

COUNTY OF LAWRENCE, PENNSYLVANIA

NEW CASTLE, PENNSYLVANIA

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

COUNTY OF LAWRENCE, PENNSYLVANIA
YEAR ENDED DECEMBER 31, 2021

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-15
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	21
Statement of Fiduciary Net Position – Fiduciary Funds	22
Statement of Revenues, Expenditures, and Changes in Fiduciary Net Position – Fiduciary Funds	23
Notes to the Financial Statements	24-46
Required Supplemental Information	
Schedule of Changes in the Net Pension Liability and Related Ratios	48
Schedule of County Contributions – Last 10 Years	49
Schedule of Investment Returns – Last 10 Years	50
Budgetary Comparison Schedule – General Fund	51
Budgetary Comparison Schedule – Domestic Relations Fund	52
Budgetary Comparison Schedule – Liquid Fuels Fund	53
Budgetary Comparison Schedule – Mental Health/Developmental Services Fund	54
Budgetary Comparison Schedule – Children & Youth Services Fund	55
Budgetary Comparison Schedule – 911 Fund	56
Budgetary Comparison Schedule – American Rescue Plan Act Fund	57
Other Supplemental Information	
Combining Balance Sheet – Nonmajor Governmental Funds	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	60
Combining Balance Sheet – Nonmajor Special Revenue Funds	61-63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	64-66
Combining Statement of Fiduciary Net Position – Custodial Funds	67-68
Combining Statement of Revenues, Expenditures, and Changes in Fiduciary Net Position – Custodial Funds	69-70



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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, 2021, 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, 2021, 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.

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401
210 Tollgate Hill Road, Greensburg, PA 15601



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County of Lawrence
Page 2

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Net Pension Liability and Related Ratio, Schedule of County Contributions - Last 10 Years, Schedule of Investment Returns - Last 10 Years, and Budgetary Comparison Schedule for all Major Governmental Funds on pages 4-15 and 48-57 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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County of Lawrence
Page 3

Other Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022 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

ZELENKOFOSKE AXELROD LLC

Pittsburgh, Pennsylvania
September 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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, 2021. Please read this Management Discussion and Analysis in conjunction with the COUNTY's financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of the following four parts:

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

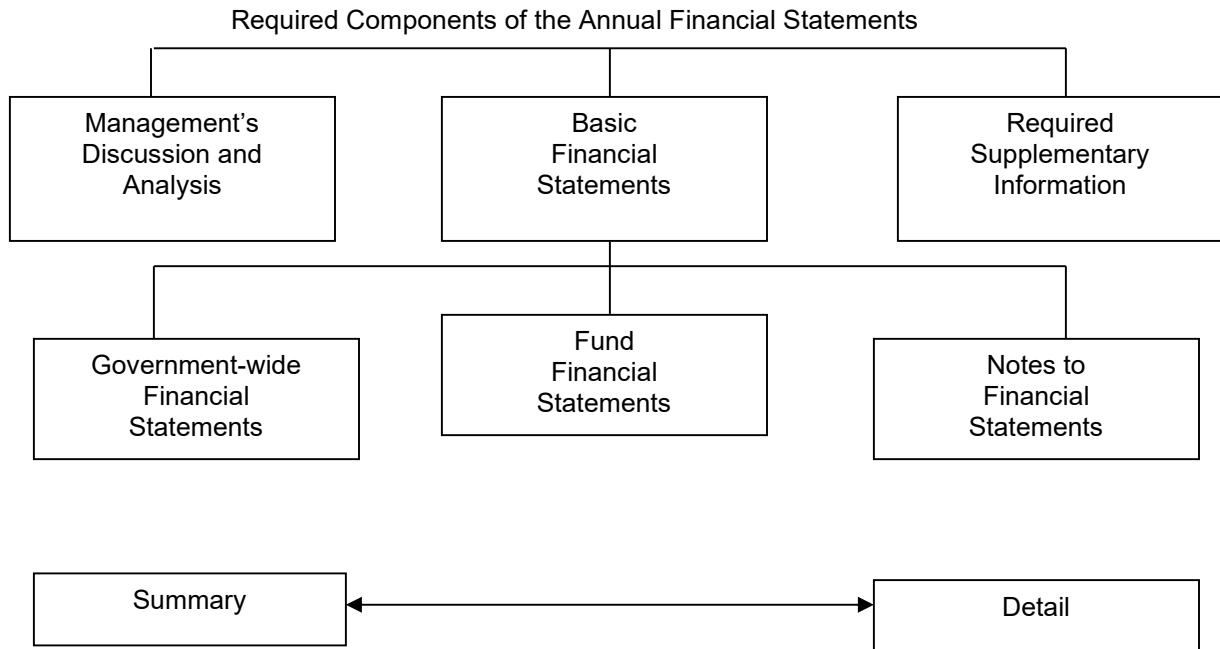
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the COUNTY's government. The basic financial statements include notes that provide additional information essential to a full understanding of the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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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



**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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 net position
Accounting basis and measurement focus	Accrual	Modified Accrual	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, short term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenue for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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

Government-wide financial statements

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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

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

Fund Financial Statements

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

The COUNTY has two kinds of funds:

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

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

The COUNTY adopts an annual budget for the General Fund, as required by state law. The County also adopts a budget for all funds. A budgetary comparison of the COUNTY's General Fund, Domestic Relations Fund, Liquid Fuels Fund, Mental Health/Developmental Services Fund, Children and Youth Services Fund, 911 Fund, and American Rescue Plan Act Fund are presented as required supplementary information.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The COUNTY's total assets were \$98,373,740 at December 31, 2021. Of this amount, \$43,400,266 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 – 2021/2020

	2021	2020	Changes from
	Governmental Activities	Governmental Activities	2021 to 2020
Other Assets	\$ 54,973,474	\$ 29,004,557	\$ 25,968,917
Capital Assets	43,400,266	46,138,357	(2,738,091)
Total Assets	\$ 98,373,740	\$ 75,142,914	\$ 23,230,826
Deferred Outflows- Pensions	\$ 2,676,252	\$ 3,250,452	\$ (574,200)
Total Deferred Outflows	\$ 2,676,252	\$ 3,250,452	\$ (574,200)
Current Liabilities	\$ 24,913,169	\$ 9,201,179	\$ 15,711,990
Long-term Liabilities	29,536,712	31,247,067	(1,710,355)
Total Liabilities	\$ 54,449,881	\$ 40,448,246	\$ 14,001,635
Deferred Inflows- Pensions	\$ 9,857,695	\$ 5,904,670	\$ 3,953,025
Total Deferred Inflows	\$ 9,857,695	\$ 5,904,670	\$ 3,953,025
Net Position			
Net Investment in Capital Assets	\$ 21,270,001	\$ 22,555,222	\$ (1,285,221)
Restricted	12,567,349	5,833,528	6,733,821
Unrestricted	2,905,066	3,651,700	(746,634)
Total Net Position	\$ 36,742,416	\$ 32,040,450	\$ 4,701,966

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Change in Net Position

The following statement of activities represents the change in net position for the year ended December 31, 2021 and December 31, 2020 and changes from 2021 to 2020. It shows revenues by source and expenses by function for governmental activities.

Condensed Statement of Activities

	2021 Governmental Activities	2020 Governmental Activities	Changes from 2021 to 2020
Program Revenues:			
Charges for Services	\$ 6,015,663	\$ 6,373,237	\$ (357,574)
Grants and Contributions	30,777,850	33,259,834	(2,481,984)
General Revenues:			
Taxes	30,057,648	31,013,471	(955,823)
Unrestricted Investment Earnings	30,192	66,276	(36,084)
Miscellaneous Revenue	1,816,236	1,004,162	812,074
Total Revenues	<u>\$ 68,697,589</u>	<u>\$ 71,716,980</u>	<u>\$ (3,019,391)</u>
Expenses:			
General Government - Administrative	\$ 7,607,315	\$ 12,340,842	(4,733,527)
General Government - Judicial	11,059,524	10,752,176	307,348
Public Safety	11,976,564	12,820,097	(843,533)
Public Works	1,773,392	1,032,906	740,486
Human Services	28,192,857	24,222,792	3,970,065
Culture and Recreation	703,231	717,789	(14,558)
Conservation and Development	1,570,984	2,553,086	(982,102)
Miscellaneous	10,680	25,986	(15,306)
Interest on Long-Term Debt	1,101,076	1,137,519	(36,443)
Total Expenses	<u>63,995,623</u>	<u>65,603,193</u>	<u>(1,607,570)</u>
Change in Net Position	<u>4,701,966</u>	<u>6,113,787</u>	<u>(1,411,821)</u>
Net Position - January 1	<u>32,040,450</u>	<u>25,926,663</u>	<u>6,113,787</u>
Net Position - December 31	<u>\$ 36,742,416</u>	<u>\$ 32,040,450</u>	<u>\$ 4,701,966</u>

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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 2021, property taxes brought in \$30,057,648.

