LAWRENCE COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024

Millhuff-Stang

CERTIFIED PUBLIC ACCOUNTANT

Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

We have reviewed the *Independent Auditor's Report* of Lawrence County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2024 through December 31, 2024. 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
Ohio Auditor of State

Tiffany L Ridenbaugh

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 29, 2025

This page intentionally left blank.

Lawrence County
Table of Contents
For the Year Ended December 31, 2024

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Lawrence County, Ohio (the County), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of December 31, 2024, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General, Board of Developmental Disabilities, Motor Vehicle Gasoline Tax, and Emergency Medical Services Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 – Accounting Basis

Ohio Administrative Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis 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 opinion is not modified with respect to this matter.

Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 the County's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 statement 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 September 19, 2025 on our consideration of the 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 the 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 the County's internal control over financial reporting and compliance.

Millhuff-Stang CPA/Inc.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

September 19, 2025

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, 2024 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 2024 are as follows:

Overall (Primary Government):

- Total net position increased $1,252,324 with governmental activities increasing by $1,023,600 and business-type activities increasing by $228,724.
- Total cash receipts were $70,779,774 in 2024.
- Total program cash disbursements were $69,527,450 in 2024.

Governmental Activities:

- Total program cash receipts were $35,742,696 in 2024, while program cash disbursements were $69,486,622.
- Program cash disbursements were primarily composed of legislative and executive, judicial, public safety, public works, health, human services, community and economic development, and capital outlay, which were $8,382,249, $4,187,910, $9,759,429, $8,190,563, $14,154,581, $9,411,088, $358,109, and $10,610,190, respectively, in 2024.

Business-Type Activities:

- Total program cash receipts were $269,552 for business-type activities, while corresponding program cash disbursements were $40,828. Program cash receipts and disbursements were significantly higher in the prior years due customer receipts received and the pay-off of outstanding debt obligations from the proceeds of a special item for the sale of operations.

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 motor vehicle gasoline tax fund, and the emergency medical services 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

<u>The County's Reporting Entity Presentation</u>

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 2024?" 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 motor vehicle gasoline tax fund and the emergency medical services 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 2024 compared to the prior year:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Equity in Pooled Cash and Cash Equivalents	$53,090,719	$52,054,508	$8,530,127	$8,301,403	$61,620,846	$60,355,911
Cash and Cash Equivalents In Segregated Accounts	217,178	229,789	0	0	217,178	229,789
Total Assets	53,307,897	52,284,297	8,530,127	8,301,403	61,838,024	60,585,700
Net Position						
Restricted	42,235,211	41,565,458	0	0	41,235,211	41,565,458
Unrestricted	11,072,686	10,718,839	8,530,127	8,301,403	19,602,813	19,020,242
Total Net Position	$53,307,897	$52,284,297	$8,530,127	$8,301,403	$61,838,024	$60,585,700

Total assets and net position increased by $1,252,324 from 2023 to 2024, which will be further discussed below.

Table 2 shows the changes in net position for 2024 and 2023.

Table 2
Net Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Receipts						
Program Cash Receipts						
Charges for Services and Sales	$10,929,936	$10,078,412	$269,552	$2,158,471	$11,199,488	$12,236,883
Operating Grants, Contributions, and Interest	22,084,071	20,387,080	0	0	22,084,071	20,387,080
Capital Grants, Contributions, and Interest	2,728,689	2,250,466	0	0	2,728,689	2,250,466
Total Program Cash Receipts	35,742,696	32,715,958	269,552	2,158,471	36,012,248	34,874,429
General Cash Receipts						
Property Taxes	11,699,513	11,831,522	0	0	11,699,513	11,831,522
Sales Taxes	11,651,947	11,706,770	0	0	11,651,947	11,706,770
Other Local Taxes	214,442	216,330	0	0	214,442	216,330
Payments in Lieu Taxes	29,471	27,100	0	0	29,471	27,100
Unrestricted Grants and Entitlements	2,101,588	2,070,571	0	0	2,101,588	2,070,571
Proceeds from Sale of Assets	301,540	84,345	0	0	301,540	84,345
Interest	1,877,580	1,449,045	0	0	1,877,580	1,449,045
Insurance Recoveries	37,544	105,348	0	0	37,544	105,348
Bonds Issued	6,579,000	0	0	0	6,579,000	0
Other	274,901	247,890	0	3,565	274,901	251,455
Total General Cash Receipts	34,767,526	27,738,921	0	3,565	34,767,526	27,742,486
Total Cash Receipts	70,510,222	60,454,879	269,552	2,162,036	70,779,774	62,616,915
Cash Disbursements						
Program Cash Disbursements						
General Government						
Legislative and Executive	8,382,249	7,309,997	0	0	8,382,249	7,309,997
Judicial	4,187,910	4,014,902	0	0	4,187,910	4,014,902
Public Safety	9,759,429	9,986,360	0	0	9,759,429	9,986,360
Public Works	8,190,563	5,009,787	0	0	8,190,563	5,009,787
Health	14,154,581	12,219,264	0	0	14,154,581	12,219,264
Human Services	9,411,088	9,886,491	0	0	9,411,088	9,886,491
Comm. and Econ. Development	358,109	1,072,758	0	0	358,109	1,072,758
Other	126,855	109,550	0	0	126,855	109,550
Capital Outlay	10,610,190	7,472,524	0	0	10,610,190	7,472,524
Intergovernmental	398,070	400,734	0	0	398,070	400,734
Debt Service:						
Principal	3,800,577	965,703	0	0	3,800,577	965,703
Interest on Long-Term Debt	107,001	200,121	0	0	107,001	200,121
Wastewater Treatment	0	0	40,828	20,272,976	40,828	20,272,976
Total Cash Disbursements	69,486,622	58,648,191	40,828	20,272,976	69,527,450	78,921,167
Special Item – Sale of Operations	0	0	0	25,503,225	0	25,503,225

Table 2
Net Change in Net Position
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Change in Net Position	$1,023,600	$1,806,688	$228,724	$7,392,285	$1,252,324	$9,198,973
Net Position at Beginning of Year	52,284,297	50,477,609	8,301,403	909,118	60,585,700	51,386,727
Net Position at End of Year	$53,307,897	$52,284,297	$8,530,127	$8,301,403	$61,838,024	$60,585,700

Governmental Activities Operating grants, contributions and interest increased to additional monies received in the current year through the motor vehicle gasoline tax fund. Interest increased due to the investments held by the County during the year. Property taxes and sales taxes made up 17 percent and 17 percent, respectively, of cash receipts for governmental activities for Lawrence County in 2024. Operating grants, contributions, and interest and charges for services and sales made up 31 percent and 16 percent, respectively, of cash receipts for governmental activities for the County.

Legislative and executive increased due to overall increased costs incurred by the County. 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 and emergency medical services. Community and economic development decreased due to additional monies received from and spent on CDBG grants in the prior year. Capital outlay increased due to money spent for the capital 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 49 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

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General Government				
Legislative and Executive	$8,382,249	$4,961,052	$7,309,997	$4,295,330
Judicial	4,187,910	2,807,939	4,014,902	2,557,832
Public Safety	9,759,429	7,029,107	9,986,360	7,055,209
Public Works	8,190,563	(271,193)	5,009,787	(1,260,174)
Health	14,154,581	6,575,546	12,219,264	5,546,223
Human Services	9,411,088	589,499	9,886,491	337,411
Community and Economic Development	358,109	245,208	1,072,758	134,356
Other	126,855	107,653	109,550	94,140
Capital Outlay	10,610,190	7,393,467	7,472,524	5,637,585
Intergovernmental	398,070	398,070	400,734	400,734
Debt Service:				
Principal	3,800,577	3,800,577	965,703	934,674
Interest	107,001	107,001	200,121	198,913
Total Cash Disbursements	$69,486,622	$33,743,926	$58,648,191	$25,932,233

Table 4
Total Cost of Program Services
Business-Type Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Wastewater Treatment	$40,828	($228,724)	$20,272,976	$18,114,505
Total Cash Disbursements	$40,828	($228,724)	$20,272,976	$18,114,505

Business-Type Activities Business-type activities include wastewater treatment services. Overall net position increased $228,724 from 2023 to 2024. Program receipts more than program disbursements for the wastewater treatment segment in the amount of $228,724 due to the phase out of services.

