



**ANNUAL FINANCIAL REPORT
LAWRENCE COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2013



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FOR THE YEAR ENDED JUNE 30, 2013

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

LAWRENCE COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		6-7
<u>INTRODUCTORY SECTION</u>		8
Lawrence County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	23
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	24-26
Highway/Public Works Fund	C-6	27
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	28
Index and Notes to the Financial Statements		29-73
REQUIRED SUPPLEMENTARY INFORMATION:		74
Schedule of Funding Progress – Pension Plan – Primary Government, Discretely Presented Lawrence County School Department, and Discretely Presented Lawrence County Emergency Communications District	E-1	75
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government, Discretely Presented Lawrence County School Department, and Discretely Presented Lawrence County Emergency Communications District	E-2	76
Notes to the Required Supplementary Information		77

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		78
Nonmajor Governmental Funds:		79-80
Combining Balance Sheet	F-1	81-82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	83-84
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	F-3	85
Solid Waste/Sanitation Fund	F-4	86
Industrial/Economic Development Fund	F-5	87
Drug Control Fund	F-6	88
Major Governmental Fund:		89
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	90
Fiduciary Funds:		91
Combining Statement of Fiduciary Assets and Liabilities	H-1	92
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	93-94
Component Unit:		
Discretely Presented Lawrence County School Department:		95
Statement of Activities	I-1	96
Balance Sheet – Governmental Funds	I-2	97
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	98
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	99
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	100
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	101
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	102
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	103-104
School Federal Projects Fund	I-9	105
Central Cafeteria Fund	I-10	106
Extended School Program Fund	I-11	107

	Exhibit	Page(s)
Miscellaneous Schedules:		108
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds	J-1	109
Schedule of Long-term Debt Requirements by Year	J-2	110-111
Schedule of Notes Receivable	J-3	112
Schedule of Transfers – Primary Government and Discretely Presented Lawrence County School Department	J-4	113
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Lawrence County School Department	J-5	114
Schedule of Detailed Revenues – All Governmental Fund Types	J-6	115-124
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Lawrence County School Department	J-7	125-127
Schedule of Detailed Expenditures – All Governmental Fund Types	J-8	128-150
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Lawrence County School Department	J-9	151-161
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-10	162
 <u>SINGLE AUDIT SECTION</u>		 163
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		164-165
Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		166-168
Schedule of Expenditures of Federal Awards and State Grants		169-170
Schedule of Audit Findings Not Corrected		171
Schedule of Findings and Questioned Costs		172-177
Auditee Reporting Responsibilities		178

Audit Highlights

Annual Financial Report
Lawrence County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2013.

Results

Our report on Lawrence County's financial statements is unmodified.

Our audit resulted in four findings and recommendations, which we have reviewed with Lawrence County's management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings and Best Practice

The following are summaries of the audit findings and best practice:

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ Some purchase orders were issued after purchases were made.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Expenditures exceeded appropriations.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ Execution docket trial balances were not prepared for circuit, general sessions, and juvenile courts.

OFFICE OF SHERIFF

- ◆ Some funds were not deposited within three days of collection.
-

BEST PRACTICE

Lawrence County does not have a central system of accounting, budgeting, and purchasing. The Division of Local Government Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Lawrence County.

INTRODUCTORY SECTION

Lawrence County Officials
June 30, 2013

Officials

J. Mack Chandler, County Executive
Donnie Joe Brown, Road Superintendent
Dr. Bill Heath, Director of Schools
Kiley Weathers, Trustee
Barbara Kizer, Assessor of Property
Chuck Kizer, County Clerk
Debbie Riddle, Circuit, General Sessions, and Juvenile Courts Clerk
Kristy Gang, Clerk and Master
Teresa Dunkin, Register of Deeds
Jimmy Brown, Sheriff
Teresa Purcell, Director of Accounts and Budgets
Susan Luna, Purchasing Agent

Board of County Commissioners

Jerry Dryden, Chairman	Scott Franks
Wayne Yocum	Sam Washburn
Chris Jackson	Neeley Luna
Dennis Gillespie	Glenn Woodall
Ronnie Taylor	Karen Woodall
Sam Purcell	Anne Brown
Larry Glass	Bert Spearman
Mark Niedergeses	Bill Burks
Ronald Benefield	
Delano Benefield	

Board of Education

Michael Kilburn, Chairman	Donna Wells
Kevin Caruso	Brenda Jacobs
Roberta Brazier	Nicky Hartsfield
Ricky Mabry	Jerry Campbell
Duke Snider	

Audit Committee

Karen Woodall, Chairman
Scott Franks
Jerry Putman

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report

Lawrence County Executive and
Board of County Commissioners
Lawrence County, Tennessee

To the County Executive and County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Lawrence County Emergency Communications District, which represent 1.8 percent, 1.7 percent, and 2.7 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lawrence County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable

to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes a restatement to the beginning net position of the governmental activities totaling \$445,848, which was necessary due to the implementation of GASB Statement No. 65.

Also, we draw attention to Note I.D.10. to the beginning net position of the governmental activities totaling \$25,852, which was necessary to reclassify the District Attorney General Fund from a special revenue fund to an agency fund.

As described in Note V.B., Lawrence County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Lawrence County early implemented Statement No. 65,

Items Previously Reported as Assets and Liabilities and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plans on pages 75-77 be presented to supplement the basic financial statements. Such information, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lawrence County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and the miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such

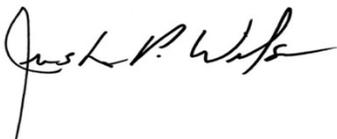
information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and the miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2014, on our consideration of Lawrence 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 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 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 Lawrence County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 30, 2014

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Lawrence County, Tennessee
Statement of Net Position
June 30, 2013

	Primary Government Governmental Activities	Component Units	
		Lawrence County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 92,029	\$ 1,153	\$ 201,353
Equity in Pooled Cash and Investments	8,046,662	8,576,769	0
Inventories	0	100,184	0
Accounts Receivable	3,610,741	1,204	58,112
Allowance for Uncollectibles	(1,506,101)	0	0
Due from Other Governments	1,095,258	1,391,153	0
Property Taxes Receivable	10,721,118	6,141,306	0
Allowance for Uncollectible Property Taxes	(315,655)	(180,814)	0
Prepaid Items	0	0	19,189
Notes Receivable	97,012	0	0
Deferred Charges - Debt Issuance Costs	0	0	1,313
Capital Assets:			
Assets Not Depreciated:			
Land	1,009,453	676,454	0
Construction in Progress	0	19,705	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	21,301,687	38,254,532	413,815
Infrastructure	32,648,100	0	0
Other Capital Assets	2,849,250	4,052,125	423,447
Total Assets	<u>\$ 79,649,554</u>	<u>\$ 59,033,771</u>	<u>\$ 1,117,229</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 772,895	\$ 17,025	\$ 8,535
Accrued Liabilities	0	0	51,838
Payroll Deductions Payable	177	1,855,630	0
Accrued Interest Payable	250,141	0	0
Due to State of Tennessee	10,711	0	0
Noncurrent Liabilities:			
Due Within One Year	4,714,880	63,433	45,774
Due in More Than One Year (net of deferred amount on refunding and unamortized discounts on debt)	41,912,846	7,911,182	255,489
Total Liabilities	<u>\$ 47,661,650</u>	<u>\$ 9,847,270</u>	<u>\$ 361,636</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 10,000,467	\$ 5,728,501	\$ 0
Total Deferred Inflows of Resources	<u>\$ 10,000,467</u>	<u>\$ 5,728,501</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 33,004,882	\$ 43,002,816	\$ 641,999
Restricted for:			
General Government	3,246	0	0
Administration of Justice	188,751	0	0
Public Safety	136,900	0	0
Public Health and Welfare	15,000	0	0
Social, Cultural, and Recreational Services	75,799	0	0
Highway/Public Works	639,422	0	0
Instruction	0	44,410	0
Operation of Non-Instructional Services	0	754,177	0
Capital Projects	1,060,080	0	0
Unrestricted	(13,136,643)	(343,403)	113,594
Total Net Position	<u>\$ 21,987,437</u>	<u>\$ 43,458,000</u>	<u>\$ 755,593</u>

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

Exhibit B

Lawrence County, Tennessee
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Primary Government			Component Units	
	Expenses	Changes for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Lawrence County	School Department	Emergency Communications District		
Primary Government:										
Governmental Activities:										
General Government	\$ 1,973,052	\$ 296,964	\$ 16,164	\$ 0	\$ (1,659,924)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,409,593	1,011,014	0	0	(398,579)	0	0	0	0	0
Administration of Justice	1,469,115	765,908	119,787	0	(583,420)	0	0	0	0	0
Public Safety	6,470,369	1,251,277	219,395	0	(4,999,697)	0	0	0	0	0
Public Health and Welfare	4,696,558	3,388,547	685,519	0	(622,492)	0	0	0	0	0
Social, Cultural, and Recreational Services	355,120	10,219	128,585	0	(216,316)	0	0	0	0	0
Agriculture and Natural Resources	138,772	0	0	0	(138,772)	0	0	0	0	0
Other Operations	571,531	0	4,228	0	(567,303)	0	0	0	0	0
Highways/Public Works	6,300,812	9,244	2,299,476	379,674	(3,612,418)	0	0	0	0	0
Interest on Long-term Debt	1,687,044	0	0	0	(1,687,044)	0	0	0	0	0
Other Debt Service	86,686	0	300,000	0	213,314	0	0	0	0	0
Total Primary Government	\$ 25,071,966	\$ 6,733,173	\$ 3,773,154	\$ 379,674	\$ (14,272,651)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Lawrence County School Department	\$ 58,287,912	\$ 1,436,508	\$ 8,006,078	\$ 8,097	\$ 0	\$ (48,837,229)	\$ 0	\$ 0	\$ 0	\$ 0
Emergency Communications District	1,335,992	403,178	167,214	0	0	0	0	0	0	(765,600)
Total Component Units	\$ 59,623,904	\$ 1,839,686	\$ 8,173,292	\$ 8,097	\$ 0	\$ (48,837,229)	\$ 0	\$ (765,600)	\$ 0	\$ 0

(Continued)

Exhibit B

Lawrence County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total	Component Units	
					Lawrence County School Department	Emergency Communi- cations District
Expenses						
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes	\$	8,045,147		\$	5,793,553	\$
Property Taxes Levied for Debt Service		2,084,663			0	0
Local Option Sales Tax		1,436,312			4,675,738	0
Hotel/Motel Tax		97,462			0	0
Wheel Tax		917,206			0	0
Litigation Tax - General		110,260			0	0
Litigation Tax - Jail, Workhouse, or Courthouse		99,315			0	0
Business Tax		332,253			0	0
Mineral Severance Tax		51,987			0	0
Wholesale Beer Tax		126,329			0	0
Other Local Taxes		74,654			3,407	0
Grants and Contributions Not Restricted to Specific Programs		1,242,797			34,671,628	916,675
Unrestricted Investment Earnings		64,493			1,023	95
E-Rate Funding		0			54,429	0
Miscellaneous		29,558			48,612	0
Insurance Recovery		28,043			19,729	0
Total General Revenues		\$ 14,740,479			\$ 45,268,119	\$ 916,770
Change in Net Position		\$	467,828		\$	(3,569,110)
Net Position, July 1, 2012			21,991,309			47,027,110
Reclassification - See Note I.D.10.			(25,852)			0
Restatement - See Note I.D.9.			(445,848)			0
Net Position, June 30, 2013			\$ 21,987,437			\$ 43,458,000
						\$ 755,593

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

Lawrence County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2013

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
\$	1,050	0	0	90,979	\$	92,029
	2,928,833	448,686	2,726,919	1,942,224		8,046,662
	2,294,960	0	80,399	1,235,382		3,610,741
	(683,196)	0	0	(822,905)		(1,506,101)
	337,660	372,178	176,671	208,749		1,095,258
	170,000	0	0	0		170,000
	7,002,099	1,541,792	2,177,227	0		10,721,118
	(206,158)	(45,394)	(64,103)	0		(315,655)
	0	0	0	97,012		97,012
	<u>11,845,248</u>	<u>2,317,262</u>	<u>5,097,113</u>	<u>2,751,441</u>		<u>22,011,064</u>

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Allowance for Uncollectibles
 Due from Other Governments
 Due from Other Funds
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes
 Notes Receivable - Long-term

Total Assets

LIABILITIES

Accounts Payable
 Payroll Deductions Payable
 Due to Other Funds
 Due to State of Tennessee
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
 Deferred Delinquent Property Taxes
 Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

(Continued)

Lawrence County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
FUND BALANCES						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 75,799	\$ 75,799	\$ 75,799
Restricted:						
Restricted for General Government	3,246	0	0	0	0	3,246
Restricted for Administration of Justice	188,751	0	0	0	0	188,751
Restricted for Public Safety	12,664	0	0	125,401	0	138,065
Restricted for Public Health and Welfare	15,000	0	0	0	0	15,000
Restricted for Highways/Public Works	0	446,548	0	0	0	446,548
Restricted for Capital Outlay	78,152	0	0	581,956	0	660,108
Restricted for Capital Projects	0	0	0	399,972	0	399,972
Committed:						
Committed for General Government	10,936	0	0	73,171	0	84,107
Committed for Finance	0	0	0	27,500	0	27,500
Committed for Public Safety	143,470	0	0	0	0	143,470
Committed for Public Health and Welfare	0	0	0	663,568	0	663,568
Committed for Debt Service	0	0	2,899,349	0	0	2,899,349
Assigned:						
Assigned for Social, Cultural, and Recreational Services	22	0	0	0	0	22
Unassigned	2,979,603	0	0	0	0	2,979,603
Total Fund Balances	\$ 3,431,844	\$ 446,548	\$ 2,899,349	\$ 1,947,367	\$ 1,947,367	\$ 8,725,108
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,845,248	\$ 2,317,262	\$ 5,097,113	\$ 2,751,441	\$ 2,751,441	\$ 22,011,064

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

Lawrence County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	8,725,108
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,009,453	
Add: buildings and improvements net of accumulated depreciation		21,301,687	
Add: infrastructure net of accumulated depreciation		32,648,100	
Add: other capital assets net of accumulated depreciation		<u>2,849,250</u>	57,808,490
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(719,666)	
Less: capital leases payable		(247,366)	
Less: bonds payable		(43,568,038)	
Add: deferred amount on refunding		15,089	
Less: deferred charges - premium on debt		(89,979)	
Add: deferred charges - discount on debt		67,213	
Less: compensated absences payable		(655,049)	
Less: landfill postclosure care costs		(1,100,960)	
Less: other postemployment benefits liability		(328,970)	
Less: accrued interest on bonds, notes, and capital leases		<u>(250,141)</u>	(46,877,867)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>2,331,706</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>21,987,437</u></u>

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

Exhibit C-3

Lawrence County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 7,591,733	\$ 1,516,524	\$ 4,569,668	\$ 119,166	\$ 13,797,091
Licenses and Permits	42,534	0	0	0	42,534
Fines, Forfeitures, and Penalties	199,948	0	0	40,749	240,697
Charges for Current Services	1,920,863	0	0	1,586,510	3,507,373
Other Local Revenues	69,120	48,492	90,000	203,480	411,092
Fees Received from County Officials	1,203,937	0	0	0	1,203,937
State of Tennessee	1,715,397	2,365,645	682,533	32,695	4,796,270
Federal Government	98,907	0	0	556,730	655,637
Other Governments and Citizens Groups	128,440	309,556	300,000	0	737,996
Total Revenues	\$ 12,970,879	\$ 4,240,217	\$ 5,642,201	\$ 2,539,330	\$ 25,392,627
<u>Expenditures</u>					
Current:					
General Government	\$ 1,243,726	\$ 0	\$ 0	\$ 0	\$ 1,243,726
Finance	879,372	0	0	506,094	1,385,466
Administration of Justice	1,224,402	0	0	12,717	1,237,119
Public Safety	5,625,741	0	0	49,323	5,675,064
Public Health and Welfare	2,525,404	0	0	1,669,914	4,195,318
Social, Cultural, and Recreational Services	302,729	0	0	0	302,729
Agriculture and Natural Resources	171,900	0	0	0	171,900
Other Operations	974,536	0	0	12,410	986,946
Highways	0	3,928,025	0	0	3,928,025
Debt Service:					
Principal on Debt	135,847	60,209	4,318,629	0	4,514,685
Interest on Debt	6,831	5,490	1,708,637	0	1,720,958
Other Debt Service	0	0	79,532	0	79,532
Capital Projects	417,256	0	0	2,131,500	2,548,756
Total Expenditures	\$ 13,507,744	\$ 3,993,724	\$ 6,106,798	\$ 4,381,958	\$ 27,990,224
Excess (Deficiency) of Revenues Over Expenditures	\$ (536,865)	\$ 246,493	\$ (464,597)	\$ (1,842,628)	\$ (2,597,597)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 2,750,000	\$ 2,750,000
Premiums on Debt Issued	0	0	0	93,312	93,312
Insurance Recovery	0	0	0	40,293	40,293
Transfers In	670,000	0	0	1,764,866	2,434,866
Transfers Out	(164,866)	0	0	(2,270,000)	(2,434,866)
Total Other Financing Sources (Uses)	\$ 505,134	\$ 0	\$ 0	\$ 2,378,471	\$ 2,883,605
Net Change in Fund Balances	\$ (31,731)	\$ 246,493	\$ (464,597)	\$ 535,843	\$ 286,008
Reclassification	0	0	0	(25,852)	(25,852)
Fund Balance, July 1, 2012	3,463,575	200,055	3,363,946	1,437,376	8,464,952
Fund Balance, June 30, 2013	\$ 3,431,844	\$ 446,548	\$ 2,899,349	\$ 1,947,367	\$ 8,725,108

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

Exhibit C-4

Lawrence County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 286,008
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,932,092	
Less: current-year depreciation expense	<u>(4,568,938)</u>	(1,636,846)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		(26,000)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2012	\$ (2,115,479)	
Add: deferred delinquent property taxes and other deferred June 30, 2013	<u>2,331,706</u>	216,227
(4) The issuance of long-term debt (e.g., bonds, notes, leases) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (2,750,000)	
Less: change in deferred debt issuance costs	(3,755)	
Less: change in premium on debt issuance	(89,979)	
Add: principal payments on bonds	3,633,962	
Add: principal payments on notes	684,667	
Add: principal payments on capital leases	196,056	
Less: change in deferred amount on refunding	<u>(3,399)</u>	1,667,552
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 33,914	
Change in compensated absences payable	(30,612)	
Change in other postemployment benefits liability	(52,701)	
Change in landfill postclosure care costs	<u>10,286</u>	(39,113)
Change in net position of governmental activities (Exhibit B)		<u>\$ 467,828</u>

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

Exhibit C-5

Lawrence County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 7,591,733	\$ 0	\$ 0	\$ 7,591,733	\$ 7,476,172	\$ 7,476,172	\$ 115,561
Licenses and Permits	42,534	0	0	42,534	38,450	38,450	4,084
Fines, Forfeitures, and Penalties	199,948	0	0	199,948	201,225	201,225	(1,277)
Charges for Current Services	1,920,863	0	0	1,920,863	2,071,100	2,071,100	(150,237)
Other Local Revenues	69,120	0	0	69,120	56,150	56,150	12,970
Fees Received from County Officials	1,203,937	0	0	1,203,937	1,206,000	1,206,000	(2,063)
State of Tennessee	1,715,397	0	0	1,715,397	1,858,970	1,881,717	(166,320)
Federal Government	98,907	0	0	98,907	15,636	76,484	22,423
Other Governments and Citizens Groups	128,440	0	0	128,440	96,691	130,023	(1,583)
Total Revenues	\$ 12,970,879	\$ 0	\$ 0	\$ 12,970,879	\$ 13,020,394	\$ 13,137,321	\$ (166,442)
Expenditures							
General Government							
County Commission	\$ 105,105	\$ (27)	\$ 0	\$ 105,078	\$ 110,721	\$ 109,167	\$ 4,089
Beer Board	261	0	0	261	500	2,054	1,793
County Mayor/Executive	180,354	0	0	180,354	178,307	188,499	8,145
County Attorney	7,078	0	0	7,078	7,828	7,828	750
Election Commission	262,306	0	0	262,306	259,992	270,941	8,635
Register of Deeds	181,898	0	0	181,898	191,693	192,693	10,795
County Buildings	423,415	(1,842)	200	421,773	443,246	443,246	21,473
Preservation of Records	83,309	(140)	0	83,169	84,690	86,402	3,233
Finance							
Accounting and Budgeting	196,039	0	0	196,039	193,386	211,424	15,385
Purchasing	85,723	0	0	85,723	103,580	104,180	18,457
Property Assessor's Office	298,554	0	0	298,554	309,023	309,023	10,469
County Trustee's Office	71,345	0	0	71,345	82,895	85,433	14,088
County Clerk's Office	98,505	0	0	98,505	101,183	101,183	2,678
Data Processing	129,206	0	0	129,206	136,204	136,204	6,998

(Continued)

Exhibit C-5

Lawrence County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$	(384)	36	494,021	534,698	543,334	49,313
General Sessions Court	288,917	0	0	288,917	292,603	302,694	13,777
Chancery Court	279,963	0	250	280,213	283,117	283,117	2,904
Juvenile Court	155,567	0	0	155,567	136,575	168,082	12,515
Courtroom Security	65	0	0	65	1,200	1,200	1,135
Victims Assistance Programs	5,521	0	0	5,521	6,800	6,800	1,279
<u>Public Safety</u>							
Sheriff's Department	2,685,016	(1,550)	1,500	2,684,966	2,658,067	2,747,845	62,879
Jail	2,268,202	(1,733)	0	2,266,469	2,193,729	2,285,544	19,075
Workhouse	58,289	0	0	58,289	58,300	58,300	11
Work Release Program	4,116	0	0	4,116	5,500	7,800	3,684
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	6,433	0	0	6,433	10,000	10,000	3,567
Rescue Squad	289,500	0	0	289,500	289,500	289,500	0
Other Emergency Management	285,000	0	0	285,000	285,000	285,000	0
County Coroner/Medical Examiner	15,346	0	0	15,346	12,399	15,347	1
Other Public Safety	11,839	0	0	11,839	12,000	12,000	161
<u>Public Health and Welfare</u>							
Local Health Center	108,197	0	0	108,197	114,528	114,528	6,331
Ambulance/Emergency Medical Services	1,993,269	(360)	0	1,992,909	2,123,446	2,143,446	150,537
Alcohol and Drug Programs	73,410	0	0	73,410	0	78,408	4,998
Other Local Health Services	5,000	0	0	5,000	5,000	5,000	0
Regional Mental Health Center	10,000	0	0	10,000	10,000	10,000	0
Appropriation to State	253,492	0	0	253,492	292,599	292,599	39,107
Aid to Dependent Children	6,667	0	0	6,667	6,667	6,667	0
Other Public Health and Welfare	75,369	0	0	75,369	75,370	75,370	1
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	1,500	0	0	1,500	1,500	1,500	0
Libraries	273,614	(1,323)	22	272,313	297,386	301,193	28,880
Other Social, Cultural, and Recreational	27,615	0	0	27,615	28,000	28,650	1,035