Net Cost of Governmental Activities

	2021 Total Cost of Services	2021 Net Cost of Services	2020 Total Cost of Services	2020 Net Cost of Services
Program:				
General Government - Administrative	\$ 7,607,315	\$ (4,395,868)	\$ 12,340,842	\$ (4,929,950)
General Government - Judicial	11,059,524	(8,210,112)	10,752,176	(8,721,376)
Public Safety	11,976,564	(8,606,164)	12,820,097	(5,683,697)
Public Works	1,773,392	(973,034)	1,032,906	(839,578)
Human Services	28,192,857	(2,055,053)	24,222,792	(2,843,933)
Culture and Recreation	703,231	(703,231)	717,789	(713,675)
Conservation and Development	1,570,984	(1,146,892)	2,553,086	(1,074,408)
Miscellaneous	10,680	(10,680)	25,986	(25,986)
Interest on Long-Term Debt	1,101,076	(1,101,076)	1,137,519	(1,137,519)
Total	\$ 63,995,623	\$ (27,202,110)	\$ 65,603,193	\$ (25,970,122)

The COUNTY relied on property taxes and other general revenues to fund 42.5% of its governmental activities in 2021.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Capital Assets

The COUNTY's investment in capital assets at December 31, 2021, net of accumulated depreciation, was \$43,400,266. Capital assets consist primarily of land, buildings and equipment. The following is a summary of capital assets at December 31, 2021:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 546,459	\$ -	\$ -	\$ 546,459
Construction in Progress	959,190	382,911	(1,052,663)	289,438
Total Capital Assets, Not Being Depreciated	1,505,649	382,911	(1,052,663)	835,897
Capital Assets, Being Depreciated:				
Buildings and Improvements	37,135,355	1,052,663	(407,907)	37,780,111
Equipment and Vehicles	15,422,634	84,601	-	15,507,235
Infrastructure	31,993,006	-	-	31,993,006
Total Capital Assets, Being Depreciated	84,550,995	1,137,264	(407,907)	85,280,352
Less Accumulated Depreciation For:				
Buildings and Improvements	(19,906,403)	(947,949)	-	(20,854,352)
Equipment and Vehicles	(8,327,717)	(1,224,447)	-	(9,552,164)
Infrastructure	(11,684,167)	(625,300)	-	(12,309,467)
Total Accumulated Depreciation	(39,918,287)	(2,797,696)	-	(42,715,983)
Total Capital Assets, Being Depreciated, Net	44,632,708	(1,660,432)	(407,907)	42,564,369
Governmental Activities Capital Assets, Net	\$ 46,138,357	\$ (1,277,521)	\$ (1,460,570)	\$ 43,400,266

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

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Debt Administration

At December 31, 2021, the COUNTY had \$31,078,947 of long-term obligations outstanding. Debt decreased 5% from the previous year. The following is a summary of debt obligations for the 2021 year:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 8,655,000	\$ -	\$ (280,000)	\$ 8,375,000	\$ 290,000
General Obligation Notes	23,352,500	-	(1,425,000)	21,927,500	1,455,000
Total Bonds and Notes Payable	32,007,500	-	(1,705,000)	30,302,500	1,745,000
			Less amounts due within one year	1,745,000	
				<u>28,557,500</u>	
Other Liabilities:					
Capital Lease Obligations	-	-	-	-	-
Compensated Absences	718,932	57,515	-	776,447	-
Total Other Liabilities	718,932	57,515	-	776,447	-
Governmental Activities					
Long-Term Liabilities	<u>\$ 32,726,432</u>	<u>\$ 57,515</u>	<u>\$ (1,705,000)</u>	<u>\$ 31,078,947</u>	<u>\$ 1,745,000</u>

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

GOVERNMENTAL FUNDS

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

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source at December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Revenues:		
Taxes	\$ 30,948,045	\$ 30,622,276
Intergovernmental Revenues	31,750,526	33,259,834
Charges for Services	6,013,442	6,373,237
Interest	29,749	66,276
Other	846,225	1,004,162
Transfers In	<u>5,814,272</u>	<u>7,610,710</u>
 Total Revenue	 <u>\$ 75,402,259</u>	 <u>\$ 78,936,495</u>

Charges for services for the year ended 2021 declined due to closures and disruptions as a result of the pandemic. Interest declined due to interest rates declining in 2021.

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Expenditures:		
General Government - Administrative	\$ 7,695,255	\$ 12,435,777
General Government - Judicial	11,232,138	11,023,687
Public Safety	10,935,021	11,549,075
Public Works	1,195,246	414,408
Human Services	29,790,899	24,844,136
Culture and Recreation	707,596	701,844
Conservation and Development	1,961,658	2,591,134
Debt Service	2,834,185	2,875,490
Capital Outlay	-	263,073
Transfers Out	5,814,272	7,610,710
Miscellaneous	<u>10,680</u>	<u>25,986</u>
 Total Expenditures	 <u>\$ 72,176,950</u>	 <u>\$ 74,335,320</u>

General Administrative expenditures decreased due to increased spending in 2020 related to the CARES Act Grant Funds received. Public Works expenditures increased as a result of projects resuming after being previously paused during 2020. Human services expenditures increased due to an increase in grant funding received during 2021. Conservation and Development expenditures decreased as a result of a slight decrease in Planning grants received during 2021. Judicial, Public Safety, and Culture and Recreation expenditures remained relatively level from 2020 to 2021.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

GOVERNMENTAL FUND BALANCES

Ending balances for governmental funds at December 31, 2021 and 2020 were as follows:

<u>Fund</u>	<u>2021</u>	<u>2020</u>
General Fund	\$ 5,985,775	\$ 4,999,724
Domestic Relations	965,704	939,955
Liquid Fuels	2,710,902	3,061,218
Debt Service Fund	750	-
911 Fund	314,781	131,386
Other Governmental Funds	<u>3,961,272</u>	<u>1,518,046</u>
Total Fund Balance	<u>\$ 13,939,184</u>	<u>\$ 10,650,329</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 2021, General Fund expenditures were under budget by \$10,850,894 or 28.41%. Domestic Relations fund expenditures were under budget \$310,798 or 17.78%. Liquid Fuels Fund expenditures were under budget \$1,412,917 or 58.07%. Mental Health/Developmental Services Fund expenditures were under budget by \$2,495,710 or 15.77%. Children and Youth Services Fund expenditures were under budget by \$754,199 or 5.76%. 911 Fund expenditures were under budget \$339,624 or 12.49%. American Rescue Plan Act Fund expenditures were under budget by \$8,291,328 or 99.84%. Detailed information about the COUNTY's 2021 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 2021 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, 2021

		Primary Government Governmental Activities
Assets		
Cash and Cash Equivalents	\$	26,246,272
Restricted Cash		385,632
Receivables (Net, where applicable, of Allowance for Uncollectibles)		
Accounts		9,687,294
Taxes		1,959,281
Prepaid Assets		178,404
Net Pension Asset		16,516,591
Capital Assets: (Net)		
Depreciable		42,564,369
Non-depreciable		835,897
Total Assets	\$	98,373,740
Deferred Outflows of Resources		
Pensions	\$	2,676,252
Liabilities		
Current Liabilities:		
Accounts Payable	\$	6,523,713
Cash Overdraft		4,830,261
Accrued Expenses		420,191
Unearned Revenues		10,877,549
Accrued Interest Payable on Debt		130,823
Escrow Liability		385,632
Current Portions of Long-Term Liabilities:		
Loans and Notes Payable		1,745,000
Non-Current Portions of Long-Term Liabilities:		
Loans and Notes Payable		28,557,500
Bond Premium		202,765
Compensated Absences		776,447
Total Liabilities	\$	54,449,881
Deferred Inflows of Resources		
Pensions	\$	9,857,695
Net Position		
Net Investment in Capital Assets		21,270,001
Restricted Net Position		
Program Purposes		12,567,349
Unrestricted		2,905,066
Total Net Position	\$	36,742,416

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

**COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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	\$ 7,607,315	\$ 2,500,825	\$ 690,622	\$ 20,000	\$ (4,395,868)
General Government - Judicial	11,059,524	1,243,947	1,605,465	-	(8,210,112)
Public Safety	11,976,564	2,099,199	1,271,201	-	(8,606,164)
Public Works	1,773,392	-	800,358	-	(973,034)
Human Services	28,192,857	49,074	26,088,730	-	(2,055,053)
Culture and Recreation	703,231	-	-	-	(703,231)
Conservation and Development	1,570,984	122,618	301,474	-	(1,146,892)
Miscellaneous	10,680	-	-	-	(10,680)
Interest on Long-Term Debt	1,101,076	-	-	-	(1,101,076)
Total Governmental Activities	\$ 63,995,623	\$ 6,015,663	\$ 30,757,850	\$ 20,000	\$ (27,202,110)
General Revenues:					
					30,057,648
					30,192
					1,816,236
					31,904,076
					4,701,966
					32,040,450
					\$ 36,742,416