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 $86,832,292 and cash disbursements and other financing uses of $85,808,692. The net change in fund balance for the year was most significant in the board of developmental disabilities fund, where the cash balance went from $7,021,432 to $6,100,637. This decrease is due primarily to an increase in disbursements and a decrease in intergovernmental receipts.

The fund balance of the general fund increased $399,821 as receipts exceeded disbursements. The fund balance of the board of developmental disabilities fund decreased $920,795 due to a significant increase in operating costs that exceeded increases in grant receipts. The fund balance of the motor vehicle gasoline tax fund decreased $321,281, due to transfers out for capital improvements. The fund balance of the emergency medical services fund increased $3,746.

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 $25,319,310, which is over original budgeted receipts of $20,700,899 by $4,618,411. These increases were primarily the result of an increase in expected property and sales taxes, charges for services, intergovernmental, and interest as well as transfers in. Total actual receipts and other financing sources were $24,305,415 which were below final budgeted amounts by $1,013,895 This decrease is due to less transfers in received than anticipated. Total actual disbursements and other financing uses on the budget basis (cash outlays plus encumbrances) were $23,995,969. Original budgeted appropriations and other financing uses were $24,355,847, while final budgeted amounts were $24,839,500. Overall, total actual disbursements and other financing uses were less than final budgeted amounts due to changes in transfers and advances out. Disbursements were lower than expected due to conservative budgeting by the County.

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 $10,610,190 and $0 for its governmental activities and its business-type activities, respectively, during 2024.

Debt

Under the cash basis of accounting, the County does not report bonds or financed purchases 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 and leases. At December 31, 2024, the County had $7,182,464 outstanding in bonds and other long-term debt for governmental 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 2024 and 2023:

Table 5
Outstanding Debt at December 31
Governmental Activities

	2024	2023
General Obligation Bonds	$7,090,000	$4,234,000
Financed Purchase	92,464	170,041
Totals	$7,182,464	$4,404,041

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, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$53,090,719	$8,530,127	$61,620,846
Cash and Cash Equivalents in Segregated Accounts	217,178	0	217,178
Total Assets	53,307,897	8,530,127	61,838,024
Net Position			
Restricted for:			
Developmental Disabilities	6,100,637	0	6,100,637
Motor Vehicle Gasoline Tax	5,231,080	0	5,231,080
EMS	4,709,362	0	4,709,362
Court Development	312,173	0	312,173
Treasurer Delinquent Taxes	361,512	0	361,512
Indigent Drivers	207,649	0	207,649
Law Library	90,306	0	90,306
Juvenile and Probate Special Projects	154,269	0	154,269
Concealed Handgun Law	123,108	0	123,108
Drug Law Enforcement	102,879	0	102,879
Sheriff Continuing Education	89,077	0	89,077
Common Pleas Court In-House Mediation	330,164	0	330,164
County Court Computerization	324,742	0	324,742
Clerk of Courts Computerization	138,204	0	138,204
Electronic Monitoring	95,283	0	95,283
911 Emergency	111,910	0	111,910
Juvenile Court IV-D Contract	218,531	0	218,531
Recorder Special Projects	431,948	0	431,948
Supervisory Fees	195,477	0	195,477
Pandemic Impact Reduction Rescue	169,054	0	169,054
T Cap	567,719	0	567,719
Probate and Juvenile Court	241,208	0	241,208
Wireless 911 Assistance	238,119	0	238,119
Court Technology Grants	171,187	0	171,187
American Rescue Plan Act	96,125	0	96,125
LATCF	481,824	0	481,824
One Opioid	685,994	0	685,994
Juvenile Court IV-E	152,164	0	152,164
Job and Family Services	502,174	0	502,174
Real Estate Assessment	1,494,592	0	1,494,592
Rehab	110,807	0	110,807
Felony and Delinquent Care	279,529	0	279,529
Children Services	719,677	0	719,677
Family Resources	121,089	0	121,089
Child Support	2,078,345	0	2,078,345
Tax Credit Administration	290,956	0	290,956
Prosecutor	109,968	0	109,968
Unclaimed Monies	528,749	0	528,749
Debt Service	43,050	0	43,050
Capital Outlay	12,522,211	0	12,522,211
Other Purposes	1,302,359	0	1,302,359
Unrestricted	11,072,686	8,530,127	19,602,813
Total Net Position	$53,307,897	$8,530,127	$61,838,024

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	$7,592
983,277	187,887	0
983,277	187,887	7,592
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
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
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
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
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
983,277	187,887	7,592
$983,277	$187,887	$7,592

Lawrence County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2024

		Program Receipts		
	Disbursements	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental Activities				
General Government:				
Legislative and Executive	$8,382,249	$3,067,034	$354,163	$0
Judicial	4,187,910	976,347	403,624	0
Public Safety	9,759,429	1,389,193	1,341,129	0
Public Works	8,190,563	155,949	8,305,807	0
Health	14,154,581	4,236,785	3,342,250	0
Human Services	9,411,088	591,664	8,229,925	0
Community and Economic Development	358,109	5,728	107,173	0
Other	126,855	19,202	0	0
Capital Outlay	10,610,190	488,034	0	2,728,689
Intergovernmental	398,070	0	0	0
Debt Service:				
Principal	3,800,577	0	0	0
Interest	107,001	0	0	0
Total Governmental Activities	69,486,622	10,929,936	22,084,071	2,728,689
Business-Type Activities				
Wastewater Treatment	40,828	269,552	0	0
Total Business-Type Activities	40,828	269,552	0	0
Total Primary Government	$69,527,450	$11,199,488	$22,084,071	$2,728,689
Component Units				
Lawrence County Land Reutilization Corporation	486,186	235,526	79,945	$0
Lawrence County Port Authority	5,869,845	155,533	4,281,920	0
Lawrence County Transportation Improvement District	4,552	0	0	0
Total Component Units	$6,360,583	$391,059	$4,361,865	$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
Insurance Recoveries
Loans Issued
Bonds 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			Lawrence County Land Reutilization Corporation	Lawrence County Port Authority	Lawrence County Transportation Improvement District
Governmental Activities	Business-Type Activities	Total			
($4,961,052)	$0	($4,961,052)	$0	$0	$0
(2,807,939)	0	(2,807,939)	0	0	0
(7,029,107)	0	(7,029,107)	0	0	0
271,193	0	271,193	0	0	0
(6,575,546)	0	(6,575,546)	0	0	0
(589,499)	0	(589,499)	0	0	0
(245,208)	0	(245,208)	0	0	0
(107,653)	0	(107,653)	0	0	0
(7,393,467)	0	(7,393,467)	0	0	0
(398,070)	0	(398,070)	0	0	0
(3,800,577)	0	(3,800,577)	0	0	0
(107,001)	0	(107,001)	0	0	0
(33,743,926)	0	(33,743,926)	0	0	0
0	228,724	228,724	0	0	0
0	228,724	228,724	0	0	0
(33,743,926)	228,724	(33,515,202)	0	0	0
			(170,715)	0	0
			0	(1,432,392)	0
			0	0	(4,552)
			(170,715)	(1,432,392)	(4,552)
5,227,823	0	5,227,823	0	0	0
3,284,202	0	3,284,202	0	0	0
2,709,366	0	2,709,366	0	0	0
478,122	0	478,122	0	0	0
11,651,947	0	11,651,947	0	0	0
214,442	0	214,442	0	0	0
29,471	0	29,471	0	0	0
2,101,588	0	2,101,588	183,628	0	0
1,877,580	0	1,877,580	48	30,760	0
274,901	0	274,901	0	0	0
37,544	0	37,544	0	0	0
0	0	0	134,924	1,288,000	0
6,579,000	0	6,579,000	0	0	0
301,540	0	301,540	0	0	0
34,767,526	0	34,767,526	318,600	1,318,760	0
1,023,600	228,724	1,252,324	147,885	(113,632)	(4,552)
52,284,297	8,301,403	60,585,700	835,392	301,519	12,144
$53,307,897	$8,530,127	$61,838,024	$983,277	$187,887	$7,592