(Continued)

Exhibit C-5

Lawrence County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	\$ 118,843	\$ 0	\$ 0	\$ 118,843	\$ 118,019	\$ 121,529	\$ 2,686
Soil Conservation	51,565	0	0	51,565	45,173	53,913	2,348
Other Agriculture and Natural Resources	1,492	0	0	1,492	0	1,492	0
<u>Other Operations</u>							
Tourism	39,968	0	0	39,968	33,150	40,468	500
Industrial Development	180,543	0	0	180,543	139,543	185,781	5,238
Airport	67,175	0	0	67,175	67,175	67,175	0
Veterans' Services	94,645	0	0	94,645	100,303	100,303	5,658
Other Charges	592,205	0	0	592,205	463,256	627,839	35,634
<u>Principal on Debt</u>							
General Government	135,847	0	0	135,847	135,847	135,847	0
<u>Interest on Debt</u>							
General Government	6,831	0	0	6,831	5,321	6,831	0
<u>Capital Projects</u>							
General Administration Projects	417,256	0	78,152	495,408	0	500,000	4,592
Total Expenditures	\$ 13,507,744	\$ (7,359)	\$ 80,160	\$ 13,580,545	\$ 13,047,019	\$ 14,165,379	\$ 584,834
Excess (Deficiency) of Revenues Over Expenditures	\$ (536,865)	\$ 7,359	\$ (80,160)	\$ (609,666)	\$ (26,625)	\$ (1,028,058)	\$ 418,392
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 670,000	\$ 0	\$ 0	\$ 670,000	\$ 125,000	\$ 745,000	\$ (75,000)
Transfers Out	(164,866)	0	0	(164,866)	(44,866)	(164,866)	0
Total Other Financing Sources	\$ 505,134	\$ 0	\$ 0	\$ 505,134	\$ 80,134	\$ 580,134	\$ (75,000)
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (31,731)	\$ 7,359	\$ (80,160)	\$ (104,532)	\$ 53,509	\$ (447,924)	\$ 343,392
Fund Balance, July 1, 2012	3,463,575	(7,359)	0	3,456,216	3,320,034	3,320,034	136,182
Fund Balance, June 30, 2013	\$ 3,431,844	\$ 0	\$ (80,160)	\$ 3,351,684	\$ 3,373,543	\$ 2,872,110	\$ 479,574

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

Exhibit C-6

Lawrence County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,516,524	\$ 1,574,240	\$ 1,574,240	\$ (57,716)
Other Local Revenues	48,492	2,500	344,363	(295,871)
State of Tennessee	2,365,645	2,440,650	2,348,800	16,845
Other Governments and Citizens Groups	309,556	0	0	309,556
Total Revenues	<u>\$ 4,240,217</u>	<u>\$ 4,017,390</u>	<u>\$ 4,267,403</u>	<u>\$ (27,186)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 204,079	\$ 229,132	\$ 229,132	\$ 25,053
Highway and Bridge Maintenance	2,573,003	2,372,655	2,874,044	301,041
Operation and Maintenance of Equipment	564,834	610,802	610,802	45,968
Other Charges	89,410	90,299	90,299	889
Capital Outlay	496,699	805,508	558,658	61,959
<u>Principal on Debt</u>				
Highways and Streets	60,209	60,209	60,209	0
<u>Interest on Debt</u>				
Highways and Streets	5,490	7,214	7,214	1,724
Total Expenditures	<u>\$ 3,993,724</u>	<u>\$ 4,175,819</u>	<u>\$ 4,430,358</u>	<u>\$ 436,634</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 246,493</u>	<u>\$ (158,429)</u>	<u>\$ (162,955)</u>	<u>\$ 409,448</u>
Net Change in Fund Balance	\$ 246,493	\$ (158,429)	\$ (162,955)	\$ 409,448
Fund Balance, July 1, 2012	<u>200,055</u>	<u>198,971</u>	<u>198,971</u>	<u>1,084</u>
Fund Balance, June 30, 2013	<u>\$ 446,548</u>	<u>\$ 40,542</u>	<u>\$ 36,016</u>	<u>\$ 410,532</u>

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

Exhibit D

Lawrence County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,871
Equity in Pooled Cash and Investments	1,327,695
Accounts Receivable	3,865
Due from Other Governments	<u>686,583</u>
Total Assets	<u>\$ 2,021,014</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 686,583
Due to Litigants, Heirs, and Others	1,233,606
Due to Joint Ventures	<u>100,825</u>
Total Liabilities	<u>\$ 2,021,014</u>

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

LAWRENCE COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	30
B. Government-wide and Fund Financial Statements	31
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	32
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	34
2. Receivables and Payables	35
3. Inventories	36
4. Capital Assets	36
5. Deferred Outflows/Inflows of Resources	37
6. Compensated Absences	37
7. Long-term Obligations	38
8. Net Position and Fund Balance	38
9. Restatement	40
10. Reclassification	40
II. Reconciliation of Government-wide and Fund Financial Statements	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	40
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities	41
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	41
B. Expenditures Exceeded Appropriations	42
IV. Detailed Notes on All Funds	
A. Deposits and Investments	42
B. Notes Receivable	44
C. Capital Assets	44
D. Interfund Receivables, Payables, and Transfers	46
E. Capital Leases	47
F. Long-term Obligations	48
G. On-Behalf Payments	51
H. Short-term Debt	52
V. Other Information	
A. Risk Management	52
B. Accounting Changes	53
C. Subsequent Events	54
D. Contingent Liabilities	55
E. Landfill Closure/Postclosure Care Costs	55
F. Joint Ventures	55
G. Jointly Governed Organization	56
H. Retirement Commitments	57
I. Other Postemployment Benefits (OPEB)	62
J. Office of Central Accounting and Budgeting	65
K. Purchasing Laws	65
VI. Other Notes - Discretely Presented Lawrence County Emergency Communications District	66

LAWRENCE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lawrence County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Lawrence County:

A. Reporting Entity

Lawrence County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Lawrence County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Lawrence County School Department operates the public school system in the county, and the voters of Lawrence County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Lawrence County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Lawrence County, and the Lawrence County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Lawrence County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Lawrence County School Department are included in this report as listed in the table of contents. Complete financial statements of the Lawrence County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Lawrence County Emergency
Communications District
233 West Gaines Street
Lawrenceburg, TN 38464-0691

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Lawrence County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Lawrence County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Lawrence County issues all debt for the discretely presented Lawrence County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2013.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds 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 funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

Fund financial statements of Lawrence County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Lawrence County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. Fiduciary funds in total are reported in a single column.

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 become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Lawrence County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not

measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Lawrence County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Lawrence County reports the following fund types:

Capital Projects Funds – These funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Permanent Fund – The Permanent Fund accounts for two private gifts received by the county for which the principal amount must remain intact while interest earned on the principal is to be expended to benefit Lawrence County’s public library. The interest earned on the fund’s investments is posted directly to the General Fund.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Lawrence County, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Lawrence County School Department reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Lawrence County School Department reports the following fund types:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Lawrence County and contributed to the School Department for building construction and renovations.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Lawrence County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Lawrence County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are

reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectibles. Ambulance and solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since, the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes.

Additional costs attach to delinquent taxes after a court suit has been filed.

3. Inventories

Inventories of the Lawrence County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 (bridge infrastructure \$50,000) or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 40
Other Capital Assets	5 - 10
Infrastructure:	
Roads	10 - 25
Bridges	25

5. Deferred Outflows/Inflows 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 has no items that qualify for reporting in this category.

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 items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

It is the primary government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Lawrence County does not have a policy to pay amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the policy of the discretely presented Lawrence County School Department to permit central office and bus/building maintenance employees to earn vacation at the rate of 12 to 18 days per year, depending upon length of service and length of contract. The policy provides for employees to carry forward to the next year any unused annual days not to exceed 20 days. All vacation pay is accrued when incurred in the government-wide financial statements for the School Department. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. Noncertified personnel earn one day of sick leave per month with unlimited accumulation. The granting of sick leave has no guaranteed payment attached and, therefore, is not required to be accrued or recorded.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2013, Lawrence County had \$19,664,250 in outstanding debt for capital purposes for the discretely presented Lawrence County School Department. This debt is a liability of Lawrence County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Lawrence County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county’s Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

9. Restatement

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. A restatement to beginning net position totaling \$445,848 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

10. Reclassification

In prior years, the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, this fund has been reclassified as an agency fund to better reflect the control of these funds by the district attorney general.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Lawrence County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Lawrence County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Beer Board, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County

Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the following funds' major appropriation categories (the legal level of control):

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
<u>General Purpose School</u>	
Adult Education Program	\$ 4,782
Adult Programs	2,348
Office of the Principal	2,819
Early Childhood Education	428
 <u>School Federal Projects</u>	
Health Services	768
Special Education Program	30,200
Transportation	613

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Lawrence County and the discretely presented Lawrence County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2013.

B. Notes Receivable

Notes receivable in the Industrial/Economic Development Fund resulted from financing a project for the Lawrenceburg-Lawrence County Airport (Joint Venture). The amount of the note that is not expected to be collected within one year is \$97,012 and is offset by committed fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

Primary Government

Governmental Activities:

	Balance		Balance	
	7-1-12	Increases	Decreases	6-30-13
Capital Assets Not Depreciated:				
Land	\$ 1,009,453	\$ 0	\$ 0	\$ 1,009,453
Construction in Progress	307,301	0	307,301	0
Total Capital Assets Not Depreciated	\$ 1,316,754	\$ 0	\$ 307,301	\$ 1,009,453
Capital Assets Depreciated:				
Buildings and Improvements	\$ 25,029,588	\$ 757,762	\$ 0	\$ 25,787,350
Infrastructure	76,704,290	1,270,020	0	77,974,310
Other Capital Assets	9,425,080	1,211,611	299,432	10,337,259
Total Capital Assets Depreciated	\$ 111,158,958	\$ 3,239,393	\$ 299,432	\$ 114,098,919
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,845,610	\$ 640,053	\$ 0	\$ 4,485,663
Infrastructure	42,083,652	3,242,558	0	45,326,210
Other Capital Assets	7,075,114	686,327	273,432	7,488,009
Total Accumulated Depreciation	\$ 53,004,376	\$ 4,568,938	\$ 273,432	\$ 57,299,882
Total Capital Assets Depreciated, Net	\$ 58,154,582	\$ (1,329,545)	\$ 26,000	\$ 56,799,037
Governmental Activities Capital Assets, Net	\$ 59,471,336	\$ (1,329,545)	\$ 333,301	\$ 57,808,490

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

Governmental Activities:

General Government	\$ 172,384
Finance	5,588
Administration of Justice	10,551
Public Safety	613,764
Public Health and Welfare	185,188
Social, Cultural, and Recreational Services	73,935
Agriculture and Natural Resources	1,870
Other Operations	128
Highways	<u>3,505,530</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,568,938</u>

Discretely Presented Lawrence County School Department

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 676,454	\$ 0	\$ 0	\$ 676,454
Construction in Progress	689,441	19,705	689,441	19,705
Total Capital Assets Not Depreciated	<u>\$ 1,365,895</u>	<u>\$ 19,705</u>	<u>\$ 689,441</u>	<u>\$ 696,159</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 61,875,212	\$ 1,246,333	\$ 0	\$ 63,121,545
Other Capital Assets	12,574,110	300,434	426,800	12,447,744
Total Capital Assets Depreciated	<u>\$ 74,449,322</u>	<u>\$ 1,546,767</u>	<u>\$ 426,800</u>	<u>\$ 75,569,289</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 23,273,370	\$ 1,593,643	\$ 0	\$ 24,867,013
Other Capital Assets	8,220,764	601,655	426,800	8,395,619
Total Accumulated Depreciation	<u>\$ 31,494,134</u>	<u>\$ 2,195,298</u>	<u>\$ 426,800</u>	<u>\$ 33,262,632</u>
Total Capital Assets Depreciated, Net	<u>\$ 42,955,188</u>	<u>\$ (648,531)</u>	<u>\$ 0</u>	<u>\$ 42,306,657</u>
Governmental Activities Capital Assets, Net	<u>\$ 44,321,083</u>	<u>\$ (628,826)</u>	<u>\$ 689,441</u>	<u>\$ 43,002,816</u>

Depreciation expense was charged to functions of the discretely presented Lawrence County School Department as follows:

Governmental Activities:

Instruction	\$	1,498,415
Support Services		564,518
Operation of Non-Instructional Services		<u>132,365</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>2,195,298</u></u>

D. Interfund Receivables, Payables, and Transfers

Due to/from Other Funds:

Interfund transfers for the year ended June 30, 2013, consisted of the following amount:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Fund</u>
General	Nonmajor governmental	\$ 170,000

This balance resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>	
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
General Fund	\$ 0	\$ 164,866
Nonmajor governmental funds	<u>670,000</u>	<u>1,600,000</u>
Total	<u>\$ 670,000</u>	<u>\$ 1,764,866</u>

Discretely Presented Lawrence County School Department

	<u>Transfers In</u>	
	General Purpose School Fund	Nonmajor Governmental Funds
<u>Transfers Out</u>		
General Purpose School Fund	\$ 0	\$ 48,884
Nonmajor governmental funds	23,402	0
Total	<u>\$ 23,402</u>	<u>\$ 48,884</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Capital Leases

On September 14, 2009, Lawrence County entered into a three-year lease-purchase agreement for three ambulances. The terms of the agreement require total lease payments of \$280,500 plus interest of 4.947 percent. Titles to the ambulances transferred to Lawrence County on July 5, 2012, the end of the lease period.

On June 1, 2010, Lawrence County entered into a five-year lease-purchase agreement for a road reclaimer/mixer. The terms of the agreement require total lease payments of \$367,000 plus interest of 2.951 percent. Title to the equipment transfers to Lawrence County at the end of the lease period. The lease payments are made from the Highway/Public Works Fund.

On May 30, 2012, Lawrence County entered into a two-year lease-purchase agreement for five patrol cars. The terms of the agreement require total lease payments of \$185,855 plus interest of 5.75 percent. Titles to the vehicles transfer to Lawrence County at the end of the lease period. The lease payments are made from the General Fund.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 367,000
Less: Accumulated Depreciation	(220,812)
Vehicles	466,355
Less: Accumulated Depreciation	<u>(210,505)</u>
Total Book Value	<u>\$ 402,038</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2014	\$ 131,772
2015	<u>131,773</u>
Total Minimum Lease Payments	\$ 263,545
Less: Amount Representing Interest	<u>(16,179)</u>
Present Value of Minimum Lease Payments	<u>\$ 247,366</u>

F. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

Lawrence County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities of the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 38 years for bonds and 12 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	3.375 to 4.28 %	6-21-50	\$ 37,457,000	\$ 30,438,038
General Obligation Bonds - Refunding	2.599 to 3.79	10-1-34	30,750,000	13,130,000
Capital Outlay Notes	1.55 to 4.125	6-1-14	6,574,000	719,666
Capital Leases	2.951 to 5.75	6-15-15	552,855	247,366

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2013, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 3,194,096	\$ 1,517,367	\$ 4,711,463
2015	3,094,234	1,415,446	4,509,680
2016	3,189,377	1,312,694	4,502,071
2017	2,864,525	1,193,948	4,058,473
2018	2,954,678	1,097,871	4,052,549
2019-2023	10,425,865	4,287,127	14,712,992
2024-2028	8,490,534	2,719,420	11,209,954
2029-2033	5,671,047	1,390,372	7,061,419
2034-2038	3,547,555	383,562	3,931,117
2039-2043	50,237	19,693	69,930
2044-2048	59,306	10,625	69,931
2049-2050	26,584	1,352	27,936
Total	\$ 43,568,038	\$ 15,349,477	\$ 58,917,515

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 719,666	\$ 17,946	\$ 737,612
Total	\$ 719,666	\$ 17,946	\$ 737,612

There is \$2,899,349 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and capital leases totaled \$1,064, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2013, was as follows:

Governmental Activities:

	Bonds	Notes	Capital Leases
Balance, July 1, 2012	\$ 44,452,000	\$ 1,404,333	\$ 443,422
Additions	2,750,000	0	0
Reductions	(3,633,962)	(684,667)	(196,056)
Balance, June 30, 2013	<u>\$ 43,568,038</u>	<u>\$ 719,666</u>	<u>\$ 247,366</u>
Balance Due Within One Year	<u>\$ 3,194,096</u>	<u>\$ 719,666</u>	<u>\$ 121,069</u>

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2012	\$ 624,437	\$ 1,111,246	\$ 276,269
Additions	637,414	7,994	66,321
Reductions	(606,802)	(18,280)	(13,620)
Balance, June 30, 2013	<u>\$ 655,049</u>	<u>\$ 1,100,960</u>	<u>\$ 328,970</u>
Balance Due Within One Year	<u>\$ 655,049</u>	<u>\$ 25,000</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 46,620,049
Less: Due Within One Year	(4,714,880)
Add: Unamortized Premium on Debt	89,979
Less: Unamortized Discount on Debt	(67,213)
Less: Deferred Amount on Refunding	<u>(15,089)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 41,912,846</u>
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill postclosure costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Lawrence County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Lawrence County School Department for the year ended June 30, 2013, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2012	\$ 66,899	\$ 6,254,464
Additions	61,422	2,354,619
Reductions	(64,888)	(697,901)
Balance, June 30, 2013	<u>\$ 63,433</u>	<u>\$ 7,911,182</u>
Balance Due Within One Year	<u>\$ 63,433</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 7,974,615
Less: Balance Due Within One Year	<u>(63,433)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 7,911,182</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

G. On-Behalf Payments – Discretely Presented Lawrence County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lawrence County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2013, were \$280,403 and \$61,315, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Lawrence County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the Highway/Public Works Fund. These notes were necessary because funds were not available to meet operating expenses coming due before current tax collections. Short-term debt activity for the year ended June 30, 2013, was as follows:

	Balance			Balance
	7-1-12	Issued	Paid	6-30-13
Tax Anticipation Notes	\$ 0	\$ 400,000	\$ (400,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

The county continues to carry commercial insurance for all other risks of loss. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Lawrence County does not have a formal workers' compensation plan. The county is self-insured for risks associated with workers' compensation claims due to on-the-job injuries up to a limit of \$35,000 per claim and has purchased an occupational accident commercial insurance policy to cover claims over \$35,000 per occurrence and up to \$2,000,000 per accident. This policy does not limit the county's liability should occupational-related lawsuits be filed. Each county department pays a prorated share of the commercial insurance policy premiums, as well as an amount equal to the specific medical claims and wages for employees of their respective departments, from their appropriate funds. Settled claims have not exceeded the county's coverage in any of the past three fiscal years.

Lawrence County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Lawrence County School Department

Effective July 1, 2010, the School Department purchased commercial insurance coverage for general liability, property, casualty, and workers' compensation insurance coverage. Settled claims have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The discretely presented Lawrence County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Lawrence County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Subsequent Events

Susan Luna left the Office of Purchasing Agent on July 31, 2013. On September 24, 2013, the Lawrence County Commission added the duties of the purchasing agent to the director of accounts and budgets.

On November 14, 2013, the General Debt Service Fund issued a \$300,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney has not responded to requests to provide estimates of the potential claims not covered by insurance. However, management believes that any claims resulting from such litigation would not materially affect the county's financial statements.

E. Landfill Closure/Postclosure Care Costs

Lawrence County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Lawrence County closed its sanitary landfill in 2001. The \$1,100,960 reported as postclosure care liability at June 30, 2013, represents amounts based on what it would cost to perform all postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

Lawrence County and the City of Lawrenceburg jointly operate the Lawrenceburg-Lawrence County Airport. A six-member board, including three appointees from the county and three from the city, governs the Lawrenceburg-Lawrence County Airport. Lawrence County has control over budgeting and financing the joint venture only to the extent of representation by the three members appointed. Lawrence County contributed \$67,175 to the operations of the joint venture during the year ended June 30, 2013.

The Lawrence County Joint Economic Development Board is a joint venture between Lawrence County, the City of Loretto, and the City of Lawrenceburg. The board comprises the county executive, the mayors of the cities of Loretto and Lawrenceburg, and 11 additional members representing county and city governments, private citizens, industry, and business. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Lawrence County contributed \$139,543 to the

Lawrence County Joint Economic Development Board during the year ended June 30, 2013.

The Twenty-second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-second Judicial District, Lawrence, Giles, Maury, and Wayne counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Lawrence County did not contribute any funds to the DTF for the year ended June 30, 2013.

Lawrence County does not retain an equity interest in any of the above-noted joint ventures.

Complete financial statements for the Lawrenceburg-Lawrence County Airport, the Lawrence County Joint Economic Development Board, and the DTF can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Lawrenceburg-Lawrence County Airport
4110 Airport Road
Lawrenceburg, TN 38464

Lawrence County Joint Economic Development Board
Lawrence County Executive
240 West Gaines Street
Lawrenceburg, TN 38464

Office of District Attorney General
Twenty-second Judicial District Drug Task Force
P.O. Box 852
Lawrenceburg, TN 38464

G. Jointly Governed Organization

Lawrence County, in conjunction with Giles and Maury counties, created the Tennessee Southern Railroad Authority (TSRA). The TSRA's board includes the Lawrence County Executive and county executive/mayor of Giles and Maury counties, a representative appointed by the respective County Commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The

majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Lawrence County did not appropriate any funds to the authority for the year ended June 30, 2013.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

General Employees

Employees of Lawrence County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Lawrence County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Public Library Employees

Employees of Lawrence County Public Library are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides

retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with ten years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after ten years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the library participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy

General Employees

The county requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 10.32 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Public Library Employees

The library requires employees to contribute five percent of their earnable compensation to the plan. The library is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was zero of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the library is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

General Employees

For the year ended June 30, 2013, the county's annual pension cost of \$1,420,972 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was five years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-13	\$1,420,972	100%	\$0
6-30-12	1,329,766	100	0
6-30-11	1,318,429	100	0

Public Library Employees

For the year ended June 30, 2013, the library's annual pension cost of zero to TCRS was equal to the library's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social

Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The library's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was one year. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$ 0	100%	\$0
6-30-12	2,980	100	0
6-30-11	3,144	100	0

Funded Status and Funding Progress

General Employees

As of July 1, 2011, the most recent actuarial valuation date, the plan was 89.88 percent funded. The actuarial accrued liability for benefits was \$36.57 million, and the actuarial value of assets was \$32.87 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$13.58 million, and the ratio of the UAAL to the covered payroll was 27.26 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Public Library Employees

As of July 1, 2011, the most recent actuarial valuation date, the plan was 100 percent funded. The actuarial accrued liability for benefits was \$.64 million, and the actuarial value of assets was \$.64 million, resulting in an unfunded actuarial accrued liability (UAAL) of zero. The covered payroll (annual payroll of active employees covered by the plan) was \$.13 million, and the ratio of the UAAL to the covered payroll was zero.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SCHOOL TEACHERS

Plan Description

The Lawrence County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was

8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011, were \$2,221,321, \$2,196,734, and \$2,148,270, respectively, equal to the required contributions for each year.