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

**COUNTY OF LAWRENCE, PENNSYLVANIA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General Fund	Domestic Relations	Liquid Fuels	Mental Health/ Developmental Services	Children and Youth Services	Pass Through Grants	Debt Service Fund	911	American Rescue Plan Act Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets											
Cash and Cash Equivalents	\$ 6,816,199	\$ 737,887	\$ 2,715,122	\$ 3,040,027	\$ -	\$ 470,169	\$ -	\$ -	\$ 8,296,540	\$ 4,170,328	\$ 26,246,272
Investments	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash	357,475	28,157	-	-	-	-	-	-	-	-	385,632
Receivables:											
Taxes	1,959,281	-	-	-	-	-	-	-	-	-	1,959,281
Other Governmental Grants	-	-	-	-	-	-	-	-	-	-	-
Other	598,074	243,845	3,476	1,652,115	5,873,399	232,529	-	481,249	-	602,607	9,687,294
Due from Other Funds	11,655	141,000	5,283	68,656	628,279	-	-	-	-	-	854,873
Prepaid Assets	111,254	1,604	-	1,555	1,131	-	750	58,025	-	4,085	178,404
Total Assets	\$ 9,853,938	\$ 1,152,493	\$ 2,723,881	\$ 4,762,353	\$ 6,502,809	\$ 702,698	\$ 750	\$ 539,274	\$ 8,296,540	\$ 4,777,020	\$ 39,311,756
Liabilities											
Accounts Payable	\$ 980,972	\$ 2,988	\$ 12,944	\$ 3,780,847	\$ 953,240	\$ 400,432	\$ -	\$ 62,410	\$ 2,164	\$ 327,716	\$ 6,523,713
Cash Overdraft	-	-	-	-	4,483,154	-	-	-	-	347,107	4,830,261
Accrued Liabilities	350,702	14,644	35	8,832	30,955	-	-	14,228	-	795	420,191
Due to Other Funds	698,661	141,000	-	-	-	-	-	-	-	15,212	854,873
Escrow Liability	357,475	28,157	-	-	-	-	-	-	-	-	385,632
Unearned Revenues	-	-	-	972,674	1,035,460	302,266	-	147,855	8,294,376	124,918	10,877,549
Total Liabilities	\$ 2,387,810	\$ 186,789	\$ 12,979	\$ 4,762,353	\$ 6,502,809	\$ 702,698	\$ -	\$ 224,493	\$ 8,296,540	\$ 815,748	23,892,219
Deferred Inflows of Resources											
Unavailable Revenue - Property Taxes	\$ 1,480,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,480,353
Fund Balances											
Reserved											
Nonspendable	\$ 111,254	\$ 1,604	\$ -	\$ 1,555	\$ 1,131	\$ -	\$ 750	\$ 58,025	\$ -	\$ 4,085	\$ 178,404
Restricted	-	964,100	2,710,902	-	-	-	-	256,756	-	3,957,187	7,888,945
Assigned											
Funds to be used for future capital projects	4,500,000	-	-	-	-	-	-	-	-	-	4,500,000
Unassigned	1,374,521	-	-	(1,555)	(1,131)	-	-	-	-	-	1,371,835
Total Fund Balances	\$ 5,985,775	\$ 965,704	\$ 2,710,902	\$ -	\$ -	\$ -	\$ 750	\$ 314,781	\$ -	\$ 3,961,272	\$ 13,939,184
Total Liabilities and Fund Balances	\$ 9,853,938	\$ 1,152,493	\$ 2,723,881	\$ 4,762,353	\$ 6,502,809	\$ 702,698	\$ 750	\$ 539,274	\$ 8,296,540	\$ 4,777,020	\$ 39,311,756

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, 2021**

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

Total fund balances of governmental funds	\$	13,939,184
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$86,116,249 and the accumulated depreciation is \$42,715,983.

43,400,266

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

Real estate taxes

1,480,353

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	(30,302,500)	
Unamortized Premium	(202,765)	
Accrued interest on long-term debt	(130,823)	
Net Pension Asset	16,516,591	
Deferred Outflows of Resources - Pension	2,676,252	
Deferred Inflows of Resources - Pension	(9,857,695)	
Compensated Absences	(776,447)	
	(22,077,387)	(22,077,387)

Total net position of governmental activities

\$ 36,742,416

COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Domestic Relations	Liquid Fuels	Mental Health/ Developmental Services	Children and Youth Services	Pass Through Grants	Debt Service Fund	911 Fund	American Rescue Plan Act	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues											
Taxes, Real estate	\$ 28,257,842	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,225,187	\$ -	\$ -	\$ 465,016	\$ 30,948,045
Intergovernmental revenue	1,565,861	987,622	666,550	12,937,385	10,023,044	3,675,797	-	396,487	10,476	1,487,304	31,750,526
Charges for services	3,446,592	59,229	-	-	-	-	-	1,939,576	-	568,045	6,013,442
Interest income	16,929	799	3,537	2,301	14	-	-	5	3,048	3,116	29,749
Other revenue	312,856	-	-	113,861	261,239	-	-	170	-	158,099	846,225
Total Revenues	33,600,080	1,047,650	670,087	13,053,547	10,284,297	3,675,797	2,225,187	2,336,238	13,524	2,681,580	69,587,987
Expenditures											
Current operating:											
General government	7,042,523	-	-	-	-	-	2,250	-	13,524	636,958	7,695,255
Judicial	9,620,307	1,437,377	-	-	-	-	-	-	-	174,454	11,232,138
Public safety	8,480,561	-	-	-	-	-	-	2,379,119	-	75,341	10,935,021
Public works	-	-	1,020,403	-	-	-	-	-	-	174,843	1,195,246
Human services	-	-	-	13,332,386	12,330,336	3,675,797	-	-	-	452,380	29,790,899
Culture and recreation	242,580	-	-	-	-	-	-	-	-	465,016	707,596
Conservation and development	1,961,658	-	-	-	-	-	-	-	-	-	1,961,658
Miscellaneous	10,680	-	-	-	-	-	-	-	-	-	10,680
Debt service											
Principal	-	-	-	-	-	-	1,705,000	-	-	-	1,705,000
Interest	3,759	-	-	-	-	-	1,125,426	-	-	-	1,129,185
Total Expenditures	27,362,068	1,437,377	1,020,403	13,332,386	12,330,336	3,675,797	2,832,676	2,379,119	13,524	1,978,992	66,362,678
Excess (deficiency) of revenues over expenditures	6,238,012	(389,727)	(350,316)	(278,839)	(2,046,039)	-	(607,489)	(42,881)	-	702,588	3,225,309
Other financing sources (uses)											
Transfers in	257,861	429,075	-	309,713	2,145,335	-	637,315	269,821	-	1,765,152	5,814,272
Transfers out	(5,509,822)	(13,599)	-	(30,874)	(99,296)	-	(29,076)	(43,545)	-	(88,060)	(5,814,272)
Total other financing sources (uses)	(5,251,961)	415,476	-	278,839	2,046,039	-	608,239	226,276	-	1,677,092	-
Net change in fund balance	986,051	25,749	(350,316)	-	-	-	750	183,395	-	2,379,680	3,225,309
Fund balance, beginning of year, As Restated (Note 14)	4,999,724	939,955	3,061,218	-	-	-	-	131,386	-	1,581,592	10,713,875
Fund balance, end of year	\$ 5,985,775	\$ 965,704	\$ 2,710,902	\$ -	\$ -	\$ -	\$ 750	\$ 314,781	\$ -	\$ 3,961,272	\$ 13,939,184

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, 2021**

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

Net Change in fund balances - total governmental funds \$ 3,225,309

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense is exceeded by capital outlay in the current period.

Capital outlays	467,512	
Capital Disposals	(407,907)	
Depreciation expense	<u>(2,797,696)</u>	(2,738,091)

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

Amortization of bond premium	22,870	
Change in interest payable on long-term debt	5,240	
Principal repayments	<u>1,705,000</u>	1,733,110

Governmental funds do not report the changes in compensated absences: (57,515)

Governmental funds do not report the changes in the net pension asset and other related items: 3,429,550

Real estate taxes reported in the funds include receipt of prior year delinquent taxes and do not include revenue attributable to the current year's delinquent tax receivable. This amount is the net effect of these differences.

Current year	1,480,353	
Prior year	<u>(2,370,750)</u>	<u>(890,397)</u>

Changes in net position of governmental activities \$ 4,701,966

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

**COUNTY OF LAWRENCE, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021**

<u>Assets</u>	<u>Employee Retirement</u>	<u>Other Custodial Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 228,595	\$ 3,696,972	\$ 3,925,567
Investments	<u>104,186,904</u>	<u>-</u>	<u>104,186,904</u>
Total Assets	\$ 104,415,499	\$ 3,696,972	<u>\$ 108,112,471</u>
<u>Liabilities</u>			
Liabilities			
Accounts Payable	\$ -	\$ 29,410	\$ 29,410
Due to Other Governments	-	1,423,317	1,423,317
Due to Others	<u>-</u>	<u>1,588,432</u>	<u>1,588,432</u>
Total Liabilities	\$ -	\$ 3,041,159	<u>\$ 3,041,159</u>
<u>Net Position</u>			
Restricted For:			
Individuals, Organizations and Other Governments	\$ -	\$ 655,813	\$ 655,813
Employees' Pension Benefits	<u>104,415,499</u>	<u>-</u>	<u>104,415,499</u>
Total Net Position	<u>\$ 104,415,499</u>	<u>\$ 655,813</u>	<u>\$ 105,071,312</u>

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, 2021

	Employee Retirement Trust Fund	Other Custodial Funds
	<u> </u>	<u> </u>
<u>Additions:</u>		
Property Tax Collected for Other Governments	\$ -	\$ 7,918,934
Inheritance Tax Collected for Other Governments	-	7,888,928
Fees Collected for Other Governments	<u>-</u>	<u>10,068,217</u>
Contributions:		
Employee	1,906,964	-
Other	188	-
County Contribution	<u>287,949</u>	-
Total Contributions	<u>2,195,101</u>	<u>-</u>
Due to Others		
Investment Income:		
Net Appreciation in Fair Value of Investments	13,054,576	-
Interest and Dividends	<u>1,382,142</u>	<u>3,512</u>
Total Investment Income	14,436,718	-
Less:		
Investment Expense	<u>(174,012)</u>	-
Net Investment Income	<u>14,262,706</u>	<u>-</u>
Total Additions	<u>16,457,807</u>	<u>25,879,591</u>
<u>Deductions:</u>		
Employee Benefits Paid	4,513,550	-
Members' Contributions Refunded	542,649	-
Administrative Expenses	213,731	548,364
Property Tax Collections to Other Governments	-	4,420,406
Inheritance Tax Collections to Other Governments	-	6,713,327
Fees Collected to Other Governments	-	10,265,504
Inmate Disbursements	-	556,214
Payments to Other Entities	<u>-</u>	<u>3,435,185</u>
Total Deductions	<u>5,269,930</u>	<u>25,939,000</u>
Change in Net Position	11,187,877	(59,409)
Net Position, Beginning of Year	<u>93,227,622</u>	<u>715,222</u>
Net Position, End of Year	<u>\$ 104,415,499</u>	<u>\$ 655,813</u>

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

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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

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

A) Reporting Entity

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

Fiduciary Component Unit

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

Related Organizations

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

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

B) Government-Wide and Fund Financial Statements

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

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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

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

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

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

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

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

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

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

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

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

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2021

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 Domestic Relations Fund Title IV-D and incentive payments for child support collection offsetting aid to families with dependent children are matched with County funds to provide for administration of child support and related court orders.
- The Liquid Fuels Fund accounts for tax and grant funds received from the Commonwealth are passed through to local municipalities for road and bridge maintenance.
- The Mental Health/Developmental Services Fund is used to account for proceeds of revenue received from various federal, state, and local sources. This fund is restricted for the provisions of the specified social services to eligible recipients.
- The Children and Youth Services Fund is used to account for proceeds of revenue received from various federal, state, and local sources. This fund is restricted for the provisions of the specified social services to eligible recipients.

