



**ANNUAL FINANCIAL REPORT  
LAWRENCE COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2014**



**ANNUAL FINANCIAL REPORT**  
**LAWRENCE COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2014**

*COMPTROLLER OF THE TREASURY*  
*JUSTIN P. WILSON*

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
*JAMES R. ARNETTE*  
*Director*

*JEFF BAILEY, CPA, CGFM, CFE*  
*Audit Manager*

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*Auditor 4*

*DONYA WADE, CFE*  
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*KINSLEY HAYES*  
*JACOB KENNEDY, CISA*  
*State Auditors*

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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## LAWRENCE COUNTY, TENNESSEE

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# ***Summary of Audit Findings***

Annual Financial Report  
Lawrence County, Tennessee  
For the Year Ended June 30, 2014

## ***Scope***

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2014.

## ***Results***

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

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

## ***Findings***

The following are summaries of the audit findings:

### **OFFICES OF DIRECTOR OF ACCOUNTS AND BUDGETS AND TRUSTEE**

- ◆ Deficiencies existed in the information system environment for solid waste collections.

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### **OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

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

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# INTRODUCTORY SECTION

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Lawrence County Officials  
June 30, 2014

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**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

**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**

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

**Audit Committee**

Karen Woodall, Chairman  
Scott Franks  
Jerry Putman  
Jeff Hughes  
Polly Marsh

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## **FINANCIAL SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

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, 2014, 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 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, 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, 2014, 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.

### ***Change in Accounting Principle***

As described in Note V.B., Lawrence County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

### ***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 64 - 66 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 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 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, 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 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 November 12, 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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

November 12, 2014

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Lawrence County, Tennessee  
Statement of Net Position  
June 30, 2014

	<u>Primary Governmental Activities</u>	<u>Component Unit Lawrence County School Department</u>
<u>ASSETS</u>		
Cash	\$ 88,516	\$ 1,140
Equity in Pooled Cash and Investments	7,256,540	7,689,794
Inventories	0	102,741
Accounts Receivable	4,372,616	13,884
Allowance for Uncollectibles	(1,961,758)	0
Due from Other Governments	859,017	1,120,679
Due from Component Unit	73,772	0
Property Taxes Receivable	10,678,241	6,116,746
Allowance for Uncollectible Property Taxes	(272,013)	(155,816)
Notes Receivable	86,212	0
Capital Assets:		
Assets Not Depreciated:		
Land	1,009,453	676,454
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	20,648,782	36,980,022
Infrastructure	30,619,884	0
Other Capital Assets	2,389,939	3,946,444
Total Assets	<u>\$ 75,849,201</u>	<u>\$ 56,492,088</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 522,991	\$ 32,375
Accrued Payroll	0	3,703
Payroll Deductions Payable	44	1,897,610
Accrued Interest Payable	230,027	0
Due to Primary Government	0	73,772
Due to State of Tennessee	13,399	0
Noncurrent Liabilities:		
Due Within One Year	3,882,719	77,556
Due in More Than One Year (net of unamortized premiums and discounts on debt)	38,763,185	8,955,412
Total Liabilities	<u>\$ 43,412,365</u>	<u>\$ 11,040,428</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	<u>\$ 10,022,971</u>	<u>\$ 5,741,391</u>
Total Deferred Inflows of Resources	<u>\$ 10,022,971</u>	<u>\$ 5,741,391</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 31,616,629	\$ 41,602,920
Restricted for:		
General Government	4,022	0
Administration of Justice	178,876	0
Public Safety	168,579	0
Public Health and Welfare	43,927	0
Social, Cultural, and Recreational Services	75,799	0
Highway/Public Works	1,122,905	0
Instruction	0	91,282
Operation of Non-instructional Services	0	849,827
Capital Projects	455,434	0
Unrestricted	<u>(11,252,306)</u>	<u>(2,833,760)</u>
Total Net Position	<u>\$ 22,413,865</u>	<u>\$ 39,710,269</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, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Total Governmental Activities	Lawrence County School Department	
Primary Government:							
Governmental Activities:							
General Government	\$ 3,367,683	\$ 240,470	\$ 508,729	\$ 0	\$ (2,618,484)	\$ 0	0
Finance	1,419,018	970,840	0	0	(448,178)	0	0
Administration of Justice	1,274,814	785,589	166,819	0	(322,406)	0	0
Public Safety	6,925,915	1,297,059	144,925	0	(5,483,931)	0	0
Public Health and Welfare	4,670,466	3,077,918	578,276	0	(1,014,272)	0	0
Social, Cultural, and Recreational Services	393,307	10,315	130,961	0	(252,031)	0	0
Agriculture and Natural Resources	169,155	0	0	0	(169,155)	0	0
Other Operations	544,949	0	0	0	(544,949)	0	0
Highways/Public Works	6,327,909	6,557	2,403,428	183,529	(3,734,395)	0	0
<b>Total Primary Government</b>	<b>\$ 25,093,216</b>	<b>\$ 6,388,748</b>	<b>\$ 3,933,138</b>	<b>\$ 183,529</b>	<b>\$ (14,587,801)</b>	<b>\$ 0</b>	<b>0</b>
Component Unit:							
Lawrence County School Department	\$ 58,520,253	\$ 1,316,825	\$ 7,556,771	\$ 1,530	\$ 0	\$ (49,645,127)	0
<b>Total Component Unit</b>	<b>\$ 58,520,253</b>	<b>\$ 1,316,825</b>	<b>\$ 7,556,771</b>	<b>\$ 1,530</b>	<b>\$ 0</b>	<b>\$ (49,645,127)</b>	<b>0</b>

(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	Component
				Governmental Activities	Unit
				Lawrence	
				County	
				School	
				Department	
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 8,263,019	\$ 5,933,076
Property Taxes Levied for Debt Service				2,075,863	0
Local Option Sales Tax				1,426,156	4,622,780
Hotel/Motel Tax				88,295	0
Wheel Tax				928,779	0
Litigation Tax - General				123,157	0
Litigation Tax - Jail, Workhouse, or Courthouse				109,906	0
Business Tax				265,994	0
Mineral Severance Tax				41,465	0
Wholesale Beer Tax				130,957	0
Other Local Taxes				90,454	4,229
Grants and Contributions Not Restricted to Specific Programs				1,240,411	35,232,194
Unrestricted Investment Earnings				47,202	5,135
E-Rate Funding				0	29,702
Miscellaneous				182,571	70,280
Total General Revenues				\$ 15,014,229	\$ 45,897,396
Change in Net Position				\$ 426,428	\$ (3,747,731)
Net Position, July 1, 2013				21,987,437	43,458,000
Net Position, June 30, 2014				\$ 22,413,865	\$ 39,710,269

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

Lawrence County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
\$	1,050	0	0	87,466	\$	88,516
Cash	2,627,622	1,034,638	2,559,244	1,035,036		7,256,540
Equity in Pooled Cash and Investments	2,844,797	0	87,929	1,439,890		4,372,616
Accounts Receivable	(975,361)	0	0	(986,397)		(1,961,758)
Allowance for Uncollectibles	201,612	372,810	180,189	104,406		859,017
Due from Other Governments	73,772	0	0	0		73,772
Due from Component Units	6,974,096	1,719,607	1,984,538	0		10,678,241
Property Taxes Receivable	(177,656)	(43,804)	(50,553)	0		(272,013)
Allowance for Uncollectible Property Taxes	0	0	0	86,212		86,212
Notes Receivable - Long-term						
Total Assets	\$ 11,569,932	\$ 3,083,251	\$ 4,761,347	\$ 1,766,613	\$	\$ 21,181,143

ASSETS

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

LIABILITIES

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

\$	94,707	293,587	0	134,697	\$	522,991
	0	22	0	22		44
	13,399	0	0	0		13,399
\$	108,106	293,609	0	134,719	\$	536,434

DEFERRED INFLOWS OF RESOURCES

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

\$	6,546,130	1,614,083	1,862,758	0	\$	10,022,971
	209,472	52,727	58,530	0		320,729
	1,671,383	181,893	88,946	373,732		2,315,954
\$	8,426,985	1,848,703	2,010,234	373,732	\$	12,659,654

