LAWRENCE COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2019

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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OHIO AUDITOR OF STATE
KEITH FABER

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

We have reviewed the *Independent Auditor's Report* of Lawrence County prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

May 20, 2021

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Lawrence County
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For the Year Ended December 31, 2019

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Ohio (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Ohio, as of December 31, 2019, and the respective changes in cash financial position and the respective budgetary comparison for the General, Board of Developmental Disabilities, Job and Family Services, and Motor Vehicle Gasoline Tax Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter – COVID-19

As discussed in note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We did not modify our opinion regarding this matter.

Other Matters

Supplemental Information

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

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

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.
Portsmouth, Ohio

December 22, 2020

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, 2019 within the limitations of the County's cash basis of accounting. Please read this in conjunction with the County's basic financial statements that begin on page 12.

Financial Highlights

Key financial highlights for 2019 are as follows:

Overall (Primary Government):

Total net position decreased $554,211 with governmental activities decreasing by $637,159 and business-type activities increasing by $82,948.

Total cash receipts were $57,285,803 in 2019.

Total program cash disbursements were $57,840,014 in 2019.

Governmental Activities:

Total program cash receipts were $31,480,197 in 2019, while program cash disbursements were $54,868,475.

Program cash disbursements were primarily composed of human services, public safety, health, public works, legislative and executive, judicial, capital outlay and principal retirement related cash disbursements which were $7,915,037, $8,376,885, $10,714,328, $7,385,776, $5,852,688, $3,765,537, $9,469,336 and $664,275, respectively in 2019.

Business-Type Activities:

Total program cash receipts were $3,041,050 for business-type activities, while corresponding cash disbursements were $2,971,539.

Using this Basic Financial Report

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

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

Reporting the County as a Whole

The County's Reporting Entity Presentation

This annual report includes all activities for which Lawrence County is fiscally responsible. These activities, defined as the County's reporting entity, are operated within separate legal entities that make up the primary government and 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 2019?" 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, 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

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

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

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

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

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

The County as a Whole

Recall that the statement of net position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2019 compared to the prior year:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Assets						
Equity in Pooled Cash and Cash Equivalents	$23,182,974	$23,820,133	$1,959,730	$1,876,782	$25,142,704	$25,696,915
Total Assets	23,182,974	23,820,133	1,959,730	1,876,782	25,142,704	25,696,915
Net Position						
Restricted	19,028,386	17,835,758	-	-	19,028,386	17,835,758
Unrestricted	4,154,588	5,984,375	1,959,730	1,876,782	6,114,318	7,861,157
Total Net Position	$23,182,974	$23,820,133	$1,959,730	$1,876,782	$25,142,704	$25,696,915

Total assets and net position decreased by $554,211 from 2018 to 2019, which will be further discussed on the next page.

Table 2 shows the changes in net position for 2019 and 2018.

Table 2

Changes in Net Cash Position

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Cash Receipts						
Program Cash Receipts						
Charges For Services	$9,238,682	$8,032,380	$3,041,050	$3,102,331	$12,279,732	$11,134,711
Operating Grants and Contributions	16,931,198	16,473,877	-	25,315	16,931,198	16,499,192
Capital Grants and Contributions	5,310,317	3,938,640	-	-	5,310,317	3,938,640
Total Program Cash Receipts	31,480,197	28,444,897	3,041,050	3,127,646	34,521,247	31,572,543
General Cash Receipts						
Property Taxes	9,722,337	7,404,312	-	-	9,722,337	7,404,312
Sales Taxes	8,897,309	8,147,355	-	-	8,897,309	8,147,355
Payments in Lieu of Taxes	6,255	391,152	-	-	6,255	391,152
Grants and Entitlements Not Restricted to Specific Programs	1,824,083	4,531,550	-	-	1,824,083	4,531,550
OWDA Loans Issued	-	-	-	26,669	-	26,669
General Obligation Bonds Issued	946,500	4,308,000	-	-	946,500	4,308,000
Loan returned from Transportation Improvement District	250,000	-	-	-	250,000	-
Proceeds from Sale of Capital Assets	-	298,078	-	-	-	298,078
Interest Receipts	619,778	364,154	-	-	619,778	364,154
Miscellaneous	484,857	581,618	13,437	15,606	498,294	597,224
Total General Cash Receipts	22,751,119	26,026,219	13,437	42,275	22,764,556	26,068,494
Total Cash Receipts	54,231,316	54,471,116	3,054,487	3,169,921	57,285,803	57,641,037
Cash Disbursements						
Program Cash Disbursements						
General Government						
Legislative and Executive	5,852,688	5,239,104	-	-	5,852,688	5,239,104
Judicial	3,765,537	3,661,165	-	-	3,765,537	3,661,165
Public Safety	8,376,885	8,255,513	-	-	8,376,885	8,255,513
Public Works	7,385,776	6,323,978	-	-	7,385,776	6,323,978
Health	10,714,328	12,350,126	-	-	10,714,328	12,350,126
Human Services	7,915,037	8,439,381	-	-	7,915,037	8,439,381
Community and Economic Development	432,531	416,147	-	-	432,531	416,147
Other	102,230	119,562	-	-	102,230	119,562
Capital Outlay	9,469,336	6,091,223	-	-	9,469,336	6,091,223
Debt Service:						
Principal Retirement	664,275	923,073	-	-	664,275	923,073
Interest and Fiscal Charges	189,852	123,629	-	-	189,852	123,629
Issuance Costs	-	58,106	-	-	-	58,106
Wastewater Treatment	-	-	2,971,539	3,911,866	2,971,539	3,911,866
Total Cash Disbursements	54,868,475	52,001,007	2,971,539	3,911,866	57,840,014	55,912,873
Change in Net Cash Position	(637,159)	2,470,109	82,948	(741,945)	(554,211)	1,728,164
Net Position at Beginning of Year	23,820,133	21,350,024	1,876,782	2,618,727	25,696,915	23,968,751
Net Position at End of Year	$23,182,974	$23,820,133	$1,959,730	$1,876,782	$25,142,704	$25,696,915

Governmental Activities The increase in Charges for Services is primarily due to increased charges received in the Board of Developmental Disabilities programs. The increase in property taxes is due to significant collections on delinquent accounts. Property taxes and sales taxes made up 18 percent and 16 percent, respectively, of cash receipts for governmental activities for Lawrence County in 2019. Operating grants and contributions made up 31 percent of cash receipts for governmental activities for the County.

Public Safety increased primarily due to increased costs from the sheriff department. Public Works disbursements increased due to an increase in projects in 2019 in the Motor Vehicle Gasoline Tax fund. Capital Outlay increased due to projects and renovations within the courthouse as well as for the new emergency services building. Legislative and executive disbursements increased primarily due to an increase in contract services.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Tables 3 and 4 show, for governmental and business-type activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax receipts and unrestricted State entitlements. The dependence upon tax receipts and intergovernmental monies for governmental and business-type activities is apparent. Most of the human services and public works activities are supported through charges for services and operating grants and contributions; for all governmental activities, general cash receipts support is 43 percent as shown in Table 3. The taxpayers and the State of Ohio, as a whole, provide the vast majority of resources for Lawrence County. Tables 3 and 4 below show the total and net cost of services (on a cash basis) for the County.

Table 3
Total Cost of Program Services
Governmental Activities

	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General Government:				
Legislative and Executive	$ 5,852,688	$ 4,071,865	$ 5,239,104	$ 3,771,830
Judicial	3,765,537	2,890,477	3,661,165	2,833,933
Public Safety	8,376,885	4,943,746	8,255,513	5,158,156
Public Works	7,385,776	(433,147)	6,323,978	203,903
Health	10,714,328	2,588,802	12,350,126	3,651,436
Human Services	7,915,037	2,011,701	8,439,381	2,619,687
Community and Economic Development	432,531	128,943	416,147	203,760
Other	102,230	88,957	119,562	104,265
Capital Outlay	9,469,336	6,242,807	6,091,223	3,904,332
Debt Service:				
Principal Retirements	664,275	664,275	923,073	923,073
Interest and Fiscal Charges and Issuance Costs	189,852	189,852	181,735	181,735
Total Cash Disbursements	$ 54,868,475	$ 23,388,278	$52,001,007	$23,556,110

Table 4
Total Cost of Program Services
Business-Type Activities

	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Wastewater Treatment	$2,971,539	($69,511)	$3,911,866	$784,220
Total Cash Disbursements	$2,971,539	($69,511)	$3,911,866	$784,220

Business-Type Activities Business-type activities include wastewater treatment services. Overall net position increased $82,948 from 2018 to 2019. Program receipts were greater than program disbursements for the wastewater treatment segment in the amount of $69,511 primarily because of a decrease in contractual services and principal payments, as well a decrease in capital outlay.

The County's Funds

Information about the County's major funds starts on page 16. These funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of $58,412,738 and cash disbursements and other financing uses of $59,049,897. The net change in fund balance for the year was most significant in the General Fund, where the cash balance went from $5,984,375 to $4,154,588. This decrease is due primarily to a decrease in intergovernmental receipts as well an increase in transfers out.