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2021

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

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

- 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.
- The Debt Service Fund is used to account for the receipt and payment of the County's debt service functions.
- The 911 Fund is used to account for the receipt and disbursements of monies relating to the functioning of the 911 operation services of the County.
- The American Rescue Plan Act fund is used to account for the Coronavirus Relief Fund federal grants awarded to 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 \$4,830,261 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, 2021, and appropriate interfund receivables or payables have been established accordingly.

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2021

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. Allowance for Doubtful Accounts

Taxes receivable have been reported net of allowance for doubtful accounts of \$457,727.

6. Inventories

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

7. 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.

8. 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*.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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. 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.

10. 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 property tax revenue and deferred inflows of resources related to pensions. Unavailable property tax revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. 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.

11. 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).

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2021

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. Net Position/Fund Balances

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

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

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

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

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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. Net Position/Fund Balances(Continued)

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.

13. 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.

14. Adoption of Governmental Accounting Standards Board Statements

No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 89 "Accounting for Interest Cost Incurred before the End of Construction Period". The adoption of this statement had no effect on previously reported amounts.

The County adopted certain requirements of GASB Statement No. 98, "The Annual Comprehensive Financial Report". The adoption of this statement had no effect on previously reported amounts.

15. Pending Changes in Accounting Principles

In June 2018, the GASB issued Statement No. 87 "Leases". The County is required to adopt Statement No. 87 for its fiscal year 2022 financial statements.

In May 2019, the GASB issued Statement No. 91 "*Conduit Debt Obligations*". The County is required to adopt Statement No. 91 for its fiscal year 2022 financial statements.

In January 2020, the GASB issued Statement No. 92 "*Omnibus 2020*". The County is required to adopt Statement No. 92 for its fiscal year 2022 financial statements.

In March 2020, the GASB issued Statement No. 93 "*Replacement of Interbank Offered Rates*". The County is required to adopt Statement No. 93 for its fiscal year 2022 financial statements.

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

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

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2021

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)

15. Pending Changes in Accounting Principles(Continued)

In June 2020, the GASB issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans." The County is required to adopt paragraphs 4 and 5 of this Statement immediately. The County is required to adopt all other paragraphs for its fiscal year 2022 financial statements.

In April 2022, the GASB issued Statement No. 99 "Omnibus 2022". The County is required to adopt Statement No. 99 for its calendar year 2022 financial statements.

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

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

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

NOTE 2: BUDGETARY DATA

Commonwealth of Pennsylvania statutes require that all County Governments establish budgetary systems and approve annual operating budgets. The County's annual budget includes the General Fund and certain Special Revenue Funds and is based on estimates of revenues and expenditures approved by the Board of County Commissioners. The County of Lawrence adopted the 2021 budget on the same basis of accounting as reported in the fund financial statements. The County of Lawrence follows these procedures in establishing the budgetary data reflected in the financial statements:

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

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 2: BUDGETARY DATA(CONTINUED)

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

NOTE 3: DEPOSITS AND INVESTMENTS

As of December 31, 2021, the County had the following investments:

	<u>Cost</u>	<u>Market</u>
Fiduciary Funds		
Retirement Funds		
Equity Mutual Funds	\$ 48,470,809	\$ 60,558,408
Fixed Income Mutual Funds	28,528,949	28,113,506
Miscellaneous	<u>13,532,853</u>	<u>15,514,990</u>
Total Fiduciary Fund Investments	<u>\$ 90,532,611</u>	<u>\$ 104,186,904</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, 2021, the County's cash balances for its governmental and custodial fund were \$25,727,210 and its bank balances were \$25,999,663. Of these bank balances, \$25,406,762 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, 2021 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, 2021:

338,741 shares of Ab Global (Mutual Fund-Equity) which represents 5.61 percent of the Retirement Fund's Assets.

160,811 shares of Artisan (Mutual Fund-Equity) which represents 5.83 percent of the Retirement Fund's Assets.

421,655 shares of Dodge Cox (Mutual Funds- Equity) which represent 5.8 percent of the Retirement Fund's Assets.

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

173,124 shares of Fidelity 500 (Mutual Fund-Equity) which represents 27.4 percent of the Retirement Fund's Assets.

986,625 shares of Baird (Fixed Income) which represents 10.74 percent of the Retirement Fund's Assets.

935,467 shares of Fidelity US Bond Index (Fixed Income) which represents 10.07 percent of the Retirement Fund's Assets.

327,168 shares of MFS Low Volatility Global Equity which represents 5.49 percent the Retirement of 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, 2021, the County had the following recurring fair value measurements:

	December 31, 2021	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments Measured by Fair Value Level				
Equity Mutual Funds	\$ 60,558,408	\$ 60,558,408	\$ -	\$ -
Fixed Income Mutual Funds	28,113,506	28,113,506	-	-
Total Investments by Fair Value Levels	\$ 88,671,914	\$ 88,671,914	\$ -	\$ -
Investments measured at the net asset Value (NAV)				
	Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	
Real Estate Funds (1)	\$ 9,783,002	Quarterly	30-60 Days	
Global Opportunities Hedge Funds (2)	5,731,988	Quarterly	30-60 Days	
Total Investments measured at the NAV	\$ 15,514,990			
Total Investments measured at fair value	\$ 104,186,904			

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

- (1) *Real estate funds.* This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 7 to 10 years. Twenty percent of the total investment in this type is expected to be sold. However, the individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The investee fund's management is required to approve of the buyer before the sale of the investments can be completed.
- (2) *Global opportunities hedge funds.* This type includes investments in 5 hedge funds that hold approximately 80 percent of the funds' investments in non-U.S. common stocks in the healthcare, energy, information technology, utilities, and telecommunications sectors and approximately 20 percent of the funds' investments in diversified currencies. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

NOTE 4: PROPERTY TAXES

Real Estate Property Taxes

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

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded or funded debt. In 2021, 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 2021 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 2021 real estate taxes levied was \$300,515,109 based on a total County assessed valuation of \$3,672,536,910. Based on the 2021 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, 2021

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 546,459	\$ -	\$ -	\$ 546,459
Construction in Progress	959,190	382,911	(1,052,663)	289,438
Total Capital Assets, Not Being Depreciated	<u>1,505,649</u>	<u>382,911</u>	<u>(1,052,663)</u>	<u>835,897</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	37,135,355	1,052,663	(407,907)	37,780,111
Equipment and Vehicles	15,422,634	84,601	-	15,507,235
Infrastructure	31,993,006	-	-	31,993,006
Total Capital Assets, Being Depreciated	<u>84,550,995</u>	<u>1,137,264</u>	<u>(407,907)</u>	<u>85,280,352</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(19,906,403)	(947,949)	-	(20,854,352)
Equipment and Vehicles	(8,327,717)	(1,224,447)	-	(9,552,164)
Infrastructure	(11,684,167)	(625,300)	-	(12,309,467)
Total Accumulated Depreciation	<u>(39,918,287)</u>	<u>(2,797,696)</u>	<u>-</u>	<u>(42,715,983)</u>
Total Capital Assets, Being Depreciated, Net	<u>44,632,708</u>	<u>(1,660,432)</u>	<u>(407,907)</u>	<u>42,564,369</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,138,357</u>	<u>\$ (1,277,521)</u>	<u>\$ (1,460,570)</u>	<u>\$ 43,400,266</u>

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

Governmental Activities:

General Government - Administrative	\$ 332,203
General Government - Judicial	62,866
Public Safety	1,679,639
Public Works	642,681
Human Services	10,472
Culture and Recreation	33,841
Conservation and Development	35,994

Total Depreciation expense - Governmental Activities \$ 2,797,696

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND

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

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2021

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Summary of Significant Accounting Policies

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

Description of Plan

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

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

Plan membership. For the 2021 measurement period, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	330
Inactive plan member entitles to but not yet receiving benefits	53
Active plan members	376
	<u>759</u>

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

Contributions. The Retirement Board establishes contribution rates based on an actuarially determined contribution recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended December 31, 2021, the minimum required active member contribution rate was 8 percent of annual pay and the County's average contribution rate was 3.38% of annual payroll. Employees may contribute up to an additional 10% of gross pay, at their option. Per Act 96 of 1971, as amended, the contribution requirements of the Plan members and the County may be amended by the General Assembly of the Commonwealth of Pennsylvania. Interest is credited each year in an amount allowed by the County Retirement Board to each member's account.