(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		
<b>FUND BALANCES</b>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 75,799	\$ 75,799	\$ 75,799
Restricted:						
Restricted for General Government	4,022	0	0	0	0	4,022
Restricted for Administration of Justice	178,876	0	0	0	0	178,876
Restricted for Public Safety	14,033	0	0	155,145	0	169,178
Restricted for Public Health and Welfare	43,927	0	0	0	0	43,927
Restricted for Highways/Public Works	0	940,939	0	0	0	940,939
Restricted for Capital Outlay	78,152	0	0	72,594	0	150,746
Restricted for Capital Projects	0	0	0	304,688	0	304,688
Committed:						
Committed for General Government	14,978	0	0	74,312	0	89,290
Committed for Finance	0	0	0	27,500	0	27,500
Committed for Public Safety	178,386	0	0	0	0	178,386
Committed for Public Health and Welfare	0	0	0	548,124	0	548,124
Committed for Debt Service	0	0	2,751,113	0	0	2,751,113
Assigned:						
Assigned for General Government	1,822	0	0	0	0	1,822
Assigned for Public Safety	19,901	0	0	0	0	19,901
Assigned for Public Health and Welfare	8,884	0	0	0	0	8,884
Assigned for Social, Cultural, and Recreational Services	1,768	0	0	0	0	1,768
Assigned for Agriculture and Natural Resources	100	0	0	0	0	100
Assigned for Other Operations	2,340	0	0	0	0	2,340
Unassigned	2,487,652	0	0	0	0	2,487,652
Total Fund Balances	\$ 3,034,841	\$ 940,939	\$ 2,751,113	\$ 1,258,162	\$ 1,258,162	\$ 7,985,055
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,569,932	\$ 3,083,251	\$ 4,761,347	\$ 1,766,613	\$ 1,766,613	\$ 21,181,143

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

Exhibit C-2

Lawrence County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2014

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)		\$ 7,985,055
(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	20,648,782	
Add: infrastructure net of accumulated depreciation	30,619,884	
Add: other capital assets net of accumulated depreciation	<u>2,389,939</u>	54,668,058
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital leases payable	\$ (126,297)	
Less: bonds payable	(40,373,942)	
Less: deferred charges - premium on debt	(82,648)	
Add: deferred charges - discount on debt	63,458	
Less: compensated absences payable	(637,188)	
Less: landfill postclosure care costs	(1,134,025)	
Less: other postemployment benefits liability	(355,262)	
Less: accrued interest on bonds, notes, and capital leases	<u>(230,027)</u>	(42,875,931)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,636,683</u>
Net position of governmental activities (Exhibit A)		<u>\$ 22,413,865</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, 2014

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other			
				Governmental Funds	Governmental Funds		
<u>Revenues</u>							
Local Taxes	\$ 7,709,227	\$ 1,708,094	\$ 4,448,089	\$ 106,241	\$ 0	\$ 13,971,651	
Licenses and Permits	46,298	0	0	0	0	46,298	
Fines, Forfeitures, and Penalties	171,943	0	0	90,514	0	262,457	
Charges for Current Services	1,676,341	0	0	1,462,964	0	3,139,305	
Other Local Revenues	78,368	6,574	35,222	320,000	0	440,164	
Fees Received from County Officials	1,212,375	0	0	0	0	1,212,375	
State of Tennessee	1,796,548	2,193,020	657,208	67,829	0	4,714,605	
Federal Government	166,819	209,209	0	257,292	0	633,320	
Other Governments and Citizens Groups	160,943	191,640	300,000	134,578	0	787,161	
Total Revenues	\$ 13,018,862	\$ 4,308,537	\$ 5,440,519	\$ 2,439,418	\$ 0	\$ 25,207,336	

Expenditures

Current:

General Government	\$ 1,261,616	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,261,616
Finance	915,405	0	0	456,905	0	1,372,310
Administration of Justice	1,251,928	0	0	9,347	0	1,261,275
Public Safety	5,986,353	0	0	63,782	0	6,050,135
Public Health and Welfare	2,481,360	0	0	1,671,942	0	4,153,302
Social, Cultural, and Recreational Services	298,550	0	0	0	0	298,550
Agriculture and Natural Resources	164,911	0	0	0	0	164,911
Other Operations	913,559	0	0	29,295	0	942,854
Highways	0	3,751,759	0	0	0	3,751,759
Debt Service:						
Principal on Debt	59,083	61,986	3,913,762	0	0	4,034,831
Interest on Debt	6,990	3,713	1,599,071	0	0	1,609,774
Other Debt Service	0	0	75,922	0	0	75,922

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 78,152	\$ 0	\$ 0	\$ 897,352	\$	\$ 975,504
Total Expenditures	\$ 13,417,907	\$ 3,817,458	\$ 5,588,755	\$ 3,128,623	\$	\$ 25,952,743
Excess (Deficiency) of Revenues Over Expenditures	\$ (399,045)	\$ 491,079	\$ (148,236)	\$ (689,205)	\$	\$ (745,407)
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 2,042	\$ 3,312	\$ 0	\$ 0	\$	\$ 5,354
Total Other Financing Sources (Uses)	\$ 2,042	\$ 3,312	\$ 0	\$ 0	\$	\$ 5,354
Net Change in Fund Balances	\$ (397,003)	\$ 494,391	\$ (148,236)	\$ (689,205)	\$	\$ (740,053)
Fund Balance, July 1, 2013	3,431,844	446,548	2,899,349	1,947,367		8,725,108
Fund Balance, June 30, 2014	\$ 3,034,841	\$ 940,939	\$ 2,751,113	\$ 1,258,162	\$	\$ 7,985,055

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, 2014

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)		\$	(740,053)
(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	\$	1,614,024	
Less: current-year depreciation expense		<u>(4,692,067)</u>	(3,078,043)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			(62,389)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$	2,636,683	
Less: deferred delinquent property taxes and other deferred June 30, 2013		<u>(2,331,706)</u>	304,977
(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: change in discount on debt issuance	\$	(3,755)	
Add: change in premium on debt issuance		7,331	
Add: principal payments on bonds		3,194,096	
Add: principal payments on notes		719,666	
Add: principal payments on capital leases		121,069	
Less: change in deferred amount on refunding		<u>(15,089)</u>	4,023,318
(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	\$	20,114	
Change in compensated absences payable		17,861	
Change in other postemployment benefits liability		(26,292)	
Change in landfill postclosure care costs		<u>(33,065)</u>	(21,382)
Change in net position of governmental activities (Exhibit B)			<u>\$ 426,428</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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 7,709,227	\$ 0	\$ 0	\$ 7,709,227	\$ 7,609,354	\$ 7,609,354	\$ 99,873
Licenses and Permits	46,298	0	0	46,298	41,883	41,883	4,415
Fines, Forfeitures, and Penalties	171,943	0	0	171,943	218,133	218,133	(46,190)
Charges for Current Services	1,676,341	0	0	1,676,341	2,082,600	2,082,600	(406,259)
Other Local Revenues	78,368	0	0	78,368	63,500	63,500	14,868
Fees Received from County Officials	1,212,375	0	0	1,212,375	1,212,000	1,212,000	375
State of Tennessee	1,796,548	0	0	1,796,548	1,951,509	2,019,694	(223,146)
Federal Government	166,819	0	0	166,819	132,286	133,826	32,993
Other Governments and Citizens Groups	160,943	0	0	160,943	82,841	164,918	(3,975)
<b>Total Revenues</b>	<b>\$ 13,018,862</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,018,862</b>	<b>\$ 13,394,106</b>	<b>\$ 13,545,908</b>	<b>\$ (527,046)</b>
<b>Expenditures</b>							
<b>General Government</b>							
County Commission	\$ 96,227	\$ 0	\$ 0	\$ 96,227	\$ 110,753	\$ 113,253	\$ 17,026
Beer Board	2,175	0	0	2,175	1,800	2,370	195
County Mayor/Executive	177,952	0	0	177,952	184,949	184,949	6,997
County Attorney	7,078	0	0	7,078	8,178	8,178	1,100
Election Commission	296,686	0	0	296,686	306,509	327,676	30,990
Register of Deeds	187,972	0	0	187,972	196,892	197,392	9,420
County Buildings	410,921	(200)	1,527	412,248	448,692	442,142	29,894
Preservation of Records	82,605	0	0	82,605	86,909	88,909	6,304
<b>Finance</b>							
Accounting and Budgeting	288,757	0	0	288,757	314,502	315,002	26,245
Property Assessor's Office	314,440	0	295	314,735	323,818	323,818	9,083
County Trustee's Office	69,894	0	0	69,894	77,795	80,931	11,037
County Clerk's Office	98,861	0	0	98,861	107,626	115,126	16,265
Data Processing	143,453	0	0	143,453	147,604	161,404	17,951
<b>Administration of Justice</b>							
Circuit Court	519,865	(36)	0	519,829	527,377	558,113	38,284
General Sessions Court	294,727	0	0	294,727	300,673	303,457	8,730
Chancery Court	282,502	(250)	0	282,252	295,121	301,393	19,141