2. Deferred Compensation

Lawrence County offers its employees a deferred compensation plan established pursuant to IRC Section 457 and the Lawrence County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 403(b) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) and 457 establish participation, contribution, and withdrawal provisions for the plans.

I. Other Postemployment Benefits (OPEB)

Plan Description

Lawrence County and the Lawrence County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for teachers and Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of the plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a

subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select, ranging from \$282 to \$501 per month. Lawrence County and the School Department recognized expenditures of \$13,620 and \$697,901, respectively, for postemployment health care during the year ended June 30, 2013.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 2,370,000	\$ 67,000
Interest on the NOPEBO	250,179	11,051
Adjustment to the ARC	(265,560)	(11,730)
Annual OPEB cost	<u>\$ 2,354,619</u>	<u>\$ 66,321</u>
Amount of contribution	(697,901)	(13,620)
Increase/decrease in NOPEBO	\$ 1,656,718	\$ 52,701
Net OPEB obligation, 7-1-12	<u>6,254,464</u>	<u>276,269</u>
Net OPEB obligation, 6-30-13	<u><u>\$ 7,911,182</u></u>	<u><u>\$ 328,970</u></u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Local Education Group	\$ 1,424,542	54 %	\$ 4,666,844
6-30-12	"	2,334,706	32	6,254,464
6-30-13	"	2,354,619	30	7,911,182
6-30-11	Local Government Group	98,344	22	221,941
6-30-12	"	66,455	18	276,269
6-30-13	"	66,321	21	328,970

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:
(dollars in thousands)

	Local Education Group Plan	Local Government Group Plan
	<u>Plan</u>	<u>Plan</u>
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 19,237	\$ 405
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 19,237	\$ 405
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 31,047	\$ 7,553
UAAL as a % of covered payroll	62%	5%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2011, actuarial valuation for the Local Education Plan and the Local Government Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.75 percent for fiscal year 2013. The trend will decrease to 8.25 percent in fiscal year 2014 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is

being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

J. Office of Central Accounting and Budgeting

Lawrence County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and road superintendent. These funds are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

K. Purchasing Laws

Office of Central Purchasing

Purchasing procedures for the Office of County Executive and the Highway Department are governed by the County Purchasing Law of 1957, Section 5-14-101 et seq., *Tennessee Code Annotated (TCA)*. Purchases for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. Section 5-14-101 et seq., *TCA*, provides for a purchasing agent, appointed by the county executive and approved by the Lawrence County Commission, to make all purchases. This statute also provides for a County Purchasing Committee to assist the purchasing agent in the determination of overall purchasing policies. These statutes require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids. Additionally, the County Commission requires three quotes for purchases estimated to be between \$5,000 and \$10,000.

Office of Director of Schools

Purchasing procedures for the Lawrence County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000. Additionally, the Board of Education requires three quotes for purchases estimated to be between \$2,000 and \$10,000, and competitive bids on all purchases made from federal grant funds exceeding \$5,000.

VI. **OTHER NOTES – DISCRETELY PRESENTED LAWRENCE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

A. **Summary of Significant Accounting Policies**

1. **Reporting Entity**

Lawrence County Emergency Communications District was created as a public corporation in perpetuity as authorized by *Tennessee Code Annotated*, Section 7-86-101. The district was organized subsequent to a public referendum held on March 8, 1988, as approved by the voters of Lawrence County, Tennessee. The district is a component unit of Lawrence County, Tennessee. The district encompasses the same boundaries as Lawrence County, Tennessee. The powers of the district are vested in and exercised by a majority of the members of the board of directors, who are appointed by the Lawrence County Executive. The board consists of nine members. The Lawrence County Commission has the ability to adjust the district's service charges. The district must obtain County Commission approval before the issuance of most debt. The district is considered a political subdivision and is exempt from federal and state income taxes.

2. **Basis of Accounting**

The accompanying financial statements of the district have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Expenditures are recognized in the accounting period in which the liability is incurred and is measurable. The district uses the economic resources measurement focus in the financial statements.

3. **Cash and Cash Equivalents**

The district considers all highly liquid debt instruments purchased with maturities of 60 days or less to be cash equivalents.

4. **Supply Inventory**

Supply inventory is valued at the lower of cost (first-in, first-out) or market. Inventory items are considered expenditures when used (consumption method).

5. **Capital Assets**

Capital assets of the district are recorded at cost. Depreciation is computed over the estimated life of the assets using the straight-line method. The estimated life for property, plant, and equipment in service is from three to 15 years. The district does capitalize interest incurred on construction projects.

6. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

8. Annual Budget

The district's annual budget is required by state law. The budget is adopted on a basis consistent with generally accepted accounting principles and is prepared on the accrual basis. All budget appropriations lapse at year end. The *Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts* establishes the legal budget level of control to be at the line-item level.

9. Operating Revenues and Operating Expenses

The district recognizes operating revenues and operating expenses resulting from providing services and producing goods to its customers. All other revenues and services are deemed nonoperating.

B. Cash and Certificates of Deposit

The district is authorized to invest funds in financial institutions and direct obligations of the federal government. During the year, the district invested funds that were not immediately needed in deposit accounts. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The district has deposit policies to minimize custodial credit risks. The collateral must meet certain requirements and be deposited in an escrow account in a second bank for the benefit of the district and must total a minimum of 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance.

The district's deposits with financial institutions are fully insured or collateralized by securities held in the district's name.

C. Capital Assets

A summary of changes in capital assets in service is as follows:

	Balance			Balance
	7-1-12	Additions	Disposals	6-30-13
Communications Equipment	\$ 625,238	\$ 233,755	\$ (65,661)	\$ 793,332
Building	400,000	0	0	400,000
Leasehold Improvements	274,014	0	0	274,014
Equipment and Furniture	35,480	0	0	35,480
	<u>\$ 1,334,732</u>	<u>\$ 233,755</u>	<u>\$ (65,661)</u>	<u>\$ 1,502,826</u>
Less Accumulated Depreciation	<u>(624,513)</u>			<u>(665,564)</u>
Utility Plant - Net	<u>\$ 710,219</u>			<u>\$ 837,262</u>

Depreciation expense consists of communications equipment (\$73,202), furniture and equipment (\$3,449), building (\$13,334), and leaseholds (\$16,727). All assets are being depreciated.

D. Long-term Debt

The following is a summary of changes in long-term debt:

	7-1-12	Retirements	6-30-13
Series 2005	\$ 239,101	\$ (43,838)	\$ 195,263

Future maturities of note principal and interest are as follows:

Year Ending	Principal	Interest
June 30		
2014	\$ 45,744	\$ 8,493
2015	47,734	6,503
2016	49,810	4,427
2017	<u>51,975</u>	<u>2,262</u>
Total	<u>\$ 195,263</u>	<u>\$ 21,685</u>

The building of the district is pledged as collateral on the bonded indebtedness until the existing principal and interest are paid in full.

E. Risk Management

The district is exposed to various risks of loss related to torts (theft of, damage to, and destruction of assets), errors and omissions, and natural disasters. The district purchases commercial financial bonded insurance for its officials. For all other risks, the district purchases commercial insurance. There have been no claims during the last three years.

F. Pension Plan

Plan Description

Certain employees of the district are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the district participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/PS/.

Funding Policy

The district requires employees to contribute five percent of their earned compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 8.66 percent of annual covered payroll. The contribution requirements of plan members are set by state statute. Contribution requirements for the district are established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, the district's annual pension cost of \$50,260 to TCRS was equal to the required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent per year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the social security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a ten-year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was five years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$50,260	100%	\$0
6-30-12	50,366	100	0
6-30-11	47,445	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 88.48 percent funded. The actuarial accrued liability for benefits was \$.96 million, and the actuarial value of assets was \$.85 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.11 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.53 million, and the ratio of the UAAL to the covered payroll was 20.99 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

G. Liability for Compensated Absences

The district, at its inception, adopted a sick leave policy in which employees were allowed to accrue 12 sick leave days per year without limit for compensated absences. Accumulated sick leave had no value except for the purpose granted, and in the event of retirement or separation, all unused sick leave was forfeited. Since the employees accumulating rights to receive compensation for future absences were contingent upon the absences being caused by future illness and such amounts could not be reasonably estimated, a liability for unused sick leave was not recorded in the financial statements in previous years. During 2001, the district adopted the State of Tennessee's sick leave policy without a cap on the amount of time employees can earn. Employees can also receive credit on their retirement for the unused sick leave, which they earned. A liability was accrued at year-end for the expected sick leave to be used in the following year.

Employees shall begin accruing vacation time as of the date of their employment. However, employees are not eligible to use or receive compensation for vacation time until they have completed six months of continuous service. Part-time employees do not qualify for vacation leave. Vacation time may be accumulated and carried forward to the next year in an amount not to exceed one-half the employees' annual leave. Vacation time is accrued at a rate of eight hours per month for the first five years of service, ten hours per month for five-to-ten years of service, and 12 hours per month for years of service exceeding ten years. Employees who have fulfilled the six-month requirement shall be paid for all accrued vacation leave upon termination or retirement.

H. Commitments and Contingencies

Federal and State Grants

In the normal course of operations, the district receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities; the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise because of these audits, is not believed to be material.

I. Budgets and Budgetary Accounting

The district follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgets are adopted and approved by board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles.

2. The board approves total budget appropriations. The manager is authorized to transfer budget amounts between line items within each department; however, any revisions that alter the total appropriations of any fund must be approved by the board.
3. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

J. Other Postemployment Benefits (OPEB)

The district participates in the state-administered Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-701, *Tennessee Code Annotated*. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state’s retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state’s website at <http://tennessee.gov/finance/act/cafr.shtml>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees’ premiums since the committee is not prescriptive on that issue.

Annual OPEB Cost and Net OPEB Obligation

ARC	\$ 2,000
Interest on the NOPEBO	1,150
Adjustment to the ARC	(1,150)
Annual OPEB cost	<u>\$ 2,000</u>
Amount of contribution	<u>0</u>
Increase/decrease in NOPEBO	\$ 2,000
Net OPEB obligation, 7-1-12	<u>104,000</u>
 Net OPEB obligation, 6-30-13	 <u><u>\$ 106,000</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Medicare Supplement	\$ 10,000	0%	\$ 94,000
6-30-12	"	10,000	0	104,000
6-30-13	"	10,000	0	106,000

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial calculations used reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2009, actuarial valuation the annual healthcare cost trend for the Medicare Supplement was one percent for fiscal year 2013. The trend will rise to ten percent in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. These rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Lawrence County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government, Discretely Presented Lawrence County School Department,
and Discretely Presented Emergency Communications District
June 30, 2013

(Dollar amounts in thousands)

Plan Description	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
General County/School Employees	7-1-11	\$ 32,873	\$ 36,573	\$ 3,700	89.88 %	\$ 13,576	27.26 %
"	7-1-09	26,929	27,527	597	97.83	11,935	5.01
"	7-1-07	25,125	25,811	686	97.34	11,657	5.88
Library Employees	7-1-11	639	639	0	100	130	0
"	7-1-09	503	512	9	98.23	105	8.6
"	7-1-07	444	454	10	97.8	123	8.13
Emergency Communications District	7-1-11	847	958	110	88.48	526	20.99
"	7-1-09	598	655	57	91.23	525	10.95
"	7-1-07	461	531	70	86.82	473	14.8

Exhibit E-2

Lawrence County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government, Discretely Presented Lawrence County School Department,
and Discretely Presented Lawrence County Emergency Communications District
June 30, 2013

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-09	\$ 0	\$ 670	\$ 670	0	\$ 7,274	9 %
"	7-1-10	0	704	704	0	7,018	10
"	7-1-11	0	405	405	0	7,553	5
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	13,415	13,415	0	28,108	48
"	7-1-10	0	13,554	13,554	0	29,229	46
"	7-1-11	0	19,237	19,237	0	31,047	62
<u>DISCRETELY PRESENTED LAWRENCE COUNTY EMERGENCY COMMUNICATIONS DISTRICT</u>							
Medicare Supplement*	7-1-09	0	74	74	0	N/A	N/A

* Data only available for one year.

LAWRENCE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for the proceeds of a special tax levied by private act on litigation. The proceeds of the tax must be used to pay for improvements and maintenance on the courthouse or jail.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for solid waste revenues and transfer fees for hauling solid waste.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to promote industrial and economic growth by encouraging enterprises to locate in or remain in Lawrence County.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General. This fund was reclassified from a special revenue fund to an agency fund effective July 1, 2012.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register, and sheriff.

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

General Capital Projects Fund – The General Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for general capital expenditures of the Highway Department.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for homeland security grant revenues and expenditures.

Permanent Fund

Permanent Funds are used to account for the proceeds of gift instruments, which require that the principal be invested, and only the income from investments is available for expenditures.

Endowment Fund – The Endowment Fund accounts for two private gifts received by the county for which the principal amount must remain intact while interest earned on the principal is to be expended to benefit Lawrence County’s public library. The interest earned on the fund’s investments is posted directly to the Public Library Fund (special revenue fund).

Exhibit F-1

Lawrence County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

Special Revenue Funds							Total
Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees			
\$ 0	\$ 525	\$ 0	\$ 0	\$ 90,454	\$ 90,979		
34,224	542,809	310,353	26,935	0	914,321		
1,344	1,194,243	27,976	1,602	10,217	1,235,382		
0	(822,905)	0	0	0	(822,905)		
0	0	0	0	0	0		
0	0	97,012	0	0	97,012		
<u>\$ 35,568</u>	<u>\$ 914,672</u>	<u>\$ 435,341</u>	<u>\$ 28,537</u>	<u>\$ 100,671</u>	<u>\$ 1,514,789</u>		

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Allowance for Uncollectibles
 Due from Other Governments
 Notes Receivable - Long-term

Total Assets

LIABILITIES

Accounts Payable
 Payroll Deductions Payable
 Due to Other Funds
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

FUND BALANCES

Nonspendable:
 Endowments
 Restricted:
 Restricted for Public Safety
 Restricted for Capital Outlay
 Restricted for Capital Projects
 Committed:
 Committed for General Government
 Committed for Finance
 Committed for Public Health and Welfare
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

(Continued)

Exhibit F-1

Lawrence County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds				Permanent Fund		Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects	Total	Endowment		
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,979
Equity in Pooled Cash and Investments	398,103	517,500	36,501	952,104	75,799	0	1,942,224
Accounts Receivable	0	0	0	0	0	0	1,235,382
Allowance for Uncollectibles	0	0	0	0	0	0	(822,905)
Due from Other Governments	13,954	0	194,795	208,749	0	0	208,749
Notes Receivable - Long-term	0	0	0	0	0	0	97,012
Total Assets	\$ 412,057	\$ 517,500	\$ 231,296	\$ 1,160,853	\$ 75,799	\$ 0	\$ 2,751,441
LIABILITIES							
Accounts Payable	\$ 12,085	\$ 190,714	\$ 0	\$ 202,799	\$ 0	\$ 0	\$ 301,334
Payroll Deductions Payable	0	0	0	0	0	0	177
Due to Other Funds	0	0	170,000	170,000	0	0	170,000
Total Liabilities	\$ 12,085	\$ 190,714	\$ 170,000	\$ 372,799	\$ 0	\$ 0	\$ 471,511
DEFERRED INFLOWS OF RESOURCES							
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 332,563
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 332,563
FUND BALANCES							
Nonspendable:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75,799
Endowments	0	0	61,296	61,296	0	0	125,401
Restricted for Public Safety	0	326,786	0	326,786	0	0	581,956
Restricted for Capital Outlay	399,972	0	0	399,972	0	0	399,972
Restricted for Capital Projects Committed:	0	0	0	0	0	0	73,171
Committed for General Government	0	0	0	0	0	0	27,500
Committed for Finance	0	0	0	0	0	0	663,568
Committed for Public Health and Welfare	0	0	0	0	0	0	1,947,367
Total Fund Balances	\$ 399,972	\$ 326,786	\$ 61,296	\$ 788,054	\$ 75,799	\$ 0	\$ 1,947,367
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 412,057	\$ 517,500	\$ 231,296	\$ 1,160,853	\$ 75,799	\$ 0	\$ 2,751,441

Exhibit F-2

Lawrence County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

	Special Revenue Funds						Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney	Constitu- tional Officers - Fees	
Revenues							
Local Taxes	\$ 15,212	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 55,212
Fines, Forfeitures, and Penalties	897	0	0	39,852	0	0	40,749
Charges for Current Services	0	1,067,752	0	0	0	518,758	1,586,510
Other Local Revenues	0	203,286	0	0	0	0	203,286
State of Tennessee	0	32,695	0	0	0	0	32,695
Federal Government	0	0	350,055	0	0	0	350,055
Total Revenues	\$ 16,109	\$ 1,303,733	\$ 390,055	\$ 39,852	\$ 0	\$ 518,758	\$ 2,268,507
Expenditures							
Current:							
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 506,094	\$ 506,094
Administration of Justice	0	0	0	0	0	12,717	12,717
Public Safety	0	0	0	49,323	0	0	49,323
Public Health and Welfare	0	1,669,914	0	0	0	0	1,669,914
Other Operations	12,410	0	0	0	0	0	12,410
Capital Projects	0	0	601,585	0	0	0	601,585
Total Expenditures	\$ 12,410	\$ 1,669,914	\$ 601,585	\$ 49,323	\$ 0	\$ 518,811	\$ 2,852,043
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,699	\$ (366,181)	\$ (211,530)	\$ (9,471)	\$ 0	\$ (53)	\$ (583,536)
Other Financing Sources (Uses)							
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Premiums on Debt Issued	0	0	0	0	0	0	0
Insurance Recovery	0	40,293	0	0	0	0	40,293
Transfers In	0	0	444,866	0	0	0	444,866
Transfers Out	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 40,293	\$ 444,866	\$ 0	\$ 0	\$ 0	\$ 485,159
Net Change in Fund Balances	\$ 3,699	\$ (325,888)	\$ 233,336	\$ (9,471)	\$ 0	\$ (53)	\$ (98,377)
Reclassification	0	0	0	0	(25,852)	0	(25,852)
Fund Balance, July 1, 2012	31,869	817,755	193,535	38,008	25,852	100,724	1,207,743
Fund Balance, June 30, 2013	\$ 35,568	\$ 491,867	\$ 426,871	\$ 28,537	\$ 0	\$ 100,671	\$ 1,083,514

(Continued)

Lawrence County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds				Permanent Fund	Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects	Total		
Revenues						
Local Taxes	\$ 63,954	\$ 0	\$ 0	\$ 63,954	\$ 0	\$ 119,166
Fines, Forfeitures, and Penalties	0	0	0	0	0	40,749
Charges for Current Services	0	0	0	0	0	1,586,510
Other Local Revenues	194	0	0	194	0	203,480
State of Tennessee	0	0	0	0	0	32,695
Federal Government	11,880	0	194,795	206,675	0	556,730
Total Revenues	\$ 76,028	\$ 0	\$ 194,795	\$ 270,823	\$ 0	\$ 2,539,330
Expenditures						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 506,094
Administration of Justice	0	0	0	0	0	12,717
Public Safety	0	0	0	0	0	49,323
Public Health and Welfare	0	0	0	0	0	1,669,914
Other Operations	0	0	0	0	0	12,410
Capital Projects	448,053	873,214	208,648	1,529,915	0	2,131,500
Total Expenditures	\$ 448,053	\$ 873,214	\$ 208,648	\$ 1,529,915	\$ 0	\$ 4,381,958
Excess (Deficiency) of Revenues Over Expenditures	\$ (372,025)	\$ (873,214)	\$ (13,853)	\$ (1,259,092)	\$ 0	\$ (1,842,628)
Other Financing Sources (Uses)						
Bonds Issued	\$ 2,750,000	\$ 0	\$ 0	\$ 2,750,000	\$ 0	\$ 2,750,000
Premiums on Debt Issued	93,312	0	0	93,312	0	93,312
Insurance Recovery	0	0	0	0	0	40,293
Transfers In	0	1,200,000	120,000	1,320,000	0	1,764,866
Transfers Out	(2,100,000)	0	(170,000)	(2,270,000)	0	(2,270,000)
Total Other Financing Sources (Uses)	\$ 743,312	\$ 1,200,000	\$ (60,000)	\$ 1,893,312	\$ 0	\$ 2,378,471
Net Change in Fund Balances	\$ 371,287	\$ 326,786	\$ (63,853)	\$ 634,220	\$ 0	\$ 535,843
Reclassification	0	0	0	0	0	(25,852)
Fund Balance, July 1, 2012	28,685	0	125,149	153,834	75,799	1,437,376
Fund Balance, June 30, 2013	\$ 399,972	\$ 326,786	\$ 61,296	\$ 788,054	\$ 75,799	\$ 1,947,367

Exhibit F-3

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 15,212	\$ 12,500	\$ 12,500	\$ 2,712
Fines, Forfeitures, and Penalties	897	280	280	617
Total Revenues	<u>\$ 16,109</u>	<u>\$ 12,780</u>	<u>\$ 12,780</u>	<u>\$ 3,329</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 12,410	\$ 12,700	\$ 14,959	\$ 2,549
Total Expenditures	<u>\$ 12,410</u>	<u>\$ 12,700</u>	<u>\$ 14,959</u>	<u>\$ 2,549</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,699</u>	<u>\$ 80</u>	<u>\$ (2,179)</u>	<u>\$ 5,878</u>
Net Change in Fund Balance	\$ 3,699	\$ 80	\$ (2,179)	\$ 5,878
Fund Balance, July 1, 2012	<u>31,869</u>	<u>30,625</u>	<u>30,625</u>	<u>1,244</u>
Fund Balance, June 30, 2013	<u>\$ 35,568</u>	<u>\$ 30,705</u>	<u>\$ 28,446</u>	<u>\$ 7,122</u>

