

COUNTY OF LAWRENCE, PENNSYLVANIA

NEW CASTLE, PENNSYLVANIA

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

COUNTY OF LAWRENCE, PENNSYLVANIA
YEAR ENDED DECEMBER 31, 2023

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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, 2023, 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, 2023, 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 Ratios, Schedule of County Contributions - Last 10 Years, Schedule of Investment Returns - Last 10 Years, and Budgetary Comparison Schedules 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 – Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds, Combining Balance Sheet – Nonmajor Special Revenue Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor 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 supplementary 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 other 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 other 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 30, 2024 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

ZELENKOFKSKE AXELROD LLC

Pittsburgh, Pennsylvania
September 30, 2024

**COUNTY OF LAWRENCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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, 2023. 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

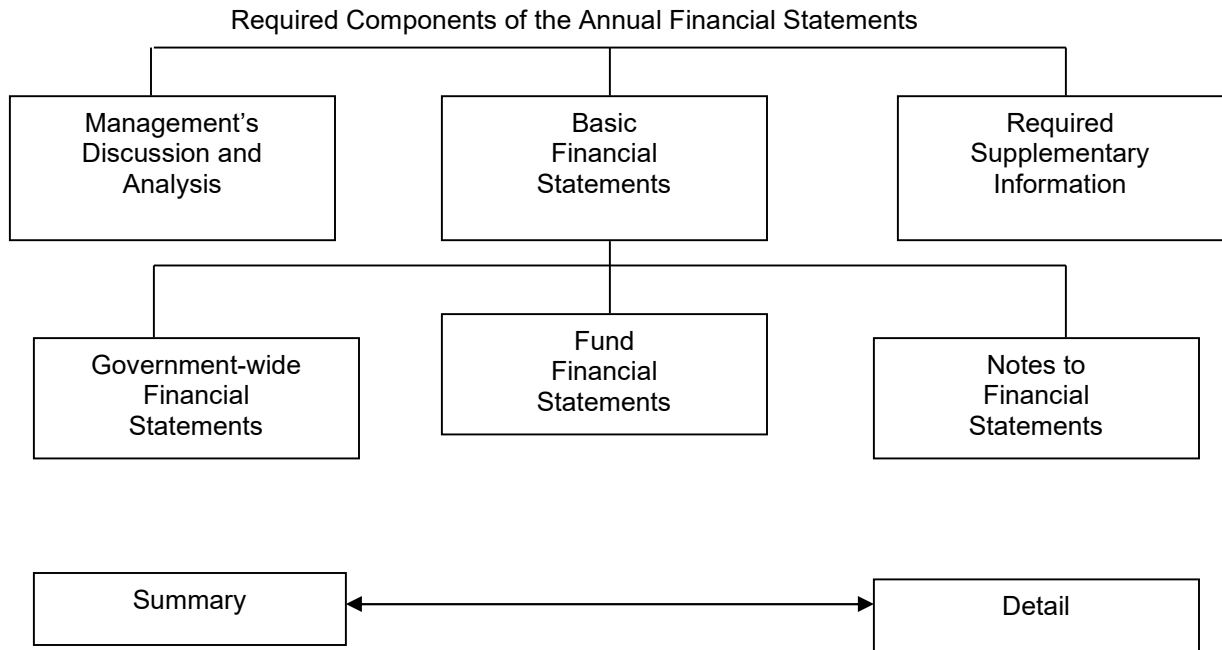
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the COUNTY's government. The basic financial statements include notes that provide additional information essential to a full understanding of the 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.

**COUNTY OF LAWRENCE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

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



**COUNTY OF LAWRENCE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

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	
		Governmental	Fiduciary
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 fiduciary 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

**COUNTY OF LAWRENCE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

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, deferred outflows of resources, liabilities, and deferred inflows of resources, except fiduciary funds, with the difference 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 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.

**COUNTY OF LAWRENCE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

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 other 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.

**COUNTY OF LAWRENCE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The COUNTY's total assets were \$91,299,636 at December 31, 2023. Of this amount, \$41,389,604 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 – 2023/2022

	2023 Governmental Activities	2022 Governmental Activities	Changes from 2023 to 2022
Other Assets	\$ 50,021,697	\$ 50,172,516	\$ (150,819)
Capital Assets	41,389,604	42,903,725	(1,514,121)
Total Assets	\$ 91,411,301	\$ 93,076,241	\$ (1,664,940)
Deferred Outflows- Pensions	\$ 4,341,447	\$ 11,597,404	\$ (7,255,957)
Total Deferred Outflows	\$ 4,341,447	\$ 11,597,404	\$ (7,255,957)
Current Liabilities	\$ 14,878,383	\$ 17,422,491	\$ (2,544,108)
Long-term Liabilities	26,516,683	34,234,619	(7,717,936)
Total Liabilities	\$ 41,395,066	\$ 51,657,110	\$ (10,262,044)
Deferred Inflows- Pensions	\$ 188,178	\$ 273,714	\$ (85,536)
Total Deferred Inflows	\$ 188,178	\$ 273,714	\$ (85,536)
Net Position			
Net Investment in Capital Assets	\$ 21,996,147	\$ 22,077,191	\$ (81,044)
Restricted	16,192,761	18,931,217	(2,738,456)
Unrestricted	15,980,546	11,734,413	4,246,133
Total Net Position	\$ 54,169,454	\$ 52,742,821	\$ 1,426,633

**COUNTY OF LAWRENCE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

Change in Net Position

The following statement of activities represents the change in net position for the year ended December 31, 2023 and December 31, 2022 and changes from 2023 to 2022. It shows revenues by source and expenses by function for governmental activities.

Condensed Statement of Activities

	2023 Governmental Activities	2022 Governmental Activities	Changes from 2023 to 2022
Program Revenues:			
Charges for Services	\$ 5,019,680	\$ 11,236,882	\$ (6,217,202)
Grants and Contributions	37,958,141	43,817,732	(5,859,591)
General Revenues:			
Taxes	31,635,099	31,653,679	(18,580)
Unrestricted Investment Earnings	654,096	159,425	494,671
Miscellaneous Revenue	1,052,652	1,090,489	(37,837)
Total Revenues	<u>\$ 76,319,668</u>	<u>\$ 87,958,207</u>	<u>\$ (11,638,539)</u>
Expenses:			
General Government - Administrative	\$ 13,683,141	\$ 9,874,547	3,808,594
General Government - Judicial	12,533,193	12,848,015	(314,822)
Public Safety	13,194,508	13,491,459	(296,951)
Public Works	1,639,750	2,156,610	(516,860)
Human Services	28,727,676	30,292,865	(1,565,189)
Culture and Recreation	765,697	797,612	(31,915)
Conservation and Development	3,338,577	1,445,243	1,893,334
Miscellaneous	30,784	4,931	25,853
Interest on Long-Term Debt	980,939	1,046,520	(65,581)
Total Expenses	<u>74,894,265</u>	<u>71,957,802</u>	<u>2,936,463</u>
Change in Net Position	<u>1,425,403</u>	<u>16,000,405</u>	<u>(14,575,002)</u>
Net Position - January 1	<u>52,744,101</u>	<u>36,742,416</u>	<u>16,001,685</u>
Net Position - December 31	<u>\$ 54,169,504</u>	<u>\$ 52,742,821</u>	<u>\$ 1,426,683</u>

**COUNTY OF LAWRENCE
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

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 2023, property taxes brought in \$31,635,099.

Net Cost of Governmental Activities

	2023 Total Cost of Services	2023 Net Cost of Services	2022 Total Cost of Services	2022 Net Cost of Services
Program:				
General Government - Administrative	\$ 13,683,141	\$ (4,104,763)	\$ 9,874,547	\$ 4,740,374
General Government - Judicial	12,533,193	(9,505,131)	12,848,015	(9,680,918)
Public Safety	13,194,508	(9,132,178)	13,491,459	(10,335,371)
Public Works	1,639,750	(862,822)	2,156,610	(1,460,364)
Human Services	28,727,676	(3,789,670)	30,292,865	2,740,638
Culture and Recreation	765,697	(755,697)	797,612	(797,612)
Conservation and Development	3,338,577	(2,754,460)	1,445,243	(1,058,484)
Miscellaneous	30,784	(30,784)	4,931	(4,931)
Interest on Long-Term Debt	980,939	(980,939)	1,046,520	(1,046,520)
Total	<u>\$ 74,894,265</u>	<u>\$ (31,916,444)</u>	<u>\$ 71,957,802</u>	<u>\$ (16,903,188)</u>

The COUNTY relied on property taxes and other general revenues to fund 42.5% of its governmental activities in 2023.