Lawrence County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
As of December 31, 2024

	General	Board of Developmental Disabilities	Motor Vehicle Gasoline Tax	Emergency Medical Services	All Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$10,301,649	$6,100,637	$5,229,877	$4,709,362	$26,220,445	$52,561,970
Cash and Cash Equivalents in Segregated Accounts	69,725	0	1,203	0	146,250	217,178
Restricted Cash and Cash Equivalents	528,749	0	0	0	0	528,749
Total Assets	$10,900,123	$6,100,637	$5,231,080	$4,709,362	$26,366,695	$53,307,897
Fund Balances						
Nonspendable	$528,749	$0	$0	$0	$0	$528,749
Restricted	0	6,100,637	5,231,080	4,709,362	25,665,383	41,706,462
Committed	0	0	0	0	701,312	701,312
Assigned	5,607,970	0	0	0	0	5,607,970
Unassigned	4,763,404	0	0	0	0	4,763,404
Total Fund Balances	$10,900,123	$6,100,637	$5,231,080	$4,709,362	$26,366,695	$53,307,897

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, 2024

	General	Board of Developmental Disabilities	Motor Vehicle Gasoline Tax	Emergency Medical Services	All Other Governmental Funds	Total Governmental Funds
Receipts						
Property Taxes	$5,227,823	$3,284,202	$0	$2,709,366	$478,122	$11,699,513
Sales Taxes	11,651,947	0	0	0	0	11,651,947
Other Local Taxes	0	0	0	0	214,442	214,442
Payments in Lieu of Taxes	25,659	1,849	0	1,669	294	29,471
Charges for Services	2,731,333	2,985	0	4,044,675	3,306,600	10,085,593
Licenses and Permits	2,300	0	0	0	55	2,355
Fines, Forfeitures, and Settlements	327,754	0	18,203	0	496,031	841,988
Intergovernmental	1,817,866	3,304,806	8,152,072	64,400	13,220,404	26,559,548
Interest	1,835,962	202,322	118,142	0	41,618	2,198,044
Contributions and Donations	500	25	0	0	33,811	34,336
Other	124,677	0	0	0	150,224	274,901
Total Receipts	23,745,821	6,796,189	8,288,417	6,820,110	17,941,601	63,592,138
Disbursements						
Current:						
General Government:						
Legislative and Executive	6,944,540	0	0	0	1,437,709	8,382,249
Judicial	3,603,155	0	0	0	584,755	4,187,910
Public Safety	6,044,947	0	0	0	3,714,482	9,759,429
Public Works	909,982	0	7,280,581	0	0	8,190,563
Health	380,038	7,341,335	0	5,771,251	661,957	14,154,581
Human Services	628,677	0	0	0	8,782,411	9,411,088
Community and Economic Development	37,841	0	0	0	320,268	358,109
Other	126,855	0	0	0	0	126,855
Capital Outlay	146,761	25,649	930,657	0	9,507,123	10,610,190
Intergovernmental	0	0	0	0	398,070	398,070
Debt Service:						
Principal	0	0	0	0	3,800,577	3,800,577
Interest	0	0	0	0	107,001	107,001
Total Disbursements	18,822,796	7,366,984	8,211,238	5,771,251	29,314,353	69,486,622
Excess of Receipts Over (Under) Disbursements	4,923,025	(570,795)	77,179	1,048,859	(11,372,752)	(5,894,484)
Other Financing Sources (Uses)						
Transfers In	60,000	0	0	0	10,920,122	10,980,122
Bonds Issued	0	0	0	0	6,579,000	6,579,000
Proceeds from Sale of Assets	0	0	1,540	0	300,000	301,540
Insurance Recoveries	0	0	0	0	37,544	37,544
Advances In	865,927	0	200,000	0	4,276,021	5,341,948
Transfers Out	(4,795,964)	(350,000)	(400,000)	(1,045,113)	(4,389,045)	(10,980,122)
Advances Out	(653,167)	0	(200,000)	0	(4,488,781)	(5,341,948)
Total Other Financing Sources (Uses)	(4,523,204)	(350,000)	(398,460)	(1,045,113)	13,234,861	6,918,084
Net Change in Fund Balances	399,821	(920,795)	(321,281)	3,746	1,862,109	1,023,600
Fund Balances at Beginning of Year	10,500,302	7,021,432	5,552,361	4,705,616	24,504,586	52,284,297
Fund Balances at End of Year	$10,900,123	$6,100,637	$5,231,080	$4,709,362	$26,366,695	$53,307,897

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Property Taxes	$5,378,531	$5,305,719	$5,305,719	$0
Sales Taxes	8,920,709	11,651,947	11,651,947	0
Payments in Lieu of Taxes	19,644	25,659	25,659	0
Charges for Services	1,727,479	2,256,378	2,307,302	50,924
Licenses and Permits	1,761	2,300	2,300	0
Fines and Forfeitures	250,928	327,754	327,754	0
Intergovernmental	1,422,080	1,857,476	1,817,866	(39,610)
Interest	1,496,219	1,954,314	1,834,598	(119,716)
Other	62,200	81,244	81,244	0
Total Receipts	19,279,551	23,462,791	23,354,389	(108,402)
Disbursements				
Current:				
General Government:				
Legislative and Executive	7,356,021	6,045,432	6,045,432	0
Judicial	4,033,911	3,674,090	3,715,258	(41,168)
Public Safety	6,732,603	6,453,148	6,304,140	149,008
Public Works	991,885	990,342	990,342	0
Health	340,102	229,988	379,988	(150,000)
Human Services	894,356	628,752	628,752	0
Community and Economic Development	0	37,841	37,841	0
Other	127,355	126,855	126,855	0
Capital Outlay	260,414	218,230	218,230	0
Total Disbursements	20,736,647	18,404,678	18,446,838	(42,160)
Excess of Receipts Over (Under) Disbursements	(1,457,096)	5,058,113	4,907,551	(150,562)
Other Financing Sources (Uses)				
Transfers In	896,913	1,171,519	85,099	(1,086,420)
Advances In	524,435	685,000	865,927	180,927
Transfers Out	(3,619,200)	(5,962,582)	(4,895,964)	1,066,618
Advaces Out	0	(472,240)	(653,167)	(180,927)
Total Other Financing Sources (Uses)	(2,197,852)	(4,578,303)	(4,598,105)	(19,802)
Net Change in Fund Balances	(3,654,948)	479,810	309,446	(170,364)
Fund Balances at Beginning of Year	5,943,878	5,943,878	5,943,878	0
Prior Year Encumbrances Appropriated	575,143	575,143	575,143	0
Fund Balances at End of Year	$2,864,073	$6,998,831	$6,828,467	($170,364)