The General Fund cash balance decreased $1,829,787. The primary reason for the change is stated above. For the Job and Family Services Fund, the fund balance increased $120,517, while the fund balance of the Motor Vehicle Gasoline Tax fund increased $603,704. The fund balance of the Board of Developmental Disabilities Fund increased $613,044 as receipts exceeded disbursements.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. Final budgeted receipts and other financing sources were $15,177,264, which is over original budgeted receipts of $15,152,263. The primary reasons for the increase in budgeted receipts were due to sales tax, charges for services, and intergovernmental receipts being higher than originally budgeted. Total actual receipts and other financing sources were $17,123,416, above original budget estimates by $1,971,153. Total actual disbursements and other financing uses on the budget basis (cash outlays plus encumbrances) were $16,756,186, the same as final budgeted cash disbursements and other financing sources. Original budgeted appropriations and other financing uses were $16,878,146, while final budgeted amounts were $16,756,186.

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 $9,469,336 and $67,891 for its governmental activities and its business-type activities, respectively, during 2019.

Debt

Under the cash basis of accounting the County does not report bonds, leases, long-term notes or short-term notes in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about bonds, leases, long-term notes and short-term notes. At December 31, 2019, the County had $5,970,386 outstanding in bonds and related long-term debt for governmental activities and $20,679,866 outstanding in bonds and related long-term debt for business-type activities. For additional information regarding debt, please see note 10 to the basic financial statements.

Table 5 summarizes bonds and long-term debt outstanding for governmental activities for 2019 and 2018:

Table 5
Outstanding Debt at December 31
Governmental Activities

	2019	2018
General Obligation Bonds	$5,519,741	$5,075,188
Lease Financing Agreements	441,102	540,181
Long Term Notes	9,543	79,007
Totals	$5,970,386	$5,694,376

Table 6 summarizes bonds and long-term debt outstanding for business-type activities for 2019 and 2018:

Table 6
Outstanding Debt at December 31
Business-Type Activities

	2019	2018*
OWDA Loans	$20,404,866	$20,862,145
OPWC Loans	275,000	305,268
Sewer Bonds	0	69,290
Total	$20,679,866	$21,236,703

* As restated, see Note 10.

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.

Other Significant Information

As described in Note 22 on page 65 of this report, the United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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.

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Lawrence County
Statement of Net Position - Cash Basis
As of December 31, 2019

	Primary Government					
	Governmental Activities	Business-Type Activities	Total	Lawrence County Land Reutilization Corporation	Lawrence County Port Authority	Lawrence County Transportation Improvement District
ASSETS						
Equity in Pooled Cash and Cash Equivalents	$ 23,182,974	$ 1,959,730	$ 25,142,704	$ -	$ -	$ -
Cash and Cash Equivalents in Segregated Accounts	-	-	-	80,788	383,306	7,566
Total Assets	23,182,974	1,959,730	25,142,704	80,788	383,306	7,566
NET POSITION						
Restricted for:						
Developmental Disabilities	3,137,064	-	3,137,064	-	-	-
Job and Family Services	291,467	-	291,467	-	-	-
Motor Vehicle and Gas Tax	3,924,667	-	3,924,667	-	-	-
Real Estate Assessment	757,994	-	757,994	-	-	-
Child Support	1,123,239	-	1,123,239	-	-	-
EMS	2,286,931	-	2,286,931	-	-	-
Court Development	414,148	-	414,148	-	-	-
Care and Custody	366,027	-	366,027	-	-	-
Juvenile Court IV-D Contract	243,376	-	243,376	-	-	-
Common Pleas Court	272,935	-	272,935	-	-	-
County Court	325,367	-	325,367	-	-	-
T Cap	265,865	-	265,865	-	-	-
Delinquent Taxes	91,544	-	91,544	-	-	-
Recorder Special Projects	172,602	-	172,602	-	-	-
Electric Monitoring	95,885	-	95,885	-	-	-
Indigent Drivers	138,313	-	138,313	-	-	-
Juvenile and Probation	323,659	-	323,659	-	-	-
Children Services	786,733	-	786,733	-	-	-
Capital Projects	2,465,687	-	2,465,687	-	-	-
Other Purposes	1,544,883	-	1,544,883	80,788	383,306	7,566
Unrestricted	4,154,588	1,959,730	6,114,318	-	-	-
Total Net Position	$ 23,182,974	$ 1,959,730	$ 25,142,704	$ 80,788	$ 383,306	$ 7,566

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

Lawrence County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2019

		Program Cash Receipts		
Governmental Activities	**Cash Disbursements**	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
General Government:				
Legislative and Executive	$ 5,852,688	$ 902,401	$ 878,422	$ -
Judicial	3,765,537	541,003	334,057	-
Public Safety	8,376,885	1,763,992	1,669,147	-
Public Works	7,385,776	1,518,712	3,675,272	2,624,939
Health	10,714,328	2,299,622	5,825,904	-
Human Services	7,915,037	1,685,417	4,217,919	-
Community and Economic Development	432,531	89,538	214,050	-
Other	102,230	13,273	-	-
Capital Outlay	9,469,336	424,724	116,427	2,685,378
Debt Service:				
Principal Retirements	664,275	-	-	-
Interest and Fiscal Charges	189,852	-	-	-
Total Governmental Activities	54,868,475	9,238,682	16,931,198	5,310,317
Business-Type Activities:				
Wastewater Treatment	2,971,539	3,041,050	-	-
Total Business-Type Activities	2,971,539	3,041,050	-	-
Total Primary Government	$ 57,840,014	$ 12,279,732	$ 16,931,198	$ 5,310,317
Component Units:				
Lawrence County Land Reutilization Corporation	$ 2,354,895	$ 17,587	$ 1,120,078	$ -
Lawrence County Port Authority	1,202,602	406,527	989,774	-
Lawrence County Transportation Improvement District	253,756	-	-	27,326
Total Component Units	$ 3,811,253	$ 424,114	$ 2,109,852	$ 27,326

General Cash Receipts:
Property Taxes Levied for:
General Purposes
DD
Other Purposes
Sales Taxes
Payments in Lieu of Taxes
Grants and Entitlements, Not Restricted to Specific Programs
General Obligation Bonds and Other Long Term Bonds Issued
Line of Credit and Loan Proceeds
Loan returned from the Transportation Improvement District
Interest Receipts
Miscellaneous

Total General Cash Receipts

Changes in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

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

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

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Lawrence County Land Reutilization Corporation	Lawrence County Port Authority	Lawrence County Transportation Improvement
$ (4,071,865)	$ -	$ (4,071,865)	$ -	$ -	$ -
(2,890,477)	-	(2,890,477)	-	-	-
(4,943,746)	-	(4,943,746)	-	-	-
433,147	-	433,147	-	-	-
(2,588,802)	-	(2,588,802)	-	-	-
(2,011,701)	-	(2,011,701)	-	-	-
(128,943)	-	(128,943)	-	-	-
(88,957)	-	(88,957)	-	-	-
(6,242,807)	-	(6,242,807)	-	-	-
			-	-	-
(664,275)	-	(664,275)	-	-	-
(189,852)	-	(189,852)	-	-	-
(23,388,278)	-	(23,388,278)	-	-	-
-	69,511	69,511	-	-	-
-	69,511	69,511	-	-	-
(23,388,278)	69,511	(23,318,767)	-	-	-
			(1,217,230)	-	-
			-	193,699	-
			-	-	(226,430)
			(1,217,230)	193,699	(226,430)
4,073,128	-	4,073,128	-	-	-
2,809,619	-	2,809,619	-	-	-
2,839,590	-	2,839,590	-	-	-
8,897,309	-	8,897,309	-	-	-
6,255	-	6,255	-	-	-
1,824,083	-	1,824,083	155,878	-	-
946,500	-	946,500	-	-	-
-	-	-	813,149	-	-
250,000	-	250,000	-	-	-
619,778	-	619,778	-	8	-
484,857	13,437	498,294	-	42,320	-
22,751,119	13,437	22,764,556	969,027	42,328	-
(637,159)	82,948	(554,211)	(248,203)	236,027	(226,430)
23,820,133	1,876,782	25,696,915	328,991	147,279	233,996
$ 23,182,974	$ 1,959,730	$ 25,142,704	$ 80,788	$ 383,306	$ 7,566

Lawrence County
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds - Cash Basis
As of and For the Year Ended December 31, 2019