**COUNTY OF LAWRENCE
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

Capital Assets

The COUNTY's investment in capital assets at December 31, 2023, net of accumulated depreciation, was \$41,389,604. Capital assets consist primarily of land, buildings and equipment. The following is a summary of capital assets at December 31, 2023:

GOVERNMENTAL ACTIVITIES	Capital Assets			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 546,459	\$ -	\$ -	\$ 546,459
Construction in Progress	421,127	333,006	(209,940)	544,193
Total Capital Assets, Not Being Depreciated	<u>967,586</u>	<u>333,006</u>	<u>(209,940)</u>	<u>1,090,652</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	37,888,053	-	-	37,888,053
Equipment and Vehicles	16,126,824	1,464,275	-	17,591,099
Right of Use - Equipment and Vehicles	57,415	3,360	(2,003)	58,772
Infrastructure	32,554,882	-	-	32,554,882
Right of Use - Infrastructure	976,272	-	-	976,272
Total Capital Assets, Being Depreciated	<u>87,603,446</u>	<u>1,467,635</u>	<u>(2,003)</u>	<u>89,069,078</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(21,821,118)	(967,760)	-	(22,788,878)
Equipment and Vehicles	(10,815,677)	(1,412,177)	-	(12,227,854)
Right of Use - Equipment and Vehicles	(16,676)	(14,897)	2,003	(29,570)
Infrastructure	(12,940,386)	(636,538)	-	(13,576,924)
Right of Use - Infrastructure	(73,450)	(73,450)	-	(146,900)
Total Accumulated Depreciation	<u>(45,667,307)</u>	<u>(3,104,822)</u>	<u>2,003</u>	<u>(48,770,126)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,936,139</u>	<u>(1,637,187)</u>	<u>-</u>	<u>40,298,952</u>
Governmental Activities Capital Assets, Net	<u>\$ 42,903,725</u>	<u>\$ (1,304,181)</u>	<u>\$ (209,940)</u>	<u>\$ 41,389,604</u>

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

**COUNTY OF LAWRENCE
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

Debt Administration

At December 31, 2023, the COUNTY had \$28,135,995 of long-term obligations outstanding. Debt decreased 5% from the previous year. The following is a summary of debt obligations for the 2023 year:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 8,090,000	\$ -	\$ (295,000)	\$ 7,795,000	\$ 310,000
General Obligation Notes	19,685,000	-	(1,345,000)	18,340,000	1,395,000
Total Bonds and Notes Payable	<u>\$ 27,775,000</u>	<u>\$ -</u>	<u>\$ (1,640,000)</u>	<u>\$ 26,135,000</u>	<u>\$ 1,705,000</u>
			Less amounts due within one year	1,705,000	
				<u>\$ 24,430,000</u>	
Other Liabilities:					
Lease Obligations	\$ 961,638	\$ 3,360	\$ (73,372)	\$ 891,626	\$ 76,143
Compensated Absences	833,962	275,407	-	1,109,369	-
Total Other Liabilities	<u>\$ 1,795,600</u>	<u>\$ 278,767</u>	<u>\$ (73,372)</u>	<u>\$ 2,000,995</u>	<u>\$ 76,143</u>
Governmental Activities Long-Term Liabilities	<u>\$ 29,570,600</u>	<u>\$ 278,767</u>	<u>\$ (1,713,372)</u>	<u>\$ 28,135,995</u>	<u>\$ 1,781,143</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.

**COUNTY OF LAWRENCE
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source at December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Revenues:		
Taxes	\$ 31,354,529	\$ 32,149,921
Intergovernmental Revenues	37,960,155	43,670,851
Charges for Services	5,016,993	4,471,900
Interest	1,104,609	158,665
Other	983,267	1,166,084
Transfers In	<u>4,596,017</u>	<u>17,455,527</u>
 Total Revenue	 <u>\$ 81,015,570</u>	 <u>\$ 99,072,948</u>

Intergovernmental revenue for the year ended 2023 decreased due to more new grants in 2022 than in 2023. Charges for services increased in 2023 as a result of more services being reimbursed on a grant basis.

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Expenditures:		
General Government - Administrative	\$ 13,512,747	\$ 9,743,562
General Government - Judicial	12,764,947	12,054,490
Public Safety	11,680,949	11,061,746
Public Works	1,166,509	1,413,307
Human Services	28,594,186	28,448,270
Culture and Recreation	734,475	716,773
Conservation and Development	3,330,771	1,666,762
Debt Service	2,647,046	3,602,621
Transfers Out	4,596,017	17,455,527
Miscellaneous	<u>30,784</u>	<u>4,931</u>
 Total Expenditures	 <u>\$ 79,058,431</u>	 <u>\$ 86,167,989</u>

General Administrative expenditures increased due to increased spending in 2023 related to grants received. Judicial expenditures increased as a result of increased salary costs, vehicle purchases, and equipment upgrades. Public Safety expenditures increased due to increased jail personnel, Train Derailment Allocation, and ARPA projects. Culture and Recreation increased due to salary increases and office upgrades. Conservation and Development increased due to increased community allocations. Transfers Out decreased due to a \$10,000,000 revenue loss that was transferred from the ARPA fund into the General Fund in 2022. Public Works and Human Services expenditures remained relatively level from 2022 to 2023.

**COUNTY OF LAWRENCE
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

GOVERNMENTAL FUND BALANCES

Ending balances for governmental funds at December 31, 2023 and 2022 were as follows:

<u>Fund</u>	<u>2023</u>	<u>2022</u>
General Fund	\$ 18,849,610	\$ 16,644,135
Liquid Fuels	2,025,427	2,135,817
Opioid Settlement Fund	575,891	773,080
Capital Projects	2,896,251	3,345,905
Other Governmental Funds	<u>4,455,383</u>	<u>3,946,486</u>
Total Fund Balance	<u>\$ 28,802,562</u>	<u>\$ 26,845,423</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 2023, General Fund expenditures were under budget by \$24,753 or 0.08% and revenues were over budget by \$1,673,612 or 4.90%. Liquid Fuels Fund expenditures were over budget \$87,708 or 12.85% and revenues under budget by \$22,682 or 3.32%. Mental Health/Developmental Services Fund expenditures were over budget by \$220,639 or 2.5% and revenues were over budget by \$209,290 or 2.45%. Children and Youth Services Fund expenditures were under budget by \$1,588,401 or 10.39% and revenues were under budget by \$990,029 or 8.04%. American Rescue Plan Act Fund expenditures were under budget by \$3,310,871 or 47.16% and revenues were under budget by \$3,310,871 or 47.16%. Detailed information about the COUNTY's 2023 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 2024 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, 2023

<u>Assets</u>	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	
Cash and Cash Equivalents	\$	33,093,091
Restricted Cash		705,425
Receivables (Net, where applicable, of Allowance for Uncollectibles)		
Accounts		13,474,321
Taxes		1,877,352
Prepaid Assets		211,759
Capital Assets: (Net)		
Depreciable		40,298,952
Non-depreciable		1,090,652
Net Pension Asset		659,749
Total Assets	\$	91,411,301
<u>Deferred Outflows of Resources</u>		
Pensions	\$	4,341,447
<u>Liabilities</u>		
Current Liabilities:		
Accounts Payable	\$	3,246,566
Cash Overdraft		3,419,027
Accrued Expenses		525,595
Unearned Revenues		5,367,940
Accrued Interest Payable on Debt		117,049
Escrow Liability		421,063
Current Portions of Long-Term Liabilities:		
Loans and Notes Payable		1,705,000
Lease Payable		76,143
Non-Current Portions of Long-Term Liabilities:		
Loans and Notes Payable		24,430,000
Bond Premium		161,831
Lease Payable		815,483
Compensated Absences		1,109,369
Total Liabilities	\$	41,395,066
<u>Deferred Inflows of Resources</u>		
Pensions	\$	188,178
<u>Net Position</u>		
Net Investment in Capital Assets		21,996,147
Restricted Net Position		
Program Purposes		16,192,761
Unrestricted		15,980,546
Total Net Position	\$	54,169,454

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

**COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

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	\$ 13,683,141	\$ 2,719,061	\$ 6,829,317	\$ 30,000	\$ (4,104,763)
General Government - Judicial	12,533,193	1,216,070	1,811,992	-	(9,505,131)
Public Safety	13,194,508	717,836	3,344,494	-	(9,132,178)
Public Works	1,639,750	-	776,928	-	(862,822)
Human Services	28,727,676	132,891	24,805,115	-	(3,789,670)
Culture and Recreation	765,697	-	10,000	-	(755,697)
Conservation and Development	3,338,577	233,822	350,295	-	(2,754,460)
Miscellaneous	30,784	-	-	-	(30,784)
Interest on Long-Term Debt	980,939	-	-	-	(980,939)
Total Governmental Activities	\$ 74,894,265	\$ 5,019,680	\$ 37,928,141	\$ 30,000	\$ (31,916,444)
General Revenues:					
Taxes					31,635,099
Unrestricted investment earnings					654,096
Miscellaneous					1,052,652
Total General Revenues					<u>33,341,847</u>
Change in Net Position					1,425,403
Net Position - Beginning					<u>52,744,101</u>
Net Position - Ending					<u>\$ 54,169,504</u>