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property Taxes	$3,582,971	$3,336,833	$3,336,833	$0
Payments in Lieu of Taxes	1,271	1,849	1,849	0
Charges for Services	2,052	2,985	2,985	0
Intergovernmental	2,272,314	3,304,806	3,304,806	0
Interest	139,112	202,322	202,322	0
Contributions and Donations	17	25	25	0
Other	2,263	3,290	3,290	0
Total Receipts	6,000,000	6,852,110	6,852,110	0
Disbursements				
Current:				
Health	7,999,834	7,312,523	7,312,523	0
Capital Outlay	42,000	25,649	25,649	0
Total Disbursements	8,041,834	7,338,172	7,338,172	0
Excess of Receipts Under Disbursements	(2,041,834)	(486,062)	(486,062)	0
Other Financing Uses				
Transfers Out	0	(550,000)	(550,000)	0
Total Other Financing Uses	0	(550,000)	(550,000)	0
Net Change in Fund Balances	(2,041,834)	(1,036,062)	(1,036,062)	0
Fund Balances at Beginning of Year	6,316,255	6,316,255	6,316,255	0
Fund Balances at End of Year	$4,274,421	$5,280,193	$5,280,193	$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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Fines and Forfeitures	$35,602	$17,996	$17,996	$0
Intergovernmental	16,127,568	8,152,072	8,152,072	0
Interest	233,725	118,142	118,142	0
Other	15,010	7,587	7,587	0
Total Receipts	16,411,905	8,295,797	8,295,797	0
Disbursements				
Current:				
Public Works	19,455,562	7,907,833	7,907,833	0
Capital Outlay	565,000	1,236,424	1,236,424	0
Total Disbursements	20,020,562	9,144,257	9,144,257	0
Excess of Receipts Under Disbursements	(3,608,657)	(848,460)	(848,460)	0
Other Financing Sources (Uses)				
Advances In	395,668	200,000	200,000	0
Proceeds from Sale of Assets	3,047	1,540	1,540	0
Transfers Out	(1,100,000)	(400,000)	(400,000)	0
Advances Out	0	(200,000)	(200,000)	0
Total Other Financing Sources (Uses)	(701,285)	(398,460)	(398,460)	0
Net Change in Fund Balances	(4,309,942)	(1,246,920)	(1,246,920)	0
Fund Balances at Beginning of Year	4,132,642	4,132,642	4,132,642	0
Prior Year Encumbrances Appropriated	1,323,027	1,323,027	1,323,027	0
Fund Balances at End of Year	$1,145,727	$4,208,749	$4,208,749	$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)
Emergency Medical Services Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Property Taxes	$2,814,675	$2,752,786	$2,752,786	$0
Payments in Lieu of Taxes	973	1,669	1,669	0
Charges for Services	2,342,926	4,017,381	4,044,675	27,294
Intergovernmental	37,558	64,400	64,400	0
Other	3,868	6,632	6,632	0
Total Receipts	5,200,000	6,842,868	6,870,162	27,294
Disbursements				
Current:				
Health	5,595,270	5,711,826	5,711,826	0
Capital Outlay	58,000	0	0	0
Total Disbursements	5,653,270	5,711,826	5,711,826	0
Excess of Receipts Over (Under) Disbursements	(453,270)	1,131,042	1,158,336	27,294
Other Financing Uses				
Transfers Out	(45,114)	(1,045,113)	(1,045,113)	0
Total Other Financing Uses	(45,114)	(1,045,113)	(1,045,113)	0
Net Change in Fund Balances	(498,384)	85,929	113,223	27,294
Fund Balances at Beginning of Year	4,083,462	4,083,462	4,083,462	0
Fund Balances at End of Year	$3,585,078	$4,169,391	$4,196,685	$27,294

See accompanying notes to the basic financial statements.

Lawrence County
Statement of Fund Net Position - Cash Basis
Proprietary Fund
As of December 31, 2024

	Union-Rome Sewer
Assets	
Equity in Pooled Cash and Cash Equivalents	$8,530,127
Total Assets	8,530,127
Net Position	
Unrestricted	8,530,127
Total Net Position	$8,530,127

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, 2024

	Union-Rome Sewer
Operating Receipts	
Charges for Services	$269,552
Total Operating Receipts	269,552
Operating Disbursements	
Contractual Services	26,555
Other	14,273
Total Operating Disbursements	40,828
Operating Income	228,724
Advances	
Advances In	3,322,804
Advances Out	(3,322,804)
Change in Net Position	228,724
Net Position Beginning of Year	8,301,403
Net Position End of Year	$8,530,127

See accompanying notes to the basic financial statements.

Lawrence County

Statement of Fiduciary Net Position - Cash Basis

Custodial Funds

As of December 31, 2024

Assets	
Equity in Pooled Cash and Cash Equivalents	$5,234,740
Cash and Cash Equivalents in Segregated Accounts	1,559,508
Total Assets	6,794,248
Net Position	
Restricted for Individuals, Organizations, and Other Governments	6,794,248
Total Net Position	$6,794,248

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, 2024

Additions	
Intergovernmental	$5,255,542
Amounts Received as Fiscal Agent	2,819,688
Licenses and Permits and Fees for Other Governments	10,827,328
Fines and Forfeitures for Other Governments	1,702,893
Property Tax Collections for Other Governments	48,240,618
Sheriff Sale Collections for Others	515,300
Total Additions	69,361,369
Deductions	
Distributions as Fiscal Agent	2,951,557
Distributions of State Funds to Other Governments	6,200,545
Licenses and Permits and Fees Distributions to Other Governments	11,212,856
Fines and Forfeitures Distributions to Other Governments	1,495,910
Property Tax Distributions to Other Governments	47,861,148
Sheriff Sale Distributions to Others	481,200
Total Deductions	70,203,216
Change in Net Position	(841,847)
Net Position at Beginning of Year	7,636,095
Net Position at End of Year	$6,794,248

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.

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.

Emergency Medical Services Fund – This fund is used to account for monies received from a county-wide tax levy, grant monies and charges for services to operate the County's Emergency Medical Services.

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. During 2023, the County sold the Union-Rome Sewer to Aqua Ohio Wastewater, Inc. and all related debt was paid in full.

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, 2024. 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.

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

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

During 2024, the County invested funds in local government securities, the State Treasury Asset Reserve of Ohio (STAROhio), U.S. Government Agency securities, commercial paper, corporate and municipal bonds, negotiable certificates of deposit, U.S. Treasury bonds and notes, and money market funds. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The County measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. The County's other investments are reported at cost.

For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. Twenty-four hours advanced noticed is appreciated for deposits and redemptions of $100 million or more. STAR Ohio reserves the right to limit the transaction to $250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

For 2024, interest receipts amounted to $2,198,044, of which $1,835,962 was recorded in the general fund; $202,322 was recorded in the board of developmental disabilities fund; $118,142 was recorded in the motor vehicle gasoline tax fund; and $41,618 was recorded in all other governmental funds.

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.

Accumulated Leave

For 2024, GASB Statement No. 101, "Compensated Absences", was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The County does not offer noncash settlements.

County employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the County's cash basis of accounting.

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 and SBITAS

The County is the lessor/lessee (as defined by GASB 87) in various leases related to buildings, vehicles and other equipment under noncancelable leases. Lease receivables/payables are not reflected under the County's cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

The County has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription assets/liabilities are not reflected under the County's cash basis of accounting. Subscription disbursements are recognized when they are paid.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. Subsequently, settlement have been reached with other distributors. For 2024, distributions of $431,393 are reflected as fines, forfeitures and settlements revenue in the nonmajor National Opioid Settlement special revenue fund in the accompanying financial statements.

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 and advances 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 2024.

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. The County did not record any advances between governmental activities and business-type activities during 2024.

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.

<u>Deposits</u>

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 $7,145,603 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, 2024:

	Investment Balance	<1 Year	Maturity 1-2 Years	>2 Years	Percent Invested
Commissioners/EMS Amb Securities	$511,000	$30,000	$30,000	$451,000	0.82%
South Point Sewer 2017 Securities	468,000	36,000	36,000	396,000	0.75%
Rome Township 2020 Securities	165,411	25,508	26,299	113,604	0.27%
Union Township 2021 Securities	39,560	19,490	20,070	0	0.06%
Union Township 2023 Securities	243,679	56,992	59,535	127,152	0.39%
Village of South Point 2023 Securities	360,163	54,972	56,901	248,290	0.58%
Lawrence Township 2021 Securities	20,600	20,600	0	0	0.03%
Hamilton Township 2024 Securities	227,000	46,000	49,000	132,000	0.36%
STAR Ohio	11,343,139	11,343,139	0	0	18.21%
First American Govt Money Market	106,953	106,953	0	0	0.17%
Federal Farm Credit Bank	12,182,001	488,085	1,872,699	9,821,217	19.56%
Federal Home Loan Bank	7,169,559	560,899	2,315,832	4,292,828	11.51%
Federal National Mortgage Association	946,682	610,356	336,326	0	1.52%
Federal Home Loan Mortgage Corporation	1,430,230	440,074	169,563	820,593	2.30%
Other Agency Bonds	1,334,044	250,000	0	1,084,044	2.14%
Commercial Paper	1,948,293	1,948,293	0	0	3.14%
Corporate Bonds	5,429,081	2,350,737	3,078,344	0	8.72%
Municipal Bonds	1,597,831	0	697,163	900,668	2.57%
Negotiable Certificates of Deposit	2,830,022	0	243,268	2,586,754	4.54%
Treasury Bonds	2,302,602	249,688	1,189,020	863,894	3.70%
Treasury Notes	11,618,740	761,823	1,478,910	9,378,007	18.66%
Total	$62,274,590	$19,399,609	$11,658,930	$31,216,051	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 Aa1, Aaa, and 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, 2024, the Lawrence County Land Reutilization Corporation's carrying amount and bank balance was $983,277 and the depository balance was $985,270. The entire amount was covered by federal deposit insurance or collateralized by the Ohio Pooled Collateral System.