	General	Board of Developmental Disabilities	Job and Family Services	Motor Vehicle Gasoline Tax	All Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS						
Property Taxes	$ 4,073,128	$ 2,809,619	$ -	$ -	$ 2,839,590	$ 9,722,337
Sales Taxes	8,897,309	-	-	-	-	8,897,309
Payments in Lieu of Taxes	2,641	1,919	-	-	1,695	6,255
Charges for Services	2,196,631	1,158,544	200,007	-	5,258,529	8,813,711
Licenses and Permits	3,303	-	-	-	-	3,303
Fines and Forfeitures	397,193	-	-	20,348	4,127	421,668
Intergovernmental	1,466,308	2,994,523	5,149,060	7,531,262	6,924,444	24,065,597
Interest	510,308	65,164	-	43,262	1,044	619,778
Other	34,239	11,648	12,279	80,397	346,295	484,858
Total Cash Receipts	17,581,060	7,041,417	5,361,346	7,675,269	15,375,724	53,034,816
CASH DISBURSEMENTS						
Current:						
General Government:						
Legislative and Executive	4,292,597	-	-	-	1,560,091	5,852,688
Judicial	3,172,247	-	-	-	593,290	3,765,537
Public Safety	5,365,568	-	-	-	3,011,317	8,376,885
Public Works	746,554	-	-	6,527,341	111,881	7,385,776
Health	367,429	6,333,712	-	-	4,013,187	10,714,328
Human Services	423,945	-	5,299,364	-	2,191,728	7,915,037
Community and Economic Development	52,375	-	-	-	380,156	432,531
Other	102,230	-	-	-	-	102,230
Capital Outlay	2,420,744	94,661	-	36,934	6,916,997	9,469,336
Debt Service:						
Principal Retirements	-	-	-	200,000	464,275	664,275
Interest and Fiscal Charges	-	-	-	2,290	187,562	189,852
Total Cash Disbursements	16,943,689	6,428,373	5,299,364	6,766,565	19,430,484	54,868,475
Excess of Cash Receipts Over (Under) Cash Disbursements	637,371	613,044	61,982	908,704	(4,054,760)	(1,833,659)
OTHER FINANCING SOURCES (USES)						
Transfers In	46,400	-	250,821	-	3,869,201	4,166,422
Bonds Issued	-	-	-	-	946,500	946,500
Loan returned from Transportation Improvement District	-	-	-	250,000	-	250,000
Transfers Out	(2,513,558)	-	(192,286)	(555,000)	(905,578)	(4,166,422)
Advances In	-	-	-	-	15,000	15,000
Advances Out	-	-	-	-	(15,000)	(15,000)
Total Other Financing Sources (Uses)	(2,467,158)	-	58,535	(305,000)	3,910,123	1,196,500
Net Change in Fund Cash Balances	(1,829,787)	613,044	120,517	603,704	(144,637)	(637,159)
Cash Basis Fund Balances at Beginning of Year	5,984,375	2,524,020	170,950	3,320,963	11,819,825	23,820,133
Cash Basis Fund Balances at End of Year	$ 4,154,588	$ 3,137,064	$ 291,467	$ 3,924,667	$ 11,675,188	$ 23,182,974
CASH BASIS ASSETS AT END OF YEAR						
Equity in Pooled Cash and Cash Equivalents	$ 4,154,588	$ 3,137,064	$ 291,467	$ 3,924,667	$ 11,675,188	$ 23,182,974
Total Assets	$ 4,154,588	$ 3,137,064	$ 291,467	$ 3,924,667	$ 11,675,188	$ 23,182,974
CASH FUND BALANCES AT YEAR END						
Nonspendable	$ 273,361	$ -	$ -	$ -	$ -	$ 273,361
Restricted	-	3,137,064	291,467	3,924,667	11,675,188	19,028,386
Assigned	2,306,273	-	-	-	-	2,306,273
Unassigned	1,574,954	-	-	-	-	1,574,954
Total Cash Basis Fund Balances	$ 4,154,588	$ 3,137,064	$ 291,467	$ 3,924,667	$ 11,675,188	$ 23,182,974

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

Lawrence County

Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS				
Property Taxes	$ 3,100,000	$ 3,100,000	$ 4,073,128	$ 973,128
Sales Taxes	8,216,884	8,233,929	8,897,309	663,380
Payments in Lieu of Taxes	2,439	2,444	2,641	197
Charges for Services	1,571,714	1,574,975	1,701,865	126,890
Licenses and Permits	3,050	3,057	3,303	246
Fines and Forfeitures	366,818	367,578	397,193	29,615
Intergovernmental	1,354,172	1,356,981	1,466,308	109,327
Interest	468,958	469,930	507,791	37,861
Other	48,482	48,583	52,497	3,914
Total Receipts	15,132,517	15,157,477	17,102,035	1,944,558
DISBURSEMENTS				
Current:				
General Government:				
Legislative and Executive	2,015,478	1,852,340	1,852,340	-
Judicial	2,772,270	2,819,571	2,819,571	-
Public Safety	5,424,753	5,386,094	5,386,094	-
Public Works	710,120	746,554	746,554	-
Health	194,884	367,521	367,521	-
Human Services	668,250	426,209	426,209	-
Community and Economic Development	-	52,375	52,375	-
Other	107,500	102,230	102,230	-
Capital Outlay	2,579,613	2,686,390	2,686,390	-
Total Disbursements	14,472,868	14,439,284	14,439,284	-
Excess of Receipts Over Disbursements	659,649	718,193	2,662,751	1,944,558
OTHER FINANCING SOURCES (USES)				
Transfers In	19,746	19,787	21,381	1,594
Transfers Out	(2,405,278)	(2,316,902)	(2,316,902)	-
Total Other Financing Sources (Uses)	(2,385,532)	(2,297,115)	(2,295,521)	1,594
Net Change in Fund Balance	(1,725,883)	(1,578,922)	367,230	1,946,152
Fund Balance at Beginning of Year	1,895,083	1,895,083	1,895,083	-
Prior Year Encumbrances Appropriated	204,361	204,361	204,361	-
Fund Balance at End of Year	$ 373,561	$ 520,522	$ 2,466,674	$ 1,946,152

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

Lawrence County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS				
Property Taxes	$ 2,453,932	$ 2,200,000	$ 2,809,619	$ 609,619
Payments in Lieu of Taxes	1,676	1,791	1,919	128
Charges for Services	1,011,877	1,081,396	1,158,544	77,148
Intergovernmental	2,615,428	2,795,116	2,994,523	199,407
Interest	56,914	60,825	65,164	4,339
Other	10,173	10,872	11,648	776
Total Receipts	6,150,000	6,150,000	7,041,417	891,417
DISBURSEMENTS				
Current:				
Health	8,146,097	6,335,311	6,335,311	-
Capital Outlay	128,482	94,661	94,661	-
Total Disbursements	8,274,579	6,429,972	6,429,972	-
Net Change in Fund Balance	(2,124,579)	(279,972)	611,445	891,417
Fund Balance at Beginning of Year	2,436,486	2,436,486	2,436,486	-
Prior Year Encumbrances Appropriated	87,534	87,534	87,534	-
Fund Balance at End of Year	$ 399,441	$ 2,244,048	$ 3,135,465	$ 891,417

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

Lawrence County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Job and Family Services Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS				
Intergovernmental	$ 5,950,482	$ 5,920,509	$ 5,149,060	$ (771,449)
Charges for Services	229,973	229,973	200,007	(29,966)
Other	14,118	14,118	12,279	(1,839)
Total Receipts	6,194,573	6,164,600	5,361,346	(803,254)
DISBURSEMENTS				
Current:				
Human Services	6,305,498	5,302,011	5,302,011	-
Total Disbursements	6,305,498	5,302,011	5,302,011	-
Excess of Receipts Over (Under) Disbursements	(110,925)	862,589	59,335	(803,254)
OTHER FINANCING SOURCES (USES)				
Transfers In	288,400	288,400	250,821	(37,579)
Transfers Out	(170,000)	(192,286)	(192,286)	-
Total Other Financing Sources (Uses)	118,400	96,114	58,535	(37,579)
Net Change in Fund Balance	7,475	958,703	117,870	(840,833)
Fund Balance at Beginning of Year	148,452	148,452	148,452	-
Prior Year Encumbrances Appropriated	22,498	22,498	22,498	-
Fund Balance at End of Year	$ 178,425	$ 1,129,653	$ 288,820	$ (840,833)

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

Lawrence County

Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Motor Vehicle Gasoline Tax Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS				
Fines and Forfeitures	$ 41,471	$ 42,159	$ 20,348	$ (21,811)
Intergovernmental	15,349,274	15,603,924	7,531,262	(8,072,662)
Interest	88,171	89,634	43,262	(46,372)
Other	163,855	166,573	80,397	(86,176)
Total Receipts	15,642,771	15,902,290	7,675,269	(8,227,021)
DISBURSEMENTS				
Current:				
Public Works	14,646,694	7,060,043	7,060,043	-
Capital Outlay	149,000	70,934	70,934	-
Debt Service:				
Principal Retirements	200,000	200,000	200,000	-
Interest and Fiscal Charges	2,290	2,290	2,290	-
Total Disbursements	14,997,984	7,333,267	7,333,267	-
Excess of Receipts Over Disbursements	644,787	8,569,023	342,002	(8,227,021)
OTHER FINANCING SOURCES (USES)				
Loan Return from TID	250,000	250,000	250,000	-
Transfers In	259,519	-	-	-
Transfers Out	(2,000,000)	(555,000)	(555,000)	-
	-			
Total Other Financing Sources (Uses)	(1,490,481)	(305,000)	(305,000)	-
Net Change in Fund Balance	(845,694)	8,264,023	37,002	(8,227,021)
Fund Balance at Beginning of Year	2,775,269	2,775,269	2,775,269	-
Prior Year Encumbrances Appropriated	545,694	545,694	545,694	-
Fund Balance at End of Year	$ 2,475,269	$ 11,584,986	$ 3,357,965	$ (8,227,021)

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

Lawrence County

Statement of Cash Basis Assets and Net Cash Position and Cash Receipts,
Cash Disbursements and Changes in Net Position
Proprietary Funds - Cash Basis
As of and For the Year Ended December 31, 2019

