

COUNTY OF LAWRENCE, PENNSYLVANIA

NEW CASTLE, PENNSYLVANIA

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

COUNTY OF LAWRENCE, PENNSYLVANIA
YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Lawrence
New Castle, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the COUNTY OF LAWRENCE, PENNSYLVANIA("the County") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the COUNTY OF LAWRENCE, PENNSYLVANIA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the COUNTY OF LAWRENCE, PENNSYLVANIA, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Net Pension Liability and Related Ratio, Schedule of County Contributions - Last 10 Years, Schedule of Investment Returns - Last 10 Years, and Budgetary Comparison Schedule for all Major Governmental Funds as listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Balance Sheet – Non Major Governmental Funds, Combining Statement of Revenue, Expenditures, and Changes in Fund Balance – Non Major Governmental Funds, Combining Balance Sheet – Non Major Special Revenue Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non Major Special Revenue Funds, Combining Statement of Fiduciary Net Position – Custodial Funds, and Combining Statement of Revenues, Expenditures, and Changes in Fiduciary Net Position – Custodial Funds, as listed as other supplemental information in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The identified accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the identified accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Zelenkofske Axlerod LLC

ZELENKOFSCHE AXELROD LLC

Pittsburgh, Pennsylvania
September 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

The COUNTY OF LAWRENCE, hereafter referred to as the "COUNTY", is pleased to present its financial statements developed in compliance with Statement of Governmental Accounting Standard No. 34, entitled "Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (hereafter "GASB 34"), and related standards. GASB 34 enhances information provided to the users of its financial statements. This section of the financial reporting package presents our discussion and analysis of the COUNTY's financial performance during the year that ended on December 31, 2022. Please read this Management Discussion and Analysis in conjunction with the COUNTY's financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of the following four parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information
- Other supplementary information

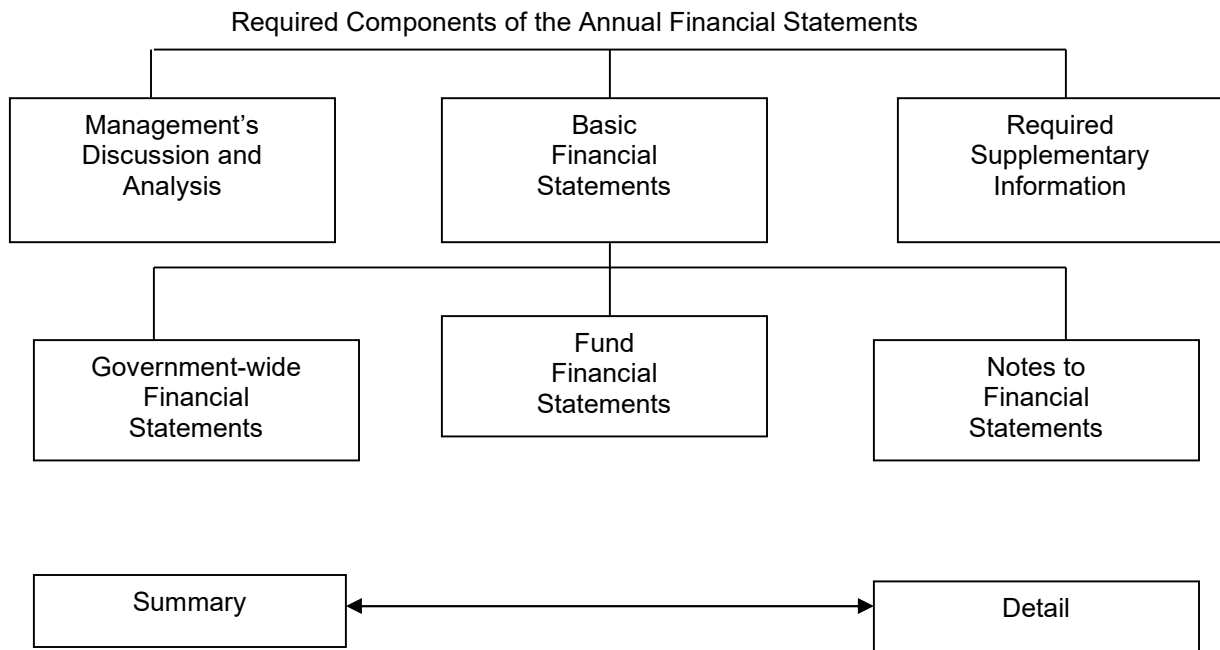
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the COUNTY's government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the COUNTY's budget to actual figures for the general fund, mental health/developmental services fund and the children and youth services fund.

The basic financial statements present two different views of the COUNTY.

- *Government-wide financial statements*, the first two statements, provide information about the COUNTY's overall financial status.
- *Fund financial statements*, the remaining statements, focus on individual parts of the COUNTY's government. They provide more detail on operations than the government-wide statements. There are two types of fund financial statements:
 - *Governmental funds statements* show how general government services such as public safety, human services, public works, culture and recreation, and conservation and development are financed in the short term, as well as what remains for future spending.
 - *Fiduciary funds statements* reflect activities involving resources that are held by the COUNTY as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the COUNTY's programs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Table A-1: Organization of the County's annual financial report



**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Table A-2 summarizes the major features of the County's financial statements, including the area of the County's activities they cover and the types of information they contain.

Table A-2: Major features of the government-wide and fund financial statements

	Government-wide Statements	Fund Financial Statements	
		<u>Governmental</u>	<u>Fiduciary</u>
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the County, such as public safety and courts	Instances in which the County administers resources on behalf of others
Required Financial Statements	-Statement of net position -Statement of activities	-Balance Sheet -Statement of revenues, expenditures and changes in fund balances	-Statement of fiduciary net position -Statement of revenues, expenditures and changes in net position
Accounting basis and measurement focus	Accrual	Modified Accrual	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenue for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

The remainder of the overview explains the structure and contents of the government-wide and fund financial statements.

Government-wide financial statements

Government-wide financial statements report information about the COUNTY as a whole using accounting methods similar to those used by private-sector companies.

- The statement of net position includes all the COUNTY's assets and liabilities, except fiduciary funds, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.
- The statement of activities focuses on how the COUNTY's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to net position are reported using the economic resources measurement focus and the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses recorded when a liability is incurred, regardless of the timing of the related cash flow.

Net position is one way to measure the COUNTY's financial position. Over time, increases or decreases in the COUNTY's net position is one indicator of whether the COUNTY's financial position is improving or deteriorating. However, other non-financial factors such as changes in the COUNTY's property tax base and general economic conditions must be considered to assess the overall position of the COUNTY.

The Statement of Net Position and the Statement of Activities include the following:

- *Governmental activities* include the COUNTY's basic services such as general government, judicial, public safety, public works, human services, culture and recreation, and conservation and development.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets in the fund level statements are reported as expenditures when financial resources (money) are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Government-wide statements are reported on the accrual basis of accounting that involves the following steps to format the statement of net position:

- Capitalize current outlays for capital assets
- Report long-term debt as a liability
- Depreciate capital assets and allocate the depreciation to the proper program/activities
- Allocate net position balances as follows:
 - Net investment in capital assets
 - Restricted net position is the net position with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation
 - Unrestricted net position is net position that does not meet any of the above restrictions

Fund Financial Statements

Fund financial statements provide more detailed information on the COUNTY's most significant funds, not the COUNTY as a whole. Funds are accounting devices, i.e., a group of related accounts, the COUNTY uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using the modified accrual basis of accounting.

The COUNTY has two kinds of funds:

- *Governmental funds* include most of the COUNTY's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting.

The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

The COUNTY adopts an annual budget for the General Fund, as required by state law. The County also adopts a budget for all funds. A budgetary comparison of the COUNTY's General Fund, Liquid Fuels Fund, Mental Health/Developmental Services Fund, Children and Youth Services Fund, and American Rescue Plan Act Fund are presented as required supplementary information.

- *Fiduciary Funds* are funds for which the COUNTY is the trustee or fiduciary. These include certain custodial funds, or clearing accounts for assets held by the COUNTY in its role as custodian until the funds are allocated to the private parties, organizations or government agencies to which they belong. The COUNTY is responsible to ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These funds are excluded from the COUNTY's government-wide financial statements because the COUNTY cannot use these assets to finance its operations. The fiduciary funds are reported using the accrual basis of accounting.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The COUNTY's total assets were \$93,076,241 at December 31, 2022. Of this amount, \$42,903,725 was capital assets.

GASB No. 34 required that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements, but allowed infrastructure to be added over several years. The COUNTY adopted the provisions of GASB 34 related to infrastructure on the retroactive basis.

Condensed Statement of Net Position – 2022/2021

	2022 Governmental Activities	2021 Governmental Activities	Changes from 2022 to 2021
Other Assets	\$ 50,172,516	\$ 54,973,474	\$ (4,800,958)
Capital Assets	42,903,725	43,400,266	(496,541)
Total Assets	<u>\$ 93,076,241</u>	<u>\$ 98,373,740</u>	<u>\$ (5,297,499)</u>
Deferred Outflows- Pensions	<u>\$ 11,597,404</u>	<u>\$ 2,676,252</u>	<u>\$ 8,921,152</u>
Total Deferred Outflows	<u>\$ 11,597,404</u>	<u>\$ 2,676,252</u>	<u>\$ 8,921,152</u>
Current Liabilities	\$ 17,422,491	\$ 24,913,169	\$ (7,490,678)
Long-term Liabilities	34,234,619	29,536,712	4,697,907
Total Liabilities	<u>\$ 51,657,110</u>	<u>\$ 54,449,881</u>	<u>\$ (2,792,771)</u>
Deferred Inflows- Pensions	<u>\$ 273,714</u>	<u>\$ 9,857,695</u>	<u>\$ (9,583,981)</u>
Total Deferred Inflows	<u>\$ 273,714</u>	<u>\$ 9,857,695</u>	<u>\$ (9,583,981)</u>
Net Position			
Net Investment in Capital Assets	\$ 22,077,191	\$ 21,270,001	\$ 807,190
Restricted	18,931,217	12,567,349	6,363,868
Unrestricted	<u>11,734,413</u>	<u>2,905,066</u>	<u>8,829,347</u>
Total Net Position	<u>\$ 52,742,821</u>	<u>\$ 36,742,416</u>	<u>\$ 16,000,405</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

Change in Net Position

The following statement of activities represents the change in net position for the year ended December 31, 2022 and December 31, 2021 and changes from 2022 to 2021. It shows revenues by source and expenses by function for governmental activities.

Condensed Statement of Activities

	2022 Governmental Activities	2021 Governmental Activities	Changes from 2022 to 2021
Program Revenues:			
Charges for Services	\$ 11,236,882	\$ 6,015,663	\$ 5,221,219
Grants and Contributions	43,817,732	30,777,850	13,039,882
General Revenues:			
Taxes	31,653,679	30,057,648	1,596,031
Unrestricted Investment Earnings	159,425	30,192	129,233
Miscellaneous Revenue	1,090,489	1,816,236	(725,747)
Total Revenues	<u>\$ 87,958,207</u>	<u>\$ 68,697,589</u>	<u>\$ 19,260,618</u>
Expenses:			
General Government - Administrative	\$ 9,874,547	\$ 7,607,315	2,267,232
General Government - Judicial	12,848,015	11,059,524	1,788,491
Public Safety	13,491,459	11,976,564	1,514,895
Public Works	2,156,610	1,773,392	383,218
Human Services	30,292,865	28,192,857	2,100,008
Culture and Recreation	797,612	703,231	94,381
Conservation and Development	1,445,243	1,570,984	(125,741)
Miscellaneous	4,931	10,680	(5,749)
Interest on Long-Term Debt	1,046,520	1,101,076	(54,556)
Total Expenses	<u>71,957,802</u>	<u>63,995,623</u>	<u>7,962,179</u>
Change in Net Position	<u>16,000,405</u>	<u>4,701,966</u>	<u>11,298,439</u>
Net Position - January 1	<u>36,742,416</u>	<u>32,040,450</u>	<u>4,701,966</u>
Net Position - December 31	<u>\$ 52,742,821</u>	<u>\$ 36,742,416</u>	<u>\$ 16,000,405</u>

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Net Program Expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2022, property taxes brought in \$31,653,679.