At December 31, 2024, the Lawrence County Port Authority's carrying amount of deposits was $187,887 and the depository balance was $223,512. The Port Authority's deposits at year-end consisted entirely of deposits with one financial institution. The depository balance is insured by the Federal Deposit Insurance Corporation up to $250,000.

At December 31, 2024, the Lawrence County Transportation Improvement District's deposit balance was $7,592 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	Motor Vehicle Gasoline Tax	Emergency Medical Services
Budgetary Basis Fund Balances	$6,828,467	$5,280,193	$4,208,749	$4,196,685
Encumbrances	808,736	0	937,786	0
Excluded Funds for Budget Purposes	2,632,519	495,213	0	0
Cash Held in Custodial Funds at Year-End	560,676	325,231	83,342	512,677
Cash Held in Segregated Accounts at Year-End	69,725	0	1,203	0
Fund Cash Balances	$10,900,123	$6,100,637	$5,231,080	$4,709,362

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 2024 for real and public utility property taxes represents collection of 2023 taxes.

2024 real property taxes are levied after October 1, 2024 on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are intended to finance 2025.

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. 2024 public utility property taxes became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The assessed value for the taxes levied in 2024 was $1,832,665,970 of which real property represented 63 percent ($1,159,060,920) of the total and public utility property represented 37 percent ($673,605,050) of the total. The full tax rate for all County operations for taxes collected in 2024 was $7.88 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 2024 amounted to $11,651,947 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 $2,500 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 $1,000,000 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	Each Occurrence	Deductible
General Liability	$1,000,000	$2,500
Errors and Omissions	1,000,000 each occurrence/3,000,000 aggregate	2,500
Law Enforcement	1,000,000	2,500
Auto Liability	1,000,000	2,500
Employers Liability/Stop GAP	1,000,000	2,500
Gross Earnings/Extra Expense	2,500,000	2,500
Electronic Data Processing Equipment	250,000	2,500
Boiler and Machinery	107,394,000	2,500
Inland Marine	4,939,092	2,500
Cyber Extortion	50,000 each occurrence/50,000 aggregate	2,500
Employees Benefits Liability	1,000,000	2,500

Settled claims have not exceeded this commercial coverage in any of the past three years. The County reviewed its coverage and adjusted certain values from the prior year as deemed appropriate.

For 2024, 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 Liability (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) represents 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 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 (asset). Resulting adjustments to the net pension/OPEB liability (asset) 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 participate in the Ohio Public Employees Retirement System (OPERS). 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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) 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 Annual Comprehensive 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

Traditional plan state and local 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 at retirement.

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

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 member's original 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.

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

	State and Local			
	Traditional	Combined	Public Safety	Law Enforcement
2024 Statutory Maximum Contribution Rates				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
2024 Actual Contribution Rates				
Employer:				
Pension ****	14.0 %	12.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	2.0	0.0	0.0
Total Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee	10.0 %	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 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2024, the County's contractually required contribution to OPERS was $3,041,751 for the traditional plan, $47,228 for the combined plan, and $21,705 for the member-directed plan.

State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary 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. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective August 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after August 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 11.09 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 2.91 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 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS Ohio was $79,567 for 2024.

Pension Liability (Asset)

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the net pension liability for STRS was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the 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	0.1251708%	0.0733990%	0.0041409%	
Prior Measurement Date	0.1291918%	0.0670400%	0.0041929%	
Change in Proportionate Share	-0.0040210%	0.0063590%	-0.0000520%	
Proportionate Share of the:				
Net Pension Liability	$32,770,421	$0	$796,776	$33,567,197
Net Pension Asset	0	(225,615)	0	(225,615)

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, 2023, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	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 (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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 of 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 of these tables.

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 a gain of 11.2 percent for 2023.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 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 real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. 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 benefit 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	$55,388,100	$32,770,241	$21,659,563
OPERS Combined Plan	(90,281)	(225,615)	(238,547)

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation are presented below:

Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on service
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)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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.

Actuarial assumptions used in the June 30, 2024, 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:

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	100.00%	

* Final target weights reflected at October 1, 2022.
** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 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 as of June 30, 2024. 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, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2024.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 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	$1,285,339	$796,776	$383,535

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, 2024, 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. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:
Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service credit with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified heath care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least page 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements	**Age and Service Requirements**	**Age and Service Requirements**
December 1, 2014 or Prior	***December 1, 2014 or Prior***	***December 1, 2014 or Prior***
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	***January 1, 2015 through December 31, 2021***	***January 1, 2015 through December 31, 2021***
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated 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 for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector.

OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County’s contractually required contribution was $6,201 for 2024.

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. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

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 December 31, 2024, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset)

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2024, 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	0.1200499%	0.0041409%	
Prior Measurement Date	0.1230397%	0.0041929%	
Change in Proportionate Share	-0.0029898%	-0.0000520%	
Proportionate Share of the:			
Net OPEB Asset	($1,083,479)	($78,545)	($1,162,024)

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 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 the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

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 of 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 of these tables.

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care 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, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit 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 real 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 real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00%	

Discount Rate A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 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 the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 5.70 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 4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
County's proportionate share of the net OPEB liability (asset)	$595,448	($1,083,479)	($2,474,229)

Sensitivity of the County's Proportionate Share of the Net OPEB Liability 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 or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or 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 with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 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 care 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	($1,128,469)	($1,083,479)	($1,032,429)

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to the prior year are presented below:

	June 30, 2024	June 30, 2023
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 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 percent	3 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	7.50 percent initial 4.14 percent ultimate
Medicare	-112.22 percent initial 3.94 percent ultimate	-10.94 percent initial 4.14 percent ultimate
Prescription Drug		
Pre-Medicare	8.00 percent initial 3.94 percent ultimate	-11.95 percent initial 4.14 percent ultimate
Medicare	-15.14 percent initial 3.94 percent ultimate	1.33 percent initial 4.14 percent ultimate

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

Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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.

Actuarial assumptions used in the June 30, 2024, 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:

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	100.00%	

* Final target weights reflected at October 1, 2022.
* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 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 actual 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 as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed 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, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the County'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, 2024, 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	($63,862)	($78,545)	($91,322)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	($92,185)	($78,545)	($62,141)

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 2024 is as follows:

Governmental Activities Long-Term Obligations

	Outstanding 12/31/23	Additions	Deletions	Outstanding 12/31/24	Due in One Year
General Obligation Bonds:					
2020 EMS Building Notes 3.175%	$539,000	$0	($28,000)	$511,000	$30,000
2024 Building Bonds 4.59%	0	6,579,000	0	6,579,000	157,000
Direct Borrowing:					
2018 VP Improvement Bonds 3.76%	3,695,000	0	(3,695,000)	0	0
Subtotal General Obligation Bonds	4,234,000	6,579,000	(3,723,000)	7,090,000	187,000
Direct Borrowing:					
Financed Purchase Agreement 2010 5.877%	170,041	0	(77,577)	92,464	92,464
Total Governmental Long-Term Obligations	$4,404,041	$6,579,000	($3,800,577)	$7,182,464	$279,464

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 Building Bonds 2024 in the amount of $6,579,000 were issued in May 2024 with a final maturity date of July 2044. These bonds will be repaid from the general 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 were 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
2025	$187,000	$369,014	$92,464	$5,162
2026	248,000	307,563	0	0
2027	260,000	296,489	0	0
2028	271,000	284,893	0	0
2029	283,000	272,792	0	0
2030-2034	1,616,000	1,162,494	0	0
2035-2039	1,968,000	766,405	0	0
2040-2044	2,257,000	294,540	0	0
Total	$7,090,000	$3,754,190	$92,464	$5,162

At December 31, 2024, the County's overall legal debt margin was $37,226,649 with an unvoted debt margin of $18,326,660.