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Juvenile Court	\$ 147,419	\$ 0	\$ 0	\$ 147,419	\$ 175,703	\$ 175,561	\$ 28,142
District Attorney General	142	0	0	142	0	142	0
Courtroom Security	0	0	0	0	2,200	2,200	2,200
Victims Assistance Programs	7,273	0	0	7,273	6,000	8,200	927
<u>Public Safety</u>							
Sheriff's Department	2,708,820	(1,500)	19,525	2,726,845	2,835,170	2,954,524	227,679
Jail	2,515,267	0	251	2,515,518	2,332,513	2,667,251	151,733
Workhouse	49,184	0	0	49,184	49,200	49,200	16
Work Release Program	4,722	0	125	4,847	4,800	6,900	2,053
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	5,141	0	0	5,141	10,000	10,000	4,859
Rescue Squad	303,750	0	0	303,750	302,500	303,750	0
Other Emergency Management	339,245	0	0	339,245	339,245	339,245	0
County Coroner/Medical Examiner	49,951	0	0	49,951	80,659	81,419	31,468
Other Public Safety	8,273	0	0	8,273	12,000	12,000	3,727
<u>Public Health and Welfare</u>							
Local Health Center	93,182	0	585	93,767	131,634	131,634	37,867
Ambulance/Emergency Medical Services	1,929,005	0	7,356	1,936,361	2,119,430	2,119,430	183,069
Alcohol and Drug Programs	71,043	0	0	71,043	79,504	79,504	8,461
Other Local Health Services	20,721	0	943	21,664	5,000	39,585	17,921
Regional Mental Health Center	10,000	0	0	10,000	10,000	10,000	0
Appropriation to State	282,040	0	0	282,040	295,250	337,900	55,860
Aid to Dependent Children	0	0	0	0	8,000	8,000	8,000
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	2,000	0	0	2,000	1,500	2,000	0
Libraries	282,300	(22)	1,768	284,046	302,806	302,806	18,760
Other Social, Cultural, and Recreational	14,250	0	0	14,250	16,600	16,600	2,350

(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 7/1/2013	Add: Encumbrances 6/30/2014	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>							
Agricultural Extension Service	\$ 121,054	\$ 0	\$ 100	\$ 121,154	\$ 118,564	\$ 125,002	\$ 3,848
Soil Conservation	42,857	0	0	42,857	45,415	52,492	9,635
Other Agriculture and Natural Resources	1,000	0	0	1,000	0	1,000	0
<u>Other Operations</u>							
Tourism	46,951	0	0	46,951	48,400	49,025	2,074
Industrial Development	139,515	0	0	139,515	139,515	139,515	0
Housing and Urban Development	43	0	0	43	0	43	0
Airport	69,000	0	0	69,000	69,000	69,000	0
Veterans' Services	92,379	0	0	92,379	99,076	100,266	7,887
Other Charges	565,671	0	2,340	568,011	632,734	617,878	49,867
<u>Principal on Debt</u>							
General Government	59,083	0	0	59,083	64,292	59,083	0
Interest on Debt							
General Government	6,990	0	0	6,990	1,781	6,990	0
<u>Capital Projects</u>							
General Administration Projects	78,152	(78,152)	0	0	82,744	99,844	99,844
Total Expenditures	\$ 13,417,907	\$ (80,160)	\$ 34,815	\$ 13,372,562	\$ 13,937,803	\$ 14,579,472	\$ 1,206,910
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (399,045)	\$ 80,160	\$ (34,815)	\$ (353,700)	\$ (543,697)	\$ (1,033,564)	\$ 679,864
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,042	\$ 0	\$ 0	\$ 2,042	\$ 0	\$ 13,422	\$ (11,380)
Total Other Financing Sources	\$ 2,042	\$ 0	\$ 0	\$ 2,042	\$ 0	\$ 13,422	\$ (11,380)
Net Change in Fund Balance	\$ (397,003)	\$ 80,160	\$ (34,815)	\$ (351,658)	\$ (543,697)	\$ (1,020,142)	\$ 668,484
Fund Balance, July 1, 2013	3,431,844	(80,160)	0	3,351,684	3,431,844	3,431,844	(80,160)
Fund Balance, June 30, 2014	\$ 3,034,841	\$ 0	\$ (34,815)	\$ 3,000,026	\$ 2,888,147	\$ 2,411,702	\$ 588,324

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 (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,708,094 \$	0 \$	1,708,094 \$	1,729,673 \$	1,729,673 \$	(21,579)
Other Local Revenues	6,574	0	6,574	2,500	6,574	0
State of Tennessee	2,193,020	0	2,193,020	2,207,202	2,150,731	42,289
Federal Government	209,209	0	209,209	0	195,194	14,015
Other Governments and Citizens Groups	191,640	0	191,640	0	190,070	1,570
Total Revenues	\$ 4,308,537 \$	0 \$	4,308,537 \$	3,939,375 \$	4,272,242 \$	36,295
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 212,770 \$	87 \$	212,857 \$	239,432 \$	240,440 \$	27,583
Highway and Bridge Maintenance	2,583,726	200	2,583,926	2,587,105	2,860,890	276,964
Operation and Maintenance of Equipment	565,436	4,900	570,336	637,952	641,116	70,780
Other Charges	96,564	0	96,564	98,011	103,011	6,447
Capital Outlay	293,263	0	293,263	530,000	583,223	289,960
Principal on Debt	61,986	0	61,986	60,209	61,986	0
Highways and Streets						
Interest on Debt	3,713	0	3,713	7,216	5,439	1,726
Highways and Streets	\$ 3,817,458 \$	5,187 \$	3,822,645 \$	4,159,925 \$	4,496,105 \$	673,460
Total Expenditures						
Excess (Deficiency) of Revenues Over Expenditures	\$ 491,079 \$	(5,187) \$	485,892 \$	(220,550) \$	(223,863) \$	709,755
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 3,312 \$	0 \$	3,312 \$	0 \$	3,312 \$	0
Total Other Financing Sources	\$ 3,312 \$	0 \$	3,312 \$	0 \$	3,312 \$	0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 494,391 \$	(5,187) \$	489,204 \$	(220,550) \$	(220,551) \$	709,755
Fund Balance, July 1, 2013	446,548	0	446,548	446,548	446,548	0
Fund Balance, June 30, 2014	\$ 940,939 \$	(5,187) \$	935,752 \$	225,998 \$	225,997 \$	709,755

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, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,512,249
Equity in Pooled Cash and Investments	103,789
Accounts Receivable	4,120
Due from Other Governments	<u>720,090</u>
Total Assets	<u>\$ 2,340,248</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 720,090
Due to Litigants, Heirs, and Others	1,546,934
Due to Joint Ventures	<u>73,224</u>
Total Liabilities	<u>\$ 2,340,248</u>

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

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**LAWRENCE COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**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 financial statements of the Lawrence County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

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. Although required by GAAP, the financial statements of the Lawrence County Emergency Communications District were not available in time for inclusion, as previously mentioned. 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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

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, 2014, Lawrence County had \$17,468,000 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.

**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

#### Budgetary Information

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.