Net Cost of Governmental Activities

	2022 Total Cost of Services	2022 Net Cost of Services	2021 Total Cost of Services	2021 Net Cost of Services
Program:				
General Government - Administrative	\$ 9,874,547	\$ 4,740,374	\$ 7,607,315	\$ (4,395,868)
General Government - Judicial	12,848,015	(9,680,918)	11,059,524	(8,210,112)
Public Safety	13,491,459	(10,335,371)	11,976,564	(8,606,164)
Public Works	2,156,610	(1,460,364)	1,773,392	(973,034)
Human Services	30,292,865	2,740,638	28,192,857	(2,055,053)
Culture and Recreation	797,612	(797,612)	703,231	(703,231)
Conservation and Development	1,445,243	(1,058,484)	1,570,984	(1,146,892)
Miscellaneous	4,931	(4,931)	10,680	(10,680)
Interest on Long-Term Debt	1,046,520	(1,046,520)	1,101,076	(1,101,076)
Total	<u>\$ 71,957,802</u>	<u>\$ (16,903,188)</u>	<u>\$ 63,995,623</u>	<u>\$ (27,202,110)</u>

The COUNTY relied on property taxes and other general revenues to fund 22.4% of its governmental activities in 2022.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Capital Assets

The COUNTY's investment in capital assets at December 31, 2022, net of accumulated depreciation, was \$42,903,725. Capital assets consist primarily of land, buildings and equipment. The following is a summary of capital assets at December 31, 2022:

	Capital Assets			
GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 546,459	\$ -	\$ -	\$ 546,459
Construction in Progress	289,437	693,566	(561,876)	421,127
Total Capital Assets, Not Being Depreciated	<u>835,896</u>	<u>693,566</u>	<u>(561,876)</u>	<u>967,586</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	37,780,109	107,944	-	37,888,053
Equipment and Vehicles	15,507,235	619,589	-	16,126,824
Right of Use - Equipment and Vehicles	57,415	-	-	57,415
Infrastructure	31,993,006	561,876	-	32,554,882
Right of Use - Infrastructure	976,272	-	-	976,272
Total Capital Assets, Being Depreciated	<u>86,314,037</u>	<u>1,289,409</u>	<u>-</u>	<u>87,603,446</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(20,854,352)	(966,766)	-	(21,821,118)
Equipment and Vehicles	(9,552,164)	(1,263,513)	-	(10,815,677)
Right of Use - Equipment and Vehicles	-	(16,676)	-	(16,676)
Infrastructure	(12,309,467)	(630,919)	-	(12,940,386)
Right of Use - Infrastructure	-	(73,450)	-	(73,450)
Total Accumulated Depreciation	<u>(42,715,983)</u>	<u>(2,951,324)</u>	<u>-</u>	<u>(45,667,307)</u>

Detailed information about the COUNTY's capital assets can be found in Note 5, Notes to the Financial Statements.

MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

Debt Administration

At December 31, 2022, the COUNTY had \$29,570,601 of long-term obligations outstanding. Debt decreased 5% from the previous year. The following is a summary of debt obligations for the 2022 year:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 8,375,000	\$ -	\$ (285,000)	\$ 8,090,000	\$ 300,000
General Obligation Notes	21,927,500	-	(2,242,500)	19,685,000	1,345,000
Total Bonds and Notes Payable	30,302,500	-	(2,527,500)	27,775,000	1,645,000
			Less amounts due within one year	1,645,000	
				<u>26,130,000</u>	
Other Liabilities:					
Lease Obligations	1,033,687	-	(72,048)	961,639	73,118
Compensated Absences	776,447	57,515	-	833,962	-
Total Other Liabilities	1,810,134	57,515	(72,048)	1,795,601	73,118
Governmental Activities					
Long-Term Liabilities	<u>\$ 32,112,634</u>	<u>\$ 57,515</u>	<u>\$ (2,599,548)</u>	<u>\$ 29,570,601</u>	<u>\$ 1,718,118</u>

See Note 7 for more information regarding long-term debt.

GOVERNMENTAL FUNDS

The COUNTY uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of governmental funds is to provide information on inflows, outflows, and balances of spendable resources. Such information is useful in assessing the COUNTY's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the COUNTY's net resources available for spending at the end of the year.

The COUNTY's governmental funds include the general fund and various special revenue funds. The general fund is the chief operating fund for the COUNTY. Special revenue funds are restricted to specific legislated use. The major funds are shown on the statement of revenues, expenditures and changes in fund balances in the financial statements.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source at December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Revenues:		
Taxes	\$ 32,149,921	\$ 30,948,045
Intergovernmental Revenues	43,670,851	31,750,526
Charges for Services	4,471,900	6,013,442
Interest	158,665	29,749
Other	1,166,084	846,225
Transfers In	<u>17,455,527</u>	<u>5,814,272</u>
 Total Revenue	 <u><u>\$ 99,072,948</u></u>	 <u><u>\$ 75,402,259</u></u>

Intergovernmental revenue for the year ended 2022 increased as a result of new grants in 2022. Charges for services decreased in 2022 as a result of services now being reimbursed on a grant basis.

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Expenditures:		
General Government - Administrative	\$ 9,743,562	\$ 7,695,255
General Government - Judicial	12,054,490	11,232,138
Public Safety	11,061,746	10,935,021
Public Works	1,413,307	1,195,246
Human Services	28,448,270	29,790,899
Culture and Recreation	716,773	707,596
Conservation and Development	1,666,762	1,961,658
Debt Service	3,602,621	2,834,185
Transfers Out	17,455,527	5,814,272
Miscellaneous	<u>4,931</u>	<u>10,680</u>
 Total Expenditures	 <u><u>\$ 86,167,989</u></u>	 <u><u>\$ 74,335,320</u></u>

General Administrative expenditures increase due to increased spending in 2022 related to grants received. Judicial expenditures increased as a result of increased salary costs. Human services expenditures decreased due to 2021 expenses being higher than average as a result of grants received in 2021. Conservation and Development expenditures decreased as a result of a slight decrease in planning grants received. Public Safety and Culture and Recreation expenditures remained relatively level from 2021 to 2022

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

GOVERNMENTAL FUND BALANCES

Ending balances for governmental funds at December 31, 2022 and 2021 were as follows:

<u>Fund</u>	<u>2022</u>	<u>2021</u>
General Fund	\$ 16,642,855	\$ 5,985,775
Liquid Fuels	2,135,817	2,710,902
Capital Projects	3,345,905	1,690,306
Other Governmental Funds	<u>3,946,486</u>	<u>3,552,201</u>
Total Fund Balance	<u>\$ 26,071,063</u>	<u>\$ 13,939,184</u>

The reasons for the changes in governmental fund balances are explained above in the governmental funds revenues and expenditures sections.

BUDGETARY HIGHLIGHTS

The COUNTY adopts an annual appropriated budget for all of its major funds. In 2022, General Fund expenditures were under budget by \$1,615,859 or 5.59%. Liquid Fuels Fund expenditures were under budget \$80,314 or 6.58%. Mental Health/Developmental Services Fund expenditures were under budget by \$2,222,473 or 16.28%. Children and Youth Services Fund expenditures were under budget by \$844,175 or 6.02%. American Rescue Plan Act Fund expenditures were under budget by \$7,332,477 or 88.06%. Detailed information about the COUNTY's 2022 budgets for these funds can be found in Required Supplemental Information.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

The county has stagnant property values which limit revenues and places constraints of expenditures and the delivery of services. The millage rate for 2022 remained at 8.309 mills.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the COUNTY's finances and to demonstrate the COUNTY's accountability. Questions concerning this financial information or requests for additional information should be directed to:

County of Lawrence
Controller's Office
430 Court Street
New Castle, PA 16101

Phone: 724-656-2132

COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government Governmental Activities
<u>Assets</u>	
Cash and Cash Equivalents	\$ 34,073,851
Restricted Cash	623,459
Receivables (Net, where applicable, of Allowance for Uncollectibles)	
Accounts	13,405,742
Taxes	1,773,923
Prepaid Assets	295,541
Capital Assets: (Net)	
Depreciable	41,936,139
Non-depreciable	967,586
Total Assets	<u>\$ 93,076,241</u>
<u>Deferred Outflows of Resources</u>	
Pensions	<u>\$ 11,597,404</u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	\$ 3,532,494
Cash Overdraft	2,588,705
Accrued Expenses	340,298
Unearned Revenues	8,766,586
Accrued Interest Payable on Debt	125,092
Escrow Liability	351,198
Current Portions of Long-Term Liabilities:	
Loans and Notes Payable	1,645,000
Lease Payable	73,118
Non-Current Portions of Long-Term Liabilities:	
Loans and Notes Payable	26,130,000
Bond Premium	179,895
Lease Payable	888,521
Compensated Absences	833,962
Net Pension Liability	6,202,241
Total Liabilities	<u>\$ 51,657,110</u>
<u>Deferred Inflows of Resources</u>	
Pensions	<u>\$ 273,714</u>
<u>Net Position</u>	
Net Investment in Capital Assets	22,077,191
Restricted Net Position	
Program Purposes	18,931,217
Unrestricted	11,734,413
Total Net Position	<u>\$ 52,742,821</u>

The accompanying notes are an integral part of the financial statements.

**COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government - Administrative	\$ 9,874,547	\$ 2,552,229	\$ 11,997,585	\$ 65,107	\$ 4,740,374
General Government - Judicial	12,848,015	1,323,952	1,843,145	-	(9,680,918)
Public Safety	13,491,459	208,019	2,948,069	-	(10,335,371)
Public Works	2,156,610	-	696,246	-	(1,460,364)
Human Services	30,292,865	6,878,476	26,155,027	-	2,740,638
Culture and Recreation	797,612	-	-	-	(797,612)
Conservation and Development	1,445,243	274,206	112,553	-	(1,058,484)
Miscellaneous	4,931	-	-	-	(4,931)
Interest on Long-Term Debt	1,046,520	-	-	-	(1,046,520)
Total Governmental Activities	\$ 71,957,802	\$ 11,236,882	\$ 43,752,625	\$ 65,107	\$ (16,903,188)
General Revenues:					
Taxes					31,653,679
Unrestricted investment earnings					159,425
Miscellaneous					1,090,489
Total General Revenues					32,903,593
Change in Net Position					16,000,405
Net Position - Beginning					36,742,416
Net Position - Ending					\$ 52,742,821

The accompanying notes are an integral part of the financial statements.

COUNTY OF LAWRENCE, PENNSYLVANIA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	Liquid Fuels	Mental Health/ Developmental Services	Children and Youth Services	Pass Through Grants	American Rescue Plan Act Fund	Opioid Settlement Fund	Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets										
Cash and Cash Equivalents	\$14,513,449	\$2,156,464	\$ 1,898,565	\$ -	\$356,314	\$ 7,535,546	\$ 776,871	\$3,382,992	\$ 3,453,650	\$ 34,073,851
Restricted Cash	348,937	-	-	-	-	-	-	-	274,522	623,459
Receivables:										
Taxes	1,773,923	-	-	-	-	-	-	-	-	1,773,923
Other	1,021,782	16,822	155,701	3,750,502	352,203	-	6,764,982	-	1,343,750	13,405,742
Due from Other Funds	1,846,280	-	36,461	610,083	-	-	-	-	141,000	2,633,824
Prepaid Assets	166,620	-	1,597	417	-	60,552	-	-	66,355	295,541
Total Assets	\$19,670,991	\$2,173,286	\$ 2,092,324	\$4,361,002	\$708,517	\$ 7,596,098	\$ 7,541,853	\$3,382,992	\$ 5,279,277	\$ 52,806,340
Liabilities										
Accounts Payable	\$ 785,936	\$ 37,457	\$ 841,968	\$ 940,767	\$404,645	\$ 238,424	\$ -	\$ 37,087	\$ 246,210	\$ 3,532,494
Cash Overdraft	-	-	-	2,321,041	-	-	-	-	267,664	2,588,705
Accrued Liabilities	262,609	-	9,004	31,298	-	-	3,791	-	33,596	340,298
Due to Other Funds	646,544	-	-	-	-	1,755,476	-	-	231,804	2,633,824
Escrow Liability	348,937	-	-	-	-	-	-	-	2,261	351,198
Unearned Revenues	-	12	1,241,352	1,067,896	303,872	5,602,198	-	-	551,256	8,766,586
Total Liabilities	\$ 2,044,026	\$ 37,469	\$ 2,092,324	\$4,361,002	\$708,517	\$ 7,596,098	\$ 3,791	\$ 37,087	\$ 1,332,791	18,213,105
Deferred Inflows of Resources										
Unavailable Revenue - Property Taxes	\$ 984,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 984,110
Unavailable Revenue - Opioid Settlement	-	-	-	-	-	-	6,764,982	-	-	6,764,982
Total Deferred Inflows of Resources	\$ 984,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,764,982	\$ -	\$ -	\$ 7,749,092
Fund Balances										
Reserved										
Nonspendable	\$ 166,620	\$ -	\$ 1,597	\$ 417	\$ -	\$ 60,552	\$ -	\$ -	\$ 66,355	\$ 295,541
Restricted	-	2,135,817	-	-	-	-	773,080	3,345,905	3,880,874	10,135,676
Assigned										
Funds to be used for future capital projects	5,000,000	-	-	-	-	-	-	-	-	5,000,000
Funds to be used for future American Rescue Plan Projects	3,500,000	-	-	-	-	-	-	-	-	3,500,000
Unassigned	7,976,235	-	(1,597)	(417)	-	(60,552)	-	-	(743)	7,912,926
Total Fund Balances	\$16,642,855	\$2,135,817	\$ -	\$ -	\$ -	\$ -	\$ 773,080	\$3,345,905	\$ 3,946,486	\$ 26,844,143
Total Liabilities and Fund Balances	\$19,670,991	\$2,173,286	\$ 2,092,324	\$4,361,002	\$708,517	\$ 7,596,098	\$ 7,541,853	\$3,382,992	\$ 5,279,277	\$ 52,806,340

The accompanying notes are an integral part of the financial statements.