Exhibit F-4

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,067,752	\$ 0	\$ 0	\$ 1,067,752	\$ 1,031,000	\$ 1,031,000	\$ 36,752
Other Local Revenues	203,286	0	0	203,286	206,500	206,500	(3,214)
State of Tennessee	32,695	0	0	32,695	40,000	63,336	(30,641)
Total Revenues	\$ 1,303,733	\$ 0	\$ 0	\$ 1,303,733	\$ 1,277,500	\$ 1,300,836	\$ 2,897
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Landfill Operation and Maintenance	\$ 1,669,914	(155)	31,639	\$ 1,701,398	\$ 1,494,349	\$ 1,855,233	\$ 153,835
Total Expenditures	\$ 1,669,914	(155)	31,639	\$ 1,701,398	\$ 1,494,349	\$ 1,855,233	\$ 153,835
Excess (Deficiency) of Revenues Over Expenditures	\$ (366,181)	155	(31,639)	(397,665)	(216,849)	(554,397)	156,732
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 40,293	0	0	\$ 40,293	0	250,000	(209,707)
Total Other Financing Sources	\$ 40,293	0	0	\$ 40,293	0	250,000	(209,707)
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (325,888)	155	(31,639)	(357,372)	(216,849)	(304,397)	(52,975)
	817,755	(155)	0	817,600	744,358	744,358	73,242
Fund Balance, June 30, 2013	\$ 491,867	0	(31,639)	460,228	527,509	439,961	20,267

Exhibit F-5

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 40,000	\$ 40,000	\$ 40,000	\$ 0
Other Local Revenues	0	0	29,302	(29,302)
Federal Government	350,055	500,000	443,068	(93,013)
Total Revenues	<u>\$ 390,055</u>	<u>\$ 540,000</u>	<u>\$ 512,370</u>	<u>\$ (122,315)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 64,489	\$ 0	\$ 165,000	\$ 100,511
Public Utility Projects	537,096	604,048	829,679	292,583
Total Expenditures	<u>\$ 601,585</u>	<u>\$ 604,048</u>	<u>\$ 994,679</u>	<u>\$ 393,094</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (211,530)</u>	<u>\$ (64,048)</u>	<u>\$ (482,309)</u>	<u>\$ 270,779</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 444,866	\$ 44,866	\$ 444,866	\$ 0
Total Other Financing Sources	<u>\$ 444,866</u>	<u>\$ 44,866</u>	<u>\$ 444,866</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 233,336	\$ (19,182)	\$ (37,443)	\$ 270,779
Fund Balance, July 1, 2012	<u>193,535</u>	<u>66,841</u>	<u>66,841</u>	<u>126,694</u>
Fund Balance, June 30, 2013	<u>\$ 426,871</u>	<u>\$ 47,659</u>	<u>\$ 29,398</u>	<u>\$ 397,473</u>

Exhibit F-6

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 39,852	\$ 39,500	\$ 39,500	\$ 352
Total Revenues	\$ 39,852	\$ 39,500	\$ 39,500	\$ 352
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 49,323	\$ 53,000	\$ 61,380	\$ 12,057
Total Expenditures	\$ 49,323	\$ 53,000	\$ 61,380	\$ 12,057
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,471)	\$ (13,500)	\$ (21,880)	\$ 12,409
Net Change in Fund Balance	\$ (9,471)	\$ (13,500)	\$ (21,880)	\$ 12,409
Fund Balance, July 1, 2012	38,008	36,911	36,911	1,097
Fund Balance, June 30, 2013	\$ 28,537	\$ 23,411	\$ 15,031	\$ 13,506

Major Governmental Fund

Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Exhibit G

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,569,668	\$ 4,581,937	\$ 4,581,937	\$ (12,269)
Other Local Revenues	90,000	90,000	90,000	0
State of Tennessee	682,533	637,513	637,513	45,020
Other Governments and Citizens Groups	300,000	300,000	300,000	0
Total Revenues	<u>\$ 5,642,201</u>	<u>\$ 5,609,450</u>	<u>\$ 5,609,450</u>	<u>\$ 32,751</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,936,679	\$ 2,214,667	\$ 1,938,880	\$ 2,201
Highways and Streets	261,200	0	261,200	0
Education	2,120,750	2,110,000	2,120,750	0
<u>Interest on Debt</u>				
General Government	871,367	949,838	883,195	11,828
Highways and Streets	89,264	0	89,264	0
Education	748,006	729,206	748,006	0
<u>Other Debt Service</u>				
General Government	78,682	79,000	79,000	318
Education	850	1,000	1,000	150
Total Expenditures	<u>\$ 6,106,798</u>	<u>\$ 6,083,711</u>	<u>\$ 6,121,295</u>	<u>\$ 14,497</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (464,597)</u>	<u>\$ (474,261)</u>	<u>\$ (511,845)</u>	<u>\$ 47,248</u>
Net Change in Fund Balance	\$ (464,597)	\$ (474,261)	\$ (511,845)	\$ 47,248
Fund Balance, July 1, 2012	<u>3,363,946</u>	<u>3,375,100</u>	<u>3,375,100</u>	<u>(11,154)</u>
Fund Balance, June 30, 2013	<u>\$ 2,899,349</u>	<u>\$ 2,900,839</u>	<u>\$ 2,863,255</u>	<u>\$ 36,094</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues that are held for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit H-1

Lawrence County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	Agency Funds				
	Cities - Sales Tax	Judicial District Drug	Constitu- tional Officers - Agency	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,366	\$ 1,505	\$ 0	\$ 2,871
Equity in Pooled Cash and Investments	0	99,065	1,201,465	27,165	1,327,695
Accounts Receivable	0	3,479	386	0	3,865
Due from Other Governments	686,583	0	0	0	686,583
Total Assets	<u>\$ 686,583</u>	<u>\$ 103,910</u>	<u>\$ 1,203,356</u>	<u>\$ 27,165</u>	<u>\$ 2,021,014</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 686,583	\$ 0	\$ 0	\$ 0	\$ 686,583
Due to Litigants, Heirs, and Others	0	3,085	1,203,356	27,165	1,233,606
Due to Joint Ventures	0	100,825	0	0	100,825
Total Liabilities	<u>\$ 686,583</u>	<u>\$ 103,910</u>	<u>\$ 1,203,356</u>	<u>\$ 27,165</u>	<u>\$ 2,021,014</u>

Exhibit H-2

Lawrence County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,224,528	\$ 4,224,528	\$ 0
Due from Other Governments	729,669	686,583	729,669	686,583
Total Assets	\$ 729,669	\$ 4,911,111	\$ 4,954,197	\$ 686,583
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 729,669	\$ 4,911,111	\$ 4,954,197	\$ 686,583
Total Liabilities	\$ 729,669	\$ 4,911,111	\$ 4,954,197	\$ 686,583
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 2,864	\$ 1,366	\$ 2,864	\$ 1,366
Equity in Pooled Cash and Investments	102,174	123,813	126,922	99,065
Accounts Receivable	32	3,479	32	3,479
Total Assets	\$ 105,070	\$ 128,658	\$ 129,818	\$ 103,910
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 774	\$ 3,085	\$ 774	\$ 3,085
Due to Joint Ventures	104,296	100,825	104,296	100,825
Total Liabilities	\$ 105,070	\$ 103,910	\$ 105,070	\$ 103,910
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,008,229	\$ 4,079,427	\$ 3,884,686	\$ 1,202,970
Accounts Receivable	209	386	209	386
Total Assets	\$ 1,008,438	\$ 4,079,813	\$ 3,884,895	\$ 1,203,356
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,008,438	\$ 4,079,813	\$ 3,884,895	\$ 1,203,356
Total Liabilities	\$ 1,008,438	\$ 4,079,813	\$ 3,884,895	\$ 1,203,356
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 53,571	\$ 26,406	\$ 27,165
Total Assets	\$ 0	\$ 53,571	\$ 26,406	\$ 27,165
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 0	\$ 53,571	\$ 26,406	\$ 27,165
Total Liabilities	\$ 0	\$ 53,571	\$ 26,406	\$ 27,165

(Continued)

Exhibit H-2

Lawrence County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,011,093	\$ 4,080,793	\$ 3,887,550	\$ 1,204,336
Equity in Pooled Cash and Investments	102,174	4,401,912	4,377,856	126,230
Accounts Receivable	241	3,865	241	3,865
Due from Other Governments	729,669	686,583	729,669	686,583
Total Assets	\$ 1,843,177	\$ 9,173,153	\$ 8,995,316	\$ 2,021,014
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 729,669	\$ 4,911,111	\$ 4,954,197	\$ 686,583
Due to Litigants, Heirs, and Others	1,009,212	4,136,469	3,912,075	1,233,606
Due to Joint Ventures	104,296	100,825	104,296	100,825
Total Liabilities	\$ 1,843,177	\$ 9,148,405	\$ 8,970,568	\$ 2,021,014

Lawrence County School Department

This section presents fund financial statements for the Lawrence County School Department, a discretely presented component unit. The School Department uses a General Fund, three Special Revenue Funds, and one Capital Projects Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Extended School Program Fund – The Extended School Program Fund is used to account for the transactions of the day-care program.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Exhibit I-1

Lawrence County, Tennessee
Statement of Activities
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental Activities	
Governmental Activities:							
Instruction	\$ 35,116,877	\$ 133,578	\$ 4,830,278	\$ 8,097	\$ (30,144,924)		
Support Services	17,620,969	94,481	282,476	0	(17,244,012)		
Operation of Non-Instructional Services	5,550,066	1,208,449	2,893,324	0	(1,448,293)		
Total Governmental Activities	\$ 58,287,912	\$ 1,436,508	\$ 8,006,078	\$ 8,097	\$ (48,837,229)		
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 5,793,553		
Local Option Sales Tax					4,675,738		
Other Local Taxes					3,407		
Grants and Contributions Not Restricted to Specific Programs					34,671,628		
Unrestricted Investment Earnings					1,023		
E-Rate Funding					54,429		
Miscellaneous					48,612		
Insurance Recovery					19,729		
Total General Revenues					\$ 45,268,119		
Change in Net Position					\$ (3,569,110)		
Net Position, July 1, 2012					47,027,110		
Net Position, June 30, 2013					\$ 43,458,000		

Exhibit I-2

Lawrence County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Lawrence County School Department
 June 30, 2013

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,153	\$ 1,153
Equity in Pooled Cash and Investments	7,337,831	1,238,938	8,576,769
Inventories	0	100,184	100,184
Accounts Receivable	0	1,204	1,204
Due from Other Governments	1,308,183	82,970	1,391,153
Property Taxes Receivable	6,141,306	0	6,141,306
Allowance for Uncollectible Property Taxes	(180,814)	0	(180,814)
Total Assets	<u>\$ 14,606,506</u>	<u>\$ 1,424,449</u>	<u>\$ 16,030,955</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 9,574	\$ 7,451	\$ 17,025
Payroll Deductions Payable	1,628,912	226,718	1,855,630
Total Liabilities	<u>\$ 1,638,486</u>	<u>\$ 234,169</u>	<u>\$ 1,872,655</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 5,728,501	\$ 0	\$ 5,728,501
Deferred Delinquent Property Taxes	196,174	0	196,174
Other Deferred/Unavailable Revenue	423,629	0	423,629
Total Deferred Inflows of Resources	<u>\$ 6,348,304</u>	<u>\$ 0</u>	<u>\$ 6,348,304</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 100,184	\$ 100,184
Restricted:			
Restricted for Instruction	6,468	37,942	44,410
Restricted for Operation of Non-Instructional Services	0	754,177	754,177
Committed:			
Committed for Operation of Non-Instructional Services	0	32,304	32,304
Committed for Capital Outlay	0	265,673	265,673
Assigned:			
Assigned for Instruction	63,612	0	63,612
Assigned for Support Services	147,994	0	147,994
Assigned for Operation of Non-Instructional Services	45,524	0	45,524
Assigned for Capital Outlay	376,314	0	376,314
Unassigned	5,979,804	0	5,979,804
Total Fund Balances	<u>\$ 6,619,716</u>	<u>\$ 1,190,280</u>	<u>\$ 7,809,996</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,606,506</u>	<u>\$ 1,424,449</u>	<u>\$ 16,030,955</u>

Lawrence County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Lawrence County School Department
June 30, 2013

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 7,809,996
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 676,454	
Add: construction in progress	19,705	
Add: buildings and improvements net of accumulated depreciation	38,254,532	
Add: other capital assets net of accumulated depreciation	<u>4,052,125</u>	43,002,816
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (63,433)	
Less: other postemployment benefits liability	<u>(7,911,182)</u>	(7,974,615)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>619,803</u>
Net position of governmental activities (Exhibit A)		<u>\$ 43,458,000</u>

Exhibit I-4

Lawrence County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2013

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 10,488,516	\$ 0	\$ 10,488,516
Licenses and Permits	1,553	0	1,553
Charges for Current Services	103,208	1,333,300	1,436,508
Other Local Revenues	107,529	6,200	113,729
State of Tennessee	34,612,186	43,620	34,655,806
Federal Government	247,178	7,779,256	8,026,434
Total Revenues	<u>\$ 45,560,170</u>	<u>\$ 9,162,376</u>	<u>\$ 54,722,546</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 27,991,596	\$ 3,429,017	\$ 31,420,613
Support Services	15,883,390	1,430,164	17,313,554
Operation of Non-Instructional Services	1,210,091	4,178,347	5,388,438
Capital Outlay	893,788	0	893,788
Debt Service:			
Other Debt Service	300,000	0	300,000
Total Expenditures	<u>\$ 46,278,865</u>	<u>\$ 9,037,528</u>	<u>\$ 55,316,393</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (718,695)</u>	<u>\$ 124,848</u>	<u>\$ (593,847)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 19,729	\$ 0	\$ 19,729
Transfers In	23,402	48,884	72,286
Transfers Out	(48,884)	(23,402)	(72,286)
Total Other Financing Sources (Uses)	<u>\$ (5,753)</u>	<u>\$ 25,482</u>	<u>\$ 19,729</u>
Net Change in Fund Balances	\$ (724,448)	\$ 150,330	\$ (574,118)
Fund Balance, July 1, 2012	7,344,164	1,039,950	8,384,114
Fund Balance, June 30, 2013	<u>\$ 6,619,716</u>	<u>\$ 1,190,280</u>	<u>\$ 7,809,996</u>

Exhibit I-5

Lawrence County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2013

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (574,118)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 877,031	
Less: current-year depreciation expense	<u>(2,195,298)</u>	(1,318,267)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2012	\$ (643,276)	
Add: deferred delinquent property taxes and other deferred June 30, 2013	<u>619,803</u>	(23,473)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 3,466	
Change in other postemployment benefits liability	<u>(1,656,718)</u>	<u>(1,653,252)</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ (3,569,110)</u></u>

Exhibit I-6

Lawrence County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Lawrence County School Department
June 30, 2013

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total	
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,153	\$ 0	\$ 0	\$ 1,153	\$ 1,153
Equity in Pooled Cash and Investments	146,926	795,239	31,100	265,673	973,265	1,238,938
Inventories	0	100,184	0	0	100,184	100,184
Accounts Receivable	0	0	1,204	0	1,204	1,204
Due from Other Governments	51,144	31,826	0	0	82,970	82,970
Total Assets	\$ 198,070	\$ 928,402	\$ 32,304	\$ 265,673	\$ 1,158,776	\$ 1,424,449
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 7,451	\$ 0	\$ 0	\$ 7,451	\$ 7,451
Payroll Deductions Payable	160,128	66,590	0	0	226,718	226,718
Total Liabilities	\$ 160,128	\$ 74,041	\$ 0	\$ 0	\$ 234,169	\$ 234,169
<u>FUND BALANCES</u>						
Nonspendable:						
Inventory	\$ 0	\$ 100,184	\$ 0	\$ 0	\$ 100,184	\$ 100,184
Restricted:						
Restricted for Instruction	37,942	0	0	0	37,942	37,942
Restricted for Operation of Non-Instructional Services	0	754,177	0	0	754,177	754,177
Committed:						
Committed for Operation of Non-Instructional Services	0	0	32,304	0	32,304	32,304
Committed for Capital Outlay	0	0	0	265,673	0	265,673
Total Fund Balances	\$ 37,942	\$ 854,361	\$ 32,304	\$ 265,673	\$ 924,607	\$ 1,190,280
Total Liabilities and Fund Balances	\$ 198,070	\$ 928,402	\$ 32,304	\$ 265,673	\$ 1,158,776	\$ 1,424,449

Exhibit I-7

Lawrence County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2013

	Special Revenue Funds					Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects					
<u>Revenues</u>									
Charges for Current Services	\$ 0	\$ 1,201,342	\$ 131,958	\$ 1,333,300	\$ 0	\$ 0	\$ 1,333,300		
Other Local Revenues	0	1,209	0	1,209	4,991	0	6,200		
State of Tennessee	0	40,409	3,211	43,620	0	0	43,620		
Federal Government	4,909,116	2,870,140	0	7,779,256	0	0	7,779,256		
Total Revenues	\$ 4,909,116	\$ 4,113,100	\$ 135,169	\$ 9,157,385	\$ 4,991	\$ 0	\$ 9,162,376		
<u>Expenditures</u>									
Current:									
Instruction	\$ 3,429,017	\$ 0	\$ 0	\$ 3,429,017	\$ 0	\$ 0	\$ 3,429,017		
Support Services	1,430,164	0	0	1,430,164	0	0	1,430,164		
Operation of Non-Instructional Services	22,652	4,022,388	133,307	4,178,347	0	0	4,178,347		
Total Expenditures	\$ 4,881,833	\$ 4,022,388	\$ 133,307	\$ 9,037,528	\$ 0	\$ 0	\$ 9,037,528		
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,283	\$ 90,712	\$ 1,862	\$ 119,857	\$ 4,991	\$ 0	\$ 124,848		
<u>Other Financing Sources (Uses)</u>									
Transfers In	\$ 34,000	\$ 14,884	\$ 0	\$ 48,884	\$ 0	\$ 0	\$ 48,884		
Transfers Out	(23,402)	0	0	(23,402)	0	0	(23,402)		
Total Other Financing Sources (Uses)	\$ 10,598	\$ 14,884	\$ 0	\$ 25,482	\$ 0	\$ 0	\$ 25,482		
Net Change in Fund Balances	\$ 37,881	\$ 105,596	\$ 1,862	\$ 145,339	\$ 4,991	\$ 0	\$ 150,330		
Fund Balance, July 1, 2012	61	748,765	30,442	779,268	260,682	0	1,039,950		
Fund Balance, June 30, 2013	\$ 37,942	\$ 854,361	\$ 32,304	\$ 924,607	\$ 265,673	\$ 0	\$ 1,190,280		

Exhibit I-8

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lawrence County School Department
General Purpose School Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2012	Encumbrances 6/30/2013			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 10,488,516	\$ 0	\$ 0	\$ 10,488,516	\$ 10,122,000	\$ 10,212,851	\$ 275,665	
Licenses and Permits	1,553	0	0	1,553	1,000	1,000	553	
Charges for Current Services	103,208	0	0	103,208	70,323	75,843	27,365	
Other Local Revenues	107,529	0	0	107,529	5,000	61,681	45,848	
State of Tennessee	34,612,186	0	0	34,612,186	34,032,604	34,713,520	(101,334)	
Federal Government	247,178	0	0	247,178	119,396	275,485	(28,307)	
Total Revenues	\$ 45,560,170	\$ 0	\$ 0	\$ 45,560,170	\$ 44,350,323	\$ 45,340,380	\$ 219,790	
<u>Expenditures</u>								
<u>Instruction</u>								
Regular Instruction Program	\$ 22,675,225	(181)	\$ 2,374	\$ 22,677,418	\$ 22,174,663	\$ 22,689,663	\$ 12,245	
Alternative Instruction Program	282,844	0	0	282,844	178,563	303,458	20,614	
Special Education Program	2,563,714	0	0	2,563,714	2,678,940	2,588,030	24,316	
Vocational Education Program	2,370,692	(75)	1,204	2,371,821	2,440,378	2,373,338	1,517	
Student Body Education Program	28,136	0	0	28,136	0	28,900	764	
Adult Education Program	70,985	0	0	70,985	70,185	66,203	(4,782)	
<u>Support Services</u>								
Attendance	129,811	0	0	129,811	132,798	130,628	817	
Health Services	467,487	0	0	467,487	453,690	474,270	6,783	
Other Student Support	1,170,105	0	0	1,170,105	1,226,604	1,192,619	22,514	
Regular Instruction Program	1,339,336	0	55,532	1,394,868	1,339,408	1,428,235	33,367	
Alternative Instruction Program	41,028	0	0	41,028	22,000	43,121	2,093	
Special Education Program	211,717	0	0	211,717	173,094	239,874	28,157	
Vocational Education Program	69,384	0	0	69,384	73,775	78,275	8,891	
Adult Programs	104,515	0	0	104,515	99,086	102,167	(2,348)	
Other Programs	341,718	0	0	341,718	0	341,718	0	
Board of Education	1,035,800	(450)	0	1,035,350	1,154,251	1,072,420	37,070	
Director of Schools	378,002	(325)	530	378,207	381,185	392,632	14,425	

(Continued)

Exhibit L-8

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lawrence County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2012	Encumbrances 6/30/2013			Original	Final	
<u>Expenditures (Cont.)</u>								
<u>Support Services (Cont.)</u>								
Office of the Principal	\$ 2,998,394	\$ 0	\$ 0	\$ 2,998,394	\$ 3,020,536	\$ 2,995,575	\$ (2,819)	
Fiscal Services	225,652	0	0	225,652	235,665	232,360	6,708	
Operation of Plant	3,405,097	(95,535)	77,769	3,387,331	3,421,292	3,438,504	51,173	
Maintenance of Plant	1,076,662	(31,786)	6,400	1,051,276	1,097,661	1,101,806	50,530	
Transportation	2,744,206	(44,911)	1,510	2,700,805	2,650,464	2,757,999	57,194	
Central and Other	144,476	0	0	144,476	124,366	164,155	19,679	
<u>Operation of Non-Instructional Services</u>								
Community Services	99,076	(600)	45,524	144,000	79,485	152,935	8,935	
Early Childhood Education	1,111,015	(1,067)	0	1,109,948	1,109,520	1,109,520	(428)	
<u>Capital Outlay</u>								
Regular Capital Outlay	893,788	(240,370)	14,022	667,440	780,357	828,193	160,753	
Principal on Debt	0	0	0	0	300,000	0	0	
Education	0	0	0	0	0	300,000	0	
Other Debt Service	0	0	0	0	0	0	0	
Education	300,000	0	0	300,000	0	300,000	0	
<u>Total Expenditures</u>	\$ 46,278,865	\$ (415,300)	\$ 204,865	\$ 46,068,430	\$ 45,417,966	\$ 46,626,598	\$ 558,168	
<u>Excess (Deficiency) of Revenues</u>								
Over Expenditures	\$ (718,695)	\$ 415,300	\$ (204,865)	\$ (508,260)	\$ (1,067,643)	\$ (1,286,218)	\$ 777,958	
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 19,729	\$ 0	\$ 0	\$ 19,729	\$ 0	\$ 14,000	\$ 5,729	
Transfers In	23,402	0	0	23,402	20,000	20,000	3,402	
Transfers Out	(48,884)	0	0	(48,884)	(355)	(51,134)	2,250	
<u>Total Other Financing Sources</u>	\$ (5,753)	\$ 0	\$ 0	\$ (5,753)	\$ 19,645	\$ (17,134)	\$ 11,381	
<u>Net Change in Fund Balance</u>	\$ (724,448)	\$ 415,300	\$ (204,865)	\$ (514,013)	\$ (1,047,998)	\$ (1,303,352)	\$ 789,339	
<u>Fund Balance, July 1, 2012</u>	7,344,164	(415,300)	0	6,928,864	1,047,998	1,303,352	5,625,512	
<u>Fund Balance, June 30, 2013</u>	\$ 6,619,716	\$ 0	\$ (204,865)	\$ 6,414,851	\$ 0	\$ 0	\$ 6,414,851	