### 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, 2014.

### **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 \$86,212 and is offset by committed fund balance.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2014, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 1,009,453	\$ 0	\$ 0	\$ 1,009,453
Total Capital Assets Not Depreciated	<u>\$ 1,009,453</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,009,453</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 25,787,350	\$ 0	\$ 0	\$ 25,787,350
Infrastructure	77,974,310	1,301,157	0	79,275,467
Other Capital Assets	10,337,259	312,867	622,915	10,027,211
Total Capital Assets Depreciated	<u>\$ 114,098,919</u>	<u>\$ 1,614,024</u>	<u>\$ 622,915</u>	<u>\$ 115,090,028</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,485,663	\$ 652,905	\$ 0	\$ 5,138,568
Infrastructure	45,326,210	3,329,373	0	48,655,583
Other Capital Assets	7,488,009	709,789	560,526	7,637,272
Total Accumulated Depreciation	<u>\$ 57,299,882</u>	<u>\$ 4,692,067</u>	<u>\$ 560,526</u>	<u>\$ 61,431,423</u>
Total Capital Assets Depreciated, Net	<u>\$ 56,799,037</u>	<u>\$ (3,078,043)</u>	<u>\$ 62,389</u>	<u>\$ 53,658,605</u>
Governmental Activities Capital Assets, Net	<u>\$ 57,808,490</u>	<u>\$ (3,078,043)</u>	<u>\$ 62,389</u>	<u>\$ 54,668,058</u>

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

**Governmental Activities:**

General Government	\$ 193,644
Finance	2,819
Administration of Justice	2,278
Public Safety	606,983
Public Health and Welfare	210,040
Social, Cultural, and Recreational Services	81,276
Agriculture and Natural Resources	2,662
Other Operations	128
Highways	<u>3,592,237</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,692,067</u>

**Discretely Presented Lawrence County School Department****Governmental Activities:**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 676,454	\$ 0	\$ 0	\$ 676,454
Construction in Progress	19,705	337,302	357,007	0
Total Capital Assets Not Depreciated	<u>\$ 696,159</u>	<u>\$ 337,302</u>	<u>\$ 357,007</u>	<u>\$ 676,454</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 63,121,545	\$ 404,957	\$ 140,203	\$ 63,386,299
Other Capital Assets	12,447,744	486,319	438,583	12,495,480
Total Capital Assets Depreciated	<u>\$ 75,569,289</u>	<u>\$ 891,276</u>	<u>\$ 578,786</u>	<u>\$ 75,881,779</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 24,867,013	\$ 1,632,385	\$ 93,121	\$ 26,406,277
Other Capital Assets	8,395,619	592,000	438,583	8,549,036
Total Accumulated Depreciation	<u>\$ 33,262,632</u>	<u>\$ 2,224,385</u>	<u>\$ 531,704</u>	<u>\$ 34,955,313</u>
Total Capital Assets Depreciated, Net	<u>\$ 42,306,657</u>	<u>\$ (1,333,109)</u>	<u>\$ 47,082</u>	<u>\$ 40,926,466</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,002,816</u>	<u>\$ (995,807)</u>	<u>\$ 404,089</u>	<u>\$ 41,602,920</u>

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

**Governmental Activities:**

Instruction	\$ 1,560,499
Support Services	535,032
Operation of Non-instructional Services	<u>128,854</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,224,385</u>

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2014, was as follows:

**Due to/from Primary Government and Component Unit:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Fund</u>
Primary Government: General	Component Unit: School Department: General Purpose School	\$ 73,772

**Interfund Transfers:**

**Discretely Presented Lawrence County School Department**

<u>Transfer Out</u>	<u>Transfer In</u>
	General Purpose School Fund
Nonmajor governmental funds	\$ 19,517

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.

**E. Capital Leases**

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:

Assets	Governmental Activities
Machinery and Equipment	\$ 367,000
Less: Accumulated Depreciation	(290,542)
Vehicles	185,855
Less: Accumulated Depreciation	(64,549)
Total Book Value	\$ 197,764

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30	Governmental Funds
2015	\$ 131,773
Total Minimum Lease Payments	\$ 131,773
Less: Amount Representing Interest	(5,476)
Present Value of Minimum Lease Payments	\$ 126,297

**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 may also be issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding were issued for original terms of up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in

long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds and capital leases outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	3.375 to 4.28 %	6-21-50	\$ 37,457,000	\$ 29,028,942
General Obligation Bonds - Refunding	2.599 to 3.79	10-1-34	22,650,000	11,345,000
Capital Leases	2.951 to 5.75	6-15-15	552,855	126,297

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2014, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2020-2024	9,176,738	3,945,578	13,122,316
2025-2029	7,941,565	2,434,989	10,376,554
2030-2034	5,282,264	1,158,346	6,440,610
2035-2039	2,668,991	238,763	2,907,754
2040-2044	51,932	17,998	69,930
2045-2049	61,308	8,623	69,931
2050	13,495	455	13,950
Total	\$ 40,373,942	\$ 13,832,110	\$ 54,206,052

There is \$2,751,113 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and capital leases totaled \$967, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Bonds	Notes	Capital Leases
Balance, July 1, 2013	\$ 43,568,038	\$ 719,666	\$ 247,366
Additions	0	0	0
Reductions	(3,194,096)	(719,666)	(121,069)
Balance, June 30, 2014	<u>\$ 40,373,942</u>	<u>\$ 0</u>	<u>\$ 126,297</u>
Balance Due Within One Year	<u>\$ 3,094,234</u>	<u>\$ 0</u>	<u>\$ 126,297</u>

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2013	\$ 655,049	\$ 1,100,960	\$ 328,970
Additions	628,919	41,759	31,339
Reductions	(646,780)	(8,694)	(5,047)
Balance, June 30, 2014	<u>\$ 637,188</u>	<u>\$ 1,134,025</u>	<u>\$ 355,262</u>
Balance Due Within One Year	<u>\$ 637,188</u>	<u>\$ 25,000</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 42,626,714
Less: Due Within One Year	(3,882,719)
Add: Unamortized Premium on Debt	82,648
Less: Unamortized Discount on Debt	<u>(63,458)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 38,763,185</u></u>

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, 2014, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 63,433	\$ 7,911,182
Additions	73,143	1,872,151
Reductions	(59,020)	(827,921)
Balance, June 30, 2014	<u>\$ 77,556</u>	<u>\$ 8,955,412</u>
Balance Due Within One Year	<u>\$ 77,556</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 9,032,968
Less: Balance Due Within One Year	<u>(77,556)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 8,955,412</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, 2014, were \$266,372 and \$65,281, 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, 2014, was as follows:

	Balance 7-1-13	Issued	Paid	Balance 6-30-14
Tax Anticipation Notes	\$ 0	\$ 300,000	\$ (300,000)	\$ 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**

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. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70 relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

### **C. Subsequent Events**

On July 23, 2014, Lawrence County issued General Obligation Refunding Bonds totaling \$3,170,000.

On August 31, 2014, J. Mack Chandler left the Office of County Executive and was succeeded by T.R. Williams.

### **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 \$1,134,025 reported as postclosure care liability at June 30, 2014, represents amounts based on what it would cost to perform all postclosure care in 2014. 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 \$69,000 to the operations of the joint venture during the year ended June 30, 2014.

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 \$139,515 to the Lawrence County Joint Economic Development Board during the year ended June 30, 2014.

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, 2014.

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, 2014.

## 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, 2014, 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, 2014, 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, 2014, the county's annual pension cost of \$1,393,943 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>
6-30-14	\$1,393,943	100%	\$0
6-30-13	1,420,972	100	0
6-30-12	1,329,766	100	0

### Public Library Employees

For the year ended June 30, 2014, 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
6-30-14	\$ 0	100%	\$0
6-30-13	0	100	0
6-30-12	3,144	100	0

**Funded Status and Funding Progress**

General Employees

As of July 1, 2013, the most recent actuarial valuation date, the plan was 92.32 percent funded. The actuarial accrued liability for benefits was \$40.3 million, and the actuarial value of assets was \$37.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$13.76 million, and the ratio of the UAAL to the covered payroll was 22.51 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, 2013, the most recent actuarial valuation date, the plan was 100 percent funded. The actuarial accrued liability for benefits was \$.69 million, and the actuarial value of assets was \$.69 million, resulting in an unfunded actuarial accrued liability (UAAL) of zero. The covered payroll (annual payroll of active employees covered by the plan) was \$.12 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](http://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, 2014, 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, 2014, 2013, and 2012, were \$2,266,972, \$2,221,321, and \$2,196,734, 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 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 local education employees, 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://tennessee.gov/finance/act/cafr.html>.