	Union-Rome Sewer Fund
OPERATING CASH RECEIPTS	
Charges for Services	$ 3,041,050
Other	13,437
Total Operating Cash Receipts	3,054,487
OPERATING CASH DISBURSEMENTS	
Salaries and Benefits	965,387
Contractual Services	1,124,527
Materials and Supplies	137,220
Capital Outlay	67,891
Other	13,806
Total Operating Cash Disbursements	2,308,831
Excess of Operating Cash Receipts Over Operating Cash Disbursements	745,656
NON-OPERATING CASH DISBURSEMENTS	
Interest and Fiscal Charges	(105,871)
Principal Retirement	(556,837)
Total Non-Operating Cash Disbursements	(662,708)
Change in Net Position	82,948
Net Position at Beginning of Year	1,876,782
Net Position at End of Year	$ 1,959,730
CASH BASIS ASSETS AT END OF YEAR	
Equity in Pooled Cash and Cash Equivalents	$ 1,959,730
NET POSITION AT END OF YEAR	
Unrestricted	$ 1,959,730

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

Lawrence County

Statement of Fiduciary Net Position - Cash Basis

As of December 31, 2019

		Agency Funds
ASSETS		
Equity Pooled in Cash and Cash Equivalents	$	3,995,938
Cash and Cash Equivalents in Segregated Accounts		1,263,077
Total Assets		5,259,015
NET POSITION		
Unrestricted		5,259,015
Total Net Position	$	5,259,015

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

NOTE 1 - DESCRIPTION OF THE COUNTY AND REPORTING ENTITY

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

Reporting Entity

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

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

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

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

The County has the following component units:

> The Lawrence County Land Reutilization Corporation (Land Bank) is a legally separate, not-for-profit corporation served by a five-member self appointed board. The Land Bank'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 Land Bank 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 Lawrence County Port Authority operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from the Lawrence County Land Reutilization Corporation, Ironton, Ohio.

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

Reporting Entity (Continued)

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

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

Choices, Inc. was a legally separate, not for profit corporation, served by a self-appointing board of trustees. As more fully described in Note 21, Choices, Inc. was dissolved and no longer in operation as of December 31, 2019.

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.*

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

Reporting Entity (Continued)

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 agency funds within the County's financial statements:

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

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

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

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

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

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

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

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

Reporting Entity (Continued)

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

Scioto-Lawrence Counties Joint Solid Waste District

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

Briggs-Lawrence County Public Library

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

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

Governmental Funds

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

General Fund

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

Board of Developmental Disabilities Special Revenue Fund

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

Job and Family Services Special Revenue Fund

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

Motor Vehicle Gasoline Tax Special Revenue Fund

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary Funds

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

Union-Rome Sewer Fund

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

Fiduciary Funds

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

Agency Funds

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

Basis of Presentation

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

Government-wide Financial Statements

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Non-major funds are aggregated and presented in a single column.

Basis of Accounting

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

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

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents and Investments

Cash and cash equivalents consist of the total of fund cash balances of all funds as of December 31, 2019. To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. County funds are maintained in several checking accounts as well as invested in certificates of deposit with terms of one to twelve months. Individual fund balance integrity is maintained through the County's records. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. All interest receipts are reported in the General Fund except those specifically related to those funds deemed appropriate according to Board of County Commissioners policy. For 2019, interest receipts amounted to $619,778 in which $510,308 was recorded in the General Fund; $65,164 was recorded in the Board of Developmental Disabilities Special Revenue Fund; $43,262 was recorded in the Motor Vehicle Gasoline Tax Special Revenue Fund; and $1,044 was recorded in All Other Governmental Funds.

Capital Assets and Depreciation

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

Compensated Absences

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

Long-Term Obligations

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

Operating Cash Receipts and Cash Disbursements

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

Net Cash Position

Net position represents the cash basis assets held by the County at year end. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for grants. The County applies restricted resources when a cash disbursement is made for purposes for which both restricted and unrestricted net position is available. Of the County's $19,028,386 in restricted net position, none is restricted by enabling legislation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide financial statements, transfers within governmental activities or within business-type activities are eliminated. Transfers between governmental activities and business-type activities are shown in the same manner as general revenues.

Interfund Receivables/Payable

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, 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

A. Primary Government

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

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

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

2. Bonds, notes, debentures, or other obligations of 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 that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio or its political subdivisions;

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

A. Primary Government (Continued)

5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts in eligible institutions pursuant to ORC section 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, or both securities and cash, equal value for equal value;

9. Up to forty percent of the County’s average portfolio in either of the following

   a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase.

   b. Bankers acceptances eligible for purchases by the Federal Reserve System and which mature within 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. provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;

11. 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. 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. Bankers’ acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they will be held to maturity.

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

A. Primary Government (Continued)

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

Deposits:

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the County's bank balance of $26,490,636 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.

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

A. Primary Government (Continued)

Investments:

The County had the following investments as of December 31, 2019:

	Investment Balance	Maturity <1 year	Maturity 1-2	Maturity >2 years	Percent Invested
City of Ironton Securities	$ 110,360	$ 35,990	$ 74,370	$ -	2.39%
Commisioners/Cruiser Sheriff	97,413	48,165	49,248	-	2.11%
Commissioners Ambulance Securities	188,300	61,200	127,100	-	4.08%
Commissioners Dog Pound Vehicle	13,229	6,541	6,688	-	0.29%
Commissioners Software Securities	82,679	40,879	41,800	-	1.79%
Commissioners Vehicle EMS Securities	65,461	65,461	-	-	1.42%
Commissioners/911 Equipment	27,815	13,753	14,062	-	0.60%
Elections Equipment Securities	28,215	28,215	-	-	0.61%
Elections Equipment Securities	10,129	10,129	-	-	0.22%
Fairland Schools Securities	495,000	245,000	250,000	-	10.73%
Fayette Twp Securities	43,000	14,000	29,000	-	0.93%
Fayette Twp Securities #2	254,663	25,068	52,413	177,182	5.52%
Mason Twp	10,100	5,000	5,100	-	0.22%
South Point Sewer	648,000	36,000	72,000	540,000	14.05%
Township of Rome	24,077	24,077	-	-	0.52%
Union Township Securities	17,600	8,700	8,900	-	0.38%
Union Township Securities #2	146,100	47,500	98,600	-	3.17%
Upper Township	17,060	4,060	8,530	4,470	0.37%
Upper Township Securities	9,500	4,700	4,800	-	0.21%
Upper Township Securities #2	17,400	8,600	8,800	-	0.38%
Village of Coal Grove Securities	25,700	25,700	-	-	0.56%
Village of Protorville Securities	21,600	10,700	10,900	-	0.47%
Village of South Point 2016	160,714	160,714	-	-	3.48%
Village of South Point Sewer	125,037	40,755	84,282	-	2.71%
City of Ironton	353,145	66,487	139,062	147,596	7.65%
EMS Ambulance	200,000	47,100	99,900	53,000	4.33%
Hamilton Twp	363,000	75,000	160,000	128,000	7.87%
Village of Colegrove	76,197	76,197	-	-	1.65%
Fayette Twp	78,092	14,692	30,600	32,800	1.69%
Commmissioners Bldg	415,000	8,400	17,600	389,000	9.00%
Commissioners Elec Equipment	331,500	28,800	60,300	242,400	7.19%
Aid Township	97,500	18,001	38,191	41,308	2.11%
Windsor Township	60,000	11,300	23,600	25,100	1.30%
	$ 4,613,586	$ 1,316,884	$ 1,515,846	$ 1,780,856	100.00%

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

A. Primary Government (Continued)

Investments:

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The previous table identifies the County's recurring fair value measurements as of December 31, 2019. All investments of the County are valued using quoted market prices (Level 2 inputs).

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

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy allows investments in U.S Treasury Obligations, Federal Agency Obligations, Repurchase Agreements, Commercial Paper, Bankers' Acceptances, Municipal Obligations, Bank Deposits, State Pool, Registered Investment Companies (Mutual Funds), Corporate Bonds, Certificates of Deposit or within financial institutions with the State of Ohio as designated by the Federal Reserve Board and other investments permitted by the Ohio Revised Code. The County invested 100% in government securities during 2019.

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

B. Component Units

At December 31, 2019, the Lawrence County Land Reutilization Corporation's carrying amount and bank balance was $80,788. The entire amount was covered by federal deposit insurance or collateralized by the Ohio Pooled Collateral System.

At December 31, 2019, the Lawrence County Port Authority's carrying amount of deposits was $383,306 and the depository balance was $391,375. The entire amount was covered by federal deposit insurance.

At December 31, 2019, the Lawrence County Transportation Improvement District's deposit balance was $7,566 which is held in Lawrence County's deposit and investment pool.

NOTE 4- BUDGETARY BASIS FUND BALANCES

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

	General Fund	Board of Developmental Disabilities	Job and Family Services	Motor Vehicle Gasoline Tax
Budgetary Basis Fund Balances	$2,466,674	$3,135,465	$288,820	$3,357,965
Encumbrances	170,348	1,599	2,647	566,702
Excluded Funds for Budget Purposes	1,517,566	-	-	-
Fund Cash Balances	$4,154,588	$3,137,064	$291,467	$3,924,667

NOTE 5 - PROPERTY TAX

Property taxes include amounts levied against all real, and public utility property located in the County. Property tax revenue received during 2019 for real and public utility property taxes represents collection of 2018 taxes.

2019 real property taxes are levied after October 1, 2018 on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are intended to finance 2020.