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2021

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

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

Legally Required Reserves

At December 31, 2021, the County has a balance of \$24,744,661 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, 2021. Since these accumulations represent the present value as of December 31, 2021 of future benefits, the reserve balance and liability are identical.

The County has a balance of \$24,861,531 in the County Annuity Reserve Account as of December 31, 2021. 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 \$41,155,018 as of December 31, 2021. 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, 2021 and update procedures were used to roll forward the total pension liability to the December 31, 2021 measurement date. The components of the net pension liability of the County for the 2021 measurement period were as follows:

Total Pension Liability	\$ 87,898,908
Plan Fiduciary Net Position	104,415,499
Net Pension Liability (Asset)	\$ (16,516,591)

Plan fiduciary net position as a percentage of the total pension liability	118.79%
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COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Changes in the County's net pension liability for the plan for the year ended December 31, 2021 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at 12/31/20	\$ 84,667,803	\$ 93,227,622	\$ (8,559,819)
Service Cost	1,791,130	-	1,791,130
Interest Cost	5,918,583	-	5,918,583
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	577,591	-	577,591
Changes of Assumptions	-	-	-
Contributions - Employer	-	287,949	(287,949)
Contributions - Member	-	1,906,964	(1,906,964)
Net Investment Income	-	14,262,706	(14,262,706)
Benefit Payments, including Refunds of Member contributions	(5,056,199)	(5,056,199)	-
Administrative Expense	-	(213,731)	213,731
Other Changes	-	188	(188)
Net Changes	<u>3,231,105</u>	<u>11,187,877</u>	<u>(7,956,772)</u>
Balance at 12/31/21	<u>\$ 87,898,908</u>	<u>\$ 104,415,499</u>	<u>\$ (16,516,591)</u>

Deferred Outflows of Resources

The total pension expense recognized in 2021 for the plan was \$(3,141,598). At December 31, 2021, the County reported deferred outflows and inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 521,411	\$ 78,338
Changes in Assumptions	2,154,841	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	9,779,357
Total	<u>\$ 2,676,252</u>	<u>\$ 9,857,695</u>

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2021

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

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

Year Ended December 31:	Governmental Activities
2022	\$ (1,273,064)
2023	(2,830,289)
2024	(1,549,874)
2025	(1,528,216)
Total	\$ (7,181,443)

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 2021 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the valuation for the 2021 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 post employment benefit changes as they are not considered to be substantively automatic.

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

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

The following was the Board's asset allocation policy for the 2021 measurement period:

Asset Class	Target Allocation
Domestic Equity	42%
International Equity	17%
Fixed Income	23%
Real Estate/Alternative	18%
Cash	<u>0%</u>
Total	<u><u>100%</u></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 2020 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

<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 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates in accordance with the County's recently adopted funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
County's Net Pension Liability	\$ (6,629,029)	\$ (16,516,591)	\$ (24,164,238)

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Rate of return. For the 2021 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 7: LONG-TERM OBLIGATIONS

A summary of changes in long-term debt obligations for 2021 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 8,655,000	\$ -	\$ (280,000)	\$ 8,375,000	\$ 290,000
General Obligation Notes	23,352,500	-	(1,425,000)	21,927,500	1,455,000
Total Bonds and Notes Payable	<u>32,007,500</u>	<u>-</u>	<u>(1,705,000)</u>	<u>30,302,500</u>	<u>1,745,000</u>
			Less amounts due within one year	<u>1,745,000</u>	
				<u><u>28,557,500</u></u>	
Other Liabilities:					
Capital Lease Obligations	-	-	-	-	-
Compensated Absences	718,932	57,515	-	776,447	-
Total Other Liabilities	<u>718,932</u>	<u>57,515</u>	<u>-</u>	<u>776,447</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 32,726,432</u>	<u>\$ 57,515</u>	<u>\$ (1,705,000)</u>	<u>\$ 31,078,947</u>	<u>\$ 1,745,000</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 Re- quirements	Interest Requirements	Total Debt Service Requirements
2022	\$ 1,745,000	\$ 1,090,621	\$ 2,835,621
2023	1,795,000	1,037,170	2,832,170
2024	1,850,000	965,301	2,815,301
2025	1,920,000	890,999	2,810,999
2026	1,975,000	827,985	2,802,985
2027-2031	10,302,500	3,116,397	13,418,897
2032-2036	7,935,000	1,251,455	9,186,455
2037-2041	2,780,000	392,750	3,172,750
Total	<u>\$ 30,302,500</u>	<u>\$ 9,572,678</u>	<u>\$ 39,875,178</u>

COUNTY OF LAWRENCE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2021

NOTE 7: LONG-TERM OBLIGATIONS (CONTINUED)

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

Governmental Activities

Issuance	Amount of Original Issue	Purpose	Balance Outstanding December 31, 2021
Refund Series B of 2013	\$3,545,000	General Obligation Note with a 2.5% interest rate through 2022 used to refund Series A of 2003 and to pay the costs of issuance.	\$1,200,000
Refunding Series A of 2014	\$18,790,000	General Obligation Note with a variable interest rate ranging from 3.0 to 5.0% maturing in 2034 used to fund a radio communications infrastructure system, emergency operations center and to pay the costs of issuance.	\$18,790,000
Refunding Series B of 2014	\$1,395,000	General Obligation Note with a variable interest rate ranging from 1.0 to 3.0% maturing in 2023 used to refund a portion of series 2009 and pay the costs of issuance. The new notes were used to refund a portion of the Series 2009 Bonds. The refunding resulted in a difference between the cash flow required to service the old debt and that required to services the new debt of (\$262,713). The refunding also resulted in an economic loss (difference between the present value of the debt service payments on the old and new debt) of (\$56,615).	\$1,000,000
General Obligation Series of 2016	\$9,755,000	General Obligation Bond with a variable interest rate ranging from 1.2% to 4.6%. The bond was used to help fund the Employee Retirement Fund.	\$8,375,000
General Obligation Series of 2018	\$1,500,000	General Obligation Note with a fixed interest rate of 3.05%. The bond was used to help fund various capital projects throughout the County.	\$937,500
Total Long Term Obligations			<u>\$30,302,500</u>

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2021, are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 11,655	\$ 698,661
Domestic Relations	141,000	141,000
Liquid Fuels	5,283	-
Mental Health/ Developmental Services	68,656	-
Children and Youth Services	628,279	-
Nonmajor Governmental Funds	-	15,212
	<u>\$ 854,873</u>	<u>\$ 854,873</u>
Total Interfund Balances	<u>\$ 854,873</u>	<u>\$ 854,873</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:

	Transfers In	Transfers Out
General Fund	\$ 257,861	\$ 5,509,822
Domestic Relations	429,075	13,599
Mental Health/ Developmental Services	309,713	30,874
Children and Youth Services	2,145,335	99,296
Debt Service Fund	637,315	29,076
911 Fund	269,821	43,545
Nonmajor Governmental Funds	1,765,152	88,060
	<u>\$ 5,814,272</u>	<u>\$ 5,814,272</u>
Total Interfund Balances	<u>\$ 5,814,272</u>	<u>\$ 5,814,272</u>

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

NOTE 10: LITIGATION

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

NOTE 11: RISKS AND UNCERTANTIES

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

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 12: FUND BALANCES

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

Major Funds:			
General Fund	Non-spendable:		
	These amounts are prepaid expenses	\$	111,254
	Assigned Funds:		
	These funds are to be used for future capital projects		4,500,000
Domestic Relations	Non-spendable:		
	These amounts are prepaid expenses		1,604
	Restricted Funds:		
	These funds are restricted for Child Support Enforcement		964,100
Liquid Fuels	Restricted Funds:		
	These funds are restricted for Road and Bridges Improvement		2,710,902
Mental Health/ Developmental Services	Non-spendable:		
	These amounts are prepaid expenses		1,555
Children and Youth Services	Non-spendable:		
	These amounts are prepaid expenses		1,131
Debt Service Fund	Non-spendable:		
	These amounts are prepaid expenses		750
911 Fund	Non-spendable:		
	These amounts are prepaid expenses		58,025
	Restricted:		
	These funds are restricted for Public Safety		256,756
Nonmajor Governmental Funds:			
Capital Projects	Restricted Funds:		
	These funds are restricted to be used for future capital projects		1,690,306
Special Revenue Funds	Non-spendable:		
	These amounts are prepaid expenses		4,085
	Restricted Funds:		
	These funds are restricted within the departments of General Government		691,079
	These funds are restricted within the Judicial System		953,464
	These funds are restricted within Public Safety programs		3,777
	These funds are restricted within Public Works programs		410,249
	These funds are restricted within Human Services programs		208,312
	Total Special Revenue Funds		<u>\$2,270,966</u>

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).

COUNTY OF LAWRENCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 13: TAX ABATEMENTS

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 2021, fourteen (14) properties received an exemption from County's real estate property tax. The total County tax abated during 2021 was \$50,983 related to various projects throughout the County.

NOTE 14: RESTATEMENT

To improve financial reporting the County has elected to account for its Coroner Act 122 as a special revenue fund. This resulted in a restatement of the County's general fund and non-major funds fund balance.