**COUNTY OF LAWRENCE, PENNSYLVANIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds	\$	26,844,143
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$88,571,032 and the accumulated depreciation is \$45,667,593.

42,903,725

Revenues not available to pay for current period expenditures and therefore reported as deferred inflows of resources in the funds:

Real estate taxes

984,110

Opioid Settlement

6,764,982

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Position. Long-term liabilities at year-end consist of:

Long-term debt	(27,775,000)	
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Unamortized Premium	(179,895)	
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Accrued interest on long-term debt	(125,092)	
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Lease Payable	(961,639)	
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Net Pension Liability	(6,202,241)	
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Deferred Outflows of Resources - Pension	11,597,404	
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Deferred Inflows of Resources - Pension	(273,714)	
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Compensated Absences	(833,962)	
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(24,754,139)

Total net position of governmental activities	\$	<u>52,742,821</u>
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COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Liquid Fuels	Mental Health/ Developmental Services	Children and Youth Services	Pass Through Grants	American Rescue Plan Act	Opioid Settlement Fund	Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues										
Taxes, Real estate	\$ 29,417,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,732,232	\$ 32,149,921
Intergovernmental revenue	1,301,110	555,277	10,641,189	10,760,773	3,515,370	10,997,030	775,676	65,107	5,059,319	43,670,851
Charges for services	3,738,815	-	-	-	-	-	-	-	733,085	4,471,900
Interest income	113,483	9,516	9,874	-	-	(3,048)	1,195	12,972	14,673	158,665
Other revenue	446,250	-	473,107	246,727	-	-	-	-	-	1,166,084
Total Revenues	35,017,347	564,793	11,124,170	11,007,500	3,515,370	10,993,982	776,871	78,079	8,539,309	81,617,421
Expenditures										
Current operating:										
General government	6,680,510	-	-	-	-	974,818	-	915,542	1,172,692	9,743,562
Judicial	10,053,749	-	-	-	-	-	-	110,048	1,890,693	12,054,490
Public safety	8,679,766	-	-	-	-	19,164	-	31,055	2,331,761	11,061,746
Public works	-	1,139,878	-	-	-	-	-	-	273,429	1,413,307
Human services	-	-	11,431,137	13,182,582	3,498,066	-	3,791	-	332,694	28,448,270
Culture and recreation	244,503	-	-	-	-	-	-	-	472,270	716,773
Conservation and development	1,625,195	-	-	-	17,304	-	-	24,263	-	1,666,762
Miscellaneous	4,931	-	-	-	-	-	-	-	-	4,931
Debt service										
Principal	-	-	-	-	-	-	-	-	2,527,500	2,527,500
Interest	8,561	-	-	-	-	-	-	-	1,066,560	1,075,121
Total Expenditures	27,297,215	1,139,878	11,431,137	13,182,582	3,515,370	993,982	3,791	1,080,908	10,067,599	68,712,462
Excess (deficiency) of revenues over expenditures	7,720,132	(575,085)	(306,967)	(2,175,082)	-	10,000,000	773,080	(1,002,829)	(1,528,290)	12,904,959
Other financing sources (uses)										
Transfers in	10,186,803	-	332,315	2,253,480	-	-	-	2,658,428	2,024,501	17,455,527
Transfers out	(7,249,855)	-	(25,348)	(78,398)	-	(10,000,000)	-	-	(101,926)	(17,455,527)
Total other financing sources (uses)	2,936,948	-	306,967	2,175,082	-	(10,000,000)	-	2,658,428	1,922,575	-
Net change in fund balance	10,657,080	(575,085)	-	-	-	-	773,080	1,655,599	394,285	12,904,959
Fund balance, beginning of year	5,985,775	2,710,902	-	-	-	-	-	1,690,306	3,552,201	13,939,184
Fund balance, end of year	\$ 16,642,855	\$ 2,135,817	\$ -	\$ -	\$ -	\$ -	\$ 773,080	\$ 3,345,905	\$ 3,946,486	\$ 26,844,143

The accompanying notes are an integral part of the financial statements.

**COUNTY OF LAWRENCE, PENNSYLVANIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in fund balances - total governmental funds	\$ 12,904,959
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense is exceeded by capital outlay in the current period.

Capital outlays	1,421,099	
Depreciation expense	<u>(2,951,324)</u>	(1,530,225)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.

Amortization of bond premium	22,870	
Change in interest payable on long-term debt	5,731	
Payments of lease payable	72,048	
Principal repayments	<u>2,527,500</u>	2,628,149

Governmental funds do not report the changes in compensated absences:	(57,515)
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Governmental funds do not report the changes in the net pension liability and other related items:	(4,213,702)
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Real estate taxes reported in the funds include receipt of prior year delinquent taxes and do not include revenue attributable to the current year's delinquent tax receivable. This amount is the net effect of these differences.

Current year	984,110	
Prior year	<u>(1,480,353)</u>	(496,243)

Certain Revenues are not available for use in the governmental funds	
Opium Settlement	<u>6,764,982</u>

Changes in net position of governmental activities	<u>\$ 16,000,405</u>
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COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Employee Retirement	Other Custodial Funds	Total
Assets			
Cash and Cash Equivalents	\$ 330,982	\$ 4,196,895	\$ 4,527,877
Investments	85,386,623	-	85,386,623
Total Assets	\$ 85,717,605	\$ 4,407,039	\$ 90,124,644
Liabilities			
Liabilities			
Accounts Payable	\$ -	\$ 190,509	\$ 190,509
Due to Other Governments	-	1,999,197	1,999,197
Due to Others	-	2,004,113	2,004,113
Total Liabilities	\$ -	\$ 4,193,819	\$ 4,193,819
Net Position			
Restricted For:			
Individuals, Organizations and Other Governments	\$ -	\$ 213,220	\$ 213,220
Employees' Pension Benefits	85,717,605	-	85,717,605
Total Net Position	\$ 85,717,605	\$ 213,220	\$ 85,930,825

The accompanying notes are an integral part of the financial statements.

COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Employee Retirement Trust Fund	Other Custodial Funds
<u>Additions:</u>		
Property Tax Collected for Other Governments	\$ -	\$ 7,786,800
Inheritance Tax Collected for Other Governments	-	8,100,291
Fees Collected for Other Governments	-	10,298,073
Contributions:		
Employee	1,947,672	-
Other	(1,935,747)	-
County Contribution	110,167	-
Total Contributions	122,092	-
Due to Others		
Investment Income:		
Net Depreciation in Fair Value of Investments	(14,019,590)	-
Interest and Dividends	1,294,173	6,328
Total Investment Income	(12,725,417)	-
Less:		
Investment Expense	(182,677)	-
Net Investment Income	(12,908,094)	-
Total Additions	(12,786,002)	26,191,492
<u>Deductions:</u>		
Employee Benefits Paid	5,719,221	-
Administrative Expenses	192,671	602,140
Property Tax Collections to Other Governments	-	4,159,625
Inheritance Tax Collections to Other Governments	-	6,741,235
Fees Collected to Other Governments	-	10,682,678
Inmate Disbursements	-	642,858
Payments to Other Entities	-	3,775,500
Total Deductions	5,911,892	26,604,036
Change in Net Position	(18,697,894)	(412,544)
Net Position, Beginning of Year	104,415,499	625,764
Net Positon, End of Year	\$ 85,717,605	\$ 213,220

The accompanying notes are an integral part of the financial statements.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the County's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

The County of Lawrence (the "County") was formed in 1849. The County operates under the direction of an elected three member Board of Commissioners and provides the following services: general administrative services, tax assessment and collections, judicial, public improvements, public safety, public works, human services, culture and recreation, and conservation and development. The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units, as prescribed by the Governmental Accounting Standards Board ("GASB").

A) Reporting Entity

The County follows the criteria promulgated by the Governmental Auditing Standards Board ("GASB") Statement No. 61, *"The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34"*, for purposes of determining the scope of its reporting entity. As required by accounting principles generally accepted in the United States of America, the financial statements include those of the County of Lawrence (the "Primary Government") and its Component Units.

Fiduciary Component Unit

The Lawrence County Employees' Pension Plan ("Plan") was established to provide retirement, disability, and death benefits to eligible retirees of the County. The Plan is included in the financial reporting entity as a fiduciary fund because the Plan is (1) considered to be a separate legal entity, (2) the County appoints a voting majority of the governing board, and (3) the plan imposes a financial burden on the County as it is legally obligated or has assumed an obligation to make contributions to the Plan.

Related Organizations

The Board of County Commissioners is also responsible for appointing the members of the governing boards of other organizations, but the County's accountability for the organization does not extend beyond making the appointments. These organizations include:

- Lawrence County Planning Commission
- Lawrence County Airport Authority
- Lawrence County Conservation District
- Lawrence County Drug and Alcohol Commission Advisory Board
- Lawrence County Housing Authority
- Agricultural Land Preservation Board
- Federated Library Board
- Lawrence County Industrial Development Authority

B) Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., statement of net position, and the statement of activities) report information on all the non-fiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B) Government-Wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which direct expenses of a given function, or segment, are affected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1.) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2.) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liability, rather than as expenditures.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes which must be received within 60 days of the year end to be deemed available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Licenses, operating and capital grants, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the cash is received by the County.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

- The General Fund is the primary government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund including operation of general County government, boards, commissions, the court system, and health and welfare services.
- The Liquid Fuels Fund accounts for tax and grant funds received from the Commonwealth are passed through to local municipalities for road and bridge maintenance.
- The Mental Health/Developmental Services Fund is used to account for proceeds of revenue received from various federal, state, and local sources. This fund is restricted for the provisions of the specified social services to eligible recipients.
- The Children and Youth Services Fund is used to account for proceeds of revenue received from various federal, state, and local sources. This fund is restricted for the provisions of the specified social services to eligible recipients.
- The Pass Through Grants Fund is used to account for revenues from federal and state grants that are given to various organizations throughout the county who administer the grants in accordance with the specified purpose of each grant.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

- The American Rescue Plan Act fund is used to account for the Coronavirus Relief Fund federal grants awarded to the County.
- The Opioid Settlement Fund is used to account for the settlement payments received from the drug manufacturers and distributors as part of the lawsuit stemming from the opioid epidemic. The funds are to be used to help the County respond to the effects of the epidemic.
- The Capital Projects Fund is used to account for revenues relating to the various capital projects throughout the County.

Additionally, the County reports the following fiduciary fund types:

- The Lawrence County Employee Retirement Fund is a Pension Trust Fund used to account for the pension plan contributions of the County and its employees and the related benefit payments and other plan costs.
- The Custodial Funds are used to account for assets held by certain County offices that are subsequently disbursed to the County, other governments, and other activities for which it was collected.

D) Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources, and Net Position or Fund Balance

1. Cash and Cash Equivalents

The County considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The County had cash overdrafts of \$2,588,705 due to timing issues with revenues.

2. Investments

Investments of the County are reported at fair value. Investments that do not have an established market value are reported at estimated values.

3. Interfund Transactions

The County affects a variety of transactions between funds to finance operations. Certain interfund transactions have not been paid or received as of December 31, 2022, and appropriate interfund receivables or payables have been established accordingly.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources, and Net Position or Fund Balance (Continued)

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activity column in the government-wide financial statements. Property, plant and equipment with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. The County adopted the provisions of GASB 34 related to infrastructure on the retroactive basis. Capital assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets of the County are depreciated using the straight line method over the following intended useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	20-40
Equipment and Vehicles	5-15
Infrastructure	50

5. Leases

The County is a lease for a noncancellable leases of equipment. The County recognizes lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

6. Allowance for Doubtful Accounts

Taxes receivable have been reported net of allowance for doubtful accounts of \$462,632.

7. Inventories

The County's Inventories consist entirely of central supplies and are therefore valued at historical cost.

8. Long-Term Obligations

In the government-wide financial statements, long-term debts are reported as liabilities in the Statement of Net Position and bond discounts and premiums are deferred and amortized over the life of the bonds using the straight line method. Bond issuance costs are expensed as incurred.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources, and Net Position or Fund Balance (Continued)

9. Compensated Absences

County policy permits employees to accumulate a limited amount of earned but unused vacation and sick leave time. These benefits are payable to employees upon separation of services. All leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is recorded. The computed liability is in compliance with GASB 16, *Accounting for Compensated Absences*.

10. Unearned Revenues

Unearned revenues are reported in the government-wide and governmental fund financial statements. Unearned revenues represent unearned revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues. The County deems revenues received within 365 days of year end to be available with the exception of property taxes which must be received within 60 days of year end to be deemed available.

11. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items, which arise under a modified accrual basis of accounting, that qualify for reporting in this category, unavailable revenues and deferred inflows of resources related to pensions. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and opioid settlement. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Deferred inflows of resources related to pensions are described further in Note 6. The annual difference between expected and actual experience is amortized over a 4.6 year period.

Lease-related amounts are recognized at the inception of the lease. The deferred inflow of resources is recorded in amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before commencement of the lease term that relate to future periods, less any incentives paid to, or on behalf of the lessee at or before commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources, and Net Position or Fund Balance (Continued)

12. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one type of item, which arises under a modified accrual basis of accounting, that qualifies for reporting in this category. Deferred outflows of resources related to pensions are described further in Note 6. The annual difference between the projected and actual earnings on plan investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year).

13. Net Position/Fund Balances

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

GASB Statement No. 54 establishes accounting and financial standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions as follows:

- *Non-spendable* – This classification consists of accounts that cannot be spent because they are not in spendable form or are legally required to be maintained intact.
- *Restricted* – This classification consists of amounts that are restricted to specific purposes. The County's restricted fund balances consist of external enabling legislation for the state, federal, or local government.
- *Committed* – This classification consists of amounts used for specific purposes imposed by formal action of the County's Board of Commissioners. The removal or modification of the use of committed funds can only be accomplished by a formal action of the Commissioners prior to fiscal year end.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources and Net Position or Fund Balance (Continued)

13. Net Position/Fund Balances(Continued)

- Assigned – This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted nor committed. The County Commissioners have delegated the authority to assign fund balance for specific purposes to the Chief Clerk and the County Controller.
- Unassigned – This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund permitted to report a positive unassigned fund balance.

The County's GASB 54 policy is to first apply expenditures against any restricted fund balances, committed fund balances, assigned fund balances, and then unassigned fund balances, in that order.

14. Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts may differ from those estimates.

15. Adoption of Governmental Accounting Standards Board Statements

No. 87 "Leases". The adoption of this statement resulted in the addition of right-to-use assets and lease liabilities which are now presented on the statement of net position.

The County adopted the provisions of GASB Statement No. 91 "Conduit Debt Obligations". The adoption of this statement had no effect on previously reported amounts.

The County adopted certain requirements of GASB Statement No. 92, "Omnibus 2020". The adoption of this statement had no effect on previously reported amounts.

The County adopted certain requirements of GASB Statement No. 93, "Replacement of Interbank Offered Rates". The adoption of this statement had no effect on previously reported amounts.

The County adopted certain requirements of GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans". The adoption of this statement had no effect on previously reported amounts.

The County adopted certain requirements of GASB Statement No. 99, "Omnibus 2022". The adoption of this statement had no effect on previously reported amounts.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, Deferred Inflows of Resources, Deferred Outflows of Resources and Net Position or Fund Balance (Continued)

16. Pending Changes in Accounting Principles

In March 2020, the GASB issued Statement No. 94 "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*". The County is required to adopt Statement No. 94 for its 2023 financial statements.

In May of 2020, The GASB issued Statement No. 96 "Subscription-Based Information Technology Arrangements". The County is required to adopt Statement No. 96 for its calendar year 2023 financial statements.

In June 2022, the GASB issued Statement No. 100 "Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62". The County is required to adopt Statement No. 100 for its calendar year 2024 financial statements.

In June 2022, the GASB issued Statement No. 101 "Compensated Absences". The County is required to adopt for its calendar year 2024 financial statements.

The County has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

NOTE 2: BUDGETARY DATA

Commonwealth of Pennsylvania statutes require that all County Governments establish budgetary systems and approve annual operating budgets. The County's annual budget includes the General Fund and certain Special Revenue Funds and is based on estimates of revenues and expenditures approved by the Board of County Commissioners. The County of Lawrence adopted the 2022 budget on the same basis of accounting as reported in the fund financial statements. The County of Lawrence follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Commissioners' office then interviews each department head to discuss their budgets, as submitted, and allows them to substantiate projected expenditures.
2. Upon consolidation of department and custodial expenditure projections, the Commissioners' office ascertains the most viable method of financing them.
3. Subsequently, the Budget Director assembles the preliminary projections of revenues and expenditures into a final budget incorporating any revisions or adjustments resulting from the aforementioned Commissioners' review.
4. By early December, the final budget is presented to the Commissioners. Pursuant to budgetary requirements as set forth in the County Code, public notice is given that the final budget is available for inspection for a period of 20 days.
5. After a 20 day inspection period, but no later than December 31, the Commissioners adopt the final budget by enacting the appropriate resolution.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 2: BUDGETARY DATA(CONTINUED)

During the course of the year, departmental needs may change, emergencies may occur, or additional revenue sources may arise. As a result, funds are often transferred between line items of the department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a line item basis during the year and are approved by the County Commissioners. Financial analysis is provided monthly to management showing spending levels in comparison to the current budget. The budget is also reviewed by management with other departments.

NOTE 3: DEPOSITS AND INVESTMENTS

As of December 31, 2022, the County had the following investments:

	<u>Cost</u>	<u>Market</u>
Fiduciary Funds		
Retirement Funds		
Equity Mutual Funds	\$ 46,279,138	\$ 46,296,164
Fixed Income Mutual Funds	24,923,255	22,183,455
Miscellaneous	<u>15,116,310</u>	<u>16,907,004</u>
Total Fiduciary Fund Investments	<u>\$ 86,318,703</u>	<u>\$ 85,386,623</u>

Interest Rate Risk – The County's Retirement Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The County has no formal investment policy for its operating funds that addresses credit risk.

Custodial Credit Risk – For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2022, the County's cash balances for its governmental and custodial fund were \$38,894,204 and its bank balances were \$37,001,605. Of these bank balances, \$36,410,609 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name. The entire cash and cash equivalent balance in the Retirement Fund was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name. None of the County's retirement investments were exposed to custodial credit risk at December 31, 2022 because the custodians hold the securities in an account that designates the County as the owner of the securities.

Concentration of Credit Risk – The County has no formal investment policy for operating investments pertaining to the concentration of credit risk. The following investments represent 5 percent or more of the Retirement Fund's assets at December 31, 2022:

161,754 shares of Artisan (Mutual Fund-Equity) which represents 5.00 percent of the Retirement Fund's Assets.

345,886 shares of Dodge Cox (Mutual Funds- Equity) which represent 5.11 percent of the Retirement Fund's Assets.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

172,613 shares of Fidelity 500 (Mutual Fund-Equity) which represents 26.91 percent of the Retirement Fund's Assets.

517,542 shares of Fidelity (Mutual Fund-Equity) which represents 7.10 percent of the Retirement Fund's Assets.

877,810 shares of Fidelity US Bond Index (Fixed Income) which represents 10.47 percent of the Retirement Fund's Assets.

There were no other investments in any one organization that represents 5 percent or more of plan assets.

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.

At December 31, 2022, the County had the following recurring fair value measurements:

		Fair Value Measurements Using		
	December 31, 2022	Level 1	Level 2	Level 3
Invesments Measured by Fair Value Level				
Equity Mutual Funds	\$ 46,296,164	\$ 46,296,164	\$ -	\$ -
Fixed Income Mutual Funds	22,183,455	22,183,455	-	-
Total Investments by Fair Value Levels	\$ 68,479,619	\$ 68,479,619	\$ -	\$ -
Investments measured at the net asset Value (NAV)				
	Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	
Real Estate Funds (1)	\$ 11,175,016	Quarterly	30-60 Days	
Global Opportunities Hedge Funds (2)	5,731,988	Quarterly	30-60 Days	
Total Investments measured at the NAV	\$ 16,907,004			
Total Investments measured at fair value	\$ 85,386,623			

- (1) *Real estate funds.* This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 7 to 10 years. Twenty percent of the total investment in this type is expected to be sold. However, the individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The investee fund's management is required to approve of the buyer before the sale of the investments can be completed.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

- (2) *Global opportunities hedge funds.* This type includes investments in 5 hedge funds that hold approximately 80 percent of the funds' investments in non-U.S. common stocks in the healthcare, energy, information technology, utilities, and telecommunications sectors and approximately 20 percent of the funds' investments in diversified currencies. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

NOTE 4: PROPERTY TAXES

Real Estate Property Taxes

Real estate property taxes for the calendar year are levied on March 1 of each year. Any unpaid real estate taxes attach as an enforceable lien on property as of January 1 of the following year. Taxes are levied on March 1 and payable with a 2% discount to April 30, with no discount or penalty to June 30 and with a 10% penalty thereafter. The County bills these taxes which are collected by the County Treasurer.

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded or funded debt. In 2022, the County had total millage of 8.309 mills on 100% of the assessed valuation, of which .603 mills were reserved for principal and interest on debt, .135 mills were reserved for special purposes, and 7.571 mills were reserved for general County purposes.

The County's 2022 real estate taxes are based on assessed values established by the County's Bureau of Assessments. Assessed values of real property are generally 100% of the base year value (2001) as determined by the Lawrence County Tax Assessment Office. The total 2022 real estate taxes levied was \$30,842,155 based on a total County assessed valuation of \$3,711,892,036. Based on the 2022 levy of 8.309 mills, a property owner would pay \$8.31 per \$1,000 of assessed valuation.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 546,459	\$ -	\$ -	\$ 546,459
Construction in Progress	289,437	693,566	(561,876)	421,127
Total Capital Assets, Not Being Depreciated	835,896	693,566	(561,876)	967,586
Capital Assets, Being Depreciated:				
Buildings and Improvements	37,780,109	107,944	-	37,888,053
Equipment and Vehicles	15,507,235	619,589	-	16,126,824
Right of Use - Equipment and Vehicles	57,415	-	-	57,415
Infrastructure	31,993,006	561,876	-	32,554,882
Right of Use - Infrastructure	976,272	-	-	976,272
Total Capital Assets, Being Depreciated	86,314,037	1,289,409	-	87,603,446
Less Accumulated Depreciation For:				
Buildings and Improvements	(20,854,352)	(966,766)	-	(21,821,118)
Equipment and Vehicles	(9,552,164)	(1,263,513)	-	(10,815,677)
Right of Use - Equipment and Vehicles	-	(16,676)	-	(16,676)
Infrastructure	(12,309,467)	(630,919)	-	(12,940,386)
Right of Use - Infrastructure	-	(73,450)	-	(73,450)
Total Accumulated Depreciation	(42,715,983)	(2,951,324)	-	(45,667,307)
Total Capital Assets, Being Depreciated, Net	43,598,054	(1,661,915)	-	41,936,139
Governmental Activities Capital Assets, Net	\$ 44,433,950	\$ (968,349)	\$ (561,876)	\$ 42,903,725

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government - Administrative	\$ 383,554
General Government - Judicial	85,186
Public Safety	1,739,675
Public Works	662,263
Human Services	10,205
Culture and Recreation	34,448
Conservation and Development	35,993

Total Depreciation expense - Governmental Activities	<u>\$ 2,951,324</u>
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NOTE 6: EMPLOYEE RETIREMENT TRUST FUND

The Lawrence County Employee Retirement Plan (the "Plan") is a single-employer defined benefit pension plan that covers all full time employees of the County. The plan provides retirement, disability and death benefits to plan members and their beneficiaries. The Plan is part of the County's financial reporting entity and is included in the County's financial statements as a Pension Trust Fund.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Summary of Significant Accounting Policies

Method used to value investments. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. An independent appraisal should be obtained once every year to determine the fair market value of the real estate assets.

Description of Plan

Plan Administration. The Retirement Board administers the Lawrence County Employees Pension Plan. The Plan is governed by the 1971 County Pension Law, Act 96, of the General Assembly of the Commonwealth of Pennsylvania, as amended (the "Act"). Benefit and contribution provisions of the Plan are established and can be amended as provided by the Act. Cost of living adjustments are provided at the discretion of the County Retirement Board.

Management of the Plan is vested in the Board, which consists of five members - three elected County Commissioners, the County Controller and the County Treasurer.

Plan membership. For the 2022 measurement period, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	324
Inactive plan member entitles to but not yet receiving benefits	57
Active plan members	373
	<u>754</u>

Benefits provided. Lawrence County Employees Pension Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as a percent of the member's highest 3-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained age 60 are eligible to retire. All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a county employee. Disability retirement benefits are equal to 25% of highest average salary at time of retirement. Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum. A plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest.

Contributions. The Retirement Board establishes contribution rates based on an actuarially determined contribution recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended December 31, 2022, the minimum required active member contribution rate was 8 percent of annual pay and the County's average contribution rate was 3.38% of annual payroll. Employees may contribute up to an additional 10% of gross pay, at their option. Per Act 96 of 1971, as amended, the contribution requirements of the Plan members and the County may be amended by the General Assembly of the Commonwealth of Pennsylvania. Interest is credited each year in an amount allowed by the County Retirement Board to each member's account.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Administrative costs of the Plan may be financed through investment earnings. The Act makes no provision for termination of the Plan. The County does not issue a separate financial report for the Plan.