Public utility property currently is assessed at varying percentages of true value; public utility property is assessed at 35 percent of true value. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The assessed value for the taxes levied in 2019 was $1,471,325,310 of which real property represented 72 percent ($1,065,048,020) of the total and public utility property represented 28 percent ($406,277,290) of the total. The full tax rate for all County operations for taxes collected in 2019 was $5.60 per $1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due by December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

NOTE 6 - RISK MANAGEMENT

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

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

NOTE 6 - RISK MANAGEMENT (Continued)

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

Policy Type	Annual/ Aggregate Coverage	Deductible
General Liability	$2,000,000/$4,000,000	$0
Public Officials Liability	$2,000,000/$4,000,000	$5,000
Law Enforcement	$2,000,000/$4,000,000	$5,000
Auto Liability	$2,000,000 per occurrence	Per Schedule
Pollution Liability	$100,000	$1,000
All Risk Blanket Property	Building and Contents per Schedule	$1,000
Flood (Zone A coverage)	$5,000,000	$25,000
Extra Expense	$1,000,000	$1,000
Personal Property of Others	$1,000,000	$1,000
Earthquake	$5,000,000	$25,000
Electronic Data Processing Equipment	$500,000	$1,000
Blanket Bond	$250,000	$0
Elected Officials Bond	Per Bond Schedule	$0
Boiler and Machinery	$48,828,014	$1,000
Inland Marine	$4,447,645	$1,000
Auto Comprehensive	Per Schedule	Per Schedule
Auto Collision	Per Schedule	Per Schedule
Employees Benefits Liability	$2,000,000/$4,000,000	$0

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. For 2019, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 12). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

NOTE 7 - PERMISSIVE SALES AND USE TAX

In February 1983, the Tax Commissioners adopted by resolution a one percent Permissive Sales and Use Tax. In April 1998 a one half percent Permissive Sales and Use Tax, as allowed by Sections 5739.02 and 5742.02, Revised Code was also adopted. Sales and use tax revenue for 2019 amounted to $8,897,309 and is recorded in the General Fund.

NOTE 8 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Net OPEB Liability

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

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

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

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

The net pension and the net OPEB liabilities are disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the cash basis framework.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting https://www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 800-222-7377.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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 and Service Requirements:**	**Age and Service Requirements:**
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	**Formula:**	**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	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	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 and Service Requirements:**	**Age and Service Requirements:**
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Formula:	**Formula:**	**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	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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 purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), 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.

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

	State and Local	Public Safety	Law Enforcement
2019 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2019 Actual Contribution Rates			
Employer			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution to OPERS was $2,431,719 for fiscal year 2019.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation was 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% 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% of the 14% member rate goes to the DC Plan and the remaining 2% 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 after termination of employment at age 50 or later.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least 10 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. 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.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

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

Funding Policy – Employer and member contribution rates are established by the Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14% and the statutory member rate is 14% of covered payroll. The County was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS Ohio was $109,863 for fiscal year 2019.

Pension Liabilities

The net pension liability for OPERS and STRS was measured as of December 31, 2018 and June 30, 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 and July 1, 2019, respectively. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	STRS	Total
Proportion of the Net Pension Liability Current Measurement Date	0.13988000%	0.00783808%	
Proportion of the Net Pension Liability Prior Measurement Date	0.14013300%	0.00765722%	
Change in Proportionate Share	-0.00025300%	0.00018086%	
Proportionate Share of the Net Pension Liability	$38,310,296	$1,733,344	$40,043,640

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented below for the OPERS Traditional Plan.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPERS (continued)

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets 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 loss of 2.94% for 2018.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPERS (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate The discount rate used to measure the total pension liability was 7.2% for the Traditional Pension Plan and the Combined 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate.

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
County's proportionate share of the net pension liability	$56,595,448	$38,310,296	$23,115,170

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – STRS

The total pension liability in the July 1, 2019, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.5 percent at age 65
Payroll increases	3 percent
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Cost-of-Living Adjustments (COLA)	0 percent

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

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's 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:

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – STRS (continued)

Asset Class	Target Allocation*	Long-Term Rate of Return**
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

** 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio's 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 7.45% as of June 30, 2019. 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 the rates described previously. 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 Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the net pension liability as of June 30, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net pension liability	$2,533,090	$1,733,344	$1,056,319

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, 2019, 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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - - The Ohio Revised Code provides the statutory authority requiring 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. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 is 0 percent for both plans. 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 2019 was 4.0 percent.

NOTE 9 – DEFINED BENEFIT OPEB PLANS (Continued)

Ohio Public Employees Retirement System (OPERS) (continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $0 for 2019.

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. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability/(Asset)

The net OPEB liability(asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. STRS's total OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an independent actuarial valuation as of that date. In accordance with GASB Statement No. 75 (GASB 75), Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Member-Directed Plan health care is a defined benefit health care plan, although the pension plan is defined contribution. Interest of 4% is credited to member accounts as long as the Health Care portfolio earns a positive return. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share, the net OPEB liability (asset):

	OPERS	STRS
Proportion of the Net OPEB Liability/(Asset):		
Current Measurement Date	0.13240200%	0.00783808%
Prior Measurement Date	0.13314000%	0.00765722%
Change in Proportionate Share	-0.00073800%	0.00018086%
Proprotionate Share of the Net OPEB Liability	$ 17,262,095	$ -
Proprotionate Share of the Net OPEB (Asset)	$ -	$ (129,817)

NOTE 9 – DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five year period ended December 31, 2015.

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 real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, 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 loss of 5.60% for 2018.

NOTE 9 – DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OPERS (continued)

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit.

The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, 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 and Changes in the Health Care Cost Trend Rates The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 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 (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
County's proportionate share of the net OPEB liability	$22,084,654	$17,262,095	$13,426,887

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. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability 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.

NOTE 9 – DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OPERS (continued)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. 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 that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	$16,592,619	$17,262,095	$18,033,152

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3 percent	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	5.87%	4.00%
Medicare	4.93%	4.00%
Prescription Drug		
Pre-Medicare	7.73%	4.00%
Medicare	9.62%	4.00%

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

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

Experience Studies — Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

NOTE 9 – DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – STRS (continued)

Investment Return Assumptions —STRS Ohio's 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	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.
** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include 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

Discount Rate The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio 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 of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB (asset) liability as of June 30, 2019.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one percentage point higher (8.45 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 (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net OPEB liability (asset)	($110,773)	($129,817)	($145,829)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB liability (asset)	($147,207)	($129,817)	($108,519)

NOTE 9 – DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – STRS (continued)

Changes in Assumptions and Benefits Terms since the Prior Measurement Date

There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

NOTE 10 - DEBT OBLIGATIONS

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. However, information regarding such changes in the County's long-term obligations during 2019 is as follows:

Governmental Long-Term Obligations:	Outstanding 12/31/2018	Additions	Deletions	Outstanding 12/31/2019	Due In One Year
Series 2014 County Jail Improvements Bonds 2.25%	$ 6,792	$ -	$ 6,792	$ -	$ -
Series 2014 Road Improvements Bonds 2.29%	200,000	-	200,000	-	-
Series 2014 Real Estate Acquisition Bonds 2.25%	27,000	-	27,000	-	-
Series 2015 Police Vehicle Acquisition Bonds 2.25%	20,035	-	9,906	10,129	10,129
Series 2015 Equipment Acquisition Bonds 2.25%	55,810	-	27,595	28,215	28,215
Series 2015 EMS Equipment Acquisition Bonds 2.25%	129,482	-	64,021	65,461	65,461
Series 2016 911 Equipment Acquisition Bonds 2.25%	41,265	-	13,450	27,815	13,753
Series 2016 IT Equipment Acquisition Bonds 2.25%	122,660	-	39,981	82,679	40,879
Series 2016 Sheriff Vehicle Acquisition Bonds 2.25%	144,518	-	47,105	97,413	48,165
Series 2016 Dog Pound Vehicle Acquisition Bonds 2.25%	19,626	-	6,397	13,229	6,541
Series 2018 EMS Acquisitions Bonds 2.50%	248,000	-	59,700	188,300	61,200
Series 2018 Various Purpose Improvement Bonds 3.76%	4,060,000	-	-	4,060,000	5,000
Series 2019 Center Street Acquisition Bonds 3.25%	-	415,000	-	415,000	8,400
Series 2019 BOE Equipment Acquisition Bonds 3.10%	-	331,500	-	331,500	28,800
Series 2019 Ambulance Acquisition Bonds 4.00%	-	200,000	-	200,000	47,100
Subtotal General Obligation Bonds	5,075,188	946,500	501,947	5,519,741	363,643
Lease Financing Agreement 2010 5.877%	540,181	-	99,079	441,102	62,375
Long Term Notes:					
Various Purpose Bond Anticipation Note 2010 3.03%	65,013	-	65,013	-	-
Road Improvement BAN 2011 4.73%	13,994	-	4,451	9,543	4,661
Total Governmental Long-Term Obligations	$ 5,694,376	$ 946,500	$ 670,490	$ 5,970,386	$ 430,679

NOTE 10 - DEBT OBLIGATIONS (Continued)

Union-Rome Sewer Fund Obligations:		Outstanding 12/31/2018	Additions	Deletions	Outstanding 12/31/2019	Due In One Year
Sewer 2007 3.25% OWDA Loan	*	$ 19,596,738	$ -	$ 409,634	$ 19,187,104	$ 825,424
OWDA Loan Agreement #5423, 2010, 0%	*	861,923	-	32,453	829,470	65,394
OWDA Loan 5424	*	403,484	-	15,192	388,292	30,612
Subtotal OWDA Loans		20,862,145	-	457,279	20,404,866	921,430
Sewer Bonds Series 2014		69,290	-	69,290	-	-
OPWC Loan 1995 0.00%		2,768	-	2,768	-	-
OPWC Loan 2009 0.00%		302,500	-	27,500	275,000	27,500
Subtotal Non OWDA		374,558	-	99,558	275,000	27,500
Total Union-Rome-Sewer Fund Obligations		$ 21,236,703	$ -	$ 556,837	$ 20,679,866	$ 948,930

** Beginning Balance Restated for One Time Waiver*

The County Jail Improvements Bonds Series 2014 in the amount of $32,500 were issued in July 2014 with a final maturity date of July 2019. These bonds were repaid from the Jailhouse Electrical Debt Service Fund, with the final payment made in 2019.