#### 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 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 members in the Medicare Supplement Plan. Lawrence County and the School Department recognized expenditures of \$5,047 and \$827,921, respectively, for postemployment health care during the year ended June 30, 2014.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
	<u>                    </u>	<u>                    </u>
ARC	\$ 1,864,000	\$ 31,000
Interest on the NOPEBO	316,447	13,159
Adjustment to the ARC	(308,296)	(12,820)
Annual OPEB cost	<u>\$ 1,872,151</u>	<u>\$ 31,339</u>
Amount of contribution	<u>(827,921)</u>	<u>(5,047)</u>
Increase/decrease in NOPEBO	\$ 1,044,230	\$ 26,292
Net OPEB obligation, 7-1-13	<u>7,911,182</u>	<u>328,970</u>
Net OPEB obligation, 6-30-14	<u><u>\$ 8,955,412</u></u>	<u><u>\$ 355,262</u></u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
		<u>                    </u>		<u>                    </u>
6-30-12	Local Education Group	\$ 2,334,706	32 %	\$ 6,254,464
6-30-13	"	2,354,619	30	7,911,182
6-30-14	"	1,872,151	44	8,955,412
6-30-12	Local Government Group	66,455	18	276,269
6-30-13	"	66,321	21	328,970
6-30-14	"	31,339	16	355,262

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:  
(dollars in thousands)

	Local Education Group Plan	Local Government Group Plan
	<u>                    </u>	<u>                    </u>
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 15,915	\$ 210
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 15,915	\$ 210
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 30,893	\$ 8,187

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, 2013, 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 was 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. 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. Effective September 24, 2013, the Lawrence County Commission added the duties of the purchasing agent to the director of accounts and budgets. 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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Lawrence County, Tennessee  
Schedule of Funding Progress — Pension Plan  
Primary Government and Discretely Presented Lawrence County School Department,  
June 30, 2014

(Dollar amounts in thousands)

Plan Description	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability 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	7-1-13	\$ 37,204	\$ 40,301	\$ 3,097	92.32 %	\$ 13,756	22.51 %
"	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
Library Employees - Primary Government	7-1-13	693	693	0	100	120	0
"	7-1-11	639	639	0	100	130	0
"	7-1-09	503	512	9	98.23	105	8.6

Exhibit E-2

Lawrence County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Lawrence County School Department  
June 30, 2014

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) 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	7-1-10	\$ 0	\$ 704	\$ 704	0	\$ 7,018	10 %
"	7-1-11	0	405	405	0	7,553	5
"	7-1-13	0	210	210	0	8,187	3
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	13,554	13,554	0	29,229	46
"	7-1-11	0	19,237	19,237	0	31,047	62
"	7-1-13	0	15,915	15,915	0	30,893	52

**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2014**

**NONE**

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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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.

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 of deeds, and sheriff.

# Capital Projects Funds

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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.

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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

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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.

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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, 2014

Special Revenue Funds							Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees		
\$	0 \$	525 \$	0 \$	0 \$	86,941 \$		87,466
	22,823	244,692	324,341	31,262	0		623,118
	1,341	1,398,303	0	25,375	14,871		1,439,890
	0	(986,397)	0	0	0		(986,397)
	0	8,687	0	0	0		8,687
	0	0	86,212	0	0		86,212
\$	24,164 \$	665,810 \$	410,553 \$	56,637 \$	101,812 \$		1,258,976

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  
 Total Liabilities

\$	0 \$	81,891 \$	0 \$	2,308 \$	0 \$		84,199
	0	22	0	0	0		22
\$	0 \$	81,913 \$	0 \$	2,308 \$	0 \$		84,221

DEFERRED INFLOWS OF RESOURCES

Other Deferred/Unavailable Revenue  
 Total Deferred Inflows of Resources

\$	0 \$	373,732 \$	0 \$	0 \$	0 \$		373,732
\$	0 \$	373,732 \$	0 \$	0 \$	0 \$		373,732

FUND BALANCES

Nonspendable:  
 Endowments

\$	0 \$	0 \$	0 \$	0 \$	0 \$		0
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(Continued)

Exhibit F-1

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

	Special Revenue Funds						Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees		
Restricted:							
Restricted for Public Safety	\$ 24,164	\$ 0	\$ 0	\$ 54,329	\$ 0	\$ 78,493	
Restricted for Capital Outlay	0	0	72,594	0	0	72,594	
Restricted for Capital Projects	0	0	0	0	0	0	
Committed:							
Committed for General Government	0	0	0	0	74,312	74,312	
Committed for Finance	0	0	0	0	27,500	27,500	
Committed for Public Health and Welfare	0	210,165	337,959	0	0	548,124	
Total Fund Balances	\$ 24,164	\$ 210,165	\$ 410,553	\$ 54,329	\$ 101,812	\$ 801,023	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 24,164	\$ 665,810	\$ 410,553	\$ 56,637	\$ 101,812	\$ 1,258,976	

(Continued)

Exhibit F-1

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

	Capital Projects Funds			Permanent	Total Nonmajor Governmental Funds
	General Capital Projects	Other Capital Projects	Total	Fund Endowment	
\$	0 \$	0 \$	0 \$	0 \$	87,466
	291,444	44,675	336,119	75,799	1,035,036
	0	0	0	0	1,439,890
	0	0	0	0	(986,397)
	13,244	82,475	95,719	0	104,406
	0	0	0	0	86,212
\$	304,688 \$	127,150 \$	431,838 \$	75,799 \$	1,766,613

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  
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Other Deferred/Unavailable Revenue  
 Total Deferred Inflows of Resources

FUND BALANCES

Nonspendable:  
 Endowments

\$ 0 \$ 0 \$ 0 \$ 0 \$ 75,799 \$ 75,799

(Continued)

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

	Capital Projects Funds			Total	Permanent Fund Endowment	Total Nonmajor Governmental Funds
	General Capital Projects	Other Capital Projects				
\$	0 \$	76,652 \$	76,652 \$	0 \$	0 \$	155,145
	0	0	0	0	0	72,594
	304,688	0	304,688	0	0	304,688
	0	0	0	0	0	74,312
	0	0	0	0	0	27,500
	0	0	0	0	0	548,124
\$	304,688 \$	76,652 \$	381,340 \$	75,799 \$		1,258,162
\$	304,688 \$	127,150 \$	431,838 \$	75,799 \$		1,766,613

FUND BALANCES (CONT.)

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

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, 2014

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 16,951	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 56,951
Fines, Forfeitures, and Penalties	940	0	0	89,574	0	90,514
Charges for Current Services	0	985,521	10,050	0	467,393	1,462,964
Other Local Revenues	0	318,520	0	0	0	318,520
State of Tennessee	0	67,829	0	0	0	67,829
Federal Government	0	0	174,817	0	0	174,817
Other Governments and Citizens Groups	0	18,370	116,208	0	0	134,578
Total Revenues	\$ 17,891	\$ 1,390,240	\$ 341,075	\$ 89,574	\$ 467,393	\$ 2,306,173
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 456,905	\$ 456,905
Administration of Justice	0	0	0	0	9,347	9,347
Public Safety	0	0	0	63,782	0	63,782
Public Health and Welfare	0	1,671,942	0	0	0	1,671,942
Other Operations	29,295	0	0	0	0	29,295
Capital Projects	0	0	357,393	0	0	357,393
Total Expenditures	\$ 29,295	\$ 1,671,942	\$ 357,393	\$ 63,782	\$ 466,252	\$ 2,588,664
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,404)	\$ (281,702)	\$ (16,318)	\$ 25,792	\$ 1,141	\$ (282,491)
Net Change in Fund Balances	\$ (11,404)	\$ (281,702)	\$ (16,318)	\$ 25,792	\$ 1,141	\$ (282,491)
Fund Balance, July 1, 2013	35,568	491,867	426,871	28,537	100,671	1,083,514
Fund Balance, June 30, 2014	\$ 24,164	\$ 210,165	\$ 410,553	\$ 54,329	\$ 101,812	\$ 801,023

(Continued)