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

**COUNTY OF LAWRENCE, PENNSYLVANIA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	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	\$ 19,041,532	\$ 2,029,250	\$ 1,905,639	\$ -	\$ 688,457	\$ 1,991,298	\$ 580,908	\$ 2,950,760	\$ 3,905,247	\$ 33,093,091
Restricted Cash	416,419	-	-	-	-	-	-	-	289,006	705,425
Receivables:										
Taxes	1,877,352	-	-	-	-	-	-	-	-	1,877,352
Other	1,116,264	11,889	270,051	4,480,135	87,515	-	6,312,641	-	1,195,826	13,474,321
Due from Other Funds	132,118	-	77,080	662,136	-	-	-	-	141,151	1,012,485
Prepaid Assets	130,082	-	-	-	-	8,683	-	-	72,994	211,759
Total Assets	\$ 22,713,767	\$ 2,041,139	\$ 2,252,770	\$ 5,142,271	\$ 775,972	\$ 1,999,981	\$ 6,893,549	\$ 2,950,760	\$ 5,604,224	\$ 50,374,433
Liabilities										
Accounts Payable	\$ 1,007,923	\$ 15,711	\$ 614,010	\$ 959,045	\$ 307,277	\$ 1,500	\$ 214	\$ 54,509	\$ 286,377	\$ 3,246,566
Cash Overdraft	-	-	-	3,376,342	-	-	-	-	42,685	3,419,027
Accrued Liabilities	435,882	-	9,713	35,697	-	-	2,929	-	41,374	525,595
Due to Other Funds	739,253	-	-	113	-	105,412	-	-	167,707	1,012,485
Escrow Liability	416,419	-	-	-	-	-	-	-	4,644	421,063
Unearned Revenues	-	1	1,629,047	771,074	468,695	1,893,069	-	-	606,054	5,367,940
Total Liabilities	\$ 2,599,477	\$ 15,712	\$ 2,252,770	\$ 5,142,271	\$ 775,972	\$ 1,999,981	\$ 3,143	\$ 54,509	\$ 1,148,841	13,992,676
Deferred Inflows of Resources										
Unavailable Revenue - Property Taxes	\$ 1,264,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,264,680
Unavailable Revenue - Opioid Settlement	-	-	-	-	-	-	6,314,465	-	-	6,314,465
Total Deferred Inflows of Resources	\$ 1,264,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,314,465	\$ -	\$ -	\$ 7,579,145
Fund Balances										
Reserved										
Nonspendable	\$ 130,082	\$ -	\$ -	\$ -	\$ -	\$ 8,683	\$ -	\$ -	\$ 74,656	\$ 213,421
Restricted	-	2,025,427	-	-	-	-	575,891	2,896,251	4,380,727	9,878,296
Assigned										
Funds to be used for future capital projects	2,500,000	-	-	-	-	-	-	-	-	2,500,000
Unassigned	16,219,528	-	-	-	-	(8,683)	-	-	-	16,210,845
Total Fund Balances	\$ 18,849,610	\$ 2,025,427	\$ -	\$ -	\$ -	\$ -	\$ 575,891	\$ 2,896,251	\$ 4,455,383	\$ 28,802,562
Total Liabilities and Fund Balances	\$ 22,713,767	\$ 2,041,139	\$ 2,252,770	\$ 5,142,271	\$ 775,972	\$ 1,999,981	\$ 6,893,499	\$ 2,950,760	\$ 5,604,224	\$ 50,374,383

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, 2023**

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

Total fund balances of governmental funds	\$	28,802,562
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$90,159,730 and the accumulated depreciation is \$48,770,126.		41,389,604
Revenues not available to pay for current period expenditures and therefore reported as deferred inflows of resources in the funds:		
Real estate taxes		1,264,680
Opioid Settlement		6,314,465
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	(26,135,000)	
Unamortized Premium	(161,831)	
Accrued interest on long-term debt	(117,049)	
Lease Payable	(891,626)	
Net Pension Asset	659,749	
Deferred Outflows of Resources - Pension	4,341,447	
Deferred Inflows of Resources - Pension	(188,178)	
Compensated Absences	(1,109,369)	
	(23,601,857)	
Total net position of governmental activities	\$	54,169,454

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

COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	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	\$ 28,606,011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,748,518	\$ 31,354,529
Intergovernmental revenue	1,818,488	608,164	8,292,884	11,053,190	4,621,557	3,709,129	500,588	30,000	7,326,155	37,960,155
Charges for services	4,315,813	-	-	-	-	-	-	-	701,180	5,016,993
Interest income	792,642	51,654	54,382	-	-	-	13,822	89,793	102,316	1,104,609
Other revenue	304,767	-	409,837	268,036	-	-	-	-	627	983,267
Total Revenues	35,837,721	659,818	8,757,103	11,321,226	4,621,557	3,709,129	514,410	119,793	10,878,796	76,419,553
Expenditures										
Current operating:										
General government	7,390,861	-	-	-	-	2,791,821	-	145,262	3,184,803	13,512,747
Judicial	10,565,589	-	-	-	-	-	165,664	69,182	1,964,512	12,764,947
Public safety	8,927,768	-	-	-	-	372,980	-	235,548	2,144,653	11,680,949
Public works	-	770,208	-	-	-	-	-	-	396,301	1,166,509
Human services	-	-	9,059,378	13,705,854	4,621,557	276,105	545,935	31,670	353,687	28,594,186
Culture and recreation	259,390	-	-	-	-	-	-	-	475,085	734,475
Conservation and development	2,974,763	-	-	-	-	268,223	-	87,785	-	3,330,771
Miscellaneous	30,784	-	-	-	-	-	-	-	-	30,784
Debt service										
Principal	-	-	-	-	-	-	-	-	1,640,000	1,640,000
Interest	-	-	-	-	-	-	-	-	1,007,046	1,007,046
Total Expenditures	30,149,155	770,208	9,059,378	13,705,854	4,621,557	3,709,129	711,599	569,447	11,166,087	74,462,414
Excess (deficiency) of revenues over expenditures	5,688,566	(110,390)	(302,275)	(2,384,628)	-	-	(197,189)	(449,654)	(287,291)	1,957,139
Other financing sources (uses)										
Transfers in	556,463	-	341,060	2,501,086	-	-	-	-	1,197,408	4,596,017
Transfers out	(4,039,554)	-	(38,785)	(116,458)	-	-	-	-	(401,220)	(4,596,017)
Total other financing sources (uses)	(3,483,091)	-	302,275	2,384,628	-	-	-	-	796,188	-
Net change in fund balance	2,205,475	(110,390)	-	-	-	-	(197,189)	(449,654)	508,897	1,957,139
Fund balance, beginning of year	16,644,135	2,135,817	-	-	-	-	773,080	3,345,905	3,946,486	26,845,423
Fund balance, end of year	\$ 18,849,610	\$ 2,025,427	\$ -	\$ -	\$ -	\$ -	\$ 575,891	\$ 2,896,251	\$ 4,455,383	\$ 28,802,562

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, 2023**

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

Net Change in fund balances - total governmental funds		\$ 1,957,139
<p>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.</p>		
Capital outlays	1,590,701	
Depreciation expense	<u>(3,104,822)</u>	(1,514,121)
<p>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.</p>		
Amortization of bond premium	18,064	
Change in interest payable on long-term debt	8,043	
Additions to lease payable	(3,360)	
Payments of lease payable	73,372	
Principal repayments	<u>1,640,000</u>	1,736,119
Governmental funds do not report the changes in compensated absences:		(275,407)
Governmental funds do not report the changes in the net pension liability and other related items.		(308,431)
<p>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.</p>		
Current year	1,264,680	
Prior year	<u>(984,110)</u>	280,570
Certain Revenues are not available for use in the governmental funds		
Opioid Settlement		<u>(450,517)</u>
Changes in net position of governmental activities		<u>\$ 1,425,353</u>

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

**COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

<u>Assets</u>	<u>Employee Retirement</u>	<u>Other Custodial Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 1,021,079	\$ 3,807,515	\$ 4,828,594
Investments	94,942,403	-	94,942,403
Accounts Receivable	-	240,805	240,805
Total Assets	\$ 95,963,482	\$ 4,048,320	\$ 100,011,802
<u>Liabilities</u>			
Liabilities			
Accounts Payable	\$ -	\$ 166,161	\$ 166,161
Due to Other Governments	-	1,449,998	1,449,998
Due to Others	-	2,294,388	2,294,388
Total Liabilities	\$ -	\$ 3,910,547	\$ 3,910,547
<u>Net Positon</u>			
Restricted For:			
Individuals, Organizations and Other Governments	\$ -	\$ 137,773	\$ 137,773
Employees' Pension Benefits	95,963,482	-	95,963,482
Total Net Position	\$ 95,963,482	\$ 137,773	\$ 96,101,255

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, 2023

	Employee Retirement Trust Fund	Other Custodial Funds	Total
<u>Additions:</u>			
Property Tax Collected for Other Governments	\$ -	\$ 6,650,056	\$ 6,650,056
Inheritance Tax Collected for Other Governments	-	1,540,804	1,540,804
Fees Collected for Other Governments	-	15,822,356	15,822,356
Contributions:			
Employee	2,030,335	-	2,030,335
Other	(18,231)	-	(18,231)
County Contribution	488,941	-	488,941
Total Contributions	2,501,045	-	2,501,045
Due to Others			
Investment Income:			
Net Gain in Fair Value of Investments	11,520,808	-	11,520,808
Interest and Dividends	1,689,558	76,441	1,765,999
Net Accrued Interest	4,561	-	4,561
Total Investment Income	13,214,927	76,441	13,291,368
Less:			
Investment Expense	(130,820)	-	(130,820)
Net Investment Income	13,084,107	76,441	13,160,548
Total Additions	15,585,152	24,089,657	39,674,809
<u>Deductions:</u>			
Employee Benefits Paid	5,160,921	-	5,160,921
Administrative Expenses	178,354	517,116	695,470
Property Tax Collections to Other Governments	-	3,298,563	3,298,563
Inheritance Tax Collections to Other Governments	-	1,540,804	1,540,804
Fees Collected to Other Governments	-	5,958,155	5,958,155
Inmate Disbursements	-	464,603	464,603
Payments to Other Entities	-	12,390,158	12,390,158
Total Deductions	5,339,275	24,169,399	29,508,674
Change in Net Position	10,245,877	(79,742)	10,166,135
Net Position, Beginning of Year	85,717,605	217,515	85,935,120
Net Positon, End of Year	\$ 95,963,482	\$ 137,773	\$ 96,101,255

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

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

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

the primary government. The effect of interfund activity has been removed from these statements.