	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Activities</u>
Fund Balance/Net Position, as reported, December 31, 2020	\$ 5,034,479	\$ 1,546,837	\$ 10,713,875
Reclass of Special Revenue Fund Coroner Act 122	<u>(34,755)</u>	<u>34,755</u>	<u>-</u>
Fund Balance/ Net Position, as restated, January 1, 2021	<u>\$ 4,999,724</u>	<u>\$ 1,581,592</u>	<u>\$ 10,713,875</u>

**REQUIRED
SUPPLEMENTAL
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>
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
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
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
Changes of assumptions	-	-	2,485,399	-	-	-	3,878,715	-
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)
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
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
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
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
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
Net investment income	3,421,262	310,518	3,603,333	10,525,910	(2,576,952)	13,867,938	8,743,182	14,262,706
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)
Administrative expense	(118,077)	(145,898)	(145,139)	(177,837)	(139,915)	(128,945)	(139,629)	(213,731)
Other	3,154	2,551	93,447	(247)	223,759	152,499	181,257	188
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
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
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
County's net pension liability - ending (a) - (b)	\$ 1,442,687	\$ 4,828,011	\$ (2,049,729)	\$ (6,926,580)	\$ (215,371)	\$ (8,758,890)	\$ (8,559,819)	\$ (16,516,591)
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%
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
County's net pension liability as a percentage of covered payroll	9.91%	31.83%	-13.25%	-41.97%	-1.28%	-51.64%	-49.32%	-96.43%

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

COUNTY OF LAWRENCE
SCHEDULE OF COUNTY CONTRIBUTIONS - LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 287,949	\$ 586,051	\$ 966,907	\$ 946,207	\$ 817,771	\$ 1,080,912	\$ 1,012,536	\$ 966,903	\$ 1,219,440	\$ 1,378,486
Contributions in relation to the actuarially determined contribution	287,949	586,051	483,454	946,207	817,771	10,699,205	1,072,536	1,026,903	1,279,440	1,438,486
Contribution deficiency (excess)	\$ -	\$ -	\$ 483,453	\$ -	\$ -	\$(9,618,293)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)
Covered payroll	\$ 17,127,502	\$17,355,556	\$16,962,667	\$16,791,227	\$16,503,662	\$15,472,166	\$15,166,225	\$14,556,225	\$14,556,225	\$14,322,852
Contributions as a percentage of covered payroll	1.68%	3.38%	2.85%	5.64%	4.96%	69.15%	6.93%	7.05%	8.79%	10.04%

Notes to Schedule

Valuation date January 1, 2021

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	7.0%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	PubG-2010 Mortality Table for males and females with generational mortality improvement using MP19

COUNTY OF LAWRENCE
SCHEDULE OF INVESTMENT RETURNS LAST 10 FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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%

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes, Real estate	\$ 27,872,678	\$ 27,972,678	\$ 28,257,842	\$ 285,164
Intergovernmental grants	1,798,295	1,899,088	1,565,861	(333,227)
Charges for services	3,688,649	3,508,169	3,446,592	(61,577)
Interest income	86,183	22,583	16,929	(5,654)
Other revenue	4,023,840	4,264,840	312,856	(3,951,984)
Total Revenues	<u>37,469,645</u>	<u>37,667,358</u>	<u>33,600,080</u>	<u>(4,067,278)</u>
Expenditures				
Current operating:				
General government	\$ 15,461,365	\$ 16,189,468	7,042,523	9,146,945
Judicial	9,763,103	10,171,226	9,620,307	550,919
Public safety	9,403,998	9,228,404	8,480,561	747,843
Culture and Recreation	263,801	282,473	242,580	39,893
Conservation and development	2,097,828	2,302,171	1,961,658	340,513
Debt service	14,550	14,550	3,759	10,791
Total Expenditures	<u>37,004,645</u>	<u>38,188,292</u>	<u>27,362,068</u>	<u>10,826,224</u>
Excess (deficiency) of revenues over expenditures	<u>465,000</u>	<u>(520,934)</u>	<u>6,238,012</u>	<u>6,758,946</u>
Other financing sources (uses)				
Transfers in	275,000	252,058	257,861	5,803
Transfers out	<u>(740,000)</u>	<u>(298,486)</u>	<u>(5,509,822)</u>	<u>(5,211,336)</u>
Total other financing sources (uses)	<u>(465,000)</u>	<u>(46,428)</u>	<u>(5,251,961)</u>	<u>(5,205,533)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (567,362)</u>	<u>\$ 986,051</u>	<u>\$ 1,553,413</u>

COUNTY OF LAWRENCE
 BUDGETARY COMPARISON SCHEDULE – DOMESTIC RELATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental grants	\$ 1,213,920	\$ 1,213,920	\$ 987,622	\$ (226,298)
Charges for services	-	-	59,229	59,229
Interest income	4,209	4,209	799	(3,410)
Other revenue	24,725	34,725	-	(34,725)
Total Revenues	<u>1,242,854</u>	<u>1,252,854</u>	<u>1,047,650</u>	<u>(205,204)</u>
Expenditures				
Current operating:				
Judicial	1,737,854	1,748,175	1,437,377	310,798
Total Expenditures	<u>1,737,854</u>	<u>1,748,175</u>	<u>1,437,377</u>	<u>310,798</u>
Excess (deficiency) of revenues over expenditures	<u>(495,000)</u>	<u>(495,321)</u>	<u>(389,727)</u>	<u>105,594</u>
Other financing sources (uses)				
Transfers in	560,000	560,000	429,075	(130,925)
Transfers out	<u>(65,000)</u>	<u>(65,000)</u>	<u>(13,599)</u>	<u>51,401</u>
Total other financing sources (uses)	<u>495,000</u>	<u>495,000</u>	<u>415,476</u>	<u>(79,524)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (321)</u>	<u>\$ 25,749</u>	<u>\$ 26,070</u>

COUNTY OF LAWRENCE
 BUDGETARY COMPARISON SCHEDULE – LIQUID FUELS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental grants	\$ 1,730,315	\$ 1,810,315	\$ 666,550	\$ (1,143,765)
Interest income	30,500	30,500	3,537	(26,963)
Other revenue	536,367	586,367	-	(586,367)
Total Revenues	<u>2,297,182</u>	<u>2,427,182</u>	<u>670,087</u>	<u>(1,757,095)</u>
Expenditures				
Current operating:				
Public works	2,297,182	2,433,320	1,020,403	1,412,917
Total Expenditures	<u>2,297,182</u>	<u>2,433,320</u>	<u>1,020,403</u>	<u>1,412,917</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(6,138)</u>	<u>(350,316)</u>	<u>(344,178)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (6,138)</u>	<u>\$ (350,316)</u>	<u>\$ (344,178)</u>

COUNTY OF LAWRENCE
 BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH/DEVELOPMENTAL SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental grants	\$ 6,980,635	\$ 14,691,799	\$ 12,937,385	\$ (1,754,414)
Interest income	7,000	7,000	2,301	(4,699)
Other revenue	787,000	787,000	113,861	(673,139)
Total Revenues	<u>7,774,635</u>	<u>15,485,799</u>	<u>13,053,547</u>	<u>(2,432,252)</u>
Expenditures				
Current operating:				
Human services	8,065,561	15,828,096	13,332,386	2,495,710
Total Expenditures	<u>8,065,561</u>	<u>15,828,096</u>	<u>13,332,386</u>	<u>2,495,710</u>
Excess (deficiency) of revenues over expenditures				
	<u>(290,926)</u>	<u>(342,297)</u>	<u>(278,839)</u>	<u>63,458</u>
Other financing sources (uses)				
Transfers in	320,926	320,926	309,713	(11,213)
Transfers out	(30,000)	(30,000)	(30,874)	(874)
Total other financing sources (uses)	<u>290,926</u>	<u>290,926</u>	<u>278,839</u>	<u>(12,087)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	<u>\$ -</u>	<u>\$ (51,371)</u>	<u>\$ -</u>	<u>\$ 51,371</u>

COUNTY OF LAWRENCE
 BUDGETARY COMPARISON SCHEDULE – CHILDREN & YOUTH SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental grants	\$ 10,145,532	\$ 10,145,532	\$ 10,023,044	\$ (122,488)
Interest income	-	-	14	14
Other revenue	530,000	207,250	261,239	53,989
Total Revenues	<u>10,675,532</u>	<u>10,352,782</u>	<u>10,284,297</u>	<u>(68,485)</u>
Expenditures				
Current operating:				
Human Services	12,748,964	13,084,535	12,330,336	754,199
Total Expenditures	<u>12,748,964</u>	<u>13,084,535</u>	<u>12,330,336</u>	<u>754,199</u>
Excess (deficiency) of revenues over expenditures	<u>(2,073,432)</u>	<u>(2,731,753)</u>	<u>(2,046,039)</u>	<u>685,714</u>
Other financing sources (uses)				
Transfers in	2,163,432	2,488,432	2,145,335	(343,097)
Transfers out	(90,000)	(90,000)	(99,296)	(9,296)
Total other financing sources (uses)	<u>2,073,432</u>	<u>2,398,432</u>	<u>2,046,039</u>	<u>(352,393)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (333,321)</u>	<u>\$ -</u>	<u>\$ 333,321</u>

COUNTY OF LAWRENCE
 BUDGETARY COMPARISON SCHEDULE – 911 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental grants	\$ -	\$ -	\$ 396,487	\$ 396,487
Charges for Services	2,100,699	2,334,056	1,939,576	(394,480)
Interest income	-	-	5	5
Other revenue	-	-	170	170
Total Revenues	<u>2,100,699</u>	<u>2,334,056</u>	<u>2,336,238</u>	<u>2,182</u>
Expenditures				
Current operating:				
Public safety	2,365,771	2,718,743	2,379,119	339,624
Total Expenditures	<u>2,365,771</u>	<u>2,718,743</u>	<u>2,379,119</u>	<u>339,624</u>
Excess (deficiency) of revenues over expenditures	<u>(265,072)</u>	<u>(384,687)</u>	<u>(42,881)</u>	<u>341,806</u>
Other financing sources (uses)				
Transfers in	305,072	305,072	269,821	(35,251)
Transfers out	(40,000)	(40,000)	(43,545)	(3,545)
Total other financing sources (uses)	<u>265,072</u>	<u>265,072</u>	<u>226,276</u>	<u>(38,796)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (119,615)</u>	<u>\$ 183,395</u>	<u>\$ 303,010</u>