Exhibit F-2

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

	Capital Projects Funds				Total	Permanent Fund		Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects	Endowment				
<u>Revenues</u>								
Local Taxes	\$ 49,290	\$ 0	\$ 0	\$ 0	\$ 49,290	\$ 0	\$ 0	\$ 106,241
Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	90,514
Charges for Current Services	0	0	0	0	0	0	0	1,462,964
Other Local Revenues	0	0	1,480	0	1,480	0	0	320,000
State of Tennessee	0	0	0	0	0	0	0	67,829
Federal Government	0	0	82,475	0	82,475	0	0	257,292
Other Governments and Citizens Groups	0	0	0	0	0	0	0	134,578
Total Revenues	\$ 49,290	\$ 0	\$ 83,955	\$ 0	\$ 133,245	\$ 0	\$ 0	\$ 2,439,418
<u>Expenditures</u>								
Current:								
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 456,905
Administration of Justice	0	0	0	0	0	0	0	9,347
Public Safety	0	0	0	0	0	0	0	63,782
Public Health and Welfare	0	0	0	0	0	0	0	1,671,942
Other Operations	0	0	0	0	0	0	0	29,295
Capital Projects	144,574	326,786	68,599	0	539,959	0	0	897,352
Total Expenditures	\$ 144,574	\$ 326,786	\$ 68,599	\$ 0	\$ 539,959	\$ 0	\$ 0	\$ 3,128,623
Excess (Deficiency) of Revenues Over Expenditures	\$ (95,284)	\$ (326,786)	\$ 15,356	\$ (406,714)	\$ (406,714)	\$ 0	\$ 0	\$ (689,205)
Net Change in Fund Balances	\$ (95,284)	\$ (326,786)	\$ 15,356	\$ (406,714)	\$ (406,714)	\$ 0	\$ 0	\$ (689,205)
Fund Balance, July 1, 2013	399,972	326,786	61,296	75,799	788,054	75,799	75,799	1,947,367
Fund Balance, June 30, 2014	\$ 304,688	\$ 0	\$ 76,652	\$ 381,340	\$ 75,799	\$ 75,799	\$ 75,799	\$ 1,258,162

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 16,951	\$ 14,000	\$ 14,000	\$ 2,951
Fines, Forfeitures, and Penalties	940	852	1,522	(582)
Total Revenues	<u>\$ 17,891</u>	<u>\$ 14,852</u>	<u>\$ 15,522</u>	<u>\$ 2,369</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 29,295	\$ 29,160	\$ 31,260	\$ 1,965
Total Expenditures	<u>\$ 29,295</u>	<u>\$ 29,160</u>	<u>\$ 31,260</u>	<u>\$ 1,965</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (11,404)</u>	<u>\$ (14,308)</u>	<u>\$ (15,738)</u>	<u>\$ 4,334</u>
Net Change in Fund Balance	\$ (11,404)	\$ (14,308)	\$ (15,738)	\$ 4,334
Fund Balance, July 1, 2013	<u>35,568</u>	<u>35,568</u>	<u>35,568</u>	<u>0</u>
Fund Balance, June 30, 2014	<u>\$ 24,164</u>	<u>\$ 21,260</u>	<u>\$ 19,830</u>	<u>\$ 4,334</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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Charges for Current Services	\$ 985,521	\$ 0	\$ 0	\$ 985,521	\$ 1,088,100	\$ 1,088,100	\$ (102,579)
Other Local Revenues	318,520	0	0	318,520	350,719	510,082	(191,562)
State of Tennessee	67,829	0	0	67,829	63,536	63,536	4,293
Other Governments and Citizens Groups	18,370	0	0	18,370	0	0	18,370
<b>Total Revenues</b>	<b>\$ 1,390,240</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,390,240</b>	<b>\$ 1,502,355</b>	<b>\$ 1,661,718</b>	<b>\$ (271,478)</b>
<b>Expenditures</b>							
Public Health and Welfare	\$ 1,671,942	\$ (31,639)	\$ 695	\$ 1,640,998	\$ 1,587,660	\$ 1,762,822	\$ 121,824
Landfill Operation and Maintenance	1,671,942	(31,639)	695	1,640,998	1,587,660	1,762,822	121,824
<b>Total Expenditures</b>	<b>\$ (281,702)</b>	<b>\$ 31,639</b>	<b>\$ (695)</b>	<b>\$ (250,758)</b>	<b>\$ (85,305)</b>	<b>\$ (101,104)</b>	<b>\$ (149,654)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (281,702)</b>	<b>\$ 31,639</b>	<b>\$ (695)</b>	<b>\$ (250,758)</b>	<b>\$ (85,305)</b>	<b>\$ (101,104)</b>	<b>\$ (149,654)</b>
Net Change in Fund Balance Fund Balance, July 1, 2013	491,867	(31,639)	0	460,228	491,867	491,867	(31,639)
<b>Fund Balance, June 30, 2014</b>	<b>\$ 210,165</b>	<b>\$ 0</b>	<b>\$ (695)</b>	<b>\$ 209,470</b>	<b>\$ 406,562</b>	<b>\$ 390,763</b>	<b>\$ (181,293)</b>

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 40,000	\$ 40,000	\$ 40,000	\$ 0
Charges for Current Services	10,050	0	0	10,050
Other Local Revenues	0	29,302	29,302	(29,302)
Federal Government	174,817	145,855	145,855	28,962
Other Governments and Citizens Groups	116,208	0	0	116,208
Total Revenues	<u>\$ 341,075</u>	<u>\$ 215,157</u>	<u>\$ 215,157</u>	<u>\$ 125,918</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 10,035	0	10,035	0
Public Utility Projects	347,358	490,714	490,714	143,356
Total Expenditures	<u>\$ 357,393</u>	<u>\$ 490,714</u>	<u>\$ 500,749</u>	<u>\$ 143,356</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (16,318)</u>	<u>\$ (275,557)</u>	<u>\$ (285,592)</u>	<u>\$ 269,274</u>
Net Change in Fund Balance	\$ (16,318)	\$ (275,557)	\$ (285,592)	\$ 269,274
Fund Balance, July 1, 2013	426,871	426,871	426,871	0
Fund Balance, June 30, 2014	<u>\$ 410,553</u>	<u>\$ 151,314</u>	<u>\$ 141,279</u>	<u>\$ 269,274</u>

Exhibit F-6

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 89,574 \$	0 \$	89,574 \$	38,817 \$	66,384 \$	23,190
Total Revenues	\$ 89,574 \$	0 \$	89,574 \$	38,817 \$	66,384 \$	23,190
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 63,782 \$	2,000 \$	65,782 \$	38,817 \$	72,817 \$	7,035
Total Expenditures	\$ 63,782 \$	2,000 \$	65,782 \$	38,817 \$	72,817 \$	7,035
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,792 \$	(2,000) \$	23,792 \$	0 \$	(6,433) \$	30,225
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 25,792 \$	(2,000) \$	23,792 \$	0 \$	(6,433) \$	30,225
	28,537	0	28,537	28,537	28,537	0
Fund Balance, June 30, 2014	\$ 54,329 \$	(2,000) \$	52,329 \$	28,537 \$	22,104 \$	30,225

# 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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,448,089	\$ 4,379,656	\$ 4,379,656	\$ 68,433
Other Local Revenues	35,222	35,000	35,000	222
State of Tennessee	657,208	687,523	687,523	(30,315)
Other Governments and Citizens Groups	300,000	300,000	300,000	0
<b>Total Revenues</b>	<b>\$ 5,440,519</b>	<b>\$ 5,402,179</b>	<b>\$ 5,402,179</b>	<b>\$ 38,340</b>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,370,712	\$ 1,764,666	\$ 1,372,913	\$ 2,201
Highways and Streets	346,800	0	346,800	0
Education	2,196,250	2,215,000	2,196,250	0
<u>Interest on Debt</u>				
General Government	830,908	940,213	836,477	5,569
Highways and Streets	91,429	0	91,429	0
Education	676,734	655,364	676,734	0
<u>Other Debt Service</u>				
General Government	74,872	80,000	80,000	5,128
Education	1,050	1,500	1,500	450
<b>Total Expenditures</b>	<b>\$ 5,588,755</b>	<b>\$ 5,656,743</b>	<b>\$ 5,602,103</b>	<b>\$ 13,348</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (148,236)</b>	<b>\$ (254,564)</b>	<b>\$ (199,924)</b>	<b>\$ 51,688</b>
<b>Net Change in Fund Balance</b>	<b>\$ (148,236)</b>	<b>\$ (254,564)</b>	<b>\$ (199,924)</b>	<b>\$ 51,688</b>
Fund Balance, July 1, 2013	2,899,349	2,899,349	2,899,349	0
<b>Fund Balance, June 30, 2014</b>	<b>\$ 2,751,113</b>	<b>\$ 2,644,785</b>	<b>\$ 2,699,425</b>	<b>\$ 51,688</b>