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, 2023

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 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, 2023

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 \$3,419,027 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, 2023, and appropriate interfund receivables or payables have been established accordingly.

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2023

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 has a noncancellable lease for equipment. The County recognizes a 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 \$466,730.

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, 2023

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, 2023

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

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2023

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)

funds can only be accomplished by a formal action of the Commissioners prior to fiscal year end.

- 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

The County adopted the provisions of GASB issued Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. The adoption of this standard had no effect on the County’s financial statements.

The County adopted the provisions of GASB issued statement No. 96 “Subscription-Based Information Technology Arrangements”. The adoption of this standard had no effect on the County’s financial statements.

16. Pending Changes in Accounting Principles

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.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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)

In December 2023, the GASB issued Statement No. 102 "Certain Risk Disclosures". The County is required to adopt Statement No. 102 for its fiscal year 2025 financial statements.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements". The County is required to adopt Statement No. 103 for its fiscal year 2026 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 2023 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.

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.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS

As of December 31, 2023, the County had the following investments:

	<u>Cost</u>	<u>Market</u>
Fiduciary Funds		
Retirement Funds		
Equity Mutual Funds	\$ 43,090,255	\$ 51,973,384
Fixed Income Mutual Funds	26,492,972	25,195,469
Miscellaneous	15,307,726	17,773,550
	<u>84,890,953</u>	<u>94,942,403</u>
Total Fiduciary Fund Investments	<u>\$ 84,890,953</u>	<u>\$ 94,942,403</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, 2023, the County’s cash balances for its governmental and custodial fund were \$41,413,546 and its bank balances were \$34,956,421. Of these bank balances, \$34,378,892 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, 2023 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, 2023:

165,620 shares of Artisan (Mutual Fund-Equity) which represents 6.10 percent of the Retirement Fund's Assets.

351,553 shares of Dodge Cox (Mutual Funds- Equity) which represent 6.08 percent of the Retirement Fund’s Assets.

159,796 shares of Fidelity 500 (Mutual Fund-Equity) which represents 30.65 percent of the Retirement Fund's Assets.

487,785 shares of Fidelity (Mutual Fund-Equity) which represents 7.43 percent of the Retirement Fund's Assets.

1,071,864 shares of Fidelity US Bond Index (Fixed Income) which represents 12.96 percent of the Retirement Fund's Assets.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

333,614 shares of Parametric (Mutual Funds- Balanced) which represents 5.26 percent of the Retirement Fund's Assets.

4,649,956 shares of Iif Hedged LP (Partnerships/Joint Ventures) which represents 5.39 percent of the Retirement Fund's Assets.

2,390 shares of Clarion Lion (Partnerships/Joint Ventures) which represents 5.68 percent of the Retirement Fund's Assets.

237,865 shares of Mfs Low (Partnerships/Joint Ventures) which represents 5.16 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, 2023, the County had the following recurring fair value measurements:

	December 31, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Invesments Measured by Fair Value Level				
Equity Mutual Funds	\$ 51,973,384	\$ 51,973,384	\$ -	\$ -
Fixed Income Mutual Funds	25,195,469	25,195,469	-	-
Total Investments by Fair Value Levels	\$ 77,168,853	\$ 77,168,853	\$ -	\$ -
Investments measured at the net asset Value (NAV)				
	Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	
Real Estate Funds (1)	\$ 12,041,562	Quarterly	30-60 Days	
Global Opportunities Hedge Funds (2)	5,731,988	Quarterly	30-60 Days	
Total Investments measured at the NAV	\$ 17,773,550			
Total Investments measured at fair value	\$ 94,942,403			

- (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

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

- (2) 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.
- (3) *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 2023, 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 2023 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 2023 real estate taxes levied was \$31,115,302 based on a total County assessed valuation of \$3,744,770,987. Based on the 2023 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, 2023

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 546,459	\$ -	\$ -	\$ 546,459
Construction in Progress	421,127	333,006	(209,940)	544,193
Total Capital Assets, Not Being Depreciated	<u>967,586</u>	<u>333,006</u>	<u>(209,940)</u>	<u>1,090,652</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	37,888,053	-	-	37,888,053
Equipment and Vehicles	16,126,824	1,464,275	-	17,591,099
Right of Use - Equipment and Vehicles	57,415	3,360	(2,003)	58,772
Infrastructure	32,554,882	-	-	32,554,882
Right of Use - Infrastructure	976,272	-	-	976,272
Total Capital Assets, Being Depreciated	<u>87,603,446</u>	<u>1,467,635</u>	<u>(2,003)</u>	<u>89,069,078</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(21,821,118)	(967,760)	-	(22,788,878)
Equipment and Vehicles	(10,815,677)	(1,412,177)	-	(12,227,854)
Right of Use - Equipment and Vehicles	(16,676)	(14,897)	2,003	(29,570)
Infrastructure	(12,940,386)	(636,538)	-	(13,576,924)
Right of Use - Infrastructure	(73,450)	(73,450)	-	(146,900)
Total Accumulated Depreciation	<u>(45,667,307)</u>	<u>(3,104,822)</u>	<u>2,003</u>	<u>(48,770,126)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,936,139</u>	<u>(1,637,187)</u>	<u>-</u>	<u>40,298,952</u>
Governmental Activities Capital Assets, Net	<u>\$ 42,903,725</u>	<u>\$ (1,304,181)</u>	<u>\$ (209,940)</u>	<u>\$ 41,389,604</u>

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

Governmental Activities:	
General Government - Administrative	\$ 506,768
General Government - Judicial	107,910
Public Safety	1,736,937
Public Works	668,229
Human Services	10,632
Culture and Recreation	34,226
Conservation and Development	40,120
	<u> </u>
Total Depreciation expense - Governmental Activities	<u>\$ 3,104,822</u>

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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
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 2023 measurement period, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	331
Inactive plan member entitles to but not yet receiving benefits	60
Active plan members	383
	<u>774</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.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Description of Plan (Continued)

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, 2023, 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.

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, 2023, the County has a balance of \$26,527,860 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, 2023. Since these accumulations represent the present value as of December 31, 2023 of future benefits, the reserve balance and liability are identical.

The County has a balance of \$15,191,923 in the County Annuity Reserve Account as of December 31, 2023. 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 \$44,118,750 as of December 31, 2023. 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, 2023 and update procedures were used to roll forward the total pension liability to the December 31, 2023 measurement date. The components of the net pension liability of the County for the 2023 measurement period were as follows:

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Reporting (Continued)

Total Pension Liability	\$ 95,303,733
Plan Fiduciary Net Position	95,963,482
Net Pension Liability (Asset)	\$ (659,749)

Plan fiduciary net position as a percentage of the total pension liability	100.69%
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Changes in the County's net pension liability for the plan for the year ended December 31, 2023 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at 12/31/22	\$ 91,919,846	\$ 85,717,605	\$ 6,202,241
Service Cost	1,942,707	-	1,942,707
Interest Cost	6,192,063	-	6,192,063
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	410,038	-	410,038
Changes of Assumptions	-	-	-
Contributions - Employer	-	488,941	(488,941)
Contributions - Member	-	2,030,335	(2,030,335)
Net Investment Income	-	13,084,107	(13,084,107)
Benefit Payments, including Refunds of Member contributions	(5,160,921)	(5,160,921)	-
Administrative Expense	-	(178,354)	178,354
Other Changes	-	(18,231)	18,231
Net Changes	<u>3,383,887</u>	<u>10,245,877</u>	<u>(6,861,990)</u>
Balance at 12/31/23	<u>\$ 95,303,733</u>	<u>\$ 95,963,482</u>	<u>\$ (659,749)</u>

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Reporting (Continued)*Deferred Outflows of Resources*

The total pension expense recognized in 2023 for the plan was \$797,372. At December 31, 2023, the County reported deferred outflows and inflows of resources related to the pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 487,019	\$ 188,178
Changes in Assumptions	1,596,036	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>2,258,392</u>	<u>-</u>
Total	<u>\$ 4,341,447</u>	<u>\$ 188,178</u>

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

<u>Year Ended December 31:</u>	<u>Governmental Activities</u>
2024	\$ 1,468,482
2025	1,490,139
2026	2,663,125
2027	<u>(1,468,477)</u>
Total	<u>\$ 4,153,269</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 2023 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	6.75 percent, net of pension plan investment expense, including inflation

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Actuarial Methods and Assumptions (Continued)

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

The actuarial assumptions used in the valuation for the 2023 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.