COUNTY OF LAWRENCE
 BUDGETARY COMPARISON SCHEDULE – AMERICAN RESCUE PLAN ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental grants	\$ -	\$ 8,304,852	\$ 10,476	\$ (8,294,376)
Interest income	-	-	3,048	3,048
Total Revenues	-	8,304,852	13,524	(8,291,328)
Expenditures				
Current operating:				
General government	-	8,304,852	13,524	8,291,328
Total Expenditures	-	8,304,852	-	-
Excess (deficiency) of revenues over expenditures	-	-	13,524	(8,291,328)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	\$ -	\$ -	\$ 13,524	\$ (8,291,328)

**OTHER
SUPPLEMENTAL
INFORMATION**

COUNTY OF LAWRENCE
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2021

Assets	Capital Projects	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Cash and Cash Equivalents	\$ 1,579,431	\$ 2,590,897	\$ 4,170,328
Receivables:			
Other	147,800	454,807	602,607
Prepaid expenses	-	4,085	4,085
Total Assets	\$ 1,727,231	\$ 3,049,789	\$ 4,777,020
Liabilities			
Accounts Payable	\$ 36,925	\$ 290,791	\$ 327,716
Cash Overdraft	-	347,107	347,107
Accrued Liabilities	-	795	795
Due to other funds	-	15,212	15,212
Unearned Revenue	-	124,918	124,918
Total Liabilities	\$ 36,925	\$ 778,823	\$ 815,748
Fund Balance			
Fund Balance:			
Nonspendable	\$ -	\$ 4,085	\$ 4,085
Restricted	1,690,306	2,266,881	3,957,187
Total Fund Balance	1,690,306	2,270,966	3,961,272
Total Liabilities and Fund Balance	\$ 1,727,231	\$ 3,049,789	\$ 4,777,020

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Capital Projects	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ -	\$ 465,016	\$ 465,016
Intergovernmental Revenue	20,000	1,467,304	1,487,304
Charges for Services	-	568,045	568,045
Interest Income	580	2,536	3,116
Other Revenue	158,099	-	158,099
Total Revenues	<u>178,679</u>	<u>2,502,901</u>	<u>2,681,580</u>
Expenditures			
Current Operating:			
General Government	92,513	544,445	636,958
Judicial	36,925	137,529	174,454
Public Safety	31,054	44,287	75,341
Public Works	-	174,843	174,843
Human Services	-	452,380	452,380
Culture and Recreation	-	465,016	465,016
Total Expenditures	<u>160,492</u>	<u>1,818,500</u>	<u>1,978,992</u>
Excess (Deficiency) of Revenues over Expenditures	<u>18,187</u>	<u>684,401</u>	<u>702,588</u>
Other Financing Sources (Uses)			
Transfers in	1,693,562	71,590	1,765,152
Transfers out	-	(88,060)	(88,060)
Total other financing sources (uses)	<u>1,693,562</u>	<u>(16,470)</u>	<u>1,677,092</u>
Net Change in Fund Balance	1,711,749	667,931	2,379,680
Fund Balance, Beginning of Year, As Restated (Note 14)	<u>(21,443)</u>	<u>1,603,035</u>	<u>1,581,592</u>
Fund Balance, End of Year	<u>\$ 1,690,306</u>	<u>\$ 2,270,966</u>	<u>\$ 3,961,272</u>

COUNTY OF LAWRENCE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2021

	Records Improvement	Automation	Substance Abuse	Telephone Revenue	JPO	Drug Task Force	Drug Strike Back	Library	Victim Witness
Assets									
Cash and Cash equivalents	\$ 332,663	\$ 36,827	\$ -	\$ 20,191	\$ 1,431	\$ 420	\$ 183,824	\$ 10,516	\$ 74,171
Receivables:									
Other	2,040	993	985	17,487	50	-	-	-	513
Prepaid expenses	2,631	-	-	-	-	-	-	-	-
Total Assets	\$ 337,334	\$ 37,820	\$ 985	\$ 37,678	\$ 1,481	\$ 420	\$ 183,824	\$ 10,516	\$ 74,684
Liabilities									
Accounts Payable	\$ -	\$ -	\$ 985	\$ 359	\$ -	\$ -	\$ 183,229	\$ 10,516	\$ -
Cash Overdraft	-	-	-	-	-	-	-	-	-
Accrued Liabilities	-	-	-	-	-	-	-	-	795
Due to other funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	31,551
Total Liabilities	\$ -	\$ -	\$ 985	\$ 359	\$ -	\$ -	\$ 183,229	\$ 10,516	\$ 32,346
Fund Balance									
Fund Balance:									
Nonspendable	\$ 2,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	334,703	37,820	-	37,319	1,481	420	595	-	42,338
Total Fund Balance	\$ 337,334	\$ 37,820	\$ -	\$ 37,319	\$ 1,481	\$ 420	\$ 595	\$ -	\$ 42,338
Total Liabilities and Fund Balance	\$ 337,334	\$ 37,820	\$ 985	\$ 37,678	\$ 1,481	\$ 420	\$ 183,824	\$ 10,516	\$ 74,684

COUNTY OF LAWRENCE
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2021

	DA Forfeiture Fund	Food Program	Records Management	DA Animal Welfare Fund	Emergency Management Grants	DA Approval Fund	Coroner Act 122 Fund	Coroner Act 182 Fund	Register of Wills Automation
Assets									
Cash and Cash equivalents	\$ 34,598	\$ 4,413	\$ 52,034	\$ 350	\$ 62,805	\$ 3,249	\$ 31,305	\$ 68,671	\$ 38,566
Receivables:									
Other	-	22,636	1,693	50	26,200	595	-	-	420
Prepaid expenses	-	-	-	-	1,454	-	-	-	-
Total Assets	\$ 34,598	\$ 27,049	\$ 53,727	\$ 400	\$ 90,459	\$ 3,844	\$ 31,305	\$ 68,671	\$ 38,986
Liabilities									
Accounts Payable	\$ -	\$ 25,179	\$ -	\$ -	\$ 1,881	\$ -	\$ -	\$ 2,665	\$ -
Cash Overdraft	-	-	-	-	-	-	-	-	-
Accrued Liabilities	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	1,870	-	-	84,828	-	-	-	-
Total Liabilities	\$ -	\$ 27,049	\$ -	\$ -	\$ 86,709	\$ -	\$ -	\$ 2,665	\$ -
Fund Balance									
Fund Balance:									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 1,454	\$ -	\$ -	\$ -	\$ -
Restricted	34,598	-	53,727	400	2,296	3,844	31,305	66,006	38,986
Total Fund Balance	\$ 34,598	\$ -	\$ 53,727	\$ 400	\$ 3,750	\$ 3,844	\$ 31,305	\$ 66,006	\$ 38,986
Total Liabilities and Fund Balance	\$ 34,598	\$ 27,049	\$ 53,727	\$ 400	\$ 90,459	\$ 3,844	\$ 31,305	\$ 68,671	\$ 38,986

COUNTY OF LAWRENCE
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2021

	DEA - TFO	Marcellus Legacy	Act 13	APO	PHARE Grant	Hazard Mitigation	CDBG	Demolition	Vehicle Registration Fund	Offender Supervision	Total
Assets											
Cash and Cash equivalents	\$ 8,183	\$ 35,541	\$ 425,906	\$ 513,319	\$ 6,224	\$ 445	\$ -	\$ 162,683	\$ 230,943	\$ 251,619	\$ 2,590,897
Receivables:											
Other	3,472	-	-	3,920	-	-	365,443	8,310	-	-	454,807
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	4,085
Total Assets	\$ 11,655	\$ 35,541	\$ 425,906	\$ 517,239	\$ 6,224	\$ 445	\$ 365,443	\$ 170,993	\$ 230,943	\$ 251,619	\$ 3,049,789
Liabilities											
Accounts Payable	\$ -	\$ -	\$ 47,641	\$ -	\$ -	\$ -	\$ 18,336	\$ -	\$ -	\$ -	\$ 290,791
Cash Overdraft	-	-	-	-	-	-	347,107	-	-	-	347,107
Accrued Liabilities	-	-	-	-	-	-	-	-	-	-	795
Due to other funds	11,655	3,557	-	-	-	-	-	-	-	-	15,212
Unearned Revenue	-	-	-	-	6,224	445	-	-	-	-	124,918
Total Liabilities	\$ 11,655	\$ 3,557	\$ 47,641	\$ -	\$ 6,224	\$ 445	\$ 365,443	\$ -	\$ -	\$ -	\$ 778,823
Fund Balance											
Fund Balance:											
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,085
Restricted	-	31,984	378,265	517,239	-	-	-	170,993	230,943	251,619	2,266,881
Total Fund Balance	\$ -	\$ 31,984	\$ 378,265	\$ 517,239	\$ -	\$ -	\$ -	\$ 170,993	\$ 230,943	\$ 251,619	\$ 2,270,966
Total Liabilities and Fund Balance	\$ 11,655	\$ 35,541	\$ 425,906	\$ 517,239	\$ 6,224	\$ 445	\$ 365,443	\$ 170,993	\$ 230,943	\$ 251,619	\$ 3,049,789