Exhibit I-9

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lawrence County School Department
School Federal Projects Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,909,116	\$ 5,150,207	\$ 5,162,511	\$ (253,395)
Total Revenues	\$ 4,909,116	\$ 5,150,207	\$ 5,162,511	\$ (253,395)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,205,540	\$ 2,215,752	\$ 2,257,941	\$ 52,401
Special Education Program	1,142,937	1,342,919	1,173,417	30,480
Vocational Education Program	80,540	77,540	80,540	0
<u>Support Services</u>				
Health Services	30,206	8,371	29,438	(768)
Other Student Support	155,108	160,801	157,801	2,693
Regular Instruction Program	712,503	959,546	915,851	203,348
Special Education Program	406,495	223,242	376,295	(30,200)
Office of the Principal	83,191	83,191	83,191	0
Transportation	42,661	32,853	42,048	(613)
<u>Operation of Non-Instructional Services</u>				
Food Service	22,652	22,652	22,652	0
Total Expenditures	\$ 4,881,833	\$ 5,126,867	\$ 5,139,174	\$ 257,341
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,283	\$ 23,340	\$ 23,337	\$ 3,946
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 34,000	\$ 0	\$ 0	\$ 34,000
Transfers Out	(23,402)	(23,402)	(23,402)	0
Total Other Financing Sources	\$ 10,598	\$ (23,402)	\$ (23,402)	\$ 34,000
Net Change in Fund Balance	\$ 37,881	\$ (62)	\$ (65)	\$ 37,946
Fund Balance, July 1, 2012	61	62	65	(4)
Fund Balance, June 30, 2013	\$ 37,942	\$ 0	\$ 0	\$ 37,942

Exhibit I-10

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lawrence County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,201,342	\$ 1,259,000	\$ 1,259,000	\$ (57,658)
Other Local Revenues	1,209	1,500	1,500	(291)
State of Tennessee	40,409	40,000	40,000	409
Federal Government	2,870,140	2,678,396	2,839,450	30,690
Total Revenues	<u>\$ 4,113,100</u>	<u>\$ 3,978,896</u>	<u>\$ 4,139,950</u>	<u>\$ (26,850)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 4,022,388	\$ 3,978,896	\$ 4,139,950	\$ 117,562
Total Expenditures	<u>\$ 4,022,388</u>	<u>\$ 3,978,896</u>	<u>\$ 4,139,950</u>	<u>\$ 117,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 90,712</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 90,712</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 14,884	\$ 0	\$ 0	\$ 14,884
Total Other Financing Sources	<u>\$ 14,884</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,884</u>
Net Change in Fund Balance	\$ 105,596	\$ 0	\$ 0	\$ 105,596
Fund Balance, July 1, 2012	<u>748,765</u>	<u>0</u>	<u>0</u>	<u>748,765</u>
Fund Balance, June 30, 2013	<u>\$ 854,361</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 854,361</u>

Exhibit I-11

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lawrence County School Department
Extended School Program Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 131,958	\$ 141,000	\$ 141,000	\$ (9,042)
State of Tennessee	3,211	5,000	5,000	(1,789)
Total Revenues	<u>\$ 135,169</u>	<u>\$ 146,000</u>	<u>\$ 146,000</u>	<u>\$ (10,831)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Community Services	\$ 133,307	\$ 146,000	\$ 146,000	\$ 12,693
Total Expenditures	<u>\$ 133,307</u>	<u>\$ 146,000</u>	<u>\$ 146,000</u>	<u>\$ 12,693</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,862</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,862</u>
Net Change in Fund Balance	\$ 1,862	\$ 0	\$ 0	\$ 1,862
Fund Balance, July 1, 2012	<u>30,442</u>	<u>0</u>	<u>0</u>	<u>30,442</u>
Fund Balance, June 30, 2013	<u>\$ 32,304</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,304</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Lawrence County, Tennessee
 Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
 For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-13
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
General Obligation, Series 2001A	\$ 4,575,000	3.8 %	9-1-01	9-1-13	\$ 935,000	\$ 0	\$ 455,000	\$ 480,000
General Obligation, Series 2002	1,850,000	1.55 to 4.125	6-1-02	6-1-14	370,000	0	180,000	190,000
General Obligation Capital Outlay Note Series 2011	149,000	1.99	3-16-11	3-16-14	99,333	0	49,667	49,666
Total Notes Payable					\$ 1,404,333	\$ 0	\$ 684,667	\$ 719,666
CAPITAL LEASES PAYABLE								
<u>Payable through General Fund</u>								
Ambulances	280,500	4.947	9-14-09	7-5-12	\$ 71,555	\$ 0	\$ 71,555	\$ 0
Patrol Cars for Sheriff's Department	185,855	5.75	5-30-12	7-30-14	185,855	0	64,292	121,563
Total Payable through General Fund					\$ 257,410	\$ 0	\$ 135,847	\$ 121,563
<u>Payable through Highway/Public Works Fund</u>								
Road Reclaimer for Highway Department	367,000	2.951	6-1-10	6-15-15	\$ 186,012	\$ 0	\$ 60,209	\$ 125,803
Total Payable through Highway/Public Works Fund					\$ 186,012	\$ 0	\$ 60,209	\$ 125,803
Total Capital Leases Payable					\$ 443,422	\$ 0	\$ 196,056	\$ 247,366
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Refunding, Series 2003	8,100,000	3.04	1-1-03	8-1-13	\$ 1,100,000	\$ 0	\$ 900,000	\$ 200,000
School Refunding, Series 2003	8,820,000	3.33	4-29-03	5-1-16	3,435,000	0	815,000	2,620,000
School Refunding, Series 2004	3,375,000	2.599	4-13-04	5-1-16	1,225,000	0	295,000	930,000
School Bond, Series 2004	8,000,000	3.6	8-12-04	9-1-19	4,805,000	0	520,000	4,285,000
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-1-25	7,150,000	0	395,000	6,755,000
General Obligation, Series 2006	10,000,000	3.95	2-1-06	6-1-31	8,370,000	0	305,000	8,065,000
General Obligation, Series 2007	10,000,000	4	12-4-07	6-1-37	9,400,000	0	215,000	9,185,000
General Obligation, Series 2008	4,250,000	4.28	3-18-08	3-1-37	3,970,000	0	100,000	3,870,000
School Refunding, Series 2010	2,700,000	3.7	1-13-10	10-1-34	2,650,000	0	25,000	2,625,000
School Improvement, Series 2010	2,160,000	3.7	1-13-10	10-1-34	2,050,000	0	60,000	1,990,000
General Obligation, Series 2012	132,000	3.375	4-26-12	4-26-50	132,000	0	1,761	130,239
General Obligation, Series 2012	165,000	3.375	6-21-12	6-21-50	165,000	0	2,201	162,799
General Obligation, Series 2012	2,750,000	3.375	12-1-12	12-1-27	0	2,750,000	0	2,750,000
Total Bonds Payable					\$ 44,452,000	\$ 2,750,000	\$ 3,633,962	\$ 43,568,038

Exhibit J-2

Lawrence County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 3,194,096	\$ 1,517,367	\$ 4,711,463
2015	3,094,234	1,415,446	4,509,680
2016	3,189,377	1,312,694	4,502,071
2017	2,864,525	1,193,948	4,058,473
2018	2,954,678	1,097,871	4,052,549
2019	3,074,835	1,007,399	4,082,234
2020	2,264,999	915,895	3,180,894
2021	1,630,167	847,309	2,477,476
2022	1,695,342	788,844	2,484,186
2023	1,760,522	727,680	2,488,202
2024	1,825,708	665,850	2,491,558
2025	1,890,901	601,670	2,492,571
2026	1,966,100	534,690	2,500,790
2027	1,376,306	484,296	1,860,602
2028	1,431,519	432,914	1,864,433
2029	1,276,739	381,419	1,658,158
2030	1,336,966	329,753	1,666,719
2031	1,397,201	275,651	1,672,852
2032	812,445	218,744	1,031,189
2033	847,696	184,805	1,032,501
2034	887,956	149,393	1,037,349
2035	933,224	112,087	1,045,311
2036	838,502	75,934	914,436
2037	878,788	41,247	920,035
2038	9,085	4,901	13,986
2039	9,392	4,594	13,986
2040	9,709	4,277	13,986
2041	10,036	3,950	13,986
2042	10,375	3,611	13,986
2043	10,725	3,261	13,986
2044	11,087	2,899	13,986
2045	11,461	2,525	13,986
2046	11,848	2,138	13,986
2047	12,248	1,738	13,986
2048	12,661	1,325	13,986
2049	13,089	897	13,986
2050	13,495	455	13,950
Total	\$ 43,568,038	\$ 15,349,477	\$ 58,917,515

(Continued)

Exhibit J-2

Lawrence County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Notes		Total
	Principal	Interest	
2014	\$ 719,666	\$ 17,946	\$ 737,612
Total	\$ 719,666	\$ 17,946	\$ 737,612

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2014	\$ 121,069	\$ 10,703	\$ 131,772
2015	126,297	5,476	131,773
Total	\$ 247,366	\$ 16,179	\$ 263,545

Lawrence County, Tennessee
Schedule of Notes Receivable
June 30, 2013

Exhibit J-3

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-13
<u>Industrial/Economic Development Fund</u> Airport Renovation	Lawrenceburg-Lawrence County Airport	\$ 150,000	5-18-07	Various	0%	\$ 97,012
Total Notes Receivable						<u>\$ 97,012</u>

Exhibit J-4

Lawrence County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Industrial/Economic Development	Operations	\$ 44,866
"	Other Capital Projects	"	120,000
General Capital Projects	General	"	500,000
"	Industrial/Economic Development	"	400,000
"	Highway Capital Projects	"	1,200,000
Other Capital Projects	General	"	<u>170,000</u>
Total Transfers Primary Government			<u>\$ 2,434,866</u>
<u>DISCRETELY PRESENTED LAWRENCE</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Operations	\$ 34,000
"	Central Cafeteria	"	14,884
School Federal Projects	General Purpose School	Indirect costs	<u>23,402</u>
Total Transfers Discretely Presented Lawrence County School Department			<u>\$ 72,286</u>

Exhibit J-5

Lawrence County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA	\$ 79,431	\$ 50,000	Auto-Owners Insurance Company
Road Superintendent	Section 8-24-102, TCA	71,475	100,000	"
Director of Schools	State Board of Education and County Board of Education	115,486 (1)	50,000	(5)
Trustee	Section 8-24-102, TCA	64,977	1,630,400	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, TCA	64,977	50,000	"
Director of Accounts and Budgets	County Commission	60,756 (3)	25,000	"
County Clerk	Section 8-24-102, TCA	64,977	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	64,977	50,000	"
Clerk and Master	Section 8-24-102, TCA	64,977 (6)	50,000	"
Register of Deeds	Section 8-24-102, TCA	64,977	25,000	"
Sheriff	Section 8-24-102, TCA	75,049 (4)	25,000	"
Purchasing Agent	County Commission	17,333	25,000	"
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Departments			50,000	Netherland Insurance Company

(1) Includes a chief executive officer training supplement of \$1,000 and accrued vacation leave of \$5,430.

Does not include a cell phone allowance of \$600.

(2) Does not include a salary supplement of \$1,000.

(3) Does not include longevity pay of \$600.

(4) Does not include a law enforcement training supplement of \$600.

(5) Covered under School Department's public employee dishonesty bond.

(6) Does not include special commissioners fees of \$12,717.

Exhibit J-6

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2013

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 6,281,683	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,383,172
Trustee's Collections - Prior Year	191,295	0	0	0	0	0	42,119
Trustee's Collections - Bankruptcy	19,420	0	0	0	0	0	4,276
Circuit/Clerk & Master Collections - Prior Years	94,469	0	0	0	0	0	20,801
Interest and Penalty	36,482	0	0	0	0	0	8,028
Pick-up Taxes	36	0	0	0	0	0	0
Payments in-Lieu-of-Taxes - T.V.A.	2,290	0	0	0	0	0	0
Payments in-Lieu-of-Taxes - Local Utilities	336,963	0	0	0	0	0	0
Payments in-Lieu-of-Taxes - Other	7,303	0	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	97,462	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	0
Litigation Tax - General	110,260	0	0	0	0	0	0
Litigation Tax - Special Purpose	53,085	15,212	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	3,246	0	0	0	0	0	0
Business Tax	332,253	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	58,128
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	0	0
Wholesale Beer Tax	22,375	0	0	40,000	0	0	0
Interstate Telecommunications Tax	3,111	0	0	0	0	0	0
Total Local Taxes	\$ 7,591,733	\$ 15,212	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 1,516,524
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 1,572	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	37,463	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	3,499	0	0	0	0	0	0
Total Licenses and Permits	\$ 42,534	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 40,818	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Circuit Court (Cont.)</u>							
Officers Costs	\$ 37,353	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Drug Control Fines	1,282	0	0	0	4,940	0	0
Jail Fees	8,196	0	0	0	0	0	0
DUI Treatment Fines	1,316	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,122	0	0	0	174	0	0
Courtroom Security Fee	0	895	0	0	0	0	0
<u>Criminal Court</u>							
Fines	190	0	0	0	0	0	0
Officers Costs	24	0	0	0	0	0	0
DUI Treatment Fines	807	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	22,736	0	0	0	0	0	0
Fines for Littering	194	0	0	0	0	0	0
Officers Costs	50,228	0	0	0	0	0	0
Game and Fish Fines	411	0	0	0	0	0	0
Drug Control Fines	1,396	0	0	0	11,522	0	0
Jail Fees	247	0	0	0	0	0	0
DUI Treatment Fines	8,271	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	13,256	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	2,189	0	0	0	0	0	0
Officers Costs	1,911	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	424	0	0	0	0	0	0
Courtroom Security Fee	2	2	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	3,038	0	0	0	0	0	0
Data Entry Fee - Chancery Court	3,537	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	6,422	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	16,794	0	0
Total Fines, Forfeitures, and Penalties	\$ 199,948	\$ 897	\$ 0	\$ 0	\$ 39,852	\$ 0	\$ 0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 386,439	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>							
<u>General Service Charges (Cont.)</u>							
Residential Waste Collection Charge	\$ 0	\$ 0	673,565	\$ 0	\$ 0	\$ 0	\$ 0
Tipping Fees	0	0	502	0	0	0	0
Solid Waste Disposal Fees	0	0	7,186	0	0	0	0
Patient Charges	1,806,982	0	0	0	0	0	0
Past Due Collections - Ambulance	15	0	0	0	0	0	0
Work Release Charges for Board	20,380	0	0	0	0	0	0
Service Charges	1,750	0	60	0	0	0	0
<u>Fees</u>							
Copy Fees	6,047	0	0	0	0	0	0
Library Fees	4,172	0	0	0	0	0	0
Telephone Commissions	57,923	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	506,041	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	12,717	0
Data Processing Fee - Register	11,826	0	0	0	0	0	0
Data Processing Fee - Sheriff	3,726	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,000	0	0	0	0	0	0
Data Processing Fee - County Clerk	2,894	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	2,148	0	0	0	0	0	0
<u>Total Charges for Current Services</u>	\$ 1,920,863	\$ 0	\$ 1,067,752	\$ 0	\$ 0	\$ 518,758	\$ 0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 64,493	\$ 0	4,612	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	1,252	0	0	0	0	0	0
Commissary Sales	648	0	0	0	0	0	0
Sale of Recycled Materials	0	0	198,674	0	0	0	9,244
Miscellaneous Refunds	642	0	0	0	0	0	0
Expenditure Credits	85	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	39,248
Contributions and Gifts	2,000	0	0	0	0	0	0
<u>Total Other Local Revenues</u>	\$ 69,120	\$ 0	\$ 203,286	\$ 0	\$ 0	\$ 0	\$ 48,492

(Continued)

Exhibit J-6

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds							Highway / Public Works
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees		
<u>Fees Received from County Officials</u>								
<u>Excess Fees</u>								
County Clerk	\$ 105,787	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	394,720	0	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>								
Circuit Court Clerk	142,587	0	0	0	0	0	0	0
General Sessions Court Clerk	205,572	0	0	0	0	0	0	0
Clerk and Master	145,775	0	0	0	0	0	0	0
Juvenile Court Clerk	35,354	0	0	0	0	0	0	0
Register	150,776	0	0	0	0	0	0	0
Sheriff	23,366	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,203,937	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	32,695	0	0	0	0	0
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	24,600	0	0	0	0	0	0	0
Health and Welfare Grants								
<u>Health Department Programs</u>								
Public Works Grants	239,868	0	0	0	0	0	0	0
Bridge Program	0	0	0	0	0	0	0	135,309
State Aid Program	0	0	0	0	0	0	0	244,365
Litter Program	58,289	0	0	0	0	0	0	0
<u>Other State Revenues</u>								
Income Tax	60,080	0	0	0	0	0	0	0
Beer Tax	18,586	0	0	0	0	0	0	0
Alcoholic Beverage Tax	75,980	0	0	0	0	0	0	0
Mixed Drink Tax	16	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.								
Contracted Prisoner Boarding	1,208,635	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	1,955,761
Petroleum Special Tax	0	0	0	0	0	0	0	30,210
Registrar's Salary Supplement	0	0	0	0	0	0	0	0
Other State Grants	15,164	0	0	0	0	0	0	0
Other State Revenues	4,179	0	0	0	0	0	0	0
Total State of Tennessee	1,000	0	0	0	0	0	0	0
Total State of Tennessee	\$ 1,715,397	\$ 0	\$ 32,695	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,365,645

(Continued)

Exhibit J-6

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Federal Government</u>							
Federal Through State							
Community Development	\$ 0	\$ 0	\$ 0	\$ 350,055	\$ 0	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0	0	0
Other Federal through State	32,650	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	66,257	0	0	0	0	0	0
Total Federal Government	\$ 98,907	\$ 0	\$ 0	\$ 350,055	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>							
Other Governments							
Contributions	\$ 113,673	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 309,556
Citizens Groups							
Donations	11,733	0	0	0	0	0	0
Other							
Other	3,034	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 128,440	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 309,556
Total	\$ 12,970,879	\$ 16,109	\$ 1,303,733	\$ 390,055	\$ 39,852	\$ 518,758	\$ 4,240,217

(Continued)

Exhibit J-6

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Debt Service			Capital Projects Funds			Total
	Fund	General Debt Service	General Capital Projects	Other Capital Projects	Capital Projects	Other Capital Projects	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$	1,952,722	\$	0	\$	0	9,617,577
Trustee's Collections - Prior Year		59,481		0		0	292,895
Trustee's Collections - Bankruptcy		6,038		0		0	29,734
Circuit/Clerk & Master Collections - Prior Years		29,374		0		0	144,644
Interest and Penalty		11,338		0		0	55,848
Pick-up Taxes		0		0		0	36
Payments in-Lieu-of Taxes - T.V.A.		0		0		0	2,290
Payments in-Lieu-of Taxes - Local Utilities		0		0		0	336,963
Payments in-Lieu-of Taxes - Other		0		0		0	7,303
<u>County Local Option Taxes</u>							
Local Option Sales Tax		1,438,400		0		0	1,438,400
Hotel/Motel Tax		0		0		0	97,462
Wheel Tax		917,206		0		0	917,206
Litigation Tax - General		0		0		0	110,260
Litigation Tax - Special Purpose		0		0		0	68,297
Litigation Tax - Jail, Workhouse, or Courthouse		99,315		0		0	99,315
Litigation Tax - Victim/Offender Mediation Center		0		0		0	3,246
Business Tax		0		0		0	332,253
Mineral Severance Tax		0		0		0	58,128
<u>Statutory Local Taxes</u>							
Bank Excise Tax		55,794		0		0	55,794
Wholesale Beer Tax		0		63,954		0	126,329
Interstate Telecommunications Tax		0		0		0	3,111
Total Local Taxes	\$	4,569,668	\$	63,954	\$	0	13,797,091
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$	0	\$	0	\$	0	1,572
Cable TV Franchise		0		0		0	37,463
<u>Permits</u>							
Beer Permits		0		0		0	3,499
Total Licenses and Permits	\$	0	\$	0	\$	0	42,534
<u>Fines, Forfeitures, and Penalties</u>							
Circuit Court		0		0		0	40,818
Fines		0		0		0	

(Continued)

Exhibit J-6

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Debt Service Fund			Capital Projects Funds			Total
	General Debt Service	General Capital Projects	Other Capital Projects				
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Circuit Court (Cont.)</u>							
Officers Costs	\$	0 \$	0 \$	0 \$	0 \$	0 \$	37,353
Drug Control Fines		0	0	0	0	0	6,222
Jail Fees		0	0	0	0	0	8,196
DUI Treatment Fines		0	0	0	0	0	1,316
Data Entry Fee - Circuit Court		0	0	0	0	0	2,296
Courtroom Security Fee		0	0	0	0	0	895
<u>Criminal Court</u>							
Fines		0	0	0	0	0	190
Officers Costs		0	0	0	0	0	24
DUI Treatment Fines		0	0	0	0	0	807
<u>General Sessions Court</u>							
Fines		0	0	0	0	0	22,736
Fines for Littering		0	0	0	0	0	194
Officers Costs		0	0	0	0	0	50,228
Game and Fish Fines		0	0	0	0	0	411
Drug Control Fines		0	0	0	0	0	12,918
Jail Fees		0	0	0	0	0	247
DUI Treatment Fines		0	0	0	0	0	8,271
Data Entry Fee - General Sessions Court		0	0	0	0	0	13,256
<u>Juvenile Court</u>							
Fines		0	0	0	0	0	2,189
Officers Costs		0	0	0	0	0	1,911
Data Entry Fee - Juvenile Court		0	0	0	0	0	424
Courtroom Security Fee		0	0	0	0	0	4
<u>Chancery Court</u>							
Officers Costs		0	0	0	0	0	3,038
Data Entry Fee - Chancery Court		0	0	0	0	0	3,537
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures		0	0	0	0	0	6,422
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property		0	0	0	0	0	16,794
Total Fines, Forfeitures, and Penalties	\$	0 \$	0 \$	0 \$	0 \$	0 \$	240,697
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Commercial and Industrial Waste Collection Charge	\$	0 \$	0 \$	0 \$	0 \$	0 \$	386,439