# Fiduciary Funds

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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 of deeds; 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, 2014

	Agency Funds					Total
	Cities - Sales Tax	Judicial District Drug	Constitu- tional Officers - Agency	District Attorney General		
<u>ASSETS</u>						
Cash	\$ 0	\$ 2,869	\$ 1,509,380	\$ 0	\$ 1,512,249	
Equity in Pooled Cash and Investments	0	69,490	0	34,299	103,789	
Accounts Receivable	0	3,181	939	0	4,120	
Due from Other Governments	720,090	0	0	0	720,090	
Total Assets	<u>\$ 720,090</u>	<u>\$ 75,540</u>	<u>\$ 1,510,319</u>	<u>\$ 34,299</u>	<u>\$ 2,340,248</u>	
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 720,090	\$ 0	\$ 0	\$ 0	\$ 720,090	
Due to Litigants, Heirs, and Others	0	2,316	1,510,319	34,299	1,546,934	
Due to Joint Ventures	0	73,224	0	0	73,224	
Total Liabilities	<u>\$ 720,090</u>	<u>\$ 75,540</u>	<u>\$ 1,510,319</u>	<u>\$ 34,299</u>	<u>\$ 2,340,248</u>	

Exhibit H-2

Lawrence County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,159,680	\$ 4,159,680	\$ 0
Due from Other Governments	686,583	720,090	686,583	720,090
<b>Total Assets</b>	<b>\$ 686,583</b>	<b>\$ 4,879,770</b>	<b>\$ 4,846,263</b>	<b>\$ 720,090</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 686,583	\$ 4,879,770	\$ 4,846,263	\$ 720,090
<b>Total Liabilities</b>	<b>\$ 686,583</b>	<b>\$ 4,879,770</b>	<b>\$ 4,846,263</b>	<b>\$ 720,090</b>
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 1,366	\$ 2,869	\$ 1,366	\$ 2,869
Equity in Pooled Cash and Investments	99,065	69,490	99,065	69,490
Accounts Receivable	3,479	3,181	3,479	3,181
<b>Total Assets</b>	<b>\$ 103,910</b>	<b>\$ 75,540</b>	<b>\$ 103,910</b>	<b>\$ 75,540</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,085	\$ 2,316	\$ 3,085	\$ 2,316
Due to Joint Ventures	100,825	73,224	100,825	73,224
<b>Total Liabilities</b>	<b>\$ 103,910</b>	<b>\$ 75,540</b>	<b>\$ 103,910</b>	<b>\$ 75,540</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,202,970	\$ 4,239,344	\$ 3,932,934	\$ 1,509,380
Accounts Receivable	386	939	386	939
<b>Total Assets</b>	<b>\$ 1,203,356</b>	<b>\$ 4,240,283</b>	<b>\$ 3,933,320</b>	<b>\$ 1,510,319</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,203,356	\$ 4,240,283	\$ 3,933,320	\$ 1,510,319
<b>Total Liabilities</b>	<b>\$ 1,203,356</b>	<b>\$ 4,240,283</b>	<b>\$ 3,933,320</b>	<b>\$ 1,510,319</b>
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 27,165	\$ 34,299	\$ 27,165	\$ 34,299
<b>Total Assets</b>	<b>\$ 27,165</b>	<b>\$ 34,299</b>	<b>\$ 27,165</b>	<b>\$ 34,299</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 27,165	\$ 34,299	\$ 27,165	\$ 34,299
<b>Total Liabilities</b>	<b>\$ 27,165</b>	<b>\$ 34,299</b>	<b>\$ 27,165</b>	<b>\$ 34,299</b>

(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	\$ 1,204,336	\$ 4,242,213	\$ 3,934,300	\$ 1,512,249
Equity in Pooled Cash and Investments	126,230	4,263,469	4,285,910	103,789
Accounts Receivable	3,865	4,120	3,865	4,120
Due from Other Governments	686,583	720,090	686,583	720,090
Total Assets	<u>\$ 2,021,014</u>	<u>\$ 9,229,892</u>	<u>\$ 8,910,658</u>	<u>\$ 2,340,248</u>
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 686,583	\$ 4,879,770	\$ 4,846,263	\$ 720,090
Due to Litigants, Heirs, and Others	1,233,606	4,276,898	3,963,570	1,546,934
Due to Joint Ventures	100,825	73,224	100,825	73,224
Total Liabilities	<u>\$ 2,021,014</u>	<u>\$ 9,229,892</u>	<u>\$ 8,910,658</u>	<u>\$ 2,340,248</u>

# Lawrence County School Department

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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.

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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, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 34,373,519	\$ 134,434	\$ 3,774,233	\$ 1,530	\$ (30,463,322)
Support Services	18,720,761	74,503	901,653	0	(17,744,605)
Operation of Non-instructional Services	5,425,973	1,107,888	2,880,885	0	(1,437,200)
Total Governmental Activities	\$ 58,520,253	\$ 1,316,825	\$ 7,556,771	\$ 1,530	\$ (49,645,127)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,933,076
Local Option Sales Tax					4,622,780
Other Local Taxes					4,229
Grants and Contributions Not Restricted to Specific Programs					35,232,194
Unrestricted Investment Earnings					5,135
E-Rate Funding					29,702
Miscellaneous					70,280
Total General Revenues					\$ 45,897,396
Change in Net Position					\$ (3,747,731)
Net Position, July 1, 2013					43,458,000
Net Position, June 30, 2014					\$ 39,710,269

Exhibit I-2

Lawrence County, Tennessee  
 Balance Sheet - Governmental Funds  
 Discretely Presented Lawrence County School Department  
 June 30, 2014

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,140	\$ 1,140
Equity in Pooled Cash and Investments	6,515,808	1,173,986	7,689,794
Inventories	0	102,741	102,741
Accounts Receivable	0	13,884	13,884
Due from Other Governments	1,084,031	36,648	1,120,679
Property Taxes Receivable	6,116,746	0	6,116,746
Allowance for Uncollectible Property Taxes	(155,816)	0	(155,816)
Total Assets	<u>\$ 13,560,769</u>	<u>\$ 1,328,399</u>	<u>\$ 14,889,168</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 29,798	\$ 2,577	\$ 32,375
Accrued Payroll	0	3,703	3,703
Payroll Deductions Payable	1,664,647	232,963	1,897,610
Due to Primary Government	73,772	0	73,772
Total Liabilities	<u>\$ 1,768,217</u>	<u>\$ 239,243</u>	<u>\$ 2,007,460</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 5,741,391	\$ 0	\$ 5,741,391
Deferred Delinquent Property Taxes	183,722	0	183,722
Other Deferred/Unavailable Revenue	522,807	0	522,807
Total Deferred Inflows of Resources	<u>\$ 6,447,920</u>	<u>\$ 0</u>	<u>\$ 6,447,920</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 102,741	\$ 102,741
Restricted:			
Restricted for Instruction	49,157	42,125	91,282
Restricted for Operation of Non-instructional Services	0	849,827	849,827
Committed:			
Committed for Operation of Non-instructional Services	0	38,357	38,357
Committed for Capital Outlay	0	56,106	56,106
Assigned:			
Assigned for Instruction	47,923	0	47,923
Assigned for Support Services	269,442	0	269,442
Assigned for Operation of Non-instructional Services	250	0	250
Assigned for Capital Outlay	233,869	0	233,869
Unassigned	4,743,991	0	4,743,991
Total Fund Balances	<u>\$ 5,344,632</u>	<u>\$ 1,089,156</u>	<u>\$ 6,433,788</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,560,769</u>	<u>\$ 1,328,399</u>	<u>\$ 14,889,168</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, 2014

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)		\$ 6,433,788
(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: buildings and improvements net of accumulated depreciation	36,980,022	
Add: other capital assets net of accumulated depreciation	<u>3,946,444</u>	41,602,920
(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	\$ (77,556)	
Less: other postemployment benefits liability	<u>(8,955,412)</u>	(9,032,968)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>706,529</u>
Net position of governmental activities (Exhibit A)		<u>\$ 39,710,269</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, 2014