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

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

The Police Vehicle Acquisition Series 2015 in the amount of $48,464 were issued in November 2015 with a final maturity date of November 2020. These bonds are being repaid from the Sheriff's Van Debt Service Fund.

The Equipment Acquisition Bonds Series 2015 in the amount of $135,000 were issued in July 2015 with a final maturity date of July 2020. These bonds are being repaid from the Board of Elections Debt Service Fund.

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

The 911 Equipment Acquisition Bonds Series 2016 in the amount of $67,284 were issued in October 2016 with a final maturity date of October 2021. These bonds are being repaid from the 911 Equipment Debt Service Fund.

The IT Equipment Acquisition Bonds Series 2016 in the amount of $200,000 were issued in September 2016 with a final maturity date of September 2021. These bonds are being repaid from the IT Equipment Debt Service Fund.

The Sheriff Vehicle Acquisition Bonds Series 2016 in the amount of $235,641 were issued in October 2016 with a final maturity date of October 2021. These bonds are being repaid from the Sheriff Vehicle Debt Service Fund.

The Dog Pound Vehicle Acquisition Bonds Series 2016 in the amount of $32,000 were issued in October 2016 with a final maturity date of October 2021. These bonds are being repaid from the Dog Pound Debt Service Fund.

NOTE 10 - DEBT OBLIGATIONS (Continued)

The EMS Acquisition Bonds Series 2018 in the amount of $248,000 were issued in February 2018 with the final maturity date of February 2022. These bonds will be repaid from the EMS Debt Service Fund.

The Various Purpose Improvement Bonds Series 2018 in the amount of $4,060,000 were issued in December 2018 with a final maturity of December 2038. These bonds will be repaid from the General Debt Service Fund.

The Center Street Building Acquisition Bonds Series 2019 in the amount of $415,000 were issued in October 2019 with a final maturity date of October 2049. Repayment of these bonds will begin during 2020 at a 3.25% rate of interest.

The Board of Elections Equipment Acquisition Bonds Series 2019 in the amount of $331,500 were issued in October 2019 with a final maturity date of October 2029. Repayment of these bonds will begin during 2020 at a 3.10% rate of interest.

The Ambulance Acquisition Bonds Series 2019 in the amount of $200,000 were issued in May 2019 with a final maturity date of May 2023. Repayment of these bonds will begin during 2020 at a 4.0% rate of interest.

The County entered into a lease financing agreement in February 2010 in the amount of $820,522 for the purpose of various energy conservation improvements. In 2012 an addition was made to this lease in the amount of $215,000. The lease financing agreement is being retired from the debt service fund, with the final payment made in 2019 on the 2012 portion of the lease.

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

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

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

Year Ending December 31,	General Obligation Principal	General Obligation Interest	Financing Agreement Principal	Financing Agreement Interest	Long-Term Note Principal	Long-Term Note Interest
2020	$ 363,643	$ 198,173	$ 62,375	$ 24,625	$ 4,661	$ 451
2021	266,898	186,780	68,811	18,189	4,882	231
2022	329,800	176,152	72,116	14,884	-	-
2023	273,700	164,593	75,579	11,421	-	-
2024	227,000	154,336	79,209	7,791	-	-
2025-2029	1,275,800	638,271	83,012	3,988	-	-
2030-2034	1,326,600	395,484	-	-	-	-
2035-2039	1,272,200	129,229	-	-	-	-
2040-2044	84,700	24,592	-	-	-	-
2045-2049	99,400	9,899	-	-	-	-
	$ 5,519,741	$ 2,077,509	$ 441,102	$ 80,898	$ 9,543	$ 682

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

NOTE 10 - DEBT OBLIGATIONS (Continued)

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

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

The County issued Sewer Bonds in the amount of $331,533 on May 15, 2014 to improve the sewer system in the County. These bonds were repaid from sewer charges, with the final payment made in 2019.

In connection with the OWDA and OPWC loans, the County has pledged future customer revenues of the Union-Rome Sewer Fund net of specified operating expenses, to repay these loans. The loans are payable, through final maturities, from net revenues applicable to the Union-Rome Sewer Fund. Total principal and interest remaining on these loans at December 31, 2019 was $20,679,866 and $2,210,428, respectively. The net revenue available for these loans was $639,785 and principal and interest paid was $591,857. The coverage ratio for the loans was 1.01 for the year ended December 31, 2019.

The County received Ohio Public Works Commission loans in 1995 totaling $1,082,341 to complete three phases of the Union Rome equalization project. The debt was paid from sewer charges, with the final payment made in 2019.

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

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

Year Ending December 31,	OPWC Principal	OWDA Principal	OWDA Interest
2020	$ 27,500	$ 921,430	$ 201,751
2021	27,500	930,667	192,512
2022	27,500	939,996	183,184
2023	27,500	949,421	173,761
2024	27,500	958,938	164,243
2025-2029	137,500	4,940,835	675,068
2030-2034	-	4,865,599	426,472
2035-2039	-	4,880,723	185,874
2040	-	1,017,257	7,563
	$ 275,000	$ 20,404,866	$ 2,210,428

At December 31, 2019, the County's overall legal debt margin was $30,320,229 with an unvoted debt margin of $14,713,253.

NOTE 10 - DEBT OBLIGATIONS (Continued)

Component Units

Lawrence County Port Authority

On December 7, 2009, the Port Authority entered into a loan agreement with Liberty Federal Bank to finance EMS stations. The Loan Agreement is for $338,250 for thirty years and is collateralized by the associated assets being financed. The terms of the note provide among other things, for repayment in equal monthly installments including principal and 4.37% interest. The balance outstanding at December 31, 2019 was $2,776.

On July 19, 2012, the Port Authority entered into a loan agreement with Ohio River Valley Bank (now Citizens Deposit Bank). The Loan Agreement is for $700,000 for fifteen years and is collateralized by an open-end mortgage on the property. The terms of the note provide among other things, for repayment in equal monthly installments including principal and 3.30% initial interest, adjusting every 5 years based on the New York Prime Rate as published by the Wall Street Journal. The balance outstanding at December 31, 2019 was $506,064.

Lawrence County Transportation Improvement District

In 2017, the County provided an interest-free loan to the District in the amount of $250,000 in anticipation of grant revenue. This amount was repaid in full during fiscal year 2019.

Lawrence County Land Reutilization Corporation

The Corporation entered into a line of credit with the Ohio Housing Finance Agency with the maximum amount available at any time of $375,000. This line of credit carries a zero percent interest rate and was paid in full as of December 31, 2019.

The Corporation entered into an interest free loan agreement with Lawrence County. This loan had an outstanding balance of $585,122 at December 31, 2019. The Corporation borrowed an additional $168,631 during 2019 and paid $33,665 in principal during 2019.

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.

NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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 2019.

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 2019, the County paid the CAO $243,180 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, $11,966 during 2019.

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 2019, the County made $17,962 in contributions to the Commission.

Ohio Valley Regional Development Commission

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

The Commission was formed to influence favorably the future economic, physical and social development of Adams, Brown, Clermont, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton Counties. Membership is comprised of elected and appointed county, municipal and township officials or their officially appointed designees, as well as members of the private sector, community action agencies and regional planning commissions. The Commission is not dependent upon Lawrence County for its existence. In 2019, the County made $10,845 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 2019, Lawrence County paid $357,877 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 $379,694 to the District during 2019. The Joint Venture was funded by Special Assessment monies collected. Continued existence of the District is dependent upon the County's continued participation; however, the County does not have an equity interest in the District. The District is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County.

NOTE 14 - RELATED ORGANIZATION

Briggs-Lawrence County Public Library

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

NOTE 15 - CONTINGENT LIABILITIES

A. Primary Government

The County received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the County at December 31, 2019, if applicable, cannot be determined at this time, except as disclosed in the following paragraph.

A finding for recovery against the Temporary Assistance for Needy Family Federal Program in the amount of $380,080 was identified by the Ohio Department of Job and Family Services (ODJFS) as a result of a special audit performed by ODJFS. ODJFS approved a repayment plan with annual payments of $78,000 beginning in 2016. The payment made during 2019 totaled $78,000.