(Continued)

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Debt Service Fund			Capital Projects Funds			Total
	General Debt Service	General Capital Projects	Other Capital Projects	General Capital Projects	Other Capital Projects	Total	
<u>Charges for Current Services (Cont.)</u>							
<u>General Service Charges (Cont.)</u>							
Residential Waste Collection Charge	\$	0 \$	0 \$	0 \$	0 \$	0 \$	673,565
Tipping Fees		0	0	0	0	0	502
Solid Waste Disposal Fees		0	0	0	0	0	7,186
Patient Charges		0	0	0	0	0	1,806,982
Past Due Collections - Ambulance		0	0	0	0	0	15
Work Release Charges for Board		0	0	0	0	0	20,380
Service Charges		0	0	0	0	0	1,810
<u>Fees</u>							
Copy Fees		0	0	0	0	0	6,047
Library Fees		0	0	0	0	0	4,172
Telephone Commissions		0	0	0	0	0	57,923
Constitutional Officers' Fees and Commissions		0	0	0	0	0	506,041
Special Commissioner Fees/Special Master Fees		0	0	0	0	0	12,717
Data Processing Fee - Register		0	0	0	0	0	11,826
Data Processing Fee - Sheriff		0	0	0	0	0	3,726
Sexual Offender Registration Fees - Sheriff		0	0	0	0	0	3,000
Data Processing Fee - County Clerk		0	0	0	0	0	2,894
<u>Other Charges for Services</u>							
Total Charges for Current Services	\$	0 \$	0 \$	0 \$	0 \$	0 \$	2,148
							3,507,373
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$	0 \$	194 \$	0 \$	0 \$	0 \$	69,299
Lease/Rentals		90,000	0	0	0	0	91,252
Commissary Sales		0	0	0	0	0	648
Sale of Recycled Materials		0	0	0	0	0	207,918
Miscellaneous Refunds		0	0	0	0	0	642
Expenditure Credits		0	0	0	0	0	85
<u>Nonrecurring Items</u>							
Sale of Equipment		0	0	0	0	0	39,248
Contributions and Gifts		0	0	0	0	0	2,000
Total Other Local Revenues	\$	90,000 \$	194 \$	0 \$	0 \$	0 \$	411,092

(Continued)

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Debt Service Fund			Capital Projects Funds			Total
	General Debt Service	General Capital Projects	Other Capital Projects	General Capital Projects	Other Capital Projects	Total	
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	105,787
Trustee	0	0	0	0	0	0	394,720
<u>Fees in-Lieu-of Salary</u>							
Circuit Court Clerk	0	0	0	0	0	0	142,587
General Sessions Court Clerk	0	0	0	0	0	0	205,572
Clerk and Master	0	0	0	0	0	0	145,775
Juvenile Court Clerk	0	0	0	0	0	0	35,354
Register	0	0	0	0	0	0	150,776
Sheriff	0	0	0	0	0	0	23,366
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,203,937
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Solid Waste Grants	0	0	0	0	0	0	32,695
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	24,600
Health and Welfare Grants	0	0	0	0	0	0	239,868
<u>Health Department Programs</u>							
Public Works Grants	0	0	0	0	0	0	135,309
Bridge Program	0	0	0	0	0	0	244,365
State Aid Program	0	0	0	0	0	0	58,289
Litter Program	0	0	0	0	0	0	
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	60,080
Beer Tax	0	0	0	0	0	0	18,586
Alcoholic Beverage Tax	0	0	0	0	0	0	75,980
Mixed Drink Tax	0	0	0	0	0	0	16
State Revenue Sharing - T.V.A.	682,533	0	0	0	0	0	682,533
Contracted Prisoner Boarding	0	0	0	0	0	0	1,208,635
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,955,761
Petroleum Special Tax	0	0	0	0	0	0	30,210
Registrar's Salary Supplement	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	4,179
Other State Revenues	0	0	0	0	0	0	1,000
Total State of Tennessee	\$ 682,533	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,796,270

(Continued)

Exhibit J-6

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Debt Service Fund			Capital Projects Funds			Total
	General Debt Service	General Capital Projects	Other Capital Projects	General Capital Projects	Other Capital Projects	Total	
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 350,055	
Homeland Security Grants	0	0	0	194,795	0	194,795	
Other Federal through State	0	0	0	0	0	32,650	
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	11,880	0	11,880	0	78,137	
Total Federal Government	\$ 0	\$ 11,880	\$ 0	\$ 194,795	\$ 0	\$ 655,637	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 723,229	
Citizens Groups	0	0	0	0	0	11,733	
Donations	0	0	0	0	0	3,034	
Other	0	0	0	0	0	0	
Total Other Governments and Citizens Groups	\$ 300,000	\$ 0	\$ 0	\$ 76,028	\$ 0	\$ 737,996	
Total	\$ 5,642,201	\$ 76,028	\$ 194,795	\$ 25,392,627			

Exhibit J-7

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Lawrence County School Department
 For the Year Ended June 30, 2013

	General Purpose School	Special Revenue Funds				Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects			
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 5,473,649	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,473,649
Trustee's Collections - Prior Year	194,295	0	0	0	0	0	0	194,295
Trustee's Collections - Bankruptcy	17,033	0	0	0	0	0	0	17,033
Circuit/Clerk & Master Collections - Prior Years	82,855	0	0	0	0	0	0	82,855
Interest and Penalty	31,979	0	0	0	0	0	0	31,979
<u>County Local Option Taxes</u>								
Local Option Sales Tax	4,685,298	0	0	0	0	0	0	4,685,298
Statutory Local Taxes	3,407	0	0	0	0	0	0	3,407
Interstate Telecommunications Tax		0	0	0	0	0	0	
<u>Total Local Taxes</u>	\$ 10,488,516	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,488,516
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Marriage Licenses	\$ 1,553	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,553
<u>Total Licenses and Permits</u>	\$ 1,553	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,553
<u>Charges for Current Services</u>								
<u>Education Charges</u>								
Tuition - Summer School	\$ 1,620	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,620
Tuition - Other	0	0	0	131,958	0	0	0	131,958
Lunch Payments - Children	0	0	663,980	0	0	0	0	663,980
Lunch Payments - Adults	0	0	148,725	0	0	0	0	148,725
Income from Breakfast	0	0	116,780	0	0	0	0	116,780
A la carte Sales	0	0	267,526	0	0	0	0	267,526
Contract for Instructional Staff Support with Other LEAs	7,361	0	0	0	0	0	0	7,361
Receipts from Individual Schools	82,939	0	4,181	0	0	0	0	87,120
Community Service Fees - Children	323	0	0	0	0	0	0	323
<u>Other Charges for Services</u>								
Other Charges for Services	10,965	0	150	0	0	0	0	11,115
<u>Total Charges for Current Services</u>	\$ 103,208	\$ 0	\$ 1,201,342	\$ 131,958	\$ 0	\$ 0	\$ 0	\$ 1,436,508

(Continued)

Exhibit J-7

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Lawrence County School Department (Cont.)

	General Purpose School	Special Revenue Funds			Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects		
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0 \$	0 \$	1,023 \$	0 \$	0 \$	0 \$	1,023 2
Lease/Rentals	2	0	0	0	0	0	3,181
Sale of Materials and Supplies	3,181 \$	0 \$	0 \$	0 \$	0 \$	0 \$	54,429
Refund of Telecommunication and Internet Fees (E-Rate)	54,429	0	0	0	0	0	11,819
Miscellaneous Refunds	6,642	0	186	0	0	4,991	
<u>Nonrecurring Items</u>							
Sale of Equipment	32,786	0	0	0	0	0	32,786
Damages Recovered from Individuals	371	0	0	0	0	0	371
Contributions and Gifts	9,665	0	0	0	0	0	9,665
<u>Other Local Revenues</u>							
Other Local Revenues	453	0	0	0	0	0	453
Total Other Local Revenues	\$ 107,529 \$	0 \$	1,209 \$	0 \$	0 \$	4,991 \$	113,729
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
On-Behalf Contributions for OPEB	341,718 \$	0 \$	0 \$	0 \$	0 \$	0 \$	341,718
<u>State Education Funds</u>							
Basic Education Program	32,297,902	0	0	0	0	0	32,297,902
Early Childhood Education	1,109,520	0	0	0	0	0	1,109,520
School Food Service	0	0	40,409	0	0	0	40,409
Energy Efficient School Initiative	8,097	0	0	0	0	0	8,097
Driver Education	8,500	0	0	0	0	0	8,500
Other State Education Funds	416,669	0	0	0	0	0	416,669
Career Ladder Program	169,696	0	0	0	0	0	169,696
Career Ladder - Extended Contract	57,400	0	0	0	0	0	57,400
<u>Other State Revenues</u>							
State Revenue Sharing - T.V.A.	200,000	0	0	0	0	0	200,000
Other State Revenues	2,684	0	0	3,211	0	0	5,895
Total State of Tennessee	\$ 34,612,186 \$	0 \$	40,409 \$	3,211 \$	0 \$	0 \$	34,655,806

(Continued)

Exhibit J-7

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Lawrence County School Department (Cont.)

	General Purpose School	Special Revenue Funds			Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects		
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	0 \$	0 \$	1,850,150 \$	0 \$	0 \$	1,850,150	
USDA - Commodities	0	0	302,249	0	0	302,249	
Breakfast	0	0	675,093	0	0	675,093	
USDA - Other	0	0	42,648	0	0	42,648	
Adult Education State Grant Program	120,266	0	0	0	0	120,266	
Vocational Education - Basic Grants to States	0	116,925	0	0	0	116,925	
Other Vocational	90,000	0	0	0	0	90,000	
Title I Grants to Local Education Agencies	0	1,820,790	0	0	0	1,820,790	
Special Education - Grants to States	33,910	1,474,862	0	0	0	1,508,772	
Special Education Preschool Grants	0	44,479	0	0	0	44,479	
Rural Education	0	122,142	0	0	0	122,142	
Eisenhower Professional Development State Grants	0	304,089	0	0	0	304,089	
Race-to-the-Top - ARRA	0	456,863	0	0	0	456,863	
Other Federal through State	3,002	568,966	0	0	0	571,968	
Total Federal Government	\$ 247,178	\$ 4,909,116	\$ 2,870,140	\$ 0	\$ 0	\$ 8,026,434	
Total	\$ 45,560,170	\$ 4,909,116	\$ 4,113,100	\$ 135,169	\$ 4,991	\$ 54,722,546	

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	44,656	
In-Service Training		2,170	
Social Security		2,768	
State Retirement		3,488	
Life Insurance		1	
Disability Insurance		2	
Employer Medicare		647	
Advertising		824	
Audit Services		25,404	
Contracts with Private Agencies		915	
Dues and Memberships		8,980	
Postal Charges		987	
Travel		12,678	
Office Supplies		20	
Other Supplies and Materials		160	
Other Charges		246	
Data Processing Equipment		1,159	
Total County Commission			\$ 105,105

Beer Board

Criminal Investigation of Applicants - TBI	\$	261	
Total Beer Board			261

County Mayor/Executive

County Official/Administrative Officer	\$	79,431	
Secretary(ies)		58,033	
In-Service Training		240	
Social Security		8,407	
State Retirement		12,053	
Employee and Dependent Insurance		720	
Life Insurance		108	
Medical Insurance		8,510	
Dental Insurance		485	
Disability Insurance		522	
Unemployment Compensation		346	
Employer Medicare		1,966	
Dues and Memberships		2,150	
Maintenance Agreements		790	
Pest Control		60	
Postal Charges		678	
Printing, Stationery, and Forms		587	
Travel		768	
Office Supplies		1,970	
Workers' Compensation Insurance		1,472	
Other Charges		1,058	
Total County Mayor/Executive			180,354

County Attorney

County Official/Administrative Officer	\$	6,000	
Social Security		372	

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

State Retirement	\$	619	
Employer Medicare		87	
Total County Attorney			\$ 7,078

Election Commission

County Official/Administrative Officer	\$	65,686	
Deputy(ies)		49,898	
Longevity Pay		750	
Overtime Pay		771	
Election Commission		3,100	
Election Workers		51,572	
Social Security		6,538	
State Retirement		12,085	
Employee and Dependent Insurance		360	
Life Insurance		67	
Medical Insurance		12,392	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		182	
Employer Medicare		1,529	
Communication		325	
Contracts with Private Agencies		25,857	
Data Processing Services		108	
Dues and Memberships		499	
Legal Notices, Recording, and Court Costs		2,732	
Maintenance Agreements		2,916	
Pest Control		180	
Postal Charges		2,592	
Printing, Stationery, and Forms		8,819	
Rentals		1,525	
Travel		2,375	
Disposal Fees		100	
Office Supplies		2,532	
Utilities		3,895	
Other Supplies and Materials		309	
Workers' Compensation Insurance		1,241	
Data Processing Equipment		868	
Total Election Commission			262,306

Register of Deeds

County Official/Administrative Officer	\$	64,977
Deputy(ies)		53,209
Part-time Personnel		1,120
Longevity Pay		1,350
Social Security		7,082
State Retirement		12,336
Medical Insurance		18,588
Unemployment Compensation		229
Employer Medicare		1,656
Dues and Memberships		647

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Operating Lease Payments	\$	12,815	
Maintenance Agreements		1,140	
Pest Control		60	
Postal Charges		547	
Printing, Stationery, and Forms		562	
Travel		1,023	
Office Supplies		2,493	
Other Supplies and Materials		752	
Workers' Compensation Insurance		1,312	
Total Register of Deeds			\$ 181,898

County Buildings

Supervisor/Director	\$	31,200	
Custodial Personnel		61,318	
Longevity Pay		2,000	
In-Service Training		175	
Social Security		5,475	
State Retirement		9,754	
Medical Insurance		24,783	
Unemployment Compensation		432	
Employer Medicare		1,280	
Communication		43,275	
Data Processing Services		1,363	
Maintenance Agreements		19,737	
Maintenance and Repair Services - Buildings		47,054	
Maintenance and Repair Services - Equipment		4,577	
Maintenance and Repair Services - Vehicles		1,623	
Pest Control		995	
Postal Charges		161	
Travel		2,335	
Disposal Fees		914	
Other Contracted Services		414	
Custodial Supplies		11,093	
Food Supplies		4,246	
Gasoline		6,120	
Office Supplies		53	
Utilities		138,144	
Other Supplies and Materials		366	
Workers' Compensation Insurance		988	
Other Equipment		540	
Other Capital Outlay		3,000	
Total County Buildings			423,415

Preservation of Records

Supervisor/Director	\$	27,780
Deputy(ies)		25,429
Longevity Pay		750
Social Security		3,294
State Retirement		5,568
Employee and Dependent Insurance		360

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Life Insurance	\$	67	
Medical Insurance		6,196	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		216	
Employer Medicare		770	
Communication		1,816	
Contracts with Private Agencies		514	
Dues and Memberships		40	
Maintenance Agreements		380	
Pest Control		180	
Office Supplies		688	
Utilities		5,395	
Other Supplies and Materials		2,767	
Workers' Compensation Insurance		596	
Total Preservation of Records			\$ 83,309

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	60,756	
Accountants/Bookkeepers		66,208	
Longevity Pay		1,800	
In-Service Training		565	
Social Security		6,965	
State Retirement		13,161	
Medical Insurance		20,940	
Unemployment Compensation		413	
Employer Medicare		1,629	
Communication		595	
Data Processing Services		7,447	
Maintenance Agreements		1,114	
Pest Control		320	
Postal Charges		12	
Printing, Stationery, and Forms		1,459	
Travel		429	
Disposal Fees		100	
Office Supplies		3,247	
Utilities		6,793	
Other Supplies and Materials		496	
Workers' Compensation Insurance		1,294	
Other Charges		296	
Total Accounting and Budgeting			196,039

Purchasing

County Official/Administrative Officer	\$	17,333
Purchasing Personnel		22,636
Part-time Personnel		22,453
Longevity Pay		750
In-Service Training		240
Social Security		3,825

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

State Retirement	\$	2,620	
Employee and Dependent Insurance		360	
Life Insurance		67	
Medical Insurance		2,562	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		441	
Employer Medicare		895	
Data Processing Services		3,544	
Pest Control		120	
Postal Charges		2,235	
Printing, Stationery, and Forms		607	
Travel		361	
Office Supplies		1,696	
Workers' Compensation Insurance		750	
Other Charges		810	
Data Processing Equipment		915	
Total Purchasing			\$ 85,723

Property Assessor's Office

County Official/Administrative Officer	\$	64,977	
Deputy(ies)		104,610	
Salary Supplements		1,000	
Longevity Pay		1,850	
Other Salaries and Wages		29,974	
Board and Committee Members Fees		1,102	
In-Service Training		450	
Social Security		12,171	
State Retirement		20,786	
Employee and Dependent Insurance		351	
Life Insurance		67	
Medical Insurance		29,372	
Dental Insurance		242	
Unemployment Compensation		540	
Employer Medicare		2,847	
Data Processing Services		8,492	
Dues and Memberships		2,172	
Maintenance Agreements		5,611	
Maintenance and Repair Services - Vehicles		1,372	
Pest Control		60	
Postal Charges		1,334	
Printing, Stationery, and Forms		166	
Travel		2,895	
Gasoline		2,427	
Office Supplies		810	
Other Supplies and Materials		262	
Workers' Compensation Insurance		2,217	
Other Charges		397	
Total Property Assessor's Office			298,554

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

State Retirement	\$	17,941	
Employee and Dependent Insurance		900	
Life Insurance		168	
Medical Insurance		15,528	
Dental Insurance		606	
Disability Insurance		653	
Unemployment Compensation		432	
Data Processing Services		9,518	
Dues and Memberships		522	
Pest Control		60	
Postal Charges		6,528	
Printing, Stationery, and Forms		6,001	
Office Supplies		2,082	
Other Supplies and Materials		48	
Workers' Compensation Insurance		1,908	
Data Processing Equipment		8,450	
Total County Trustee's Office			\$ 71,345

County Clerk's Office

State Retirement	\$	28,385	
Employee and Dependent Insurance		1,440	
Life Insurance		268	
Medical Insurance		30,456	
Dental Insurance		242	
Disability Insurance		1,042	
Unemployment Compensation		869	
Communication		494	
Data Processing Services		14,322	
Dues and Memberships		872	
Legal Notices, Recording, and Court Costs		474	
Maintenance Agreements		790	
Maintenance and Repair Services - Equipment		112	
Pest Control		60	
Postal Charges		7,929	
Printing, Stationery, and Forms		197	
Travel		3,431	
Office Supplies		3,237	
Other Supplies and Materials		238	
Workers' Compensation Insurance		3,047	
Other Charges		600	
Total County Clerk's Office			98,505

Data Processing

Assistant(s)	\$	28,000
Supervisor/Director		66,950
Social Security		5,722
State Retirement		9,799
Medical Insurance		12,392
Unemployment Compensation		216
Employer Medicare		1,338

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Office Supplies	\$	125	
Workers' Compensation Insurance		750	
Data Processing Equipment		3,914	
Total Data Processing			\$ 129,206

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	64,977	
Deputy(ies)		248,624	
Longevity Pay		5,350	
Jury and Witness Expense		13,091	
In-Service Training		1,170	
Social Security		18,552	
State Retirement		31,846	
Employee and Dependent Insurance		360	
Life Insurance		67	
Medical Insurance		54,406	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		1,080	
Employer Medicare		4,339	
Data Processing Services		11,832	
Dues and Memberships		812	
Legal Notices, Recording, and Court Costs		34	
Maintenance Agreements		5,461	
Pest Control		102	
Postal Charges		3,200	
Printing, Stationery, and Forms		5,312	
Travel		2,698	
Office Supplies		7,982	
Other Supplies and Materials		130	
Workers' Compensation Insurance		3,385	
Other Charges		9,056	
Total Circuit Court			494,369

General Sessions Court

Judge(s)	\$	145,403	
Deputy(ies)		24,249	
Guards		46,370	
Longevity Pay		1,400	
Overtime Pay		1,790	
Social Security		11,471	
State Retirement		20,145	
Medical Insurance		17,019	
Unemployment Compensation		451	
Employer Medicare		2,815	
Dues and Memberships		540	
Maintenance Agreements		390	
Pest Control		102	
Postal Charges		119	

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Printing, Stationery, and Forms	\$	570	
Travel		2,454	
Office Supplies		744	
Other Supplies and Materials		18	
Workers' Compensation Insurance		2,776	
Other Charges		10,091	
Total General Sessions Court			\$ 288,917

Chancery Court

County Official/Administrative Officer	\$	64,977	
Deputy(ies)		125,509	
Part-time Personnel		4,872	
Longevity Pay		2,650	
Social Security		11,926	
State Retirement		19,931	
Employee and Dependent Insurance		1,080	
Life Insurance		202	
Medical Insurance		16,548	
Dental Insurance		485	
Disability Insurance		783	
Unemployment Compensation		631	
Employer Medicare		2,789	
Data Processing Services		6,620	
Dues and Memberships		692	
Pest Control		102	
Postal Charges		2,294	
Printing, Stationery, and Forms		2,513	
Travel		472	
Office Supplies		2,098	
Other Supplies and Materials		948	
Workers' Compensation Insurance		1,960	
Office Equipment		9,881	
Total Chancery Court			279,963

Juvenile Court

Deputy(ies)	\$	55,512	
Youth Service Officer(s)		9,049	
Salary Supplements		53,055	
Social Security		6,782	
State Retirement		8,268	
Medical Insurance		16,548	
Unemployment Compensation		216	
Employer Medicare		1,586	
Postal Charges		235	
Printing, Stationery, and Forms		97	
Travel		1,469	
Other Contracted Services		397	
Other Supplies and Materials		434	
Workers' Compensation Insurance		356	
Data Processing Equipment		1,563	
Total Juvenile Court			155,567