The following was the Board's asset allocation policy for the 2023 measurement period:

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

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 2023 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Actuarial Methods and Assumptions (Continued)

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
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 6.75 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 6.75 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 or 1-percentage-point higher than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
County's Net Pension Liability (Asset)	\$10,624,469	\$ (659,749)	\$ (8,438,974)

Rate of return. For the 2023 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.62 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 7: LONG-TERM OBLIGATIONS

A summary of changes in long-term debt obligations for 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable:</u>					
General Obligation Bonds	\$ 8,090,000	\$ -	\$ (295,000)	\$ 7,795,000	\$ 310,000
General Obligation Notes	19,685,000	-	(1,345,000)	18,340,000	1,395,000
Total Bonds and Notes Payable	<u>27,775,000</u>	<u>-</u>	<u>(1,640,000)</u>	<u>26,135,000</u>	<u>1,705,000</u>
			Less amounts due within one year	<u>1,705,000</u>	
				<u>24,430,000</u>	
<u>Other Liabilities:</u>					
Lease Obligations	961,638	3,360	(73,372)	891,626	76,143
Compensated Absences	833,962	275,407	-	1,109,369	-
Total Other Liabilities	<u>1,795,600</u>	<u>278,767</u>	<u>(73,372)</u>	<u>2,000,995</u>	<u>76,143</u>
<u>Governmental Activities</u>					
Long-Term Liabilities	<u>\$ 29,570,600</u>	<u>\$ 278,767</u>	<u>\$ (1,713,372)</u>	<u>\$ 28,135,995</u>	<u>\$ 1,781,143</u>

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
2024	1,705,000	\$ 936,388	\$ 2,641,388
2025	1,775,000	869,776	\$ 2,644,776
2026	1,825,000	814,366	\$ 2,639,366
2027	1,890,000	755,703	\$ 2,645,703
2028	1,945,000	693,132	\$ 2,638,132
2029-2033	10,850,000	2,372,933	\$ 13,222,933
2034-2038	4,400,000	770,350	\$ 5,170,350
2039-2042	1,745,000	162,150	\$ 1,907,150
Total	<u>\$ 26,135,000</u>	<u>\$ 7,374,796</u>	<u>\$ 33,509,796</u>

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

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 7: LONG-TERM OBLIGATIONS (CONTINUED)

<u>Issuance</u>	<u>Governmental Activities</u> Amount of Original Issue	<u>Purpose</u>	<u>Balance Outstanding</u> <u>December 31, 2023</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.	\$ 18,340,000
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.	7,795,000
Total Long Term Obligations			<u>\$ 26,135,000</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, 2023, are as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General Fund	\$ 132,118	\$ 739,253
Mental Health/ Developmental Services	77,080	-
Children and Youth Services	662,136	113
American Rescue Plan Act Fund	-	105,412
Nonmajor Governmental Funds	141,151	167,707
Total Interfund Balances	<u>\$ 1,012,485</u>	<u>\$ 1,012,485</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.

NOTE 9: INTERFUND OPERATING TRANSFERS

Interfund operating transfers are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 556,463	\$ 4,039,554
Mental Health/ Developmental Services	341,060	38,785
Children and Youth Services	2,501,086	116,458
Nonmajor Governmental Funds	1,197,408	401,220
Total Interfund Balances	<u>\$ 4,596,017</u>	<u>\$ 4,596,017</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.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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, 2023

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:

<u>Major Funds:</u>		
General Fund	Non-spendable:	
	These amounts are prepaid expenses	\$ 130,082
	Unassigned	\$ 16,219,528
	Assigned Funds:	
	These funds are to be used for future capital projects	2,500,000
Liquid Fuels	Restricted Funds:	
	These funds are restricted for Road and Bridges Improvement	2,025,427
American Rescue Plan Act Fund	Non-spendable:	
	These amounts are prepaid expenses	8,683
	Unassigned	(8,683)
Opioid Settlement Fund	Restricted Funds:	
	These funds are restricted to be used to respond to the opioid epidemic	575,891
Capital Projects	Restricted Funds:	
	These funds are restricted to be used for future capital projects	2,896,251
<u>Nonmajor Governmental Funds:</u>		
Debt Service Fund	Non-spendable:	
	These amounts are prepaid expenses	1,950
Special Revenue Funds	Non-spendable:	
	These amounts are prepaid expenses	72,706
	Restricted Funds:	
	These funds are restricted within the departments of General Government	1,302,471
	These funds are restricted within the Judicial System	1,945,465
	These funds are restricted within Public Safety programs	315,296
	These funds are restricted within Public Works programs	547,380
	These funds are restricted within Human Services programs	270,115
	Total Special Revenue Funds	<u>\$4,453,433</u>

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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 2023, eleven (11) properties received an exemption from County's real estate property tax. The total County tax abated during 2023 was \$43,053 related to various projects throughout the County.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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.

	<u>Beginning Balance</u>	<u>Lease Additions</u>	<u>Lease Payments</u>	<u>Ending Balance</u>	<u>Due within 1 year</u>
Governmental Activities	\$ 961,638	\$ 3,360	\$ (73,372)	\$ 891,626	\$ 76,143

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, 2023, was \$7,749, of which \$3,563 was outstanding as of December 31, 2023. A corresponding right of use asset was initially recorded in the amount of \$11,760, and there was \$6,922 of accumulated amortization as of December 31, 2023.

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, 2023, was \$37,211, of which \$26,727 was outstanding as of December 31, 2023. A corresponding right of use asset was initially recorded in the amount of \$47,012, and there was \$19,281 of accumulated amortization as of December 31, 2023.

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, 2023, was \$920,038, of which \$861,338 was outstanding as of December 31, 2023. A corresponding right of use asset was initially recorded in the amount of \$976,273, and there was \$137,610 of accumulated amortization as of December 31, 2023.

Future maturities of lease obligations are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 76,143	\$ 37,891	\$ 114,034
2025	49,667	33,741	83,408
2026	43,866	31,758	75,624
2027	41,982	29,965	71,947
2028	43,509	28,127	71,636
2029-2033	245,446	110,560	356,006
2034-2038	304,202	51,804	356,006
2039-2041	86,811	2,190	89,001
	<u>\$ 891,626</u>	<u>\$ 326,036</u>	<u>\$ 1,217,662</u>

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 15: EXCESS OF EXPENDITURES OVER APPROPRIATION IN MAJOR FUND

For the year ended December 31, 2023, the Liquid Fuels Fund's overall expenditures exceeded total appropriations by \$87,708 or 12.85% and the MH/DS Fund's overall expenditures exceeded total appropriations by \$220,639 or 2.50%, of which were covered by greater than anticipated state and federal revenue.

NOTE 16: SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 30, 2024, the date the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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

	<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>	<u>2023</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	\$ 1,942,707
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	6,192,063
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)	410,038
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)	(5,160,921)
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	3,383,887
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	91,919,846
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	\$ 95,303,733
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	\$ 488,941
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	2,030,335
Net investment income	3,421,263	310,518	3,603,333	12,265,873	(2,576,952)	13,867,938	8,743,182	14,262,706	(12,908,093)	13,084,107
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)	(5,160,921)
Administrative expense	(118,077)	(145,898)	(145,139)	(177,837)	(139,915)	(128,945)	(139,629)	(213,731)	(192,671)	(178,354)
Other	3,153	2,551	93,447	(1,740,210)	223,759	152,499	181,257	188	(1,935,747)	(18,231)
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)	10,245,877
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	85,717,605
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	\$ 95,963,482
County's net pension liability (asset) - 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	\$ (659,749)
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%	100.69%
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	\$ 17,496,036
County's net pension liability (asset) as a percentage of covered payroll	9.91%	31.83%	-13.25%	-41.97%	-1.28%	-51.64%	-49.32%	-96.43%	36.34%	-3.77%

COUNTY OF LAWRENCE
 SCHEDULE OF COUNTY CONTRIBUTIONS - LAST TEN YEARS

	<u>2023</u>	<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>
Actuarially determined contribution	\$ 488,941	\$ 110,167	\$ 287,949	\$ 586,051	\$ 966,907	\$ 946,207	\$ 817,771	\$ 1,080,912	\$ 1,012,536	\$ 966,903
Contributions in relation to the actuarially determined contribution	488,941	110,167	287,949	586,051	483,454	946,207	817,771	10,699,205	1,072,536	1,026,903
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 483,453	\$ -	\$ -	\$ (9,618,293)	\$ (60,000)	\$ (60,000)
Covered payroll	\$ 17,496,036	\$ 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
Contributions as a percentage of covered payroll	2.79%	0.65%	1.68%	3.38%	2.85%	5.64%	4.96%	69.15%	7.07%	7.05%

Notes to Schedule

Valuation date January 1, 2023

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 YEARS

	<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>	<u>2023</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%	13.62%

