Total United States Department of Health and Human Services			**5,579,494**	**0**
United States Election Assistance Commission (EAC)				
Passed Through Ohio Secretary of State:				
HAVA Election Security Grant Funds	EACELSEC18OH	90.404	10,000	0
Total United States Election Assistance Commission (EAC)			**10,000**	**0**
United States Department of Homeland Security				
Passed Through Ohio Emergency Management Agency:				
Emergency Food and Shelter National Board	FEMA-DR-4360-OH	97.024	29,319	0
Hazard Mitigation Grant Program	FEMA-DR-4360-OH	97.039	10,286	0
Emergency Management Performance Grants:				
Emergency Management Performance Grants	EMC-2021-EP-00007	97.042	20,300	0
Emergency Management Performance Grants	EMC-2021-EP-00002	97.042	16,590	0
Total Emergency Management Performance Grants			36,890	0
Total United States Department of Homeland Security			**76,495**	**0**
Total Federal Awards Expenditures			**$15,777,575**	**$2,113**

N - direct from federal government.
N/A - pass-through entity number not available.
See the accompanying notes to the schedule of federal awards expenditures.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Lawrence County (the County) under programs of the federal government for the year ended December 31, 2022. 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 or changes in net position of the County.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* , wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

Note 3 - Indirect Cost Rate

The County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - 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 on non-federal matching funds is not included in the schedule.

Note 5 - Food Donation

The County reports commodities consumed on the schedule at the entitlement value. The County allocated donated food commodities to the respective program(s) that benefitted from the use of those donated food commodities.

Note 6 - 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.

Julian & Grube

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Independent Auditor's 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*

Lawrence County
111 South Fourth Street
Ironton, Ohio 45638

To the Members of the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash-basis financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements and have issued our report thereon dated May 30, 2024, wherein we noted Lawrence County uses a special purpose framework other than generally accepted accounting principles. Our report includes a reference to other auditors who audited the financial statements of the Lawrence County Port Authority, a discretely presented component unit of Lawrence County, as described in our report on the Lawrence County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

Report on Internal Control over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lawrence 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-001.

Lawrence County's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on Lawrence County's response to the finding identified in our audit and described in the accompanying corrective action plan. Lawrence County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Julian & Grube, Inc.

Julian & Grube, Inc.
May 30, 2024

Julian & Grube

333 County Line Road, West
Westerville, OH 43082
614-846-1899

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Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Lawrence County
111 South Fourth Street
Ironton, Ohio 45638

To the Members of the Board of Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lawrence County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Lawrence County's major federal programs for the year ended December 31, 2022. Lawrence County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, Lawrence County complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of Lawrence County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lawrence County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lawrence County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lawrence County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lawrence County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lawrence County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lawrence County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Lawrence County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Julian & Grube, Inc.

Julian & Grube, Inc.
May 30, 2024

LAWRENCE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	*Type of Financial Statement Opinion*	Unmodified
(d)(1)(ii)	*Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?*	No
(d)(1)(ii)	*Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?*	None reported
(d)(1)(iii)	*Was there any reported material noncompliance at the financial statement level (GAGAS)?*	Yes
(d)(1)(iv)	*Were there any material weaknesses in internal control reported for major federal programs?*	No
(d)(1)(iv)	*Were there any significant deficiencies in internal control reported for major federal programs?*	None reported
(d)(1)(v)	*Type of Major Programs' Compliance Opinion*	Unmodified
(d)(1)(vi)	*Are there any reportable findings under 2 CFR §200.516(a)?*	No
(d)(1)(vii)	*Major Programs (listed):*	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027); Temporary Assistance for Needy Families (TANF) (ALN 93.558)
(d)(1)(viii)	*Dollar Threshold: Type A/B Programs*	Type A: >$750,000 Type B: all others
(d)(1)(ix)	*Low Risk Auditee under 2 CFR § 200.520?*	No

LAWRENCE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

Noncompliance – Annual Financial Report:

Ohio Revised Code Section 117.38 provides each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38. Ohio Administrative Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP).

The County prepared its financial statements in accordance with the cash basis of accounting in a report format similar to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This presentation differs from GAAP. There would be variances on the financial statements between this accounting practice and GAAP that, while presumably material, cannot be reasonably determined at this time.

Failure to prepare proper GAAP financial statements may result in the County being fined or other administrative remedies.

We recommend the County prepare its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

Lawrence County Auditor
Paul David Knipp
Veteran's Square Ironton, Ohio 45638
Telephone (740)-533-4310 Fax (740)-533-4381
E-mail "ckline@lawrencegov.org"

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR § 200.511(b)
DECEMBER 31, 2022

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-001	Unknown	Noncompliance - Ohio Admin. Code § 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, the County prepared its financial statements in accordance with the cash basis of accounting.	Not Corrected	Finding repeated as 2022-001 as the County prepared cash basis financial statements.

Lawrence County Auditor

Paul David Knipp

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E-mail "ckline@lawrencegov.org"

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	It is not cost beneficial for the county to file its financial statements on a GAAP basis.	Unknown	Paul David Knipp, Auditor

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OHIO AUDITOR OF STATE
KEITH FABER

LAWRENCE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 6/25/2024

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