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security

Maintenance and Repair Services - Buildings	\$ 65	
Total Courtroom Security		\$ 65

Victims Assistance Programs

Contracts with Private Agencies	\$ 5,521	
Total Victims Assistance Programs		5,521

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 75,049
Supervisor/Director	56,672
Deputy(ies)	912,339
Investigator(s)	101,019
Captain(s)	53,546
Lieutenant(s)	45,721
Sergeant(s)	300,237
Secretary(ies)	147,536
Longevity Pay	15,800
Overtime Pay	6,905
Other Salaries and Wages	555
In-Service Training	39,425
Social Security	105,025
State Retirement	167,469
Employee and Dependent Insurance	3,995
Life Insurance	672
Medical Insurance	246,197
Dental Insurance	1,753
Disability Insurance	2,089
Unemployment Compensation	5,449
Employer Medicare	24,562
Communication	490
Contracts with Private Agencies	69
Data Processing Services	1,042
Dues and Memberships	2,993
Evaluation and Testing	1,942
Operating Lease Payments	4,216
Legal Notices, Recording, and Court Costs	80
Maintenance Agreements	5,194
Maintenance and Repair Services - Equipment	26
Maintenance and Repair Services - Vehicles	63,703
Pest Control	1,122
Postal Charges	1,711
Printing, Stationery, and Forms	2,442
Rentals	2,530
Towing Services	4,165
Travel	9,799
Custodial Supplies	6,665
Food Supplies	54
Gasoline	146,195
Law Enforcement Supplies	7,871

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Office Supplies	\$	14,142	
Tires and Tubes		8,118	
Uniforms		21,604	
Utilities		9,291	
Other Supplies and Materials		590	
Medical Claims		133	
Workers' Compensation Insurance		21,878	
Other Self-Insured Claims		500	
Other Charges		1,945	
Data Processing Equipment		24,397	
Furniture and Fixtures		510	
Law Enforcement Equipment		980	
Motor Vehicles		2,399	
Other Equipment		4,205	
Total Sheriff's Department			\$ 2,685,016

Jail

Lieutenant(s)	\$	42,478
Sergeant(s)		126,893
Medical Personnel		115,024
Guards		710,032
Longevity Pay		3,050
Overtime Pay		4,647
In-Service Training		1,235
Social Security		57,463
State Retirement		87,883
Employee and Dependent Insurance		1,230
Life Insurance		381
Medical Insurance		195,255
Dental Insurance		889
Disability Insurance		1,480
Unemployment Compensation		4,964
Employer Medicare		13,439
Communication		4,773
Contracts with Private Agencies		645
Evaluation and Testing		4,215
Maintenance Agreements		6,159
Maintenance and Repair Services - Buildings		2,412
Maintenance and Repair Services - Equipment		6,931
Pest Control		360
Printing, Stationery, and Forms		1,203
Travel		6,706
Custodial Supplies		24,371
Drugs and Medical Supplies		51,236
Food Supplies		301,802
Law Enforcement Supplies		1,859
Office Supplies		1,965
Uniforms		17,363
Utilities		219,384
Other Supplies and Materials		43,250

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Medical Claims	\$	197,366	
Workers' Compensation Insurance		8,811	
Other Charges		329	
Furniture and Fixtures		719	
Total Jail			\$ 2,268,202

Workhouse

Accountants/Bookkeepers	\$	8,200	
Guards		11,014	
Social Security		508	
Employer Medicare		119	
Food Supplies		6,070	
Gasoline		1,655	
Other Supplies and Materials		11,409	
Other Charges		19,314	
Total Workhouse			58,289

Work Release Program

Maintenance and Repair Services - Equipment	\$	524	
Maintenance and Repair Services - Vehicles		266	
Food Supplies		1,158	
Gasoline		2,068	
Maintenance Equipment		100	
Total Work Release Program			4,116

Fire Prevention and Control

Contracts with Government Agencies	\$	2,000	
Total Fire Prevention and Control			2,000

Civil Defense

In-Service Training	\$	125	
Dues and Memberships		50	
Maintenance and Repair Services - Equipment		902	
Maintenance and Repair Services - Vehicles		1,760	
Gasoline		20	
Other Supplies and Materials		1,188	
Data Processing Equipment		2,388	
Total Civil Defense			6,433

Rescue Squad

Contributions	\$	289,500	
Total Rescue Squad			289,500

Other Emergency Management

Contributions	\$	285,000	
Total Other Emergency Management			285,000

County Coroner/Medical Examiner

Social Security	\$	464	
State Retirement		774	

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Employer Medicare	\$	108	
Medical and Dental Services		6,500	
Other Contracted Services		7,500	
Total County Coroner/Medical Examiner			\$ 15,346

Other Public Safety

Other Supplies and Materials	\$	11,839	
Total Other Public Safety			11,839

Public Health and Welfare

Local Health Center

Secretary(ies)	\$	43,764	
Longevity Pay		600	
Social Security		2,549	
State Retirement		4,362	
Medical Insurance		11,869	
Unemployment Compensation		226	
Employer Medicare		596	
Communication		2,021	
Dues and Memberships		200	
Janitorial Services		11,710	
Maintenance and Repair Services - Buildings		430	
Pest Control		288	
Printing, Stationery, and Forms		29	
Disposal Fees		1,168	
Food Supplies		458	
Utilities		26,122	
Other Supplies and Materials		1,320	
Workers' Compensation Insurance		485	
Total Local Health Center			108,197

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	49,295	
Medical Personnel		966,410	
Secretary(ies)		27,780	
Part-time Personnel		80,308	
Longevity Pay		6,650	
Overtime Pay		106,370	
In-Service Training		2,930	
Social Security		73,258	
State Retirement		113,298	
Medical Insurance		161,449	
Unemployment Compensation		3,764	
Employer Medicare		17,133	
Communication		4,522	
Contracts with Private Agencies		1,036	
Dues and Memberships		470	
Licenses		2,675	
Maintenance Agreements		5,539	
Maintenance and Repair Services - Buildings		293	

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Maintenance and Repair Services - Equipment	\$	3,373	
Maintenance and Repair Services - Vehicles		61,771	
Medical and Dental Services		3,500	
Pest Control		180	
Postal Charges		5,852	
Printing, Stationery, and Forms		856	
Towing Services		605	
Travel		2,339	
Disposal Fees		1,177	
Other Contracted Services		2,190	
Custodial Supplies		3,344	
Drugs and Medical Supplies		91,068	
Gasoline		94,968	
Office Supplies		5,889	
Tires and Tubes		7,386	
Uniforms		8,051	
Utilities		11,999	
Other Supplies and Materials		1,084	
Liability Insurance		13,666	
Vehicle and Equipment Insurance		26,612	
Workers' Compensation Insurance		11,567	
Other Charges		1,081	
Data Processing Equipment		11,531	
Total Ambulance/Emergency Medical Services			\$ 1,993,269

Alcohol and Drug Programs

Contracts with Private Agencies	\$	73,410	
Total Alcohol and Drug Programs			73,410

Other Local Health Services

Contributions	\$	5,000	
Total Other Local Health Services			5,000

Regional Mental Health Center

Contracts with Government Agencies	\$	10,000	
Total Regional Mental Health Center			10,000

Appropriation to State

Other Salaries and Wages	\$	166,227	
Social Security		9,862	
State Retirement		13,618	
Life Insurance		6	
Medical Insurance		31,338	
Dental Insurance		20	
Disability Insurance		21	
Unemployment Compensation		813	
Employer Medicare		2,306	
Contracts with Government Agencies		15,000	
Travel		10,774	
Workers' Compensation Insurance		1,749	
Other Charges		1,758	
Total Appropriation to State			253,492

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Aid to Dependent Children

Contracts with Government Agencies	\$ 6,667	
Total Aid to Dependent Children		\$ 6,667

Other Public Health and Welfare

Contributions	\$ 5,000	
Dues and Memberships	9,504	
Other Contracted Services	60,865	
Total Other Public Health and Welfare		75,369

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 1,500	
Total Senior Citizens Assistance		1,500

Libraries

Supervisor/Director	\$ 39,808	
Deputy(ies)	27,584	
Librarians	53,944	
Part-time Personnel	25,436	
Longevity Pay	2,250	
Social Security	8,525	
Employee and Dependent Insurance	135	
Life Insurance	34	
Medical Insurance	27,397	
Disability Insurance	116	
Unemployment Compensation	861	
Employer Medicare	1,994	
Communication	1,749	
Dues and Memberships	150	
Janitorial Services	6,254	
Maintenance Agreements	2,521	
Maintenance and Repair Services - Buildings	850	
Pest Control	420	
Postal Charges	2,074	
Printing, Stationery, and Forms	1,274	
Travel	458	
Disposal Fees	100	
Other Contracted Services	1,860	
Custodial Supplies	903	
Instructional Supplies and Materials	3,211	
Library Books/Media	27,426	
Office Supplies	4,575	
Periodicals	4,035	
Utilities	20,657	
Refunds	89	
Workers' Compensation Insurance	1,706	
Other Charges	129	
Data Processing Equipment	4,112	
Furniture and Fixtures	922	
Office Equipment	55	
Total Libraries		273,614

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Contributions	\$ 27,615	
Total Other Social, Cultural, and Recreational		\$ 27,615

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 86,846	
Secretary(ies)	12,745	
Board and Committee Members Fees	150	
Social Security	790	
State Retirement	280	
Unemployment Compensation	152	
Employer Medicare	185	
Communication	1,698	
Dues and Memberships	415	
Maintenance Agreements	505	
Maintenance and Repair Services - Buildings	41	
Maintenance and Repair Services - Vehicles	94	
Pest Control	144	
Disposal Fees	500	
Gasoline	696	
Instructional Supplies and Materials	1,500	
Utilities	10,350	
Workers' Compensation Insurance	142	
Building Construction	1,610	
Total Agriculture Extension Service		118,843

Soil Conservation

Salary Supplements	\$ 36,112	
Social Security	2,181	
State Retirement	3,727	
Medical Insurance	6,196	
Unemployment Compensation	108	
Employer Medicare	510	
Dues and Memberships	800	
Travel	1,490	
Office Supplies	130	
Workers' Compensation Insurance	311	
Total Soil Conservation		51,565

Other Agriculture and Natural Resources

Advertising	\$ 1,492	
Total Other Agriculture and Natural Resources		1,492

Other Operations

Tourism

Contributions	\$ 39,468	
Dues and Memberships	500	
Total Tourism		39,968

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development

Contributions	\$ 180,543	
Total Industrial Development		\$ 180,543

Airport

Contributions	\$ 67,175	
Total Airport		67,175

Veterans' Services

Supervisor/Director	\$ 32,915	
Secretary(ies)	25,429	
Longevity Pay	700	
Overtime Pay	173	
Social Security	3,493	
State Retirement	5,792	
Employee and Dependent Insurance	360	
Life Insurance	67	
Medical Insurance	6,196	
Dental Insurance	242	
Disability Insurance	261	
Unemployment Compensation	253	
Employer Medicare	817	
Communication	1,523	
Dues and Memberships	25	
Maintenance Agreements	760	
Maintenance and Repair Services - Buildings	595	
Maintenance and Repair Services - Vehicles	1,394	
Pest Control	120	
Postal Charges	182	
Printing, Stationery, and Forms	85	
Travel	2,620	
Disposal Fees	500	
Gasoline	2,845	
Office Supplies	411	
Utilities	3,262	
Other Supplies and Materials	3,004	
Workers' Compensation Insurance	621	
Total Veterans' Services		94,645

Other Charges

Communication	\$ 2,094
Data Processing Services	1,871
Legal Services	34,187
Legal Notices, Recording, and Court Costs	348
Postal Charges	4,480
Other Contracted Services	59,971
Other Supplies and Materials	125
Building and Contents Insurance	52,498
Liability Insurance	88,895
Trustee's Commission	165,708
Vehicle and Equipment Insurance	39,301

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Liability Claims	\$	669	
Other Self-Insured Claims		119,348	
Other Charges		22,710	
Total Other Charges			\$ 592,205

Principal on Debt

General Government

Principal on Capital Leases	\$	135,847	
Total General Government			135,847

Interest on Debt

General Government

Interest on Capital Leases	\$	5,321	
Other Debt Service		1,510	
Total General Government			6,831

Capital Projects

General Administration Projects

Communication	\$	417,256	
Total General Administration Projects			417,256

Total General Fund \$ 13,507,744

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Maintenance Agreements	\$	12,259	
Trustee's Commission		151	
Total Other Charges			\$ 12,410

Total Courthouse and Jail Maintenance Fund 12,410

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Salary Supplements	\$	39,874	
Laborers		263,523	
Secretary(ies)		37,168	
Clerical Personnel		14,636	
Part-time Personnel		4,558	
Longevity Pay		4,200	
Overtime Pay		4,876	
In-Service Training		175	
Social Security		20,472	
State Retirement		33,423	
Employee and Dependent Insurance		352	
Life Insurance		30	
Medical Insurance		70,385	
Dental Insurance		485	
Disability Insurance		516	

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance (Cont.)

Unemployment Compensation	\$	4,068	
Employer Medicare		4,555	
Communication		2,196	
Contracts with Private Agencies		659,687	
Data Processing Services		1,325	
Dues and Memberships		604	
Engineering Services		15,905	
Legal Services		34,531	
Legal Notices, Recording, and Court Costs		886	
Maintenance and Repair Services - Buildings		976	
Maintenance and Repair Services - Equipment		5,089	
Maintenance and Repair Services - Vehicles		8,864	
Pest Control		120	
Postal Charges		14,280	
Printing, Stationery, and Forms		2,102	
Travel		2,624	
Brokerage Fees - Recyclables		63,118	
Permits		2,575	
Other Contracted Services		1,192	
Custodial Supplies		1,838	
Diesel Fuel		15,353	
Food Supplies		7,652	
Garage Supplies		17,593	
Gasoline		2,903	
Lubricants		188	
Office Supplies		1,780	
Propane Gas		5,057	
Small Tools		179	
Tires and Tubes		1,473	
Uniforms		1,100	
Utilities		31,202	
Wire		2,903	
Other Supplies and Materials		841	
Building and Contents Insurance		4,139	
Judgments		1,172	
Liability Insurance		1,049	
Refunds		1,068	
Trustee's Commission		10,802	
Vehicle and Equipment Insurance		5,394	
Workers' Compensation Insurance		4,146	
Other Self-Insured Claims		1,000	
Other Charges		207,234	
Building Construction		1,700	
Data Processing Equipment		915	
Solid Waste Equipment		18,688	
Other Equipment		3,175	
Total Landfill Operation and Maintenance			\$ 1,669,914
Total Solid Waste/Sanitation Fund			\$ 1,669,914

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Industrial/Economic Development Fund

Capital Projects

General Administration Projects

Contributions	\$ 64,489	
Total General Administration Projects		\$ 64,489

Public Utility Projects

Contracts with Private Agencies	\$ 494,394	
Contributions	42,211	
Legal Notices, Recording, and Court Costs	95	
Trustee's Commission	396	
Total Public Utility Projects		<u>537,096</u>

Total Industrial/Economic Development Fund		\$ 601,585
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Drug Control Fund

Public Safety

Drug Enforcement

In-Service Training	\$ 600	
Communication	9,769	
Contracts with Private Agencies	1,440	
Confidential Drug Enforcement Payments	22,000	
Maintenance and Repair Services - Buildings	200	
Travel	1,887	
Food Supplies	426	
Law Enforcement Supplies	279	
Office Supplies	706	
Other Supplies and Materials	86	
Trustee's Commission	393	
Other Charges	899	
Motor Vehicles	10,638	
Total Drug Enforcement		<u>\$ 49,323</u>

Total Drug Control Fund		49,323
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Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 187,731	
Total County Trustee's Office		\$ 187,731

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 318,363	
Total County Clerk's Office		318,363

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 12,717	
Total Chancery Court		<u>12,717</u>

Total Constitutional Officers - Fees Fund		518,811
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(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	71,475	
Accountants/Bookkeepers		62,523	
Longevity Pay		1,300	
Social Security		8,301	
State Retirement		13,963	
Employee and Dependent Insurance		720	
Life Insurance		135	
Medical Insurance		6,196	
Dental Insurance		485	
Unemployment Compensation		540	
Employer Medicare		1,941	
Communication		11,191	
Contracts with Private Agencies		2,944	
Dues and Memberships		4,261	
Legal Notices, Recording, and Court Costs		758	
Maintenance Agreements		590	
Pest Control		240	
Postal Charges		46	
Printing, Stationery, and Forms		375	
Travel		71	
Disposal Fees		288	
Custodial Supplies		349	
Office Supplies		1,159	
Utilities		11,978	
Workers' Compensation Insurance		1,144	
Other Charges		1,106	
Total Administration			\$ 204,079

Highway and Bridge Maintenance

Foremen	\$	134,949
Equipment Operators		238,526
Equipment Operators - Light		197,581
Truck Drivers		256,137
Laborers		93,646
Longevity Pay		12,200
Other Salaries and Wages		1,150
Social Security		55,634
State Retirement		93,756
Employee and Dependent Insurance		348
Life Insurance		67
Medical Insurance		170,240
Dental Insurance		242
Disability Insurance		260
Unemployment Compensation		7,768
Employer Medicare		13,011
Rentals		24,500
Asphalt		753,279
Asphalt - Cold Mix		58,636
Concrete		3,599
Crushed Stone		348,689

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Pipe - Metal	\$	78,244	
Road Signs		13,616	
Wood Products		3,911	
Workers' Compensation Insurance		10,392	
Other Charges		2,622	
Total Highway and Bridge Maintenance			\$ 2,573,003

Operation and Maintenance of Equipment

Mechanic(s)	\$	135,392	
Longevity Pay		2,200	
Other Salaries and Wages		100	
Social Security		8,305	
State Retirement		14,210	
Medical Insurance		24,784	
Unemployment Compensation		1,080	
Employer Medicare		1,942	
Maintenance and Repair Services - Equipment		82,428	
Diesel Fuel		168,323	
Garage Supplies		1,741	
Gasoline		71,788	
Lubricants		13,579	
Tires and Tubes		27,922	
Workers' Compensation Insurance		4,140	
Other Charges		6,900	
Total Operation and Maintenance of Equipment			564,834

Other Charges

Building and Contents Insurance	\$	1,198	
Liability Insurance		13,036	
Trustee's Commission		49,591	
Vehicle and Equipment Insurance		24,555	
Other Charges		1,030	
Total Other Charges			89,410

Capital Outlay

Engineering Services	\$	17,105	
Bridge Construction		139,973	
Highway Construction		339,621	
Total Capital Outlay			496,699

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	60,209	
Total Highways and Streets			60,209

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$	5,490	
Total Highways and Streets			5,490

Total Highway/Public Works Fund \$ 3,993,724

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,452,212	
Principal on Notes	484,467	
Total General Government		\$ 1,936,679

Highways and Streets

Principal on Bonds	\$ 61,000	
Principal on Notes	200,200	
Total Highways and Streets		261,200

Education

Principal on Bonds	\$ 2,120,750	
Total Education		2,120,750

Interest on Debt

General Government

Interest on Bonds	\$ 839,297	
Interest on Notes	32,070	
Total General Government		871,367

Highways and Streets

Interest on Bonds	\$ 77,435	
Interest on Notes	11,829	
Total Highways and Streets		89,264

Education

Interest on Bonds	\$ 748,006	
Total Education		748,006

Other Debt Service

General Government

Trustee's Commission	\$ 73,932	
Other Debt Service	4,750	
Total General Government		78,682

Education

Other Debt Service	\$ 850	
Total Education		850

Total General Debt Service Fund \$ 6,106,798

General Capital Projects Fund

Capital Projects

General Administration Projects

Architects	\$ 4,521	
Maintenance and Repair Services - Buildings	6,650	
Other Supplies and Materials	1,000	
Trustee's Commission	501	
Other Debt Issuance Charges	50,295	
Building Construction	105,367	
Building Improvements	19,006	
Motor Vehicles	213,045	
Total General Administration Projects		\$ 400,385

(Continued)

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>General Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Public Health and Welfare Projects</u>		
Architects	\$ 4,028	
Building Construction	560	
Building Improvements	43,080	
Total Public Health and Welfare Projects	<u>47,668</u>	\$ 47,668
Total General Capital Projects Fund		\$ 448,053
<u>Highway Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Highway and Street Capital Projects</u>		
Asphalt	\$ 190,714	
Highway Equipment	682,500	
Total Highway and Street Capital Projects	<u>873,214</u>	\$ 873,214
Total Highway Capital Projects Fund		873,214
<u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Public Safety Projects</u>		
Other Charges	\$ 208,648	
Total Public Safety Projects	<u>208,648</u>	\$ 208,648
Total Other Capital Projects Fund		<u>208,648</u>
Total Governmental Funds - Primary Government		<u>\$ 27,990,224</u>

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 15,214,036	
Career Ladder Program	138,190	
Career Ladder Extended Contracts	65,955	
Homebound Teachers	14,993	
Educational Assistants	680,517	
Other Salaries and Wages	24,118	
Certified Substitute Teachers	56,685	
Non-certified Substitute Teachers	162,122	
Social Security	961,539	
State Retirement	1,032,746	
Medical Insurance	2,916,469	
Unemployment Compensation	35,620	
Employer Medicare	225,794	
Other Contracted Services	225	
Instructional Supplies and Materials	426,184	
Textbooks	405,863	
Other Supplies and Materials	10,182	
Other Charges	9,277	
Regular Instruction Equipment	294,710	
Total Regular Instruction Program		\$ 22,675,225

Alternative Instruction Program

Teachers	\$ 169,378	
Educational Assistants	41,444	
Social Security	11,454	
State Retirement	18,447	
Medical Insurance	27,688	
Employer Medicare	2,823	
Instructional Supplies and Materials	397	
Other Supplies and Materials	11,213	
Total Alternative Instruction Program		282,844

Special Education Program

Teachers	\$ 1,386,401	
Career Ladder Program	10,000	
Career Ladder Extended Contracts	3,742	
Homebound Teachers	17,690	
Educational Assistants	296,618	
Speech Pathologist	205,711	
Certified Substitute Teachers	2,091	
Non-certified Substitute Teachers	21,190	
Social Security	112,497	
State Retirement	100,629	
Medical Insurance	324,540	
Employer Medicare	26,901	
Contracts with Private Agencies	35,400	
Instructional Supplies and Materials	19,772	
Other Supplies and Materials	532	
Total Special Education Program		2,563,714

(Continued)