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes, Real estate	\$ 28,573,367	\$ 28,573,367	\$ 28,606,011	\$ 32,644
Intergovernmental grants	1,554,107	1,554,107	1,818,488	264,381
Charges for services	3,600,499	3,600,499	4,315,813	715,314
Interest income	34,500	34,500	792,642	758,142
Other revenue	1,219,489	1,219,489	304,767	(914,722)
Total Revenues	<u>34,981,962</u>	<u>34,981,962</u>	<u>35,837,721</u>	<u>855,759</u>
Expenditures				
Current operating:				
General government	8,392,586	8,392,586	7,390,861	1,001,725
Judicial	10,433,407	10,433,407	10,565,589	(132,182)
Public safety	9,148,852	9,148,852	8,927,768	221,084
Culture and Recreation	282,023	282,023	259,390	22,633
Conservation and development	2,004,684	2,004,684	2,974,763	(970,079)
Miscellaneous	16,000	16,000	30,784	(14,784)
Total Expenditures	<u>30,277,552</u>	<u>30,277,552</u>	<u>30,149,155</u>	<u>128,397</u>
Excess (deficiency) of revenues over expenditures	<u>4,704,410</u>	<u>4,704,410</u>	<u>5,688,566</u>	<u>984,156</u>
Other financing sources (uses)				
Transfers in	281,395	281,395	556,463	275,068
Transfers out	(4,991,805)	(4,991,805)	(4,039,554)	952,251
Total other financing sources (uses)	<u>(4,710,410)</u>	<u>(4,710,410)</u>	<u>(3,483,091)</u>	<u>1,227,319</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	<u>\$ 2,205,475</u>	<u>\$ 2,211,475</u>

COUNTY OF LAWRENCE
 BUDGETARY COMPARISON SCHEDULE – LIQUID FUELS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental grants	\$ 250,000	\$ 250,000	\$ 608,164	\$ 358,164
Interest income	2,500	2,500	51,654	49,154
Other revenue	430,000	430,000	-	(430,000)
Total Revenues	<u>682,500</u>	<u>682,500</u>	659,818	<u>(22,682)</u>
Expenditures				
Current operating:				
Public works	682,500	682,500	770,208	(87,708)
Total Expenditures	<u>682,500</u>	<u>682,500</u>	770,208	<u>(87,708)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	(110,390)	(110,390)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	\$ (110,390)	<u>\$ (110,390)</u>

COUNTY OF LAWRENCE
 BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH/DEVELOPMENTAL SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental grants	\$ 7,744,313	\$ 7,744,313	\$ 8,292,884	\$ 548,571
Interest income	3,500	3,500	54,382	50,882
Other revenue	800,000	800,000	409,837	(390,163)
Total Revenues	<u>8,547,813</u>	<u>8,547,813</u>	<u>8,757,103</u>	<u>209,290</u>
Expenditures				
Current operating:				
Human services	8,838,739	8,838,739	9,059,378	(220,639)
Total Expenditures	<u>8,838,739</u>	<u>8,838,739</u>	<u>9,059,378</u>	<u>(220,639)</u>
Excess (deficiency) of revenues over expenditures	<u>(290,926)</u>	<u>(290,926)</u>	<u>(302,275)</u>	<u>(11,349)</u>
Other financing sources (uses)				
Transfers in	320,926	320,926	341,060	20,134
Transfers out	(30,000)	(30,000)	(38,785)	(8,785)
Total other financing sources (uses)	<u>290,926</u>	<u>290,926</u>	<u>302,275</u>	<u>11,349</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF LAWRENCE
 BUDGETARY COMPARISON SCHEDULE – CHILDREN & YOUTH SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental grants	\$ 12,191,255	\$ 12,191,255	\$ 11,053,190	\$ (1,138,065)
Other revenue	120,000	120,000	268,036	148,036
Total Revenues	<u>12,311,255</u>	<u>12,311,255</u>	<u>11,321,226</u>	<u>(990,029)</u>
Expenditures				
Current operating:				
Human Services	15,294,255	15,294,255	13,705,854	1,588,401
Total Expenditures	<u>15,294,255</u>	<u>15,294,255</u>	<u>13,705,854</u>	<u>1,588,401</u>
Excess (deficiency) of revenues over expenditures	<u>(2,983,000)</u>	<u>(2,983,000)</u>	<u>(2,384,628)</u>	<u>598,372</u>
Other financing sources (uses)				
Transfers in	3,062,000	3,062,000	2,501,086	(560,914)
Transfers out	(79,000)	(79,000)	(116,458)	(37,458)
Total other financing sources (uses)	<u>2,983,000</u>	<u>2,983,000</u>	<u>2,384,628</u>	<u>(598,372)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF LAWRENCE
 BUDGETARY COMPARISON SCHEDULE – AMERICAN RESCUE PLAN ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental grants	\$ -	\$ -	\$ 3,709,129	\$ 3,709,129
Interest income	20,000	20,000	-	(20,000)
Other revenue	7,000,000	7,000,000	-	(7,000,000)
Total Revenues	<u>7,020,000</u>	<u>7,020,000</u>	<u>3,709,129</u>	<u>(3,310,871)</u>
Expenditures				
Current operating:				
General government	6,743,895	6,743,895	2,791,821	3,952,074
Human Services	276,105	276,105	276,105	-
Public safety	-	-	372,980	(372,980)
Total Expenditures	<u>7,020,000</u>	<u>7,020,000</u>	<u>3,440,906</u>	<u>3,579,094</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>268,223</u>	<u>268,223</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,223</u>	<u>\$ 268,223</u>

**OTHER
SUPPLEMENTARY
INFORMATION**

COUNTY OF LAWRENCE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2023

Assets	Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Cash and Cash Equivalents	\$ -	\$ 3,905,247	\$ 3,905,247
Restricted cash	-	289,006	289,006
Receivables:			
Other	-	1,195,826	1,195,826
Due from Other Funds	-	141,151	141,151
Prepaid expenses	1,950	71,044	72,994
Total Assets	\$ 1,950	\$ 5,602,274	\$ 5,604,224
Liabilities			
Accounts Payable	\$ -	\$ 286,377	\$ 286,377
Cash Overdraft	-	42,685	42,685
Accrued Liabilities	-	41,374	41,374
Due to other funds	-	167,707	167,707
Escrow Liability	-	4,644	4,644
Unearned Revenue	-	606,054	606,054
Total Liabilities	\$ -	\$ 1,148,841	\$ 1,148,841
Fund Balance			
Fund Balance:			
Nonspendable	\$ 1,950	\$ 72,706	\$ 74,656
Restricted	-	4,380,727	4,380,727
Total Fund Balance	1,950	4,453,433	4,455,383
Total Liabilities and Fund Balance	\$ 1,950	\$ 5,602,274	\$ 5,604,224

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 2,273,433	\$ 475,085	\$ 2,748,518
Intergovernmental Revenue	-	7,326,155	7,326,155
Charges for Services	-	701,180	701,180
Interest Income	-	102,316	102,316
Other Revenue	-	627	627
Total Revenues	<u>2,273,433</u>	<u>8,605,363</u>	<u>10,878,796</u>
Expenditures			
Current Operating:			
General Government	1,125	3,183,678	3,184,803
Judicial	-	1,964,512	1,964,512
Public Safety	-	2,144,653	2,144,653
Public Works	-	396,301	396,301
Human Services	-	353,687	353,687
Culture and Recreation	-	475,085	475,085
Debt Service			
Principal	1,640,000	-	1,640,000
Interest	1,007,046	-	1,007,046
Total Expenditures	<u>2,648,171</u>	<u>8,517,916</u>	<u>11,166,087</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(374,738)</u>	<u>87,447</u>	<u>(287,291)</u>
Other Financing Sources (Uses)			
Transfers in	636,303	561,105	1,197,408
Transfers out	(260,365)	(140,855)	(401,220)
Total other financing sources (uses)	<u>375,938</u>	<u>420,250</u>	<u>796,188</u>
Net Change in Fund Balance	1,200	507,697	508,897
Fund Balance, Beginning of Year	<u>750</u>	<u>3,945,736</u>	<u>3,946,486</u>
Fund Balance, End of Year	<u>\$ 1,950</u>	<u>\$ 4,453,433</u>	<u>\$ 4,455,383</u>