Component Units

Lawrence County Port Authority

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, 2024 was $195,655.

On December 16, 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, 2024 was $237,780.

On September 18, 2023, the Port Authority entered into a loan agreement with Ironton-Lawrence County Community Action Organization, Inc. (ILCAO). The loan agreement is for $167,000 for five years with 0% interest. The note matures with a balloon payment in September 2028. The balance outstanding at December 31, 2024 was $167,000.

On April 18, 2024, the Port Authority entered into a loan agreement with Ironton-Lawrence County Community Action Organization, Inc. (ILCAO). The loan agreement is for $520,000 for five years with 0% interest. The note matures with a balloon payment in April 2029. The balance outstanding at December 31, 2024 is $520,000.

On May 1, 2024, the Port Authority entered into a loan agreement with LEDC. The loan agreement is for $74,000 for five years with 0% interest. The note matures with a ballon payment in April 2029. The balance outstanding at December 31, 2024 is $74,000.

On May 1, 2024, the Port Authority entered into a loan agreement with City of Ironton. The loan agreement is for $222,000 for five years with 0% interest. The note matures with a ballon payment in April 2029. The balance outstanding at December 31, 2024 is $222,000.

On May 1, 2024, the Port Authority entered into a loan agreement with Lawrence County. The loan agreement is for $222,000 for five years with 0% interest. The note matures with a ballon payment in April 2029. The balance outstanding at December 31, 2024 is $222,000.

On July 19, 2024, the Port Authority entered into a loan agreement with Lawrence Economic Development Corporation (LEDC). The loan agreement is for $250,000 with 0% interest. The note is payable on demand. The balance outstanding at December 31, 2024 is $250,000.

In addition to the notes payable noted above, the Port Authority also has significant balances due to affiliates as follows: Ironton Lawrence County Area Community Action Organization, Inc. ($676,985), City of Ironton ($500,000), Lawrence County ($500,000), and Lawrence Economic Development Corporation ($202,843).

Lawrence County Land Reutilization Corporation

The Corporation entered into an interest free loan agreement with Lawrence County. This loan had an outstanding balance of $634,914 at December 31, 2024. The Corporation borrowed an additional $134,924 during 2024 and paid $130,456 in principal during 2024.

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 2024.

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 2024, the County paid the CAO $102,424 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, $183,118 during 2024.

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 2024, the County paid $21,451 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 2024, the County made $11,331 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 2024, Lawrence County paid $227,633 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 $444,669 to the District during 2024. 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 – Interfund Activity

Interfund Transfers

	Transfers In	Transfers Out
Major Funds		
General Fund	$60,000	$4,795,964
Board of Developmental Disabilities Fund	0	350,000
Motor Vehicle Gasoline Tax Fund	0	400,000
Emergency Medical Services Fund	0	1,045,113
All Other Governmental Funds	10,920,122	4,389,045
Total All Funds	$10,980,122	$10,980,122

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Transfers into the general fund were a result of a court order. Transfers from the board of developmental disabilities, motor vehicle gasoline tax fund, the emergency medical services 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.

Advances

During 2024, the following advances were made:

	Advances In	Advances Out
Major Governmental Funds		
General Fund	$865,927	$653,167
Motor Vehicle Gasoline Tax Fund	200,000	200,000
All Other Governmental Funds	4,276,021	4,488,781
Total Governmental Funds	5,341,948	5,341,948
Major Enterprise Fund		
Union Rome Sewer Fund	3,322,804	3,322,804
Total All Funds	$8,664,752	$8,664,752

During the year, the County's general fund and Union Rome sewer fund made advances to other funds in anticipation of intergovernmental grant revenue and bond issuances. Advances to the general fund and the Union Rome sewer fund were for repayments of advances.

Note 16 – 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	Motor Vehicle Gasoline Tax	Emergency Medical Service	Nonmajor Funds	Total Governmental Funds
Nonspendable						
Unclaimed Monies	$528,749	$0	$0	$0	$0	$528,749
Restricted						
Developmental Disabilities	0	6,100,637	0	0	0	6,100,637
Motor Vehicle and Gas Tax	0	0	5,231,080	0	0	5,231,080
Emergency Medical Service	0	0	0	4,709,362	0	4,709,362
Court Development	0	0	0	0	312,173	312,173
Treasurer Delinquent Taxes	0	0	0	0	361,512	361,512
Indigent Drivers	0	0	0	0	207,649	207,649
Law Library	0	0	0	0	90,306	90,306
Juvenile/Probate Spec. Proj.	0	0	0	0	154,269	154,269
Concealed Handgun Law	0	0	0	0	123,108	123,108
Drug Law Enforcement	0	0	0	0	102,879	102,879
Sheriff Continuing Education	0	0	0	0	89,077	89,077
CP Ct. In-House Mediation	0	0	0	0	330,164	330,164
County Ct. Computerization	0	0	0	0	324,742	324,742
Clk. of Cts. Computerization	0	0	0	0	138,204	138,204
Electronic Monitoring	0	0	0	0	95,283	95,283
911 Emergency	0	0	0	0	111,910	111,910
Juvenile Ct. IV-D	0	0	0	0	218,531	218,531
Recorder Special Projects	0	0	0	0	431,948	431,948
Supervisory Fees	0	0	0	0	195,477	195,477
Pandemic Impact Reduction Rescue	0	0	0	0	169,054	169,054
T Cap	0	0	0	0	567,719	567,719
Probate and Juvenile Court	0	0	0	0	241,208	241,208
Wireless 911 Assistance	0	0	0	0	238,119	238,119
Technology Grant	0	0	0	0	171,187	171,187
American Rescue Plan	0	0	0	0	96,125	96,125
LATCF	0	0	0	0	481,824	481,824
One Opioid	0	0	0	0	685,994	685,994
Juvenile Court IV-E	0	0	0	0	152,164	152,164
Job and Family Services	0	0	0	0	502,174	502,174
Real Estate Assessment	0	0	0	0	1,494,592	1,494,592
Rehab	0	0	0	0	110,807	110,807
Care and Custody	0	0	0	0	279,529	279,529
Children Services	0	0	0	0	719,677	719,677
Family Resources	0	0	0	0	121,089	121,089
Child Support	0	0	0	0	2,078,345	2,078,345

Fund Balances	General	Board of Developmental Disabilities	Motor Vehicle Gasoline Tax	Emergency Medical Services	Nonmajor Funds	Total Governmental Funds
Tax Claim Administration	$0	$0	$0	$0	$290,956	$290,956
Prosecutor	0	0	0	0	109,968	109,968
Debt Service	0	0	0	0	43,050	43,050
Capital Projects	0	0	0	0	12,522,211	12,522,211
Other Purposes	0	0	0	0	1,302,359	1,302,359
Total Restricted	0	6,100,637	5,231,080	4,709,362	25,665,383	41,706,462
Committed						
Capital Projects	0	0	0	0	685,272	685,272
Other Purposes	0	0	0	0	16,040	16,040
Total Committed	0	0	0	0	701,312	701,312
Assigned						
Future Appropriations	4,085,628	0	0	0	0	4,085,628
Purchases on Order	1,128,756	0	0	0	0	1,128,756
Other Purposes	393,586	0	0	0	0	393,586
Total Assigned	5,607,970	0	0	0	0	5,607,970
Unassigned	4,763,404	0	0	0	0	4,763,404
Total Fund Balances	$10,900,123	$6,100,637	$5,231,080	$4,709,362	$26,366,695	$53,307,897

Note 17 – Contingent Liabilities

Primary Government

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

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 18 – 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, 2024, the total balance was $634,914. The amounts related to the services provided are expected to be repaid as the Corporation has available resources. The liability or related receivable have 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 $183,628 to the Corporation in DTAC funds in 2024.

Note 19 – Significant Commitments

Contracts

At December 31, 2024, the County had the following significant contractual commitments in place.