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Teachers	\$	1,476,972	
Career Ladder Program		9,100	
Certified Substitute Teachers		2,524	
Non-certified Substitute Teachers		21,242	
Social Security		89,630	
State Retirement		131,963	
Medical Insurance		274,527	
Employer Medicare		20,989	
Contracts with Other School Systems		200,232	
Maintenance and Repair Services - Equipment		1,148	
Other Contracted Services		5,099	
Instructional Supplies and Materials		61,442	
Textbooks		3,225	
Other Charges		530	
Vocational Instruction Equipment		72,069	
Total Vocational Education Program			\$ 2,370,692

Student Body Education Program

Other Salaries and Wages	\$	2,842	
Social Security		176	
State Retirement		77	
Employer Medicare		41	
Other Equipment		25,000	
Total Student Body Education Program			28,136

Adult Education Program

Teachers	\$	61,866	
Social Security		3,116	
State Retirement		4,502	
Employer Medicare		897	
Other Supplies and Materials		604	
Total Adult Education Program			70,985

Support Services

Attendance

Supervisor/Director	\$	70,656	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Social Security		4,635	
State Retirement		6,718	
Medical Insurance		5,989	
Employer Medicare		1,084	
Travel		999	
Other Contracted Services		34,730	
Total Attendance			129,811

Health Services

Medical Personnel	\$	317,760	
Social Security		17,393	

(Continued)

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

State Retirement	\$	27,354	
Medical Insurance		92,377	
Employer Medicare		4,068	
Travel		428	
Drugs and Medical Supplies		5,988	
Other Supplies and Materials		1,570	
In Service/Staff Development		420	
Other Charges		129	
Total Health Services			\$ 467,487

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		699,808	
Social Workers		17,978	
Clerical Personnel		29,013	
Other Salaries and Wages		112,134	
Social Security		49,177	
State Retirement		73,404	
Medical Insurance		119,282	
Employer Medicare		12,067	
Evaluation and Testing		39,100	
Postal Charges		900	
Travel		2,656	
Other Contracted Services		1,271	
Other Supplies and Materials		10,505	
Other Charges		810	
Total Other Student Support			1,170,105

Regular Instruction Program

Supervisor/Director	\$	295,908	
Career Ladder Program		11,000	
Career Ladder Extended Contracts		8,000	
Librarians		554,693	
Instructional Computer Personnel		61,425	
Other Salaries and Wages		42,796	
Social Security		57,866	
State Retirement		85,930	
Medical Insurance		143,069	
Employer Medicare		13,536	
Travel		12,871	
Other Contracted Services		8,622	
Other Supplies and Materials		33,392	
In Service/Staff Development		9,578	
Other Charges		650	
Total Regular Instruction Program			1,339,336

Alternative Instruction Program

Postal Charges	\$	248	
Travel		3,428	

(Continued)

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Other Contracted Services	\$	27,633	
Other Supplies and Materials		786	
In Service/Staff Development		8,743	
Other Charges		190	
Total Alternative Instruction Program			\$ 41,028

Special Education Program

Supervisor/Director	\$	73,753	
Career Ladder Program		2,000	
Career Ladder Extended Contracts		2,000	
Assessment Personnel		49,014	
Other Salaries and Wages		24,847	
Social Security		8,529	
State Retirement		13,345	
Medical Insurance		25,569	
Employer Medicare		1,995	
Travel		6,370	
Other Contracted Services		2,158	
Other Supplies and Materials		2,137	
Total Special Education Program			211,717

Vocational Education Program

Supervisor/Director	\$	36,192	
Employer Medicare		525	
Travel		26,607	
In Service/Staff Development		6,060	
Total Vocational Education Program			69,384

Adult Programs

Supervisor/Director	\$	4,801	
Clerical Personnel		2,000	
Other Salaries and Wages		62,792	
Social Security		4,095	
State Retirement		7,113	
Medical Insurance		17,028	
Employer Medicare		958	
Other Contracted Services		883	
Other Supplies and Materials		645	
In Service/Staff Development		4,200	
Total Adult Programs			104,515

Other Programs

On-Behalf Payments to OPEB	\$	341,718	
Total Other Programs			341,718

Board of Education

Secretary to Board	\$	2,400	
Board and Committee Members Fees		21,600	
Social Security		1,339	

(Continued)

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

State Retirement	\$	743	
Medical Insurance		292,745	
Employer Medicare		348	
Audit Services		14,500	
Dues and Memberships		10,239	
Legal Services		10,715	
Travel		3,414	
Other Contracted Services		1,980	
Other Supplies and Materials		69	
Liability Insurance		30,268	
Trustee's Commission		236,321	
Workers' Compensation Insurance		407,427	
Other Charges		1,692	
Total Board of Education			\$ 1,035,800

Director of Schools

County Official/Administrative Officer	\$	115,486	
Secretary(ies)		90,318	
Social Security		12,491	
State Retirement		19,576	
Medical Insurance		21,554	
Employer Medicare		2,967	
Communication		69,169	
Dues and Memberships		8,604	
Maintenance and Repair Services - Equipment		4,564	
Postal Charges		11,036	
Travel		5,454	
Office Supplies		7,392	
Other Supplies and Materials		2,817	
Other Charges		190	
Administration Equipment		6,384	
Total Director of Schools			378,002

Office of the Principal

Principals	\$	840,104	
Career Ladder Program		10,985	
Career Ladder Extended Contracts		2,038	
Assistant Principals		968,594	
Secretary(ies)		525,129	
Social Security		140,420	
State Retirement		131,315	
Medical Insurance		305,748	
Employer Medicare		32,909	
Postal Charges		2,867	
Other Contracted Services		11,355	
Other Supplies and Materials		5,101	
In Service/Staff Development		550	
Other Charges		4,784	
Administration Equipment		16,495	
Total Office of the Principal			2,998,394

(Continued)

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	61,761	
Accountants/Bookkeepers		102,487	
Social Security		10,080	
State Retirement		16,953	
Medical Insurance		16,685	
Employer Medicare		2,357	
Data Processing Services		11,402	
Travel		982	
Data Processing Supplies		2,945	
Total Fiscal Services			\$ 225,652

Operation of Plant

Custodial Personnel	\$	697,697	
Other Salaries and Wages		191,812	
Social Security		52,876	
State Retirement		84,580	
Medical Insurance		199,976	
Unemployment Compensation		1,182	
Employer Medicare		12,366	
Laundry Service		11,314	
Travel		3,382	
Disposal Fees		34,913	
Other Contracted Services		89,694	
Custodial Supplies		148,255	
Electricity		1,336,199	
Natural Gas		204,993	
Water and Sewer		215,928	
Other Supplies and Materials		2,072	
Building and Contents Insurance		102,871	
Other Charges		135	
Plant Operation Equipment		9,862	
Other Equipment		4,990	
Total Operation of Plant			3,405,097

Maintenance of Plant

Supervisor/Director	\$	49,745	
Other Salaries and Wages		337,891	
Social Security		23,987	
State Retirement		37,285	
Medical Insurance		56,077	
Employer Medicare		5,610	
Laundry Service		4,371	
Maintenance and Repair Services - Buildings		44,654	
Maintenance and Repair Services - Equipment		29,119	
Maintenance and Repair Services - Vehicles		1,494	
Other Contracted Services		72,913	
Other Supplies and Materials		377,420	
Other Charges		2,901	
Maintenance Equipment		33,195	
Total Maintenance of Plant			1,076,662

(Continued)

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	51,465	
Mechanic(s)		193,146	
Bus Drivers		887,878	
Clerical Personnel		27,245	
Other Salaries and Wages		55,043	
Social Security		70,479	
State Retirement		107,902	
Medical Insurance		342,737	
Employer Medicare		16,488	
Communication		4,139	
Contracts with Parents		3,462	
Laundry Service		2,641	
Maintenance and Repair Services - Vehicles		647	
Medical and Dental Services		6,200	
Travel		9,696	
Other Contracted Services		18,940	
Diesel Fuel		386,164	
Gasoline		51,731	
Lubricants		9,958	
Tires and Tubes		49,979	
Vehicle Parts		113,216	
Other Supplies and Materials		6,607	
Vehicle and Equipment Insurance		60,348	
In Service/Staff Development		100	
Other Charges		431	
Transportation Equipment		267,564	
Total Transportation			\$ 2,744,206

Central and Other

Other Salaries and Wages	\$	35,474	
Social Security		2,160	
State Retirement		3,661	
Medical Insurance		5,660	
Employer Medicare		505	
Other Contracted Services		86,632	
Other Supplies and Materials		10,384	
Total Central and Other			144,476

Operation of Non-Instructional Services

Community Services

Career Ladder Program	\$	900	
Other Salaries and Wages		56,007	
Social Security		3,164	
State Retirement		4,151	
Medical Insurance		9,906	
Employer Medicare		740	
Travel		4,680	
Other Supplies and Materials		8,395	
In Service/Staff Development		1,360	
Other Charges		9,773	
Total Community Services			99,076

(Continued)

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Supervisor/Director	\$	57,081	
Teachers		449,298	
Career Ladder Program		1,000	
Clerical Personnel		20,557	
Educational Assistants		170,898	
Other Salaries and Wages		24,310	
Certified Substitute Teachers		5,304	
Non-certified Substitute Teachers		14,484	
Social Security		43,202	
State Retirement		64,236	
Medical Insurance		153,015	
Employer Medicare		10,112	
Communication		3,032	
Maintenance and Repair Services - Equipment		2,729	
Postal Charges		300	
Travel		4,673	
Other Contracted Services		45,780	
Instructional Supplies and Materials		925	
Other Supplies and Materials		22,484	
In Service/Staff Development		5,231	
Other Charges		5,649	
Other Equipment		6,715	
Total Early Childhood Education			\$ 1,111,015

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	58,232	
Social Security		3,277	
State Retirement		6,010	
Medical Insurance		10,597	
Employer Medicare		766	
Other Contracted Services		6,261	
Building Improvements		808,645	
Total Regular Capital Outlay			893,788

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	300,000	
Total Education			300,000

Total General Purpose School Fund \$ 46,278,865

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	867,244	
Educational Assistants		182,361	
Bonus Payments		10,000	
Certified Substitute Teachers		5,100	

(Continued)

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Non-certified Substitute Teachers	\$	20,630	
Social Security		64,389	
State Retirement		487,697	
Medical Insurance		179,168	
Employer Medicare		15,289	
Instructional Supplies and Materials		330,173	
Other Supplies and Materials		16,808	
Other Charges		15,603	
Regular Instruction Equipment		11,078	
Total Regular Instruction Program			\$ 2,205,540

Special Education Program

Educational Assistants	\$	693,279	
Speech Pathologist		43,943	
Certified Substitute Teachers		3,748	
Non-certified Substitute Teachers		26,064	
Social Security		44,352	
State Retirement		135,403	
Medical Insurance		182,621	
Employer Medicare		10,376	
Other Supplies and Materials		3,151	
Total Special Education Program			1,142,937

Vocational Education Program

Other Contracted Services	\$	1,353	
Instructional Supplies and Materials		5,940	
Other Supplies and Materials		5,905	
Other Charges		3,395	
Vocational Instruction Equipment		63,947	
Total Vocational Education Program			80,540

Support Services

Health Services

Medical Personnel	\$	20,420	
Social Security		1,098	
State Retirement		690	
Medical Insurance		7,741	
Employer Medicare		257	
Total Health Services			30,206

Other Student Support

Social Workers	\$	56,080	
Other Salaries and Wages		34,553	
Social Security		5,542	
State Retirement		8,048	
Medical Insurance		12,407	
Employer Medicare		1,296	
Travel		33,451	
In Service/Staff Development		2,934	
Other Charges		797	
Total Other Student Support			155,108

(Continued)

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Other Salaries and Wages	\$	493,710	
Social Security		25,904	
State Retirement		39,425	
Medical Insurance		79,248	
Employer Medicare		6,782	
Travel		1,163	
Other Supplies and Materials		2,012	
In Service/Staff Development		63,760	
Other Charges		499	
Total Regular Instruction Program			\$ 712,503

Special Education Program

Psychological Personnel	\$	104,149	
Clerical Personnel		31,324	
Other Salaries and Wages		82,609	
Social Security		12,963	
State Retirement		15,752	
Medical Insurance		30,241	
Employer Medicare		3,033	
Maintenance and Repair Services - Equipment		930	
Travel		7,033	
Other Contracted Services		113,780	
Other Supplies and Materials		1,811	
In Service/Staff Development		2,870	
Total Special Education Program			406,495

Office of the Principal

State Retirement	\$	83,191	
Total Office of the Principal			83,191

Transportation

Bus Drivers	\$	31,540	
Other Salaries and Wages		6,530	
Social Security		2,326	
State Retirement		1,713	
Employer Medicare		552	
Total Transportation			42,661

Operation of Non-Instructional Services

Food Service

State Retirement	\$	22,652	
Total Food Service			22,652

Total School Federal Projects Fund \$ 4,881,833

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	59,450	
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(Continued)

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Accountants/Bookkeepers	\$	33,521	
Clerical Personnel		31,109	
Cafeteria Personnel		1,254,222	
Social Security		82,591	
State Retirement		91,060	
Medical Insurance		256,930	
Unemployment Compensation		2,356	
Employer Medicare		19,310	
Maintenance and Repair Services - Equipment		58,999	
Transportation - Other than Students		20,462	
Travel		2,968	
Other Contracted Services		23,442	
Food Preparation Supplies		5,567	
Food Supplies		1,627,673	
Office Supplies		1,950	
Utilities		13,370	
USDA - Commodities		302,249	
Other Supplies and Materials		129,822	
In Service/Staff Development		1,864	
Other Charges		960	
Food Service Equipment		2,513	
Total Food Service			\$ 4,022,388
Total Central Cafeteria Fund			\$ 4,022,388

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	104,293	
Social Security		6,440	
State Retirement		9,035	
Employer Medicare		1,512	
Other Supplies and Materials		9,807	
Trustee's Commission		1,346	
In Service/Staff Development		301	
Other Charges		573	
Total Community Services			\$ 133,307
Total Extended School Program Fund			133,307
Total Governmental Funds - Lawrence County School Department			\$ 55,316,393

Exhibit J-10

Lawrence County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2013

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 4,224,528
Total Cash Receipts	<u>\$ 4,224,528</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 4,182,283
Trustee's Commission	42,245
Total Cash Disbursements	<u>\$ 4,224,528</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash, July 1, 2012	<u>0</u>
Cash, June 30, 2013	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

Lawrence County Executive and
Board of County Commissioners
Lawrence County, Tennessee

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements, and have issued our report thereon dated January 30, 2014. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Lawrence County Emergency Communications District, as described in our report on Lawrence County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lawrence County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lawrence County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lawrence County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2013-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2013-002, 2013-003, and 2013-004.

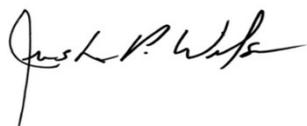
Lawrence County's Responses to Findings

Lawrence County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Lawrence County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 30, 2014

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

Lawrence County Executive and
Board of County Commissioners
Lawrence County, Tennessee

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Lawrence County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lawrence County's major federal programs for the year ended June 30, 2013. Lawrence County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lawrence County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan

and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lawrence County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Lawrence County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Lawrence County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lawrence County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lawrence County's internal control over compliance.

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

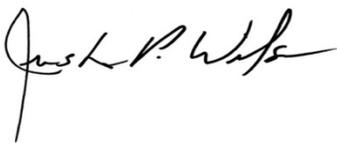
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements. We issued our report thereon dated January 30, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 30, 2014

JPW/sb

Lawrence County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
ARRA - Community Facilities Loans and Grants	10.780	N/A	\$ 11,880
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	302,249 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	675,093
National School Lunch Program	10.555	N/A	1,850,150 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	42,648
Total U.S. Department of Agriculture			\$ 2,882,020
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	(2)	\$ 350,055
Total U.S. Department of Housing and Urban Development			\$ 350,055
U.S. Department of Justice:			
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	\$ 49,022
Total U.S. Department of Justice			\$ 49,022
Institute of Museum and Library Services:			
Passed through Tennessee Secretary of State:			
Grants to States	45.310	(2)	\$ 765
Total Institute of Museum and Library Services			\$ 765
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 120,266
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,820,790
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,508,773
Special Education - Preschool Grants	84.173	N/A	44,476
Career and Technical Education - Basic Grants to States	84.048	N/A	206,925
Rural Education	84.358	(2)	120,809
English Language Acquisition Grants	84.365	N/A	3,002
Improving Teacher Quality State Grants	84.367	N/A	303,976
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	454,428
Education Jobs Fund	84.410	N/A	568,967
Total U.S. Department of Education			\$ 5,152,412

(Continued)

Lawrence County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	GG-09-25251-03	\$ 31,885
Total U.S. Department of Health and Human Services			\$ 31,885
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(2)	\$ 194,795
Total U.S. Department of Homeland Security			\$ 194,795
Total Expenditures of Federal Awards			\$ 8,660,954

State Grants		Contract Number	
ACT Explore Testing - State Department of Education	N/A	(2)	\$ 7,383
Archives Development Programs - Tennessee Secretary of State	N/A	(2)	645
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	40,088
Coordinated School Health - State Department of Education	N/A	(2)	100,000
Early Childhood Education - State Department of Education	N/A	(2)	1,109,520
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	8,097
Family Resources Center - State Department of Education	N/A	(2)	29,443
Farmers Market Grant Program - State Department of Agriculture	N/A	(2)	1,492
Health Department Programs - State Department of Health	N/A	Z-12-43633-00	239,868
Internet Connectivity - State Department of Education	N/A	(2)	21,964
Juvenile Justice - State Commission on Children and Youth	N/A	GG-10-29764-00	9,000
Library Computer Equipment Project - Tennessee Secretary of State	N/A	(2)	2,042
Litter Grant - State Department of Transportation	N/A	(2)	58,289
Lottery for Education - Afterschool Program - State Department of Education	N/A	(2)	118,248
Safe Schools - State Department of Education	N/A	(2)	81,883
Statewide Student Management System - State Department of Education	N/A	(2)	17,660
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212962-02	32,695
Total State Grants			\$ 1,878,317

CFDA = Catalog of Federal Domestic Assistance
 N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$2,152,399.

Lawrence County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Lawrence County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.06	189	Circuit, General Sessions, and Juvenile Courts did not prepare execution docket trial balances

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.09	191	The office did not deposit some funds within three days of collection

LAWRENCE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on Lawrence County's financial statements is unmodified.
2. The audit of the financial statements of Lawrence County disclosed a significant deficiency in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Lawrence County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (CFDA No. 14.228), and State Fiscal Stabilization Funds – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Lawrence County qualified as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The director of accounts and budgets and the sheriff provided written responses to certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2013-001

SOME PURCHASE ORDERS WERE ISSUED AFTER PURCHASES WERE MADE

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As a part of our auditing procedures for determining whether internal controls over purchasing were operating as designed, we selected a sample of 41 disbursements. Our sample revealed that purchase orders were issued after purchases were made in five of 29 applicable purchases, which calculates to a deviation rate of 17 percent. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The practice of issuing purchase orders after the purchases are made defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Purchase orders are issued as departments make requests and the funds are available. It is not known upon issuance of the purchase order if a department has made a purchase prior to issuance of the purchase order. It is only determined once the invoice comes in and is compared to the purchase order. To strengthen internal controls over purchasing procedures, a new section will be added to the purchase requisition where the department has to sign off that a purchase has not been made prior to the request. In the event, a purchase order is issued after a purchase has been made and is discovered during the invoice process, the purchase order will be liquidated and the department will be asked to provide an explanation of why a purchase was made prior to requesting a purchase order. The purchasing agent will send a memo out reminding all departments of purchasing procedures.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2013-002

EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in budget operations:

- A. Expenditures exceeded appropriations in the major appropriation categories (the legal level of control) of the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Purpose School:	
Adult Education Program	\$ 4,782
Adult Programs	2,348
Office of Principal	2,819
Early Childhood Education	428
School Federal Projects:	
Health Services	768
Special Education Program	30,200
Transportation	613

- B. Salaries exceeded line-item appropriations in 23 accounts in the General Purpose School, School Federal Projects, and Central Cafeteria funds by amounts ranging from \$109 to \$29,966.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

The budget resolution approved by the County Commission states that the salary, wages, or remuneration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2013-003

EXECUTION DOCKET TRIAL BALANCES WERE NOT PREPARED FOR CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS

(Noncompliance Under *Government Auditing Standards*)

Execution docket cause balances were not prepared for circuit, general sessions, and juvenile courts as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. Consequently, we were unable to reconcile cash journal accounts with cause balances. Furthermore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, *TCA*. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. Cash journals in Circuit, General Sessions, and Juvenile Courts reflected court funds of \$80,664, \$57,365, and \$5,083, respectively, at June 30, 2013, that we were unable to identify. This deficiency exists due to the failure of management to take corrective action for the finding reported in the prior-year audit report.

RECOMMENDATION

Execution docket cause balances should be prepared and reconciled with cash journal accounts for Circuit, General Sessions, and Juvenile Courts as required by state statutes. To further comply with state statutes, the clerk should report and pay to the state Treasurer's Office any unclaimed funds held for more than one year.

OFFICE OF SHERIFF

FINDING 2013-004

SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION

(Noncompliance Under *Government Auditing Standards*)

The Sheriff's Office did not deposit some funds within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds to an official bank account within three days of collection. In several instances during the period under examination, collections were held in the office up to six days before being deposited with the county trustee. This deficiency was the result of the failure of management to correct the prior-year finding. The delay in depositing funds increases the risks of fraud and misappropriation.

RECOMMENDATION

The sheriff should ensure that all funds are deposited with the county trustee within three days of collection as required by state statute.

MANAGEMENT'S RESPONSE – SHERIFF

The Sheriff's Office understands that there were times during the year in which collected funds were not deposited within three business days. However, the only time this happened was when the person who collects all of the money and receipts it and another person who logs each receipt into the department's cash journal and makes the deposit were sick and off from work for multiple days. The prepared deposit is taken to the bank by either the sheriff, chief, or captain for deposit.

In the past, there have been no designated backups for either of the two people noted above. This is due to the fact that two years ago, auditors informed the department that all duties related to finances must be segregated and that we needed to limit the amount of people handling the department's finances. Therefore, when either of these two people is off for multiple days and money has been collected during said time, there have been occasions where the three-day threshold has been passed.

AUDITOR'S COMMENT

Office procedures that involve segregation of duties are not limited only to specific persons. Provisions should be made for other designated persons to fill in when absences occur.

BEST PRACTICE

LAWRENCE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Lawrence County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds of the county; however, the acts also provide a provision for the exclusion of the School Department. The School Department is excluded from these provisions in Lawrence County; therefore, only the funds administered by the county executive and highway superintendent utilize centralized accounting, budgeting, and purchasing. These centralized functions are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

**LAWRENCE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2013**

There were no audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.