B. Component Units

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

NOTE 16 - RELATED PARTY TRANSACTIONS

Lawrence County Land Reutilization Corporation (the Land Bank), 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 Land Bank was financially able. As of December 31, 2019, the total dollar amounts of costs incurred was $585,122. The amounts related to the services provided are expected to be repaid as the Land Bank has available resources. The liability has not been recorded in the accompanying financial statements as these statements are reported on the cash basis.

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Land Bank 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 $155,878 to the Land Bank in DTAC funds in 2019 as well as a $15,000 contribution.

In 2017, the Lawrence County Transportation Improvement District, a component unit of Lawrence County, received an interest free loan from the County in the amount of $250,000 in anticipation of grant revenue. The loan was repaid in 2019.

NOTE 17 - INTERFUND ACTIVITY

Transfers

	Transfers In	Transfers Out
General Fund - Major Fund	$ 46,400	$ 2,513,558
Motor Vehicle Gasoline Tax Fund - Major Fund	-	555,000
Job and Family Service Fund - Major Fund	250,821	192,286
Other Non-Major Governmental Funds	3,869,201	905,578
Total Governmental Funds	$ 4,166,422	$ 4,166,422

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Transfers into the General Fund were for court-ordered transfers from the County Court Improvement fund and the close out of the Revolving Loan fund. Transfers from the Motor Vehicle Gasoline Tax Fund and other governmental funds to other governmental funds were for debt service and capital improvement projects. The transfer from Job and Family Services Fund to Child Support fund was to cover Child Support Enforcement Agency state match ceiling excess. All transfers were done in accordance with the Ohio Revised Code.

Advances

	Advances In	Advances Out
Other Non-Major Governmental Funds	$ 15,000	$ 15,000
Total Governmental Funds	15,000	15,000
Grand Total	$ 15,000	$ 15,000

During 2019 prior year advances were repaid to the Electric Monitoring Other Non-Major Governmental Fund from the Community Corrections Other Non-Major Governmental Fund.

NOTE 18 - COMPLIANCE

The Ohio Administrative Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. Contrary to this requirement, the County elects to prepare its annual financial report in accordance with the cash basis of accounting. The County also did not file its annual financial report within sixty days as required by Ohio Revised Code Section 117.38 for cash basis entities.

NOTE 19 – SIGNIFICANT COMMITMENTS

A. 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 encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Major Funds:	
General	$430,803
Board of Developmental Disabilities	1,599
Job and Family Services	2,647
Motor Vehicle Gasoline Tax	566,702
Union Rome Sewer	78,292
Total Major Funds	1,080,043
Non-Major Funds:	
Common Pleas Court	49,337
Election Security	27,007
Real Estate Assessment	256,291
Building Fund	24,511
Rehab	18,067
Felony Delinquent Care	55,882
Cruisers - Capital Improvement	46,225
Engineer - County Roads Capital	571,124
Child Support Enforcement Agency	65,200
Total Non-Major Funds	1,113,644
Total	$2,193,687

B. Contracts

On June 28, 2018, the County entered into an agreement with Perfection Group, Inc., for the purpose of installing energy saving equipment within the courthouse and annex in the amount of $6,591,317. As of December 31, 2019, a total of $6,545,547 has been paid to the contractor. Of this total, $2,580,898 was paid to the contractor as of December 31, 2018 with an additional $3,964,649 paid during the current fiscal year.

NOTE 20 – FUND BALANCES

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

Fund Balances	General	Board of Developmental Disabilities	Job and Family Services	Motor Vehicle Gasoline Tax	All Other Governmental Funds	Total Governmental Funds
Nonspendable						
Unclaimed Monies	$ 273,361	$ -	$ -	$ -	$ -	$ 273,361
Restricted for						
Developmental Disabilities	-	3,137,064	-	-	-	3,137,064
Job and Family Services	-	-	291,467	-	-	291,467
Motor Vehicle and Gas Tax	-	-	-	3,924,667	-	3,924,667
Real Estate Assessment	-	-	-	-	757,994	757,994
Child Support	-	-	-	-	1,123,239	1,123,239
EMS	-	-	-	-	2,286,931	2,286,931
Court Development	-	-	-	-	414,148	414,148
Care and Custody	-	-	-	-	366,027	366,027
Juvenile Court IV-D Contract	-	-	-	-	243,376	243,376
Common Pleas Court	-	-	-	-	272,935	272,935
County Court	-	-	-	-	325,367	325,367
Delinquent Taxes	-	-	-	-	91,544	91,544
Indigent Drivers	-	-	-	-	138,313	138,313
Juvenile and Probation	-	-	-	-	323,659	323,659
Electric Monitoring	-	-	-	-	95,885	95,885
Recorder Special	-	-	-	-	172,602	172,602
T CAP	-	-	-	-	265,865	265,865
Children Services	-	-	-	-	786,733	786,733
Capital Projects	-	-	-	-	2,465,687	2,465,687
Other Purposes	-	-	-	-	1,544,883	1,544,883
Total Restricted	-	3,137,064	291,467	3,924,667	11,675,188	19,028,386
Assigned to						
Future Year's Appropriations	2,072,240	-	-	-	-	2,072,240
Other Purposes	234,033	-	-	-	-	234,033
Total Assigned	2,306,273	-	-	-	-	2,306,273
Unassigned	1,574,954	-	-	-	-	1,574,954
Total Fund Balances	$ 4,154,588	$ 3,137,064	$ 291,467	$ 3,924,667	$ 11,675,188	$ 23,182,974

NOTE 21 – NEW ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSMENTS

For the fiscal year ended December 31, 2019, the County has (to the extent it applies to the cash basis of accounting) implemented Governmental Accounting Standards Board (GASB) Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. GASB Statement No. 95 postpones the effective dates of certain provisions in the statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following statements are postponed by one year:

- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations

Certain provisions in the following statements are postponed by one year:

- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates

The following statement is postponed by 18 months:

- Statement No. 87, Leases

During February 2018, the Choices, Inc. Board signed a resolution to authorize the transfer of its properties, liabilities and assets to the Ironton-Lawrence County Community Action Organization (CAO). The CAO agreed to manage the assets from February 2018 until the transfer occurred. The transfer of the Choices, Inc's. properties, liabilities and assets to the CAO was completed in August 2018. The balance of $99,823 was moved to the Ironton-Lawrence County Community Action (CAO) as of December 31, 2018 resulting in a restatement of the ending Lawrence County Component Unit Choices Inc. fund balance to $0 as of January 1, 2019.

NOTE 22 – SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

The County's investment portfolio and the investments of the pension and other employee benefit plan in which the County participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

In February 2020, the County authorized the issuance of Union Rome Sewer Improvement Bonds in the amount of $1,504,000.

In July 2020, the County authorized the issuance of Rock Hill EMS Building Improvement Bonds in the amount of $620,000.

Lawrence County
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2019

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity's Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
United States Department of Agriculture				
Passed Through Ohio Department of Education:				
Nutrition Cluster:				
School Breakfast Program	3L70	10.553	$20,587	$0
School Breakfast Program - Detention Center	3L70	10.553	7,439	0
			28,026	0
National School Lunch Program	3L60	10.555	35,994	3,110
National School Lunch Program - Detention Center	3L60	10.555	13,238	0
			49,232	3,110
Total Nutrition Cluster			77,258	3,110
Passed Through Ohio Department of Job and Family Services:				
Supplemental Nutrition Assistance Program (SNAP/Food Assistance) Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-2021-11-5948	10.561	77,498	0
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-1819-11-5761	10.561	225,367	0
Total SNAP Cluster			302,865	0
Total United States Department of Agriculture			**380,123**	**3,110**
United States Department of Housing and Urban Development				
Passed Through Ohio Development Services Agency:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-F-17-1BN-1	14.228	259,220	0
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			259,220	0
Total United States Department of Housing and Urban Development			**259,220**	**0**
United States Department of Justice				
Passed through the State of Ohio Attorney General:				
Crime Victim Assistance:				
Crime Victim Assistance	2019VAGENE051	16.575	102,360	0
Crime Victim Assistance	2020VAGENE051	16.575	33,559	0
Total Crime Victim Assistance			135,919	0
Passed through the State of Ohio Office of Criminal Justice Services:				
Edward Byrne Memorial Justice Assistance Grant Program:				
Drug/Major Crimes Task Force	2018-JG-A01-6284	16.738	34,000	0
Total United States Department of Justice			**169,919**	**0**
United States Department of Transportation				
Federal Aviation Administration:				
Airport Improvement Program 3-39-0107-010-2018	N	20.106	1,098,100	0
Total Airport Improvement Program			1,098,100	0
Federal Highway Administration				
Passed Through Ohio Department of Transportation				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	PID #97484	20.205	1,164,135	0
Highway Planning and Construction	PID #99201	20.205	1,111,393	0
Highway Planning and Construction	PID #108424	20.205	3,675	0
Highway Planning and Construction	PID #109322	20.205	212,534	0
Highway Planning and Construction	PID #109323	20.205	266,242	0
Total Highway Planning and Construction Program			2,757,979	0
Pipeline and Hazardous Materials Safety Administration:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	N	20.703	2,920	0
Total United States Department of Transportation			**3,858,999**	**0**
United States Department of Education				
Passed Through Ohio Department of Education:				
Special Education Cluster:				
Special Education_Grants to States	3M20	84.027	71,673	0
Special Education_Preschool Grants	3C50	84.173	38,213	0
Total Special Education Cluster			109,886	0
Total United States Department of Education			**109,886**	**0**