Legally Required Reserves

At December 31, 2022, the County has a balance of \$25,356,755 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2022. Since these accumulations represent the present value as of December 31, 2022 of future benefits, the reserve balance and liability are identical.

The County has a balance of \$19,102,394 in the County Annuity Reserve Account as of December 31, 2022. This balance and the amounts expected to be credited in the future, plus investment earnings, represent the reserves set aside for the payment of the County's share of the retirement allowances and this reserve is fully funded.

This is the account out of which regular interest is credited to the member's annuity and retired members' reserve account, administrative expenses may be paid and the pension obligations of the county are funded.

When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County annuity reserve account to the retired members' reserve account to provide for such County annuities actually entered into.

The Retired Members' Reserve Account is the account out of which monthly retirement allowances, including cost-of-living adjustments and death benefits are paid. The balance in this account was \$42,190,536 as of December 31, 2022. The corresponding liability for those annuitants on the roll is identical.

Plan Reporting

Net Pension Liability of the County

The total pension liability was based on an actuarial valuation dated January 1, 2022 and update procedures were used to roll forward the total pension liability to the December 31, 2022 measurement date. The components of the net pension liability of the County for the 2022 measurement period were as follows:

Total Pension Liability	\$ 91,919,846
Plan Fiduciary Net Position	85,717,605
Net Pension Liability (Asset)	\$ 6,202,241

Plan fiduciary net position as a percentage of the total pension liability	93.25%
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COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Changes in the County's net pension liability for the plan for the year ended December 31, 2022 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
	(a)	(b)	(a) - (b)
Balances at 12/31/21	\$ 87,898,908	\$ 104,415,499	\$ (16,516,591)
			-
Service Cost	1,879,156	-	1,879,156
Interest Cost	5,996,033	-	5,996,033
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	(359,250)	-	(359,250)
Changes of Assumptions	2,224,221	-	2,224,221
Contributions - Employer	-	110,167	(110,167)
Contributions - Member	-	1,947,672	(1,947,672)
Net Investment Income	-	(12,908,093)	12,908,093
Benefit Payments, including Refunds of Member contributions	(5,719,222)	(5,719,222)	-
Administrative Expense	-	(192,671)	192,671
Other Changes	-	(1,935,747)	1,935,747
Net Changes	4,020,938	(18,697,894)	22,718,832
Balance at 12/31/22	\$ 91,919,846	\$ 85,717,605	\$ 6,202,241

Deferred Outflows of Resources

The total pension expense recognized in 2022 for the plan was \$4,323,865. At December 31, 2022, the County reported deferred outflows and inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 338,149	\$ 273,714
Changes in Assumptions	2,987,549	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,271,706	-
Total	\$ 11,597,404	\$ 273,714

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

The deferred outflows of resources will be recognized in pension expense as follows:

Year Ended December 31:	Governmental Activities
2023	\$ 1,566,534
2024	2,846,951
2025	2,868,609
2026	4,041,596
Total	<u>\$ 11,323,690</u>

The schedule of changes in the net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about the plan.

Plan Actuarial Methods and Assumptions

Actuarial assumptions. The total pension liability was determined by an actuarial valuation for the 2022 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 percent, average, including inflation
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PubG-2010 Mortality Table for males and females with generational mortality improvement using MP19.

Plan Actuarial Methods and Assumptions(Continued)

The actuarial assumptions used in the valuation for the 2022 measurement period were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result.

Under the Act, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once every three years subsequent to the member's retirement date. The adjustment, should the Plan elect to give one, is a percentage of the change in the Consumer Price Index. The Plan did not include an assumption for projected ad hoc postemployment benefit changes as they are not considered to be substantively automatic.

Investment policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

The following was the Board's asset allocation policy for the 2022 measurement period:

Asset Class	Target Allocation
Domestic Equity	42.0%
International Equity	17.0%
Fixed Income	23.5%
Real Estate/Alternative	17.5%
Cash	0.0%
Total	100%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2020 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	5.4-6.4%
International Equity	5.5-6.5%
Fixed Income	1.3-3.3%
Real Estate/Alternative	4.5-5.5%
Cash	0.0-1.0%

Discount rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates in accordance with the County's recently adopted funding policy. 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 net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County's Net Pension Liability	\$16,715,020	\$ 6,202,241	\$ (1,837,656)

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Rate of return. For the 2022 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.01 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 7: LONG-TERM OBLIGATIONS

A summary of changes in long-term debt obligations for 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 8,375,000	\$ -	\$ (285,000)	\$ 8,090,000	\$ 300,000
General Obligation Notes	21,927,500	-	(2,242,500)	19,685,000	1,345,000
Total Bonds and Notes Payable	30,302,500	-	(2,527,500)	27,775,000	1,645,000
			Less amounts due within one year	1,645,000	
				<u>26,130,000</u>	
Other Liabilities:					
Lease Obligations	1,033,687	-	(72,048)	961,639	73,118
Compensated Absences	776,447	57,515	-	833,962	-
Total Other Liabilities	1,810,134	57,515	(72,048)	1,795,601	73,118
Governmental Activities Long-Term Liabilities	\$ 32,112,634	\$ 57,515	\$ (2,599,548)	\$ 29,570,601	\$ 1,718,118

An analysis of debt service requirements to maturity on these obligations follows (with the exception of capital leases and compensated absences liability):

Governmental Activities Year Ended December 31:	Principal Requirements	Interest Requirements	Total Debt Service Requirements
2023	\$ 1,645,000	\$ 1,000,738	\$ 2,645,738
2024	1,700,000	936,388	2,636,388
2025	1,770,000	869,776	2,639,776
2026	1,825,000	814,366	2,639,366
2027	1,890,000	755,703	2,645,703
2028-2032	10,470,000	2,752,879	13,222,879
2033-2037	6,195,000	979,345	7,174,345
2038-2041	2,280,000	266,340	2,546,340
Total	\$ 27,775,000	\$ 8,375,535	\$ 36,150,535

Pertinent information regarding long-term debt obligations outstanding is presented below:

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 7: LONG-TERM OBLIGATIONS (CONTINUED)

Governmental Activities

<u>Issuance</u>	<u>Amount of Original Issue</u>	<u>Purpose</u>	<u>Balance Outstanding December 31, 2022</u>
Refunding Series A of 2014	\$18,790,000	General Obligation Note with a variable interest rate ranging from 3.0 to 5.0% maturing in 2034 used to fund a radio communications infrastructure system, emergency operations center and to pay the costs of issuance.	\$ 18,790,000
Refunding Series B of 2014	\$1,395,000	General Obligation Note with a variable interest rate ranging from 1.0 to 3.0% maturing in 2023 used to refund a portion of series 2009 and pay the costs of issuance. The new notes were used to refund a portion of the Series 2009 Bonds. The refunding resulted in a difference between the cash flow required to service the old debt and that required to services the new debt of (\$262,713). The refunding also resulted in an economic loss (difference between the present value of the debt service payments on the old and new debt) of (\$56,615).	\$ 895,000
General Obligation Series of 2016	\$9,755,000	General Obligation Bond with a variable interest rate ranging from 1.2% to 4.6%. The bond was used to help fund the Employee Retirement Fund.	\$ 8,090,000
Total Long Term Obligations			<u>\$27,775,000</u>

NOTE 8: INTERFUND RECEIVABLES AND PAYABLES

Certain funds have paid the expenditures of the other funds and the amounts have not been repaid at year end, resulting in interfund balances. Interfund receivable and payable balances of each major fund as of December 31, 2022, are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,846,280	\$ 646,544
Mental Health/ Developmental Services	36,461	-
Children and Youth Services	610,083	-
American Rescue Plan Act Fund	-	1,755,476
Nonmajor Governmental Funds	<u>141,000</u>	<u>231,804</u>
Total Interfund Balances	<u>\$ 2,633,824</u>	<u>\$ 2,633,824</u>

The outstanding balances between the funds result mainly from the time lag between the dates that (1) interfund goods and services are provided, (2) reimbursable expenditures occur, and (3) payments between funds are made.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 9: INTERFUND OPERATING TRANSFERS

Interfund operating transfers are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 10,186,803	\$ 7,249,855
Mental Health/ Developmental Services	332,315	25,348
Children and Youth Services	2,253,480	78,398
American Rescue Plan Act Fund	-	10,000,000
Capital Projects	2,658,428	-
Nonmajor Governmental Funds	<u>2,024,501</u>	<u>101,926</u>
Total Interfund Balances	<u>\$ 17,455,527</u>	<u>\$ 17,455,527</u>

Certain funds are required to fund a portion or all of the expenses of other funds or cover deficits in those funds. The County records operating transfers to account for these transactions.

NOTE 10: LITIGATION

The County is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the County's financial statements.

NOTE 11: RISKS AND UNCERTANTIES

As the effects of the Coronavirus pandemic continue to evolve and are dependent upon future developments, the impact of the Coronavirus on the County's operations and financial results are uncertain at this time.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 12: FUND BALANCES

Under GASB 54, fund balances are recorded as non-spendable, restricted, committed, assigned, and unassigned. The following restrictions are included in the fund financial statements:

Major Funds:

General Fund	Non-spendable: These amounts are prepaid expenses	\$ 166,620
	Assigned Funds: These funds are to be used for future capital projects	5,000,000
Liquid Fuels	Restricted Funds: These funds are restricted for Road and Bridges Improvement	2,135,817
Mental Health/ Developmental Services	Non-spendable: These amounts are prepaid expenses	1,597
Children and Youth Services	Non-spendable: These amounts are prepaid expenses	417
American Rescue Plan Act Fund	Non-spendable: These amounts are prepaid expenses	60,552
Opioid Settlement Fund	Restricted Funds: These funds are restricted to be used to respond to the opioid epidemic	773,080
Capital Projects	Restricted Funds: These funds are restricted to be used for future capital projects	3,345,905
<u>Nonmajor Governmental Funds:</u>		
Debt Service Fund	Non-spendable: These amounts are prepaid expenses	750
Special Revenue Funds	Non-spendable: These amounts are prepaid expenses	65,605
	Restricted Funds: These funds are restricted within the departments of General Government	1,135,716
	These funds are restricted within the Judicial System	1,959,778
	These funds are restricted within Public Safety programs	200,512
	These funds are restricted within Public Works programs	364,775
	These funds are restricted within Human Services programs	220,093
	Total Special Revenue Funds	<u>\$3,946,479</u>

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 13: TAX ABATEMENTS

Tax Abatements are the result of agreements that are entered into by the County to forgo real estate tax revenues for the promise by an individual or entity to take specific action that contributes to economic development in the County. Currently, there are no tax abatements entered into by other governments that reduce the County's tax revenues. The County has one real estate tax abatement program: Local Economic Revitalization Tax Assistance (LERTA).

Local Economic Revitalization Tax Assistance (LERTA)

The LERTA program is a tool to encourage private investment and rehabilitation of deteriorated properties within Lawrence County. The LERTA program exists pursuant to the Commonwealth of Pennsylvania Local Economic Revitalization Tax Assistance Act 76 of 1977 (72 P.S. §4722, et seq.). Authorization of a LERTA can be driven by either a developer for a specific project or a municipality seeking to redevelop a deteriorated area or facilitate a new economic development project. The Lawrence County LERTA Program Guidelines created by Lawrence County Commissioners (LCC) provide an understanding of the County's policy and requirements for using LERTA. Evaluation requirements considered for a LERTA include economic and fiscal impact of the new development, demonstration of the need for LERTA, value added to local economy, private investment leverage, type and location of development. The LERTA Project Review Form is evaluated by LCC to determine eligibility under requirements set forth by the Commonwealth and County. LCC facilitates a meeting for community engagement in the Project. Prior to the County ordinance authorizing the LERTA exemption, the local municipal government must affix the boundaries of the deteriorated area during a public hearing. The determination of deteriorated areas takes into account criteria set forth in the Urban Redevelopment Law of Pennsylvania of May 24, 1945 (35 P.S. 1701, et seq.). LERTA allows for an exemption of real estate property tax for the assessed valuation of new construction or improvements to certain industrial, commercial or other business property in deteriorated areas. An exemption is provided on the assessment attributable to a portion of the actual cost of new construction or improvements. Each agreement has a proposed development, termination date and maximum tax exemption and/or yearly maximum tax exemptions. The LERTA exemption schedule is 5 years at 100% declining each year by 20%. The Lawrence County Office of Property Assessment (OPA) assesses the property to determine the valuation attributable to the actual costs of the improvements to the deteriorated property in conjunction with the project. The exemption is based off of the increase in assessment after the property has been completed and reassessed by the OPA. If the assessment of the improvement has not increased by more than \$100,000 the application for abatement will be null and void. There is no provision or conditions for recapturing. During 2022, eleven (11) properties received an exemption from County's real estate property tax. The total County tax abated during 2022 was \$38,841 related to various projects throughout the County.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 14: LEASES

Lease Obligations

In 2022 the County adopted the provisions of Governmental Accounting Standards Board Statement No. 87, "Leases". In conjunction with the adoption of this standard, the County recognized an initial lease obligation, and a corresponding right of use asset in the amounts listed below.