Contractor/Contract	Contract Amount	Amount Paid as of 12/31/24	Unpaid Balance
Allard Excavation	$2,863,700	$1,784,810	$1,078,890
ABM	6,645,608	5,469,659	1,175,949

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	$1,128,756
Motor Vehicle Gasoline Tax	937,786
Nonmajor Governmental Funds	2,205,634
All Governmental Funds	$4,272,176

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.

The Clerk of Courts Title Division does not utilize a cashbook, complete with a running cash balance, which is contrary to Ohio Revised Code Section 2335.25.

Lawrence County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor *Pass-Through Grantor* Cluster/Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Agriculture			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	$27,985
National School Lunch Program	10.555	N/A	49,168
COVID-19 National School Lunch Program	10.555	N/A	5,675
National School Lunch Program-Noncash Assistance	10.555	N/A	2,631
Total Child Nutrition Cluster			85,459
Passed Through Ohio Department of Job and Family Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2425-11-6156	140,648
Total SNAP Cluster			140,648
Direct from the Federal Government:			
Law Enforcement Agreements	10.704	N	6,085
Total United States Department of Agriculture			**232,192**
United States Department of Housing and Urban Development			
Passed Through Ohio Department of Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-D-21-1BN-1	47,326
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-F-21-1BN-1	99,400
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			146,726
Total United States Department of Housing and Urban Development			**146,726**
United States Department of Justice			
Passed through the State of Ohio Attorney General:			
Crime Victim Assistance:			
Crime Victim Assistance	16.575	2025-VOCA-135897661	14,815
Crime Victim Assistance	16.575	2024-VOCA-135499881	48,586
Total Crime Victim Assistance			63,401
Passed Through Ohio Department of Public Safety-Office of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program:			
Lawrence Drug and Major Crimes Task Force	16.738	2023-JG-A01-6284	16,991
Comprehensive Opioid, Stimulant, and Other Substances Use Program:			
Lawrence County DTF/Quick Response Team	16.838	2021-CS-LEF-507A	111,365
Lawrence County DTF/Quick Response Team	16.838	2023-CS-LEF-507	29,319
Total Comprehensive Opioid, Stimulant, and Other Substances Use Program			140,684
Total United States Department of Justice			**221,076**
United States Department of Transportation			
Direct from the Federal Government:			
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs:			
Airport Improvement Program	20.106	N	4,058
Airport Improvement Program	20.106	N	15,899
Total Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs			19,957
Passed Through Ohio Department of Transportation			
Highway Planning and Construction:			
Highway Planning and Construction - LAW TR101-0040	20.205	PID #117369	687,195
Highway Planning and Construction - LAW TID-US52/SR243-J&C	20.205	PID #106508	1,614,810
Total Highway Planning and Construction			2,302,005
Passed Through Ohio Emergency Management Agency:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK32240034HMEP	2,880
Total United States Department of Transportation			**2,324,842**

(continued)

Lawrence County
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended December 31, 2024

Federal Grantor *Pass-Through Grantor* Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds:			
Passed Through Ohio Department of Public Safety-Office of Criminal Justice Services:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds-Pandemic Impact Reduction Rescue	21.027	2022-AR-CCB-1128	$114,597
COVID-19 Coronavirus State and Local Fiscal Recovery Funds-Lawrence Drug and Major Crimes	21.027	2022-AR-LEP-1040	9,131
Passed Through Ohio Department of Aging:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds-Healthy Aging Grants	21.027	N/A	325,926
Passed Through Ohio Department of Job and Family Services:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds-Medicaid Unwinding Regular	21.027	G-2425-11-6156	267,164
Passed Through Ohio Office of Budget and Management:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	60,255
Direct from the Federal Government:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N	394,082
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			1,171,155
Total United States Department of the Treasury			**1,171,155**
United States Department of Education			
Passed Through Ohio Department of Education:			
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027	N/A	54,774
Special Education Preschool Grants	84.173	N/A	14,932
Total Special Education Cluster (IDEA)			69,706
Special Education - Grants for Infants and Families			
Special Education - Grants for Infants and Families	84.181	H181A220024	63,763
Special Education - Grants for Infants and Families	84.181	H181A230024	97,822
Total Special Education - Grants for Infants and Families			161,585
Total United States Department of Education			**231,291**
United States Department of Health and Human Services			
Passed Through Ohio Department of Job and Family Services:			
Title IV-E Prevention Program	93.472	G-2425-11-6156	21,990
Temporary Assistance for Needy Families	93.558	G-2425-11-6156	1,272,571
Child Support Services	93.563	G-2425-11-6156	523,536
CCDF Cluster:			
Child Care and Development Block Grant	93.575	G-2425-11-6156	90,610
Total CCDF Cluster			90,610
Foster Care Title IV-E	93.658	G-2425-11-6156	540,779
Adoption Assistance	93.659	G-2425-11-6156	457
Social Services Block Grant:			
Passed Through Ohio Department of Job and Family Services:			
Social Services Block Grant	93.667	G-2425-11-6156	710,098
Passed Through Ohio Department of Developmental Disabilities:			
Social Services Block Grant	93.667	2401OHSOSR	38,358
Total Social Services Block Grant			748,456
Passed Through Ohio Department of Job and Family Services:			
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2425-11-6156	3,648
Medicaid Cluster:			
Grants to States for Medicaid	93.778	G-2425-11-6156	977,366
Total Medicaid Cluster			977,366
Total United States Department of Health and Human Services			**4,179,413**

(continued)

Lawrence County
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended December 31, 2024

Federal Grantor *Pass-Through Grantor* Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Homeland Security			
Passed Through Ohio Department of Natural Resources Division of Parks and Watercraft:			
Boating Safety Financial Assistance	97.012	70Z02322MO0000873	$12,537
Passed Through Ohio Emergency Management Agency:			
Emergency Management Performance Grants:			
Emergency Management Performance Grants	97.042	EMC-2023-EP-00003	41,328
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006	10,434
Total Emergency Management Performance Grants			51,762
Total United States Department of Homeland Security			**64,299**
Total Federal Awards Expenditures			**$8,570,994**

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

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, 2024. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 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 of 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.

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Ohio (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 19, 2025, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. This report does not include the results of the testing of internal control over financial reporting or compliance and other matters that are reported on separately for the discretely presented component units.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002.

County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response as 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 the 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 the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

September 19, 2025

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

Independent Auditor's Report

Lawrence County
111 South Fourth Street
Ironton, Ohio 45638

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the compliance of Lawrence County, Ohio, (the County) with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Assistance Listing (AL) No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the AL No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program for the year ended December 31, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2024.

Basis for Qualified and Unmodified Opinions

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.

Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com

We are required to be independent of the 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the AL No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program as described in finding number 2024-004 for Suspension and Debarment.

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The County's basic financial statements include the operations of the Lawrence County Port Authority, a discretely presented component unit, which expended $1,158,898 in federal awards which is not included in the County's schedule of expenditures of federal awards during the year ended December 31, 2024. Our compliance audit, described in the Qualified and Unmodified Opinions section of this report does not include the operations of the Lawrence County Port Authority because the organization has a separately issued report for its compliance audit in accordance with the Uniform Guidance.

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 the 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 the 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 the 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 the 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 the 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 the 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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-004 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Millhuff-Stang CPA/Inc.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

September 19, 2025

Section I – Summary of Auditor's Results

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified (Cash Basis)
Internal control over financial reporting:		
	Material weakness(es) identified?	Yes
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?		Yes
Federal Awards		
Internal control over major program(s):		
	Material weakness(es) identified?	Yes
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major federal programs:		Qualified – COVID-19 Coronavirus State and Local Fiscal Recovery Funds (AL #21.027) Unmodified – Highway Planning and Construction (AL #20.205),
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		Yes
Identification of major program(s):		COVID-19 Coronavirus State and Local Fiscal Recovery Funds (AL #21.027) Highway Planning and Construction (AL #20.205),
Dollar threshold used to distinguish between type A and type B programs:		Type A: >$750,000 Type B: all others
Auditee qualified as low-risk auditee?		No

Section II – Financial Statement Findings

Finding 2024-001

Noncompliance – Annual Financial Reports

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

Ohio Administrative Code 117-2-03 (B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP). This report is required to be filed with the Auditor of State's office within 150 days of fiscal year-end. The County prepares its financial statements in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements and notes omit assets, liabilities,

Finding 2024-001 – Noncompliance – Annual Financial Reports (Continued)

deferred inflows and outflows of resources, net position and fund equities, and disclosures that, while presumably material, cannot be reasonably determined at this time. The County can be fined and various other remedies may be taken against the County. As such, we recommend the County take the necessary steps to ensure that the financial report is prepared in accordance with generally accepted accounting principles.