COUNTY OF LAWRENCE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2023

	<u>Domestic Relations</u>	<u>Records Improvement</u>	<u>Automation</u>	<u>Substance Abuse</u>	<u>Telephone Revenue</u>	<u>JPO</u>	<u>Election Integrity Fund</u>	<u>Drug Task Force</u>
<hr/> Assets <hr/>								
Cash and Cash equivalents	\$ 290,174	\$ 308,147	\$ 40,386	\$ 11	\$ 163,605	\$ 3,331	\$ 194,330	\$ 544
Restricted Cash	289,006	-	-	-	-	-	-	-
Receivables:								
Other	346,013	1,170	2,337	999	20,631	171	-	-
Due from Other Funds	141,000	-	-	-	-	-	-	-
Prepaid expenses	1,699	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,067,892</u>	<u>\$ 309,317</u>	<u>\$ 42,723</u>	<u>\$ 1,010</u>	<u>\$ 184,236</u>	<u>\$ 3,502</u>	<u>\$ 194,330</u>	<u>\$ 544</u>
<hr/> Liabilities <hr/>								
Accounts Payable	\$ 6,403	\$ -	\$ -	\$ 1,010	\$ -	\$ 47	\$ 41,859	\$ -
Cash Overdraft	-	-	-	-	-	-	-	-
Accrued Liabilities	19,012	-	-	-	-	-	634	-
Due to other funds	141,000	-	-	-	-	-	-	-
Escrow Liability	4,644	-	-	-	-	-	-	-
Unearned Revenue	11,785	-	-	-	-	-	151,837	-
Total Liabilities	<u>\$ 182,844</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,010</u>	<u>\$ -</u>	<u>\$ 47</u>	<u>\$ 194,330</u>	<u>\$ -</u>
<hr/> Fund Balance <hr/>								
Fund Balance:								
Nonspendable	\$ 1,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	883,349	309,317	42,723	-	184,236	3,455	-	544
Total Fund Balance	<u>\$ 885,048</u>	<u>\$ 309,317</u>	<u>\$ 42,723</u>	<u>\$ -</u>	<u>\$ 184,236</u>	<u>\$ 3,455</u>	<u>\$ -</u>	<u>\$ 544</u>
Total Liabilities and Fund Balance	<u>\$ 1,067,892</u>	<u>\$ 309,317</u>	<u>\$ 42,723</u>	<u>\$ 1,010</u>	<u>\$ 184,236</u>	<u>\$ 3,502</u>	<u>\$ 194,330</u>	<u>\$ 544</u>

COUNTY OF LAWRENCE
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2023

	Forfeiture Holding Fund	Library	Victim Witness	DA Forfeiture Fund	Food Program	Records Management	DA Animal Welfare Fund	Act 77 Crimes Victim Act Fund
<u>Assets</u>								
Cash and Cash equivalents	\$ 79,487	\$ 19,606	\$ 15,388	\$ 59,599	\$ 28,735	\$ 119,958	\$ 877	\$ 57,267
Restricted Cash	-	-	-	-	-	-	-	-
Receivables:								
Other	-	-	13,958	-	3,465	4,614	-	4,694
Due from Other Funds	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	5,652	-	-	-	-
Total Assets	\$ 79,487	\$ 19,606	\$ 29,346	\$ 65,251	\$ 32,200	\$ 124,572	\$ 877	\$ 61,961
<u>Liabilities</u>								
Accounts Payable	\$ 75,865	\$ 19,606	\$ -	\$ 28,519	\$ 30,135	\$ -	\$ -	\$ -
Cash Overdraft	-	-	-	-	-	-	-	-
Accrued Liabilities	-	-	965	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Escrow Liability	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	562	-	2,065	-	-	-
Total Liabilities	\$ 75,865	\$ 19,606	\$ 1,527	\$ 28,519	\$ 32,200	\$ -	\$ -	\$ -
<u>Fund Balance</u>								
Fund Balance:								
Nonspendable	\$ -	\$ -	\$ -	\$ 5,652	\$ -	\$ -	\$ -	\$ -
Restricted	3,622	-	27,819	31,080	-	124,572	877	61,961
Total Fund Balance	\$ 3,622	\$ -	\$ 27,819	\$ 36,732	\$ -	\$ 124,572	\$ 877	\$ 61,961
Total Liabilities and Fund Balance	\$ 79,487	\$ 19,606	\$ 29,346	\$ 65,251	\$ 32,200	\$ 124,572	\$ 877	\$ 61,961

COUNTY OF LAWRENCE
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2023

	<u>Emergency Management Grants</u>	<u>DA Approval Fund</u>	<u>Coroner Act 122 Fund</u>	<u>Coroner Act 182 Fund</u>	<u>Register of Wills Automation</u>	<u>DEA - TFO</u>	<u>Marcellus Legacy</u>	<u>Act 13</u>
<u>Assets</u>								
Cash and Cash equivalents	\$ 75,304	\$ 4,591	\$ 2,551	\$ 110,192	\$ 46,912	\$ 15,372	\$ 65,234	\$ 489,560
Restricted Cash	-	-	-	-	-	-	-	-
Receivables:								
Other	37,192	1,001	-	-	200	11,335	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Prepaid expenses	2,638	-	-	-	12	-	-	-
Total Assets	<u>\$ 115,134</u>	<u>\$ 5,592</u>	<u>\$ 2,551</u>	<u>\$ 110,192</u>	<u>\$ 47,124</u>	<u>\$ 26,707</u>	<u>\$ 65,234</u>	<u>\$ 489,560</u>
<u>Liabilities</u>								
Accounts Payable	\$ 3,987	\$ -	\$ 183	\$ 35	\$ 1,110	\$ -	\$ -	\$ 7,414
Cash Overdraft	-	-	-	-	-	-	-	-
Accrued Liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	26,707	-	-
Escrow Liability	-	-	-	-	-	-	-	-
Unearned Revenue	106,847	-	-	-	-	-	-	-
Total Liabilities	<u>\$ 110,834</u>	<u>\$ -</u>	<u>\$ 183</u>	<u>\$ 35</u>	<u>\$ 1,110</u>	<u>\$ 26,707</u>	<u>\$ -</u>	<u>\$ 7,414</u>
<u>Fund Balance</u>								
Fund Balance:								
Nonspendable	\$ 4,300	\$ -	\$ -	\$ -	\$ 12	\$ -	\$ -	\$ -
Restricted	-	5,592	2,368	110,157	46,002	-	65,234	482,146
Total Fund Balance	<u>\$ 4,300</u>	<u>\$ 5,592</u>	<u>\$ 2,368</u>	<u>\$ 110,157</u>	<u>\$ 46,014</u>	<u>\$ -</u>	<u>\$ 65,234</u>	<u>\$ 482,146</u>
Total Liabilities and Fund Balance	<u>\$ 115,134</u>	<u>\$ 5,592</u>	<u>\$ 2,551</u>	<u>\$ 110,192</u>	<u>\$ 47,124</u>	<u>\$ 26,707</u>	<u>\$ 65,234</u>	<u>\$ 489,560</u>

COUNTY OF LAWRENCE
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2023

	911 Fund	APO	PHARE Grant	Hazard Mitigation	CDBG	Demolition	Vehicle Registration Fund	Offender Supervision	Total
Assets									
Cash and Cash equivalents	\$ -	\$ 572,547	\$ 6,398	\$ 456	\$ -	\$ 80,389	\$ 845,516	\$ 208,780	\$ 3,905,247
Restricted Cash	-	-	-	-	-	-	-	-	289,006
Receivables:									
Other	665,106	4,296	-	-	73,154	5,490	-	-	1,195,826
Due from Other Funds	151	-	-	-	-	-	-	-	141,151
Prepaid expenses	61,043	-	-	-	-	-	-	-	71,044
Total Assets	\$ 726,300	\$ 576,843	\$ 6,398	\$ 456	\$ 73,154	\$ 85,879	\$ 845,516	\$ 208,780	\$ 5,602,274
Liabilities									
Accounts Payable	\$ 36,880	\$ 2,839	\$ -	\$ -	\$ 138	\$ -	\$ 30,347	\$ -	\$ 286,377
Cash Overdraft	-	-	-	-	42,685	-	-	-	42,685
Accrued Liabilities	20,763	-	-	-	-	-	-	-	41,374
Due to other funds	-	-	-	-	-	-	-	-	167,707
Escrow Liability	-	-	-	-	-	-	-	-	4,644
Unearned Revenue	295,773	-	6,398	456	30,331	-	-	-	606,054
Total Liabilities	\$ 353,416	\$ 2,839	\$ 6,398	\$ 456	\$ 73,154	\$ -	\$ 30,347	\$ -	\$ 1,148,841
Fund Balance									
Fund Balance:									
Nonspendable	\$ 61,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,706
Restricted	311,841	574,004	-	-	-	85,879	815,169	208,780	4,380,727
Total Fund Balance	\$ 372,884	\$ 574,004	\$ -	\$ -	\$ -	\$ 85,879	\$ 815,169	\$ 208,780	\$ 4,453,433
Total Liabilities and Fund Balance	\$ 726,300	\$ 576,843	\$ 6,398	\$ 456	\$ 73,154	\$ 85,879	\$ 845,516	\$ 208,780	\$ 5,602,274