	Beginning Balance	Lease Additions	Lease Payments	Ending Balance	Due within 1 year
Governmental Activities	\$ 1,033,687	\$ -	\$ (72,048)	\$ 961,639	\$ 73,118

Pertinent information regarding the leases is as follows:

The County leases copiers from external parties. The leases mature in 2024, and have an imputed interest rate of 4.3%. The initial value of the lease liability for the copiers as of January 1, 2022 was \$13763, of which \$7,749 was outstanding as of December 31, 2022. A corresponding right of use asset was initially recorded in the amount of \$13,763 , and there was \$6,175 of accumulated amortization as of December 31, 2022.

The County leases postage machines from external parties. The leases mature in 2025, and have an imputed interest rate of 4.3%. The initial value of the lease liability for the copiers as of January 1, 2022 was \$43,652, of which \$33,851 was outstanding as of December 31, 2022. A corresponding right of use asset was initially recorded in the amount of \$43,652, and there was \$10,501 of accumulated amortization as of December 31, 2022.

The County leases towers for public safety from an external party, The leases mature in 2040, and have an imputed interest rate of 4.31%. The initial value of the lease liability for the vehicles as of January 1, 2022 was \$976,273, of which \$920,038 was outstanding as of December 31, 2022. A corresponding right of use asset was initially recorded in the amount of \$976,273, and there was \$73,450 of accumulated amortization as of December 31, 2022.

Future maturities of lease obligations are as follows:

	Principal	Interest	Total
2023	\$ 73,118	\$ 41,267	\$ 114,385
2024	75,518	37,772	113,290
2025	49,013	33,650	82,663
2026	43,183	31,696	74,879
2027	41,269	29,933	71,202
2028-2032	235,134	120,873	356,007
2033-2037	291,421	64,585	356,006
2038-2040	152,983	7,220	160,203
	<u>\$ 961,639</u>	<u>\$ 366,996</u>	<u>\$ 1,328,635</u>

NOTE 15: SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 28, 2023, the date the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTAL
INFORMATION**

COUNTY OF LAWRENCE
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total pension liability									
Service cost	\$ 2,089,847	\$ 2,159,545	\$ 2,306,848	\$ 2,437,330	\$ 2,151,930	\$ 2,179,897	\$ 1,832,888	\$ 1,791,130	\$ 1,879,156
Interest	4,179,415	4,384,861	4,325,556	4,794,118	5,049,107	5,265,536	5,706,586	5,918,583	5,996,033
Changes of benefit terms	-	-	-	71,769	342,450	-	-	-	-
Differences between expected and actual experience	(85,031)	(352,982)	(97,741)	715,684	(600,606)	198,927	21,300	577,591	(359,250)
Changes of assumptions	-	-	2,485,399	-	-	-	3,878,715	-	2,224,221
Benefit payments, including refunds of member contributions	(3,043,490)	(3,390,622)	(3,049,795)	(3,558,194)	(4,304,216)	(4,369,081)	(5,037,671)	(5,056,199)	(5,719,222)
Net change in total pension liability	3,140,741	2,800,802	5,970,267	4,460,707	2,638,665	3,275,279	6,401,818	3,231,105	4,020,938
Total pension liability - beginning	55,979,524	59,120,265	61,921,067	67,891,334	72,352,041	74,990,706	78,265,985	84,667,803	87,898,908
Total pension liability - ending (a)	\$ 59,120,265	\$ 61,921,067	\$ 67,891,334	\$ 72,352,041	\$ 74,990,706	\$ 78,265,985	\$ 84,667,803	\$ 87,898,908	\$ 91,919,846
Plan fiduciary net position									
Contributions - employer	\$ 1,026,903	\$ 1,072,536	\$ 10,699,205	\$ 817,771	\$ 946,207	\$ 483,454	\$ 586,051	\$ 287,949	\$ 110,167
Contributions - member	1,501,991	1,566,393	1,646,956	1,730,155	1,778,573	1,812,933	1,869,557	1,906,964	1,947,672
Net investment income	3,421,262	310,518	3,603,333	10,525,910	(2,576,952)	13,867,938	8,743,182	14,262,706	(12,908,093)
Benefit payments, including refunds of member contributions	(3,043,490)	(3,390,622)	(3,049,795)	(3,558,194)	(4,304,216)	(4,369,081)	(5,037,671)	(5,056,199)	(5,719,222)
Administrative expense	(118,077)	(145,898)	(145,139)	(177,837)	(139,915)	(128,945)	(139,629)	(213,731)	(192,671)
Other	3,154	2,551	93,447	(247)	223,759	152,499	181,257	188	(1,935,747)
Net change in plan fiduciary net position	2,791,743	(584,522)	12,848,007	9,337,558	(4,072,544)	11,818,798	6,202,747	11,187,877	(18,697,894)
Plan fiduciary net position - beginning	54,885,835	57,677,578	57,093,056	69,941,063	79,278,621	75,206,077	87,024,875	93,227,622	104,415,499
Plan fiduciary net position - ending (b)	\$ 57,677,578	\$ 57,093,056	\$ 69,941,063	\$ 79,278,621	\$ 75,206,077	\$ 87,024,875	\$ 93,227,622	\$ 104,415,499	\$ 85,717,605
County's net pension liability - ending (a) - (b)	\$ 1,442,687	\$ 4,828,011	\$ (2,049,729)	\$ (6,926,580)	\$ (215,371)	\$ (8,758,890)	\$ (8,559,819)	\$ (16,516,591)	\$ 6,202,241
Plan fiduciary net position as a percentage of the total pension liability	97.56%	92.20%	103.02%	109.57%	100.29%	111.19%	110.11%	118.79%	93.25%
Covered payroll	\$ 14,556,225	\$ 15,166,225	\$ 15,472,166	\$ 16,503,662	\$ 16,791,227	\$ 16,962,667	\$ 17,355,556	\$ 17,127,502	\$ 17,066,006
County's net pension liability as a percentage of covered payroll	9.91%	31.83%	-13.25%	-41.97%	-1.28%	-51.64%	-49.32%	-96.43%	36.34%

This schedule is present to illustrate the requirement to information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

COUNTY OF LAWRENCE

SCHEDULE OF COUNTY CONTRIBUTIONS - LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 110,167	\$ 287,949	\$ 586,051	\$ 966,907	\$ 946,207	\$ 817,771	\$ 1,080,912	\$ 1,012,536	\$ 966,903	\$ 1,219,440
Contributions in relation to the actuarially determined contribution	110,167	287,949	586,051	483,454	946,207	817,771	10,699,205	1,072,536	1,026,903	1,279,440
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 483,453	\$ -	\$ -	\$ (9,618,293)	\$ (60,000)	\$ (60,000)	\$ (60,000)
Covered payroll	\$17,066,006	\$ 17,127,502	\$17,355,556	\$16,962,667	\$16,791,227	\$16,503,662	\$15,472,166	\$15,166,225	\$14,556,225	\$14,556,225
Contributions as a percentage of covered payroll	0.65%	1.68%	3.38%	2.85%	5.64%	4.96%	69.15%	6.93%	7.05%	8.79%

Notes to Schedule

Valuation date January 1, 2022

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	15 years
Asset valuation method	Market value adjusted for unrecognized gains and losses from prior years
Inflation	3.0%
Salary increases	3.5% average, including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	PubG-2010 Mortality Table for males and females with generational mortality improvement using MP19

COUNTY OF LAWRENCE
SCHEDULE OF INVESTMENT RETURNS LAST 10 FISCAL YEARS

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	6.75%	1.00%	7.00%	15.40%	-3.55%	20.01%	10.70%	15.00%	-12.01%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

COUNTY OF LAWRENCE
BUDGETARY COMPARISON SCHEDULE –GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

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	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Taxes, Real estate	\$ 28,333,566	\$ 28,421,566	\$ 29,417,689	\$ 996,123
Intergovernmental grants	1,405,307	1,538,213	1,301,110	(237,103)
Charges for services	3,218,546	3,542,946	3,738,815	195,869
Interest income	31,250	41,838	113,483	71,645
Other revenue	2,251,510	2,310,756	446,250	(1,864,506)
Total Revenues	35,240,179	35,855,319	35,017,347	(837,972)
Expenditures				
Current operating:				
General government	7,418,643	7,645,344	6,680,510	964,834
Judicial	10,074,974	10,134,095	10,053,749	80,346
Public safety	9,234,910	9,002,361	8,679,766	322,595
Culture and Recreation	263,415	252,710	244,503	8,207
Conservation and development	1,823,213	1,860,007	1,625,195	234,812
Miscellaneous	22,495	9,995	4,931	5,064
Debt service	11,875	8,562	8,561	1
Total Expenditures	28,849,525	28,913,074	27,297,215	1,615,859
Excess (deficiency) of revenues over expenditures	6,390,654	6,942,245	7,720,132	777,887
Other financing sources (uses)				
Transfers in	920,000	897,083	10,186,803	9,289,720
Transfers out	(7,310,654)	(8,541,684)	(7,249,855)	1,291,829
Total other financing sources (uses)	(6,390,654)	(7,644,601)	2,936,948	10,581,549
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ (702,356)	\$ 10,657,080	\$ 11,359,436

COUNTY OF LAWRENCE
BUDGETARY COMPARISON SCHEDULE – LIQUID FUELS FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

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	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Intergovernmental grants	\$ 250,000	\$ 250,000	\$ 555,277	\$ 305,277
Interest income	5,000	5,000	9,516	4,516
Other revenue	958,072	958,072	-	(958,072)
Total Revenues	1,213,072	1,213,072	564,793	(648,279)
Expenditures				
Current operating:				
Public works	1,213,072	1,220,192	1,139,878	80,314
Total Expenditures	1,213,072	1,220,192	1,139,878	80,314
Excess (deficiency) of revenues over expenditures	-	(7,120)	(575,085)	(567,965)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ (7,120)	\$ (575,085)	\$ (567,965)

COUNTY OF LAWRENCE
BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH/DEVELOPMENTAL SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

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	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Intergovernmental grants	\$ 7,345,878	\$ 10,743,684	\$ 10,641,189	\$ (102,495)
Interest income	4,000	4,000	9,874	5,874
Other revenue	750,000	750,000	473,107	(276,893)
Total Revenues	8,099,878	11,497,684	11,124,170	(373,514)
Expenditures				
Current operating:				
Human services	8,390,804	13,653,610	11,431,137	2,222,473
Total Expenditures	8,390,804	13,653,610	11,431,137	2,222,473
Excess (deficiency) of revenues over expenditures	(290,926)	(2,155,926)	(306,967)	1,848,959
Other financing sources (uses)				
Transfers in	320,926	320,926	332,315	11,389
Transfers out	(30,000)	(30,000)	(25,348)	4,652
Total other financing sources (uses)	290,926	290,926	306,967	16,041
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ (1,865,000)	\$ -	\$ 1,865,000

COUNTY OF LAWRENCE
BUDGETARY COMPARISON SCHEDULE – CHILDREN & YOUTH SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2022

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	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Intergovernmental grants	\$ 11,177,272	\$ 11,187,272	\$ 10,760,773	\$ (426,499)
Interest income	-	-	-	-
Other revenue	120,000	141,504	246,727	105,223
Total Revenues	11,297,272	11,328,776	11,007,500	(321,276)
Expenditures				
Current operating:				
Human Services	13,965,771	14,026,757	13,182,582	844,175
Total Expenditures	13,965,771	14,026,757	13,182,582	844,175
Excess (deficiency) of revenues over expenditures	(2,668,499)	(2,697,981)	(2,175,082)	522,899
Other financing sources (uses)				
Transfers in	2,768,499	2,768,499	2,253,480	(515,019)
Transfers out	(100,000)	(100,000)	(78,398)	21,602
Total other financing sources (uses)	2,668,499	2,668,499	2,175,082	(493,417)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ (29,482)	\$ -	\$ 29,482

COUNTY OF LAWRENCE
BUDGETARY COMPARISON SCHEDULE – AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

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	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Intergovernmental grants	\$ 8,304,852	\$ 8,304,852	\$ 10,997,030	\$ 2,692,178
Interest income	20,000	20,000	(3,048)	(23,048)
Other revenue	8,290,000	8,290,000	-	(8,290,000)
Total Revenues	16,614,852	16,614,852	10,993,982	(5,620,870)
Expenditures				
Current operating:				
General government	15,940,852	7,884,293	974,818	6,909,475
Public safety	-	442,166	19,164	423,002
Total Expenditures	15,940,852	8,326,459	993,982	7,332,477
Excess (deficiency) of revenues over expenditures	674,000	8,288,393	10,000,000	1,711,607
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(674,000)	(8,288,393)	(10,000,000)	(1,711,607)
Total other financing sources (uses)	(674,000)	(8,288,393)	(10,000,000)	(1,711,607)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -

**OTHER
SUPPLEMENTAL
INFORMATION**

COUNTY OF LAWRENCE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Assets</u>			
Cash and Cash Equivalents	\$ -	\$ 3,453,650	\$ 3,453,650
Restricted cash	-	274,522	274,522
Receivables:			
Other	-	1,343,750	1,343,750
Due from Other Funds	-	141,000	141,000
Prepaid expenses	750	65,605	66,355
	<u>750</u>	<u>65,605</u>	<u>66,355</u>
Total Assets	<u>\$ 750</u>	<u>\$ 5,278,527</u>	<u>\$ 5,279,277</u>
<u>Liabilities</u>			
Accounts Payable	\$ -	\$ 246,210	\$ 246,210
Cash Overdraft	-	267,664	267,664
Accrued Liabilities	-	33,596	33,596
Due to other funds	-	231,804	231,804
Escrow Liability	-	2,261	2,261
Unearned Revenue	-	551,256	551,256
	<u>-</u>	<u>551,256</u>	<u>551,256</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 1,332,791</u>	<u>\$ 1,332,791</u>
<u>Fund Balance</u>			
Fund Balance:			
Nonspendable	\$ 750	\$ 65,605	\$ 66,355
Restricted	-	3,880,874	3,880,874
Unassigned	-	(743)	(743)
	<u>-</u>	<u>(743)</u>	<u>(743)</u>
Total Fund Balance	<u>750</u>	<u>3,945,736</u>	<u>3,946,486</u>
Total Liabilities and Fund Balance	<u>\$ 750</u>	<u>\$ 5,278,527</u>	<u>\$ 5,279,277</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 2,259,962	\$ 472,270	\$ 2,732,232
Intergovernmental Revenue	-	5,059,319	5,059,319
Charges for Services	-	733,085	733,085
Interest Income	-	14,673	14,673
Other Revenue	-	-	-
Total Revenues	<u>2,259,962</u>	<u>6,279,347</u>	<u>8,539,309</u>
Expenditures			
Current Operating:			
General Government	2,250	1,170,442	1,172,692
Judicial	-	1,890,693	1,890,693
Public Safety	-	2,331,761	2,331,761
Public Works	-	273,429	273,429
Human Services	-	332,694	332,694
Culture and Recreation	-	472,270	472,270
Debt Service			
Principal	2,527,500	-	2,527,500
Interest	1,066,560	-	1,066,560
Total Expenditures	<u>3,596,310</u>	<u>6,471,289</u>	<u>10,067,599</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,336,348)</u>	<u>(191,942)</u>	<u>(1,528,290)</u>
Other Financing Sources (Uses)			
Transfers in	1,336,348	688,153	2,024,501
Transfers out	-	(101,926)	(101,926)
Total other financing sources (uses)	<u>1,336,348</u>	<u>586,227</u>	<u>1,922,575</u>
Net Change in Fund Balance	-	394,285	394,285
Fund Balance, Beginning of Year	<u>750</u>	<u>3,551,451</u>	<u>3,552,201</u>
Fund Balance, End of Year	<u>\$ 750</u>	<u>\$ 3,945,736</u>	<u>\$ 3,946,486</u>

COUNTY OF LAWRENCE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	Domestic Relations	Records Improvement	Automation	Substance Abuse	Telephone Revenue	JPO	Election Integrity Fund	Drug Task Force
Assets								
Cash and Cash equivalents	\$ 471,615	\$ 307,082	\$ 48,105	\$ 4	\$ 80,082	\$ 1,806	\$ 133,973	\$ 496
Investments	-	-	-	-	-	-	-	-
Restricted Cash	274,522	-	-	-	-	-	-	-
Receivables:								
Other	253,222	1,536	1,102	1,482	28,164	200	-	-
Due from Other Funds	141,000	-	-	-	-	-	-	-
Prepaid expenses	1,749	-	-	-	-	-	-	-
Total Assets	\$ 1,142,108	\$ 308,618	\$ 49,207	\$ 1,486	\$ 108,246	\$ 2,006	\$ 133,973	\$ 496
Liabilities								
Accounts Payable	\$ 6,241	\$ -	\$ -	\$ 1,486	\$ -	\$ -	\$ 4,243	\$ -
Cash Overdraft	-	-	-	-	-	-	-	-
Accrued Liabilities	16,461	-	-	-	-	-	387	-
Due to other funds	151,857	-	-	-	-	-	-	-
Escrow Liability	2,261	-	-	-	-	-	-	-
Unearned Revenue	12,712	-	-	-	-	-	129,343	-
Total Liabilities	\$ 189,532	\$ -	\$ -	\$ 1,486	\$ -	\$ -	\$ 133,973	\$ -
Fund Balance								
Fund Balance:								
Nonspendable	\$ 1,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	950,827	308,618	49,207	-	108,246	2,006	-	496
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	\$ 952,576	\$ 308,618	\$ 49,207	\$ -	\$ 108,246	\$ 2,006	\$ -	\$ 496
Total Liabilities and Fund Balance	\$ 1,142,108	\$ 308,618	\$ 49,207	\$ 1,486	\$ 108,246	\$ 2,006	\$ 133,973	\$ 496

COUNTY OF LAWRENCE
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	Forfeiture Holding Fund	Library	Victim Witness	DA Forfeiture Fund	Food Program	Records Management	DA Animal Welfare Fund	Act 77 Crimes Victim Act Fund
Assets								
Cash and Cash equivalents	\$ 68,829	\$ 10,055	\$ 19,475	\$ 44,675	\$ 1,881	\$ 82,789	\$ 603	\$ 4,598
Investments	-	-	-	-	-	-	-	-
Restricted Cash	-	-	-	-	-	-	-	-
Receivables:								
Other	-	-	19,064	-	15,138	2,058	-	2,487
Due from Other Funds	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	6,651	-	-	-	-
Total Assets	\$ 68,829	\$ 10,055	\$ 38,539	\$ 51,326	\$ 17,019	\$ 84,847	\$ 603	\$ 7,085
Liabilities								
Accounts Payable	\$ 67,812	\$ 10,055	\$ -	\$ -	\$ 15,138	\$ -	\$ -	\$ -
Cash Overdraft	-	-	-	-	-	-	-	-
Accrued Liabilities	-	-	904	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Escrow Liability	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	667	-	1,881	-	-	-
Total Liabilities	\$ 67,812	\$ 10,055	\$ 1,571	\$ -	\$ 17,019	\$ -	\$ -	\$ -
Fund Balance								
Fund Balance:								
Nonspendable	\$ -	\$ -	\$ -	\$ 6,651	\$ -	\$ -	\$ -	\$ -
Restricted	1,017	-	36,968	44,675	-	84,847	603	7,085
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	\$ 1,017	\$ -	\$ 36,968	\$ 51,326	\$ -	\$ 84,847	\$ 603	\$ 7,085
Total Liabilities and Fund Balance	\$ 68,829	\$ 10,055	\$ 38,539	\$ 51,326	\$ 17,019	\$ 84,847	\$ 603	\$ 7,085

COUNTY OF LAWRENCE
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	Emergency Management Grants	DA Approval Fund	Coroner Act 122 Fund	Coroner Act 182 Fund	Register of Wills Automation	DEA - TFO	Marcellus Legacy	Act 13
<u>Assets</u>								
Cash and Cash equivalents	\$ 68,688	\$ 3,301	\$ 32,962	\$ 79,560	\$ 43,180	\$ 10,539	\$ 39,459	\$ 336,986
Investments	-	-	-	-	-	-	-	-
Restricted Cash	-	-	-	-	-	-	-	-
Receivables:								
Other	33,598	596	-	-	290	4,508	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Prepaid expenses	743	-	-	-	12	-	-	-
	<u>743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 103,029</u>	<u>\$ 3,897</u>	<u>\$ 32,962</u>	<u>\$ 79,560</u>	<u>\$ 43,482</u>	<u>\$ 15,047</u>	<u>\$ 39,459</u>	<u>\$ 336,986</u>
<u>Liabilities</u>								
Accounts Payable	\$ -	\$ -	\$ 380	\$ -	\$ 779	\$ -	\$ 11,670	\$ -
Cash Overdraft	-	-	-	-	-	-	-	-
Accrued Liabilities	177	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	15,047	-	-
Escrow Liability	-	-	-	-	-	-	-	-
Unearned Revenue	102,852	-	-	-	-	-	-	-
	<u>102,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 103,029</u>	<u>\$ -</u>	<u>\$ 380</u>	<u>\$ -</u>	<u>\$ 779</u>	<u>\$ 15,047</u>	<u>\$ 11,670</u>	<u>\$ -</u>
<u>Fund Balance</u>								
Fund Balance:								
Nonspendable	\$ 743	\$ -	\$ -	\$ -	\$ 12	\$ -	\$ -	\$ -
Restricted	-	3,897	32,582	79,560	42,691	-	27,789	336,986
Unassigned	(743)	-	-	-	-	-	-	-
	<u>(743)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ 3,897</u>	<u>\$ 32,582</u>	<u>\$ 79,560</u>	<u>\$ 42,703</u>	<u>\$ -</u>	<u>\$ 27,789</u>	<u>\$ 336,986</u>
Total Liabilities and Fund Balance	<u>\$ 103,029</u>	<u>\$ 3,897</u>	<u>\$ 32,962</u>	<u>\$ 79,560</u>	<u>\$ 43,482</u>	<u>\$ 15,047</u>	<u>\$ 39,459</u>	<u>\$ 336,986</u>

COUNTY OF LAWRENCE
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	911 Fund	APO	PHARE Grant	Hazard Mitigation	CDBG	Demolition	Vehicle Registration Fund	Offender Supervision	Total
Assets									
Cash and Cash equivalents	\$ -	\$ 560,688	\$ 6,261	\$ 447	\$ -	\$ 105,307	\$ 664,862	\$ 225,342	\$ 3,453,650
Investments	-	-	-	-	-	-	-	-	-
Restricted Cash	-	-	-	-	-	-	-	-	274,522
Receivables:									
Other	547,259	4,889	-	-	421,617	6,540	-	-	1,343,750
Due from Other Funds	-	-	-	-	-	-	-	-	141,000
Prepaid expenses	56,450	-	-	-	-	-	-	-	65,605
Total Assets	\$ 603,709	\$ 565,577	\$ 6,261	\$ 447	\$ 421,617	\$ 111,847	\$ 664,862	\$ 225,342	\$ 5,278,527
Liabilities									
Accounts Payable	\$ 32,966	\$ 3,360	\$ -	\$ -	\$ 92,080	\$ -	\$ -	\$ -	\$ 246,210
Cash Overdraft	-	-	-	-	267,664	-	-	-	267,664
Accrued Liabilities	15,667	-	-	-	-	-	-	-	33,596
Due to other funds	3,027	-	-	-	61,873	-	-	-	231,804
Escrow Liability	-	-	-	-	-	-	-	-	2,261
Unearned Revenue	297,093	-	6,261	447	-	-	-	-	551,256
Total Liabilities	\$ 348,753	\$ 3,360	\$ 6,261	\$ 447	\$ 421,617	\$ -	\$ -	\$ -	\$ 1,332,791
Fund Balance									
Fund Balance:									
Nonspendable	\$ 56,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,605
Restricted	198,506	562,217	-	-	-	111,847	664,862	225,342	3,880,874
Unassigned	-	-	-	-	-	-	-	-	(743)
Total Fund Balance	\$ 254,956	\$ 562,217	\$ -	\$ -	\$ -	\$ 111,847	\$ 664,862	\$ 225,342	\$ 3,945,736
Total Liabilities and Fund Balance	\$ 603,709	\$ 565,577	\$ 6,261	\$ 447	\$ 421,617	\$ 111,847	\$ 664,862	\$ 225,342	\$ 5,278,527