(continued)

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity's Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
United States Department of Health and Human Services				
Passed Through Ohio Department of Job and Family Services:				
State Children's Insurance Program				
Children's Health Insurance Program	G-2021-11-5948	93.767	$13,274	$0
Children's Health Insurance Program	G-1819-11-5761	93.767	71,465	0
Total State Children's Insurance Program			84,739	0
Temporary Assistance for Needy Families (TANF) Cluster				
Temporary Assistance for Needy Families	G-2021-11-5948	93.558	315,738	0
Temporary Assistance for Needy Families	G-1819-11-5761	93.558	918,002	0
Total Temporary Assistance for Needy Families Cluster			1,233,740	0
Promoting Safe and Stable Families				
Promoting Safe and Stable Families	G-2021-11-5948	93.556	11,660	0
Promoting Safe and Stable Families	G-1819-11-5761	93.556	8,186	0
Total Promoting Safe and Stable Families			19,846	0
Child Support Enforcement				
Child Support Enforcement	G-2021-11-5948	93.563	96,506	0
Child Support Enforcement	G-1819-11-5761	93.563	424,417	0
Total Child Support Enforcement			520,923	0
Stephanie Tubbs Jones Child Welfare Services Program	G-2021-11-5948	93.645	6,760	0
Adoption Assistance				
Adoption Assistance	G-2021-11-5948	93.659	2,898	0
Adoption Assistance	G-1819-11-5761	93.659	1,813	0
Total Adoption Assistance			4,711	0
Social Services Block Grant				
Social Services Block Grant	G-2021-11-5948	93.667	234,102	0
Social Services Block Grant	G-1819-11-5761	93.667	818,685	0
Total Social Services Block Grant			1,052,787	0
Passed Through Ohio Department of Developmental Disabilities:				
Social Services Block Grant	N/A	93.667	46,541	0
Total Social Services Block Grant			1,099,328	0
Passed Through Ohio Department of Job and Family Services:				
Foster Care_Title IV-E :				
Foster Care_Title IV-E	G-2021-11-5948	93.658	80,859	0
Foster Care_Title IV-E	G-1819-11-5761	93.658	611,762	0
Total Foster Care_Title IV-E			692,621	0
Child Care Development Fund Cluster:				
Child Care and Development Block Grant	G-2021-11-5948	93.575	30,703	0
Child Care and Development Block Grant	G-1819-11-5761	93.575	78,383	0
Total Child Care Development Fund Cluster			109,086	0
Medicaid Cluster:				
Passed Through Ohio Department of Job and Family Services:				
Medical Assistance Program	G-2021-11-5948	93.778	293,301	0
Medical Assistance Program	G-1819-11-5761	93.778	962,208	0
			1,255,509	0
Passed Through Ohio Department of Developmental Disabilities:				
Medical Assistance Program	N/A	93.778	200,745	0
Total Medicaid Cluster			1,456,254	0
Total United States Department of Health and Human Services			**5,228,008**	**0**
United States Department of Homeland Security				
Passed Through Ohio Emergency Management Agency:				
Emergency Management Performance Grants	N/A	97.042	46,565	0
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	N/A	97.036	180,121	0
Total United States Department of Homeland Security			**226,686**	**0**
Total Federal Awards Expenditures			**$10,232,841**	**$3,110**

N - Direct from Federal Government
N/A - pass-through entity number not available.

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of Lawrence County (the County) under programs of the federal government for the year ended December 31, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

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

NOTE C – MATCHING REQUIREMENTS

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

NOTE D – FOOD DONATION

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

NOTE E - 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.

NOTE F - OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES

During the calendar year, the County Board of Developmental Disabilities received a Cost Report MAC settlement payment for the 2015 Cost Report and received a notice of liability for the 2016 Cost Report from the Ohio Department of Developmental Disabilities for the Medicaid Program (CFDA #93.778) in the amounts of $848 and $41, respectively. The Cost Report Settlement payment/liability was for the settlement of the difference between the statewide payment rate and the rate calculated based upon actual expenditures for Medicaid services. The revenue/liability is not listed on the County's Schedule of Federal Awards Expenditures since the underlying expenses occurred in the prior reporting periods and the liability was invoiced by the Ohio Department of Developmental Disabilities.

NOTE H – TRANSFER BETWEEN FEDERAL PROGRAMS

During 2019, the County made allowable transfers of $707,750 from the Temporary Assistance for Needy Families (93.558) program to the Social Services Block Grant (93.667) program. The amount reported for the Temporary Assistance for Needy Families program on the Supplementary Schedule excludes the amount transferred to the Social Services Block Grant program. The amount transferred to the Social Services Block Grant program is included in the federal program expenditures for these programs. The following table shows the gross amount drawn for the Temporary Assistance for Needy Families program during 2019 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	$1,941,490
Social Services Block Grant	(707,750)
Total Temporary Assistance for Needy Families	**$1,233,740**

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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 22 2020, wherein we noted the County followed the cash basis of accounting rather than accounting principles generally accepted in the United States of America. Further we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. 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.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-002 and 2019-003, that we consider to be material weaknesses.

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Compliance and Other Matters

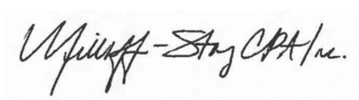
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 2019-001 and 2019-003.

County's Response to Findings

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

Purpose of this Report

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



Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

December 22, 2020

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited Lawrence County's, Ohio (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. 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.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Millhuff-Stang CPA, Inc.

Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

December 22, 2020

Section I – Summary of Auditor's Results

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified (Cash Basis)
Internal control over financial reporting:		
	Material weakness(es) identified?	Yes
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?		Yes
Federal Awards		
Internal control over major program(s):		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:		Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		No
Identification of major program(s):		Highway Planning and Construction Cluster (CFDA #20.205); Temporary Assistance for Needy Families (CFDA #93.558); Airport Improvement Program (CFDA #20.106)
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 2019-001 – Noncompliance – Financial Reporting

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

Further the report shall be certified by the proper officer or board and filed with the Auditor of State within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension. At the time the report is filed with the Auditor of State, the chief fiscal officer, except as otherwise provided in section 319.11 of the Revised Code, shall publish notice in a newspaper published in the political subdivision or taxing district, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district. The notice shall state that the financial report has been completed by the public office and is available for public inspection at the office of the chief fiscal officer.

Finding 2019-001 – Noncompliance – Financial Reporting (Continued)

Ohio Administrative Code 117-2-03 (B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP). However, the County prepared its financial statements in accordance with the cash basis of accounting. The accompanying financial statements and notes omit material assets, liabilities, fund equities, and disclosures. Pursuant to Ohio Revised Code Section 117.38, the County is subject to fines and various other administrative remedies. It was also noted that the County's report was not filed until substantially after the required deadline. The County should consider filing on a GAAP basis in order to comply with state regulations. The County should also take the necessary steps to ensure its annual financial report is submitted to the Auditor of State within sixty days of fiscal year end if it opts to continue reporting on the cash basis of accounting.

Client Response:
See Corrective Action Plan

Finding 2019-002 – Material Weakness – Financial Statement Errors

A monitoring system by the County should be in place to prevent or detect misstatements for the fair presentation of the County's financial statements. During the course of testing, we identified misclassifications of charges for services, property taxes and intergovernmental receipts. Additionally, we noted errors in segregated accounts, debt balances, and fund balance classifications. Further, we noted errors in budget to actual statements and in discretely presented component unit presentation. The County should implement additional monitoring procedures to ensure financial statements are properly presented.

Client Response:
See Corrective Action Plan

Finding 2019-003 – 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.

Finding 2019-003 – Noncompliance/Material Weakness – Title Reconciliation (Continued)

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.

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, 2019. The estimated reconciled balance utilized by the County in the compilation of the financial statements was understated by these amounts.

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

Section III – Federal Award Findings and Questioned Costs

None.

Lawrence County Auditor
Paul David Knipp

Veteran's Square Ironton, Ohio 45638
Telephone (740)-533-4310 Fax (740)-533-4381
E-mail: "ckline@lawrencegov.org"

Corrective Action Plan
For the Year Ended December 31, 2019

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2019-001	It is not cost beneficial for the county to file its financial statements on a GAAP basis.	No completion date established	County Auditor
2019-002	We plan to make a change in the firm who prepares our financial statements as some of these issues have been ongoing.	No completion date established	County Auditor
2019-003	We have contacted the State Auditor's Office and will have Local Government Services come in for training. We are waiting for them to give a date for training, but want it completed in January 2021.	January 31, 2021	Clerk of Courts

Lawrence County Auditor
Paul David Knipp

Veteran's Square Ironton, Ohio 45638
Telephone (740)-533-4310 Fax (740)-533-4381
E-mail: "ckline@lawrencegov.org"

Schedule of Prior Audit Findings
For the Year Ended December 31, 2019

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
Finding 2018-001	Noncompliance with ORC Section 117.38/OAC Section 117-2-03(B) – Failure to Report on Required Accounting Basis and Untimely Filing	No	Reissued as Finding 2019-001
Finding 2018-002	Material Weakness – Financial Statement Errors	No	Reissued as Finding 2019-002

OHIO AUDITOR OF STATE
KEITH FABER

LAWRENCE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 6/1/2021

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