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Domestic Relations	Records Improvement	Automation	Substance Abuse	Telephone Revenue	JPO	Election Integrity Fund	Drug Task Force
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	1,056,407	-	-	-	-	-	270,977	-
Charges for Services	17,397	42,144	21,250	16,561	116,330	2,151	-	32
Interest Income	12,943	6,917	1,351	85	3,917	78	2,639	16
Other Revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>1,086,747</u>	<u>49,061</u>	<u>22,601</u>	<u>16,646</u>	<u>120,247</u>	<u>2,229</u>	<u>273,616</u>	<u>48</u>
Expenditures								
Current Operating:								
General Government	-	48,362	-	-	-	-	273,616	-
Judicial	1,602,397	-	29,085	-	-	-	-	-
Public Safety	-	-	-	-	44,257	780	-	-
Public Works	-	-	-	-	-	-	-	-
Human Services	-	-	-	16,646	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,602,397</u>	<u>48,362</u>	<u>29,085</u>	<u>16,646</u>	<u>44,257</u>	<u>780</u>	<u>273,616</u>	<u>-</u>
Excess (deficiency) of Revenues over Expenditures	<u>(515,650)</u>	<u>699</u>	<u>(6,484)</u>	<u>-</u>	<u>75,990</u>	<u>1,449</u>	<u>-</u>	<u>48</u>
Other Financing Sources (uses)								
Transfers in	472,720	-	-	-	-	-	-	-
Transfers out	<u>(24,598)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>448,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(67,528)</u>	<u>699</u>	<u>(6,484)</u>	<u>-</u>	<u>75,990</u>	<u>1,449</u>	<u>-</u>	<u>48</u>
Fund Balance, Beginning 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>
Fund Balance, End of Year	<u>\$ 885,048</u>	<u>\$ 309,317</u>	<u>\$ 42,723</u>	<u>\$ -</u>	<u>\$ 184,236</u>	<u>\$ 3,455</u>	<u>\$ -</u>	<u>\$ 544</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	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	\$ -	\$ 475,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	67,590	-	36,846	-	-	-
Charges for Services	-	-	3,999	93,594	-	36,728	250	53,894
Interest Income	2,605	-	1,076	1,690	195	2,997	24	982
Other Revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>2,605</u>	<u>475,085</u>	<u>72,665</u>	<u>95,284</u>	<u>37,041</u>	<u>39,725</u>	<u>274</u>	<u>54,876</u>
Expenditures								
Current Operating:								
General Government	-	-	-	-	-	-	-	-
Judicial	-	-	78,442	109,878	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	37,041	-	-	-
Culture and Recreation	-	475,085	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>475,085</u>	<u>78,442</u>	<u>109,878</u>	<u>37,041</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of Revenues over Expenditures	<u>2,605</u>	<u>-</u>	<u>(5,777)</u>	<u>(14,594)</u>	<u>-</u>	<u>39,725</u>	<u>274</u>	<u>54,876</u>
Other Financing Sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(3,372)	-	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>(3,372)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,605	-	(9,149)	(14,594)	-	39,725	274	54,876
Fund Balance, Beginning 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>
Fund Balance, End of Year	<u>\$ 3,622</u>	<u>\$ -</u>	<u>\$ 27,819</u>	<u>\$ 36,732</u>	<u>\$ -</u>	<u>\$ 124,572</u>	<u>\$ 877</u>	<u>\$ 61,961</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	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	10,764	-	7,559	-	-	60,389	102,059	168,764
Charges for Services	34,582	11,598	-	46,725	3,910	-	-	-
Interest Income	799	97	598	2,666	1,320	2,271	1,536	7,870
Other Revenue	-	-	-	-	-	627	-	-
Total Revenues	<u>46,145</u>	<u>11,695</u>	<u>8,157</u>	<u>49,391</u>	<u>5,230</u>	<u>63,287</u>	<u>103,595</u>	<u>176,634</u>
Expenditures								
Current Operating:								
General Government	-	-	-	-	1,919	-	-	-
Judicial	-	10,000	38,371	18,794	-	-	-	-
Public Safety	46,845	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	66,150	31,474
Human Services	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Total Expenditures	<u>46,845</u>	<u>10,000</u>	<u>38,371</u>	<u>18,794</u>	<u>1,919</u>	<u>-</u>	<u>66,150</u>	<u>31,474</u>
Excess (deficiency) of Revenues over Expenditures	<u>(700)</u>	<u>1,695</u>	<u>(30,214)</u>	<u>30,597</u>	<u>3,311</u>	<u>63,287</u>	<u>37,445</u>	<u>145,160</u>
Other Financing Sources (uses)								
Transfers in	5,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(63,287)	-	-
Total Other Financing Sources (uses)	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,287)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	4,300	1,695	(30,214)	30,597	3,311	-	37,445	145,160
Fund Balance, Beginning of Year, As Restated (Note 14)	<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>
Fund Balance, End of Year	<u>\$ 4,300</u>	<u>\$ 5,592</u>	<u>\$ 2,368</u>	<u>\$ 110,157</u>	<u>\$ 46,014</u>	<u>\$ -</u>	<u>\$ 65,234</u>	<u>\$ 482,146</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	911 Fund	APO	PHARE Grant	Hazard Mitigation	CDBG	Demolition	Vehicle Registration Fund	Offender Supervision	Total
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 475,085
Intergovernmental Revenue	2,059,190	-	300,000	-	2,759,780	-	425,830	-	7,326,155
Charges for Services	-	72,189	-	-	-	71,475	-	56,371	701,180
Interest Income	-	17,320	-	-	1	2,557	23,154	4,612	102,316
Other Revenue	-	-	-	-	-	-	-	-	627
Total Revenues	2,059,190	89,509	300,000	-	2,759,781	74,032	448,984	60,983	8,605,363
Expenditures									
Current Operating:									
General Government	-	-	-	-	2,759,781	100,000	-	-	3,183,678
Judicial	-	-	-	-	-	-	-	77,545	1,964,512
Public Safety	1,975,049	77,722	-	-	-	-	-	-	2,144,653
Public Works	-	-	-	-	-	-	298,677	-	396,301
Human Services	-	-	300,000	-	-	-	-	-	353,687
Culture and Recreation	-	-	-	-	-	-	-	-	475,085
Total Expenditures	1,975,049	77,722	300,000	-	2,759,781	100,000	298,677	77,545	8,517,916
Excess (deficiency) of Revenues over Expenditures	84,141	11,787	-	-	-	(25,968)	150,307	(16,562)	87,447
Other Financing Sources (uses)									
Transfers in	83,385	-	-	-	-	-	-	-	561,105
Transfers out	(49,598)	-	-	-	-	-	-	-	(140,855)
Total Other Financing Sources (uses)	33,787	-	-	-	-	-	-	-	420,250
Net Change in Fund Balance	117,928	11,787	-	-	-	(25,968)	150,307	(16,562)	507,697
Fund Balance, Beginning of Year	254,956	562,217	-	-	-	111,847	664,862	225,342	3,945,736
Fund Balance, End of Year	\$ 372,884	\$ 574,004	\$ -	\$ -	\$ -	\$ 85,879	\$ 815,169	\$ 208,780	\$ 4,453,433

COUNTY OF LAWRENCE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023

	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	\$ 8,181	\$ 12,821	\$ 13,265	\$ 19,478	\$ 599,213	\$ 1,549,091	\$ 3,163	\$ 93,265	\$ 489,295
Accounts Receivable	-	-	-	-	-	-	-	-	-
Total assets	\$ 8,181	\$ 12,821	\$ 13,265	\$ 19,478	\$ 599,213	\$ 1,549,091	\$ 3,163	\$ 93,265	\$ 489,295
Liabilities									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	8,181	12,821	13,265	19,478	599,213	-	-	93,265	82,336
Due to Others	-	-	-	-	-	1,549,091	3,163	-	406,959
Total Liabilities	\$ 8,181	\$ 12,821	\$ 13,265	\$ 19,478	\$ 599,213	\$ 1,549,091	\$ 3,163	\$ 93,265	\$ 489,295
Net Position									
Restricted for Individuals, organizations and Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Position	-	-	-	-	-	-	-	-	-
Total Liabilities and Net Position	\$ 8,181	\$ 12,821	\$ 13,265	\$ 19,478	\$ 599,213	\$ 1,549,091	\$ 3,163	\$ 93,265	\$ 489,295

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)
 CUSTODIAL FUNDS
 DECEMBER 31, 2023

	Register and Recorder	Commissary Account	Employee Welfare	Sheriff Account	TPV Inmate Account	Grocery Account	Inmates Account	Unpaid Restitution	Total
Assets									
Cash and Cash equivalents	\$ 346,750	\$ 135,552	\$ 2,221	\$ 208,734	\$ 1,599	\$ 4,039	\$ 293,062	\$ 27,786	\$ 3,807,515
Accounts Receivable	-	-	-	-	-	240,805	-	-	240,805
Total Assets	\$ 346,750	\$ 135,552	\$ 2,221	\$ 208,734	\$ 1,599	\$ 244,844	\$ 293,062	\$ 27,786	\$ 4,048,320
Liabilities									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,161	\$ -	\$ -	\$ 166,161
Due to Other Governments	346,750	-	-	196,006	-	78,683	-	-	1,449,998
Due to Others	-	-	-	12,728	1,599	-	293,062	27,786	2,294,388
Total Liabilities	\$ 346,750	\$ -	\$ -	\$ 208,734	\$ 1,599	\$ 244,844	\$ 293,062	\$ 27,786	\$ 3,910,547
Net Position									
Restricted for Individuals, organizations and Other Governments	\$ -	\$ 135,552	\$ 2,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,773
Total Net Position	-	135,552	2,221	-	-	-	-	-	137,773
Total Liabilities and Net Position	\$ 346,750	\$ 135,552	\$ 2,221	\$ 208,734	\$ 1,599	\$ 244,844	\$ 293,062	\$ 27,786	\$ 4,048,320