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Domestic Relations	Records Improvement	Automation	Substance Abuse	Telephone Revenue	JPO	Election Integrity Fund	Drug Task Force
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	1,027,361	-	-	-	-	-	158,240	-
Charges for Services	26,674	53,671	17,741	17,546	95,948	1,295	-	74
Interest Income	2,534	1,365	210	10	332	8	-	2
Other Revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>1,056,569</u>	<u>55,036</u>	<u>17,951</u>	<u>17,556</u>	<u>96,280</u>	<u>1,303</u>	<u>158,240</u>	<u>76</u>
Expenditures								
Current Operating:								
General Government	-	83,752	-	-	-	-	158,240	-
Judicial	1,503,077	-	6,564	-	-	-	-	-
Public Safety	-	-	-	-	25,353	778	-	-
Public Works	-	-	-	-	-	-	-	-
Human Services	-	-	-	17,556	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,503,077</u>	<u>83,752</u>	<u>6,564</u>	<u>17,556</u>	<u>25,353</u>	<u>778</u>	<u>158,240</u>	<u>-</u>
Excess (deficiency) of Revenues over Expenditures	<u>(446,508)</u>	<u>(28,716)</u>	<u>11,387</u>	<u>-</u>	<u>70,927</u>	<u>525</u>	<u>-</u>	<u>76</u>
Other Financing Sources (uses)								
Transfers in	438,812	-	-	-	-	-	-	-
Transfers out	(5,432)	-	-	-	-	-	-	-
Total Other Financing Sources (uses)	<u>433,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(13,128)</u>	<u>(28,716)</u>	<u>11,387</u>	<u>-</u>	<u>70,927</u>	<u>525</u>	<u>-</u>	<u>76</u>
Fund Balance, Beginning of Year	<u>965,704</u>	<u>337,334</u>	<u>37,820</u>	<u>-</u>	<u>37,319</u>	<u>1,481</u>	<u>-</u>	<u>420</u>
Fund Balance, End of Year	<u>\$ 952,576</u>	<u>\$ 308,618</u>	<u>\$ 49,207</u>	<u>\$ -</u>	<u>\$ 108,246</u>	<u>\$ 2,006</u>	<u>\$ -</u>	<u>\$ 496</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Forfeiture Holding Fund	Library	Victim Witness	DA Forfeiture Fund	Food Program	Records Management	DA Animal Welfare Fund	Act 77 Crimes Victim Act Fund
Revenues								
Taxes	\$ -	\$ 472,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	73,501	-	15,138	-	-	-
Charges for Services	-	-	4,439	158,051	-	30,768	200	7,077
Interest Income	422	-	127	179	-	352	3	8
Other Revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>422</u>	<u>472,270</u>	<u>78,067</u>	<u>158,230</u>	<u>15,138</u>	<u>31,120</u>	<u>203</u>	<u>7,085</u>
Expenditures								
Current Operating:								
General Government	-	-	-	-	-	-	-	-
Judicial	-	-	81,274	141,502	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	15,138	-	-	-
Culture and Recreation	-	472,270	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>472,270</u>	<u>81,274</u>	<u>141,502</u>	<u>15,138</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of Revenues over Expenditures	<u>422</u>	<u>-</u>	<u>(3,207)</u>	<u>16,728</u>	<u>-</u>	<u>31,120</u>	<u>203</u>	<u>7,085</u>
Other Financing Sources (uses)								
Transfers in	-	-	18,869	-	-	-	-	-
Transfers out	-	-	(21,032)	-	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>(2,163)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	422	-	(5,370)	16,728	-	31,120	203	7,085
Fund Balance, Beginning of Year	595	-	42,338	34,598	-	53,727	400	-
Fund Balance, End of Year	<u>\$ 1,017</u>	<u>\$ -</u>	<u>\$ 36,968</u>	<u>\$ 51,326</u>	<u>\$ -</u>	<u>\$ 84,847</u>	<u>\$ 603</u>	<u>\$ 7,085</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Emergency Management Grants	DA Approval Fund	Coroner Act 122 Fund	Coroner Act 182 Fund	Register of Wills Automation	DEA - TFO	Marcellus Legacy	Act 13
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	14,443	-	8,439	-	-	39,363	85,332	140,969
Charges for Services	18,945	10,589	-	46,455	4,440	-	-	-
Interest Income	108	18	153	325	194	29	202	1,452
Other Revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>33,496</u>	<u>10,607</u>	<u>8,592</u>	<u>46,780</u>	<u>4,634</u>	<u>39,392</u>	<u>85,534</u>	<u>142,421</u>
Expenditures								
Current Operating:								
General Government	-	-	-	-	917	-	-	-
Judicial	-	10,554	7,315	33,226	-	-	-	-
Public Safety	42,246	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	89,729	183,700
Human Services	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Total Expenditures	<u>42,246</u>	<u>10,554</u>	<u>7,315</u>	<u>33,226</u>	<u>917</u>	<u>-</u>	<u>89,729</u>	<u>183,700</u>
Excess (deficiency) of Revenues over Expenditures	<u>(8,750)</u>	<u>53</u>	<u>1,277</u>	<u>13,554</u>	<u>3,717</u>	<u>39,392</u>	<u>(4,195)</u>	<u>(41,279)</u>
Other Financing Sources (uses)								
Transfers in	5,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(39,392)	-	-
Total Other Financing Sources (uses)	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,392)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,750)</u>	<u>53</u>	<u>1,277</u>	<u>13,554</u>	<u>3,717</u>	<u>-</u>	<u>(4,195)</u>	<u>(41,279)</u>
Fund Balance, Beginning of Year, As Restated (Note 14)	<u>3,750</u>	<u>3,844</u>	<u>31,305</u>	<u>66,006</u>	<u>38,986</u>	<u>-</u>	<u>31,984</u>	<u>378,265</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 3,897</u>	<u>\$ 32,582</u>	<u>\$ 79,560</u>	<u>\$ 42,703</u>	<u>\$ -</u>	<u>\$ 27,789</u>	<u>\$ 336,986</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	911 Fund	APO	PHARE Grant	Hazard Mitigation	CDBG	Demolition	Vehicle Registration Fund	Offender Supervision	Total
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472,270
Intergovernmental Revenue	1,987,321	-	300,000	-	777,532	-	431,680	-	5,059,319
Charges for Services	-	69,309	-	-	-	90,000	-	79,863	733,085
Interest Income	-	2,505	-	-	-	855	2,239	1,041	14,673
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenues	<u>1,987,321</u>	<u>71,814</u>	<u>300,000</u>	<u>-</u>	<u>777,532</u>	<u>90,855</u>	<u>433,919</u>	<u>80,904</u>	<u>6,279,347</u>
Expenditures									
Current Operating:									
General Government	-	-	-	-	777,532	150,001	-	-	1,170,442
Judicial	-	-	-	-	-	-	-	107,181	1,890,693
Public Safety	2,236,548	26,836	-	-	-	-	-	-	2,331,761
Public Works	-	-	-	-	-	-	-	-	273,429
Human Services	-	-	300,000	-	-	-	-	-	332,694
Culture and Recreation	-	-	-	-	-	-	-	-	472,270
Total Expenditures	<u>2,236,548</u>	<u>26,836</u>	<u>300,000</u>	<u>-</u>	<u>777,532</u>	<u>150,001</u>	<u>-</u>	<u>107,181</u>	<u>6,471,289</u>
Excess (deficiency) of Revenues over Expenditures	<u>(249,227)</u>	<u>44,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,146)</u>	<u>433,919</u>	<u>(26,277)</u>	<u>(191,942)</u>
Other Financing Sources (uses)									
Transfers in	225,472	-	-	-	-	-	-	-	688,153
Transfers out	<u>(36,070)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,926)</u>
Total Other Financing Sources (uses)	<u>189,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>586,227</u>
Net Change in Fund Balance	<u>(59,825)</u>	<u>44,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,146)</u>	<u>433,919</u>	<u>(26,277)</u>	<u>394,285</u>
Fund Balance, Beginning of Year	<u>314,781</u>	<u>517,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,993</u>	<u>230,943</u>	<u>251,619</u>	<u>3,551,451</u>
Fund Balance, End of Year	<u>\$ 254,956</u>	<u>\$ 562,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,847</u>	<u>\$ 664,862</u>	<u>\$ 225,342</u>	<u>\$ 3,945,736</u>

COUNTY OF LAWRENCE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	Magisterial Court 53-1-01	Magisterial Court 53-3-01	Magisterial Court 53-3-02	Magisterial Court 53-3-04	Tax Claim Escrow	Tax Claim Upset/Judicial	Treasurer	Prothonotary Clerk of Courts	Prothonotary Orphans
Assets									
Cash and Cash equivalents	\$ 10,889	\$ 12,616	\$ 4,007	\$ 17,464	\$ 1,177,514	\$ 1,266,903	\$ 5,116	\$ 181,092	\$ 476,944
Accounts Receivable	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 10,889</u>	<u>\$ 12,616</u>	<u>\$ 4,007</u>	<u>\$ 17,464</u>	<u>\$ 1,177,514</u>	<u>\$ 1,266,903</u>	<u>\$ 5,116</u>	<u>\$ 181,092</u>	<u>\$ 476,944</u>
Liabilities									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	10,889	12,616	4,007	17,464	1,177,514	-	-	181,092	40,291
Due to Others	-	-	-	-	-	1,266,903	5,116	-	436,653
Total Liabilities	<u>\$ 10,889</u>	<u>\$ 12,616</u>	<u>\$ 4,007</u>	<u>\$ 17,464</u>	<u>\$ 1,177,514</u>	<u>\$ 1,266,903</u>	<u>\$ 5,116</u>	<u>\$ 181,092</u>	<u>\$ 476,944</u>
Net Position									
Restricted for Individuals, organizations and Other Governments	-	-	-	-	-	-	-	-	-
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities and Net Position	<u>\$ 10,889</u>	<u>\$ 12,616</u>	<u>\$ 4,007</u>	<u>\$ 17,464</u>	<u>\$ 1,177,514</u>	<u>\$ 1,266,903</u>	<u>\$ 5,116</u>	<u>\$ 181,092</u>	<u>\$ 476,944</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)
 CUSTODIAL FUNDS
 DECEMBER 31, 2022

	Register and Recorder	Commissary Account	Employee Welfare	Sheriff Account	TPV Inmate Account	Grocery Account	Inmates Account	Unpaid Restitution	Total
Assets									
Cash and Cash equivalents	\$ 326,297	\$ 213,684	\$ 3,831	\$ 213,773	\$ 1,570	\$ 29,947	\$ 228,012	\$ 27,236	\$ 4,196,895
Accounts Receivable	-	-	-		2,430	207,714	-		210,144
Total Assets	<u>\$ 326,297</u>	<u>\$ 213,684</u>	<u>\$ 3,831</u>	<u>\$ 213,773</u>	<u>\$ 4,000</u>	<u>\$ 237,661</u>	<u>\$ 228,012</u>	<u>\$ 27,236</u>	<u>\$ 4,407,039</u>
Liabilities									
Accounts Payable	\$ -	\$ 4,295	\$ -	\$ -	\$ -	\$ 158,978	\$ -	\$ 27,236	\$ 190,509
Due to Other Governments	288,280	-	-	184,361	4,000	78,683	-	-	1,999,197
Due to Others	38,017	-	-	29,412	-	-	228,012	-	2,004,113
Total Liabilities	<u>\$ 326,297</u>	<u>\$ 4,295</u>	<u>\$ -</u>	<u>\$ 213,773</u>	<u>\$ 4,000</u>	<u>\$ 237,661</u>	<u>\$ 228,012</u>	<u>\$ 27,236</u>	<u>\$ 4,193,819</u>
Net Position									
Restricted for Individuals, organizations and Other Governments	-	209,389	3,831	-	-	-	-	-	213,220
Total Net Position	<u>\$ -</u>	<u>\$ 209,389</u>	<u>\$ 3,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,220</u>
Total Liabilities and Net Position	<u>\$ 326,297</u>	<u>\$ 213,684</u>	<u>\$ 3,831</u>	<u>\$ 213,773</u>	<u>\$ 4,000</u>	<u>\$ 237,661</u>	<u>\$ 228,012</u>	<u>\$ 27,236</u>	<u>\$ 4,407,039</u>

[illegible]

	Register and Recorder	Commissary Account	Employee Welfare	Sheriff Account	TPV Inmate Account	Grocery Account	Inmates Account	Unpaid Restitution	Total
Additions:									
Property Tax Collected for Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,786,800
Fees Collected for Other Governments	-	-	-	-	-	-	-	-	8,100,291
Interest	-	1,044	21	399	7	177	-	121	6,328
Fees and Fines Collected - Other	6,741,235	164,625	-	1,212,002	-	327,355	357,748	-	10,298,073
Total Additions	6,741,235	165,669	21	1,212,401	7	327,532	357,748	121	26,191,492
Deductions:									
Property Tax Collections to Other Governments	-	-	-	-	-	-	-	-	4,159,625
Inheritance Tax Collected to Other Governments	6,741,235	-	-	-	-	-	-	-	6,741,235
Fees Collected to Other Governments	-	-	-	-	-	-	-	-	10,682,678
Administrative Expense	-	-	-	222,796	-	-	-	121	602,140
Inmate Disbursements	-	285,103	-	-	7	-	357,748	-	642,858
Payments to Other Entities	-	-	3,566	959,556	-	327,532	-	-	3,775,500
Total Deductions	6,741,235	285,103	3,566	1,182,352	7	327,532	357,748	121	26,604,036
Change in Net Position	-	(119,434)	(3,545)	30,049	-	-	-		(412,544)
Net Position, Beginning of Year	-	328,823	7,376	(30,049)	-	-	-	-	625,764
Net Position, End of Year	\$ -	\$ 209,389	\$ 3,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213,220