Client Response:
See corrective action plan.

Finding 2024-002 – Noncompliance/Material Weakness – Title Reconciliation

Ohio Revised Code Section 2335.25 states that each clerk of a court of record, the sheriff, and the prosecuting attorney shall enter in a journal or cashbook, provided at the expense of the county, an accurate account of all moneys collected or received in his official capacity, on the days of the receipts, and in the order of time so received, with a minute of the date and suit, or other matter, on account of which the money was received. The cashbook shall be a public record of the office, and shall, on the expiration of the term of each such officer, be delivered to his successor in office. The clerk shall be the receiver of all moneys payable into his office, whether collected by public officers of the court or tendered by other persons and, on request, shall pay the moneys to the persons entitled to receive them. The clerk of the court of common pleas or of the county court may deposit moneys payable into his office in a bank or building and loan association, as defined in section 1151.01 of the Revised Code, subject to section 131.11 of the Revised Code.

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Clerk of Courts Title Office Clerk is responsible for reconciling the Clerk of Courts book (fund) balance to the total bank balance on a monthly basis, and the Clerk of Courts is responsible for reviewing the reconciliations and related support.

The Clerk of Courts uses one checking account to account for the disbursement and depository activity of the Court's activities. We identified the following conditions related to the Clerk of Courts book to bank reconciliation process:

- The Deputy Clerk of Courts prepared monthly cash reconciliations for the checking account which consisted of a month end bank balance, reconciling items (outstanding checks and deposits in transit), and a calculated amount due to the County; this calculated amount due to the County reconciles to the monthly County Remittance Summary, but there are several unexplainable additions and subtractions to produce this balance.
- The Clerk of Courts does not maintain a cash book with a running cash balance that could be used in the reconciliation process.
- There was no evidence that the cash balance is reconciled monthly to open items.
- There was no evidence that anyone in the Clerk of Courts Office reviewed and approved the monthly calculation of book balances for the checking account under the control of the Clerk of Courts. Also, there was no evidence of an appropriate reconciliation of the cash book balances to the bank statements.

Finding 2024-002 – Noncompliance/Material Weakness – Title Reconciliation (Continued)

In addition, the Clerk of Courts Office included on its reconciliation a list of outstanding checks. However, this listing was not true outstanding checks as many of the disbursements had not been authorized to be electronically transferred as of December 31, 2024. The balance utilized by the County in the compilation of the financial statements was the bank balance and therefore was overstated by the actual outstanding checks.

Failure to maintain an appropriate cash book with a running cash balance results in insufficient record-keeping to allow for proper reconciliation processes. Failure to prepare complete and accurate reconciliations between the cash book balances, the bank statements, and the open items increases the possibility that the Clerk of Courts will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could allow other irregularities to go undetected.

We recommend that the Clerk of Courts implement the use of a cash book, complete with a running cash balance. Additionally, a reconciliation process should be implemented to account for the difference between the cash balances in the cash book and the cash balance according to the bank statement. We also recommend a reconciliation process be implemented to reconcile the bank balance and the open items. We recommend the preparers of reconciliations sign and date when the reconciliation is completed and that any variance between the reconciled cash book balance and the bank statement activity be timely investigated, documented and corrected by the Clerk of Courts. We further recommend that management review and approve in writing all cash reconciliations prepared for the checking account under the control of the Clerk of Courts.

Client Response:
See corrective action plan.

Finding 2024-003 –Material Weakness – Financial Reporting

A monitoring system by the County should be in place to prevent or detect misstatements for the fair presentation of the County's financial statements, and which would also include assurance that changes in accounting pronouncements are properly implemented, as applicable.

During testing it was noted all budgeted amounts tested were properly approved and input into the County's accounting system, however the financial budgetary statement improperly included $1,800,000 in capital outlay expenditures in the original budgeted amount in the general fund. Also, it was noted that the County improperly recorded a transfer and an advance, which were deemed immaterial to adjust.

The County should implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the basic financial statements prior to filing them in the Hinkle system.

Section III – Federal Award Findings and Questioned Costs

ALN Title and Number	COVID-19 Coronavirus State and Local Fiscal Recovery Funds, AL #21.027		
Federal Award Number and Year	2024		
Federal Agency	United States Department of the Treasury		
Pass-Through Entity	N/A		
Repeat Finding from Prior Audit?	Yes	**Finding Number (if repeat)**	2023-004

Finding 2024-004 – Noncompliance/Material Weakness – Suspension and Debarment

31 CFR 19 gives regulatory effect to the Department of Treasury for 2 CFR Section 180.305 which states that Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred, unless the Federal agency responsible for the transaction grants an exception under 2 CFR Section 180.135. “Covered transactions” include nonprocurement or procurement transactions at the primary tier, between a Federal agency and a person; or at the lower tier, between a participant in a covered transaction and another person. Procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) are covered transactions if the contracts are expected to equal or exceed $25,000 or meet certain other specified criteria outlined in 2 CFR § 180.220s. All nonprocurement transactions (i.e. subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless listed in the exemptions in 2 CFR § 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by:

(1) checking the System for Award Management (Sam.gov),
(2) collecting a certification from the entity, or
(3) adding a clause or condition to the covered transaction with that entity (2 CFR 180.300).

The County did not have the proper internal controls in place to verify that all entities, with whom the County had entered into covered transactions, had not been suspended or debarred. Due to the deficient internal control structure, the required verification was not completed for all covered transactions in the Coronavirus State and Local Fiscal Recovery Funds tested during Fiscal Year 2024. These covered transactions had a payment to a vendor of equal or greater than $25,000 and there was no evidence the County checked the SAM exclusions, collected a certification from the entity, or added a clause or condition to the covered transaction with the vendor.

Failing to have the appropriate internal controls in place may result in suspended or debarred vendors receiving federal funds.

Prior to contracting with vendors that will be paid with federal funds, the County should verify the vendor is not suspended or debarred by checking the SAM exclusions, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.

Client Response:
See accompanying corrective action plan.

Lawrence County Auditor

Paul David Knipp

Veteran's Square, Ironton OH 45638
Phone: (740) 533-4310
Fax: (740) 533-4381

e-mail: ckline@lawrencegov.org

Corrective Action Plan
2 CFR Section 200.511(c)
For the Year Ended December 31, 2024

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	The County will continue to choose to file financial statements as it currently does as the GAAP statements provide no significant benefit to anyone. We will continue to choose to use our limited financial resources for things that will benefit our citizens, such as law enforcement and other emergency services.	N/A	Auditor
2024-002	The County is working to solve the problem, by putting daily items on the computer.	Unknown	Clerk of Courts
2024-003	We will implement better monitoring process over the compliers draft of our financial statements.	Immediately	Auditor
2024-004	The County will implement procedures to ensure this isn't an issue in the future.	Immediately	Commissioners

Lawrence County Auditor

Paul David Knipp

Veteran's Square, Ironton OH 45638
Phone: (740) 533-4310
Fax: (740) 533-4381

e-mail: ckline@lawrencegov.org

Schedule of Prior Audit Findings
2 CRF Section 200.511(b)
For the Year Ended December 31, 2024

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
Finding 2023-001	Noncompliance with ORC Section 117.38/OAC Section 117-2-03(B) – Annual Financial Reports	No	Reissued as Finding 2024-001
Finding 2023-002	Noncompliance/Material Weakness – Title Reconciliation	No	Reissued as Finding 2024-002
Finding 2023-003	Material Weakness – Financial Reporting	No	Reissued as Finding 2024-003
Finding 2023-004	Noncompliance/Material Weakness – Suspension, and Debarment	No	Reissued as Finding 2024-004

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 1/8/2026

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