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Records Improvement	Automation	Substance Abuse	Telephone Revenue	JPO	Drug Task Force	Drug Strike Back	Library	Victim Witness
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,016	\$ -
Intergovernmental Revenue	-	-	-	-	-	-	-	-	115,980
Charges for Services	60,725	18,449	19,390	29,685	950	28	-	-	6,450
Interest Income	402	39	4	19	1	-	194	-	77
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenues	<u>61,127</u>	<u>18,488</u>	<u>19,394</u>	<u>29,704</u>	<u>951</u>	<u>28</u>	<u>194</u>	<u>465,016</u>	<u>122,507</u>
Expenditures									
Current Operating:									
General Government	26,186	-	-	-	-	-	-	-	-
Judicial	-	5,369	-	-	-	-	-	-	77,411
Public Safety	-	-	-	-	345	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Human Services	-	-	19,394	7,807	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	465,016	-
Total Expenditures	<u>26,186</u>	<u>5,369</u>	<u>19,394</u>	<u>7,807</u>	<u>345</u>	<u>-</u>	<u>-</u>	<u>465,016</u>	<u>77,411</u>
Excess (deficiency) of Revenues over Expenditures	<u>34,941</u>	<u>13,119</u>	<u>-</u>	<u>21,897</u>	<u>606</u>	<u>28</u>	<u>194</u>	<u>-</u>	<u>45,096</u>
Other Financing Sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	46,590
Transfers out	-	-	-	-	-	-	-	-	(49,348)
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,758)</u>
Net Change in Fund Balance	34,941	13,119	-	21,897	606	28	194	-	42,338
Fund Balance, Beginning of Year, As Restated (Note 14)	302,393	24,701	-	15,422	875	392	401	-	-
Fund Balance, End of Year	<u>\$ 337,334</u>	<u>\$ 37,820</u>	<u>\$ -</u>	<u>\$ 37,319</u>	<u>\$ 1,481</u>	<u>\$ 420</u>	<u>\$ 595</u>	<u>\$ -</u>	<u>\$ 42,338</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	DA Forfeiture Fund	Food Program	Records Management	DA Animal Welfare Fund	Emergency Management Grants	DA Approval Fund	Coroner Act 122 Fund	Coroner Act 182 Fund	Register of Wills Automation
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	25,179	-	-	10,712	-	7,568	-	-
Charges for Services	41,568	-	30,046	400	31,792	11,830	-	44,910	4,410
Interest Income	6	-	46	-	25	5	44	21	48
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenues	<u>41,574</u>	<u>25,179</u>	<u>30,092</u>	<u>400</u>	<u>42,529</u>	<u>11,835</u>	<u>7,612</u>	<u>44,931</u>	<u>4,458</u>
Expenditures									
Current Operating:									
General Government	-	-	-	-	-	-	11,062	-	680
Judicial	6,976	-	-	-	-	12,645	-	3,925	-
Public Safety	-	-	-	-	38,779	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Human Services	-	25,179	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>6,976</u>	<u>25,179</u>	<u>-</u>	<u>-</u>	<u>38,779</u>	<u>12,645</u>	<u>11,062</u>	<u>3,925</u>	<u>680</u>
Excess (deficiency) of Revenues over Expenditures	<u>34,598</u>	<u>-</u>	<u>30,092</u>	<u>400</u>	<u>3,750</u>	<u>(810)</u>	<u>(3,450)</u>	<u>41,006</u>	<u>3,778</u>
Other Financing Sources (uses)									
Transfers in	-	-	-	-	-	-	-	25,000	-
Transfers out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Net Change in Fund Balance	<u>34,598</u>	<u>-</u>	<u>30,092</u>	<u>400</u>	<u>3,750</u>	<u>(810)</u>	<u>(3,450)</u>	<u>66,006</u>	<u>3,778</u>
Fund Balance, Beginning of Year, As Restated (Note 14)	<u>-</u>	<u>-</u>	<u>23,635</u>	<u>-</u>	<u>-</u>	<u>4,654</u>	<u>34,755</u>	<u>-</u>	<u>35,208</u>
Fund Balance, End of Year	<u>\$ 34,598</u>	<u>\$ -</u>	<u>\$ 53,727</u>	<u>\$ 400</u>	<u>\$ 3,750</u>	<u>\$ 3,844</u>	<u>\$ 31,305</u>	<u>\$ 66,006</u>	<u>\$ 38,986</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	DEA - TFO	Marcellus Legacy	Act 13	APO	PHARE Grant	Hazard Mitigation	CDBG	Demolition	Vehicle Registration Fund	Offender Supervision	Total
Revenues											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,016
Intergovernmental Revenue	36,615	50,104	83,704	-	400,000	-	506,517	-	230,925	-	1,467,304
Charges for Services	-	-	-	81,224	-	-	-	98,295	-	87,893	568,045
Interest Income	8	85	472	634	-	-	-	142	18	246	2,536
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	36,623	50,189	84,176	81,858	400,000	-	506,517	98,437	230,943	88,139	2,502,901
Expenditures											
Current Operating:											
General Government	-	-	-	-	-	-	506,517	-	-	-	544,445
Judicial	-	-	-	21,698	-	-	-	-	-	9,505	137,529
Public Safety	5,163	-	-	-	-	-	-	-	-	-	44,287
Public Works	-	89,709	85,134	-	-	-	-	-	-	-	174,843
Human Services	-	-	-	-	400,000	-	-	-	-	-	452,380
Culture and Recreation	-	-	-	-	-	-	-	-	-	-	465,016
Total Expenditures	5,163	89,709	85,134	21,698	400,000	-	506,517	-	-	9,505	1,818,500
Excess (deficiency) of Revenues over Expenditures	31,460	(39,520)	(958)	60,160	-	-	-	98,437	230,943	78,634	684,401
Other Financing Sources (uses)											
Transfers in	-	-	-	-	-	-	-	-	-	-	71,590
Transfers out	(38,712)	-	-	-	-	-	-	-	-	-	(88,060)
Total Other Financing Sources (uses)	(38,712)	-	-	-	-	-	-	-	-	-	(16,470)
Net Change in Fund Balance	(7,252)	(39,520)	(958)	60,160	-	-	-	98,437	230,943	78,634	667,931
Fund Balance, Beginning of Year, As Restated (Note 14)	7,252	71,504	379,223	457,079	-	-	-	72,556	-	172,985	1,603,035
Fund Balance, End of Year	\$ -	\$ 31,984	\$ 378,265	\$ 517,239	\$ -	\$ -	\$ -	\$ 170,993	\$ 230,943	\$ 251,619	\$ 2,270,966

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 DECEMBER 31, 2021

	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
<u>Assets</u>									
Cash and Cash equivalents	\$ 9,257	\$ 18,243	\$ 18,480	\$ 25,473	\$ 608,000	\$ 1,171,370	\$ 2,977	\$ 137,096	\$ 431,994
Total assets	<u>\$ 9,257</u>	<u>\$ 18,243</u>	<u>\$ 18,480</u>	<u>\$ 25,473</u>	<u>\$ 608,000</u>	<u>\$ 1,171,370</u>	<u>\$ 2,977</u>	<u>\$ 137,096</u>	<u>\$ 431,994</u>
<u>Liabilities</u>									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	9,257	18,243	18,480	25,473	608,000	-	-	137,096	33,652
Due to Others	-	-	-	-	-	1,171,370	2,977	-	78,728
Total Liabilities	<u>\$ 9,257</u>	<u>\$ 18,243</u>	<u>\$ 18,480</u>	<u>\$ 25,473</u>	<u>\$ 608,000</u>	<u>\$ 1,171,370</u>	<u>\$ 2,977</u>	<u>\$ 137,096</u>	<u>\$ 112,380</u>
<u>Net Position</u>									
Restricted for Individuals, organizations and Other Governments	-	-	-	-	-	-	-	-	319,614
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 319,614</u>
Total Liabilities and Net Position	<u>\$ 9,257</u>	<u>\$ 18,243</u>	<u>\$ 18,480</u>	<u>\$ 25,473</u>	<u>\$ 608,000</u>	<u>\$ 1,171,370</u>	<u>\$ 2,977</u>	<u>\$ 137,096</u>	<u>\$ 431,994</u>

COUNTY OF LAWRENCE
 COMBINING STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)
 CUSTODIAL FUNDS
 DECEMBER 31, 2021

Assets	Register and Recorder	Commissary Account	Employee Welfare	Sheriff Account	TPV Inmate Account	Grocery Account	Inmates Account	Unpaid Restitution	Total
Cash and Cash equivalents	\$ 486,829	\$ 331,118	\$ 7,376	\$ 133,555	\$ 1,563	\$ 55,273	\$ 231,253	\$ 27,115	\$ 3,696,972
Total Assets	\$ 486,829	\$ 331,118	\$ 7,376	\$ 133,555	\$ 1,563	\$ 55,273	\$ 231,253	\$ 27,115	\$ 3,696,972
Liabilities									
Accounts Payable	\$ -	\$ 2,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,115	\$ 29,410
Due to Other Governments	467,598	-	-	105,518	-	-	-	-	1,423,317
Due to Others	19,231	-	-	28,037	1,563	55,273	231,253	-	1,588,432
Total Liabilities	\$ 486,829	\$ 2,295	\$ -	\$ 133,555	\$ 1,563	\$ 55,273	\$ 231,253	\$ 27,115	\$ 3,041,159
Net Position									
Restricted for Individuals, organizations and Other Governments	-	328,823	7,376	-	-	-	-	-	655,813
Total Net Position 655,813	\$ -	\$ 328,823	\$ 7,376	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities and Net Position	\$ 486,829	\$ 331,118	\$ 7,376	\$ 133,555	\$ 1,563	\$ 55,273	\$ 231,253	\$ 27,115	\$ 3,696,972