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 10,575,301	\$ 0	\$ 10,575,301
Licenses and Permits	1,691	0	1,691
Charges for Current Services	70,492	1,246,333	1,316,825
Other Local Revenues	175,565	5,209	180,774
State of Tennessee	35,347,738	45,965	35,393,703
Federal Government	183,017	6,804,742	6,987,759
Other Governments and Citizens Groups	0	240,000	240,000
Total Revenues	<u>\$ 46,353,804</u>	<u>\$ 8,342,249</u>	<u>\$ 54,696,053</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 28,708,303	\$ 2,698,845	\$ 31,407,148
Support Services	16,775,107	1,242,715	18,017,822
Operation of Non-instructional Services	1,235,378	4,032,729	5,268,107
Capital Outlay	666,442	0	666,442
Debt Service:			
Other Debt Service	300,000	0	300,000
Capital Projects	0	449,567	449,567
Total Expenditures	<u>\$ 47,685,230</u>	<u>\$ 8,423,856</u>	<u>\$ 56,109,086</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,331,426)</u>	<u>\$ (81,607)</u>	<u>\$ (1,413,033)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 36,825	\$ 0	\$ 36,825
Transfers In	19,517	0	19,517
Transfers Out	0	(19,517)	(19,517)
Total Other Financing Sources (Uses)	<u>\$ 56,342</u>	<u>\$ (19,517)</u>	<u>\$ 36,825</u>
Net Change in Fund Balances	\$ (1,275,084)	\$ (101,124)	\$ (1,376,208)
Fund Balance, July 1, 2013	<u>6,619,716</u>	<u>1,190,280</u>	<u>7,809,996</u>
Fund Balance, June 30, 2014	<u>\$ 5,344,632</u>	<u>\$ 1,089,156</u>	<u>\$ 6,433,788</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, 2014

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)		\$ (1,376,208)
(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	\$ 871,571	
Less: current-year depreciation expense	<u>(2,224,385)</u>	(1,352,814)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		(47,082)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 706,529	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(619,803)</u>	86,726
(4) 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	\$ (14,123)	
Change in other postemployment benefits liability	<u>(1,044,230)</u>	<u>(1,058,353)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (3,747,731)</u>

Lawrence County, Tennessee  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 Discretely Presented Lawrence County School Department  
 June 30, 2014

Exhibit I-6

ASSETS

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total	
Cash	0 \$	1,140 \$	0 \$	1,140 \$	0 \$	1,140
Equity in Pooled Cash and Investments	171,445	904,783	41,652	1,117,880	56,106	1,173,986
Inventories	0	102,741	0	102,741	0	102,741
Accounts Receivable	0	13,476	408	13,884	0	13,884
Due from Other Governments	36,648	0	0	36,648	0	36,648
<b>Total Assets</b>	<b>208,093 \$</b>	<b>1,022,140 \$</b>	<b>42,060 \$</b>	<b>1,272,293 \$</b>	<b>56,106 \$</b>	<b>1,328,399</b>

LIABILITIES

Accounts Payable	0 \$	2,577 \$	0 \$	2,577 \$	0 \$	2,577
Accrued Payroll	0	0	3,703	3,703	0	3,703
Payroll Deductions Payable	165,968	66,995	0	232,963	0	232,963
<b>Total Liabilities</b>	<b>165,968 \$</b>	<b>69,572 \$</b>	<b>3,703 \$</b>	<b>239,243 \$</b>	<b>0 \$</b>	<b>239,243</b>

FUND BALANCES

Nonspendable:	0 \$	102,741 \$	0 \$	102,741 \$	0 \$	102,741
Inventory						
Restricted:	42,125	0	0	42,125	0	42,125
Restricted for Instruction						
Restricted for Operation of Non-instructional Services	0	849,827	0	849,827	0	849,827
Committed:	0	0	38,357	38,357	0	38,357
Committed for Operation of Non-instructional Services						
Committed for Capital Outlay	0	0	0	0	56,106	56,106
<b>Total Fund Balances</b>	<b>42,125 \$</b>	<b>952,568 \$</b>	<b>38,357 \$</b>	<b>1,033,050 \$</b>	<b>56,106 \$</b>	<b>1,089,156</b>
<b>Total Liabilities and Fund Balances</b>	<b>208,093 \$</b>	<b>1,022,140 \$</b>	<b>42,060 \$</b>	<b>1,272,293 \$</b>	<b>56,106 \$</b>	<b>1,328,399</b>

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, 2014

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects		
<u>Revenues</u>							
Charges for Current Services	\$ 0	\$ 1,111,999	\$ 134,334	\$ 1,246,333	\$ 0	\$ 0	\$ 1,246,333
Other Local Revenues	0	5,209	0	5,209	0	0	5,209
State of Tennessee	0	41,403	4,562	45,965	0	0	45,965
Federal Government	3,965,260	2,839,482	0	6,804,742	0	0	6,804,742
Other Governments and Citizens Groups	0	0	0	0	240,000	0	240,000
Total Revenues	\$ 3,965,260	\$ 3,998,093	\$ 138,896	\$ 8,102,249	\$ 240,000	\$ 0	\$ 8,342,249
<u>Expenditures</u>							
Current:							
Instruction	\$ 2,698,845	\$ 0	\$ 0	\$ 2,698,845	\$ 0	\$ 0	\$ 2,698,845
Support Services	1,242,715	0	0	1,242,715	0	0	1,242,715
Operation of Non-instructional Services	0	3,899,886	132,843	4,032,729	0	0	4,032,729
Capital Projects	0	0	0	0	449,567	0	449,567
Total Expenditures	\$ 3,941,560	\$ 3,899,886	\$ 132,843	\$ 7,974,289	\$ 449,567	\$ 0	\$ 8,423,856
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,700	\$ 98,207	\$ 6,053	\$ 127,960	\$ (209,567)	\$ 0	\$ (81,607)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (19,517)	\$ 0	\$ 0	\$ (19,517)	\$ 0	\$ 0	\$ (19,517)
Total Other Financing Sources (Uses)	\$ (19,517)	\$ 0	\$ 0	\$ (19,517)	\$ 0	\$ 0	\$ (19,517)
Net Change in Fund Balances	4,183	98,207	6,053	108,443	(209,567)	0	(101,124)
Fund Balance, July 1, 2013	37,942	854,361	32,304	924,607	265,673	0	1,190,280
Fund Balance, June 30, 2014	\$ 42,125	\$ 952,568	\$ 38,357	\$ 1,033,050	\$ 56,106	\$ 0	\$ 1,089,156

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 10,575,301	\$ 0	\$ 0	\$ 10,575,301	\$ 10,296,602	\$ 10,296,602	\$ 278,699
Licenses and Permits	1,691	0	0	1,691	1,000	1,000	691
Charges for Current Services	70,492	0	0	70,492	65,000	65,000	5,492
Other Local Revenues	175,565	0	0	175,565	13,000	147,009	28,556
State of Tennessee	35,347,738	0	0	35,347,738	32,620,000	35,241,237	106,501
Federal Government	183,017	0	0	183,017	0	212,144	(29,127)
<b>Total Revenues</b>	<b>\$ 46,353,804</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 46,353,804</b>	<b>\$ 42,995,602</b>	<b>\$ 45,962,992</b>	<b>\$ 390,812</b>

Expenditures

<b>Instruction</b>							
Regular Instruction Program	\$ 23,427,298	\$ (2,374)	\$ 137,652	\$ 23,562,576	\$ 23,171,440	\$ 23,706,954	\$ 144,378
Alternative Instruction Program	290,668	0	1,137	291,805	192,280	324,045	32,240
Special Education Program	2,602,686	0	0	2,602,686	2,628,174	2,613,774	11,088
Vocational Education Program	2,283,152	(1,204)	0	2,281,948	2,343,210	2,304,165	22,217
Student Body Education Program	9,447	0	0	9,447	0	12,500	3,053
Adult Education Program	95,052	0	0	95,052	2,100	97,256	2,204
<b>Support Services</b>							
Attendance	110,188	0	0	110,188	130,800	117,100	6,912
Health Services	470,188	0	0	470,188	477,745	481,017	10,829
Other Student Support	1,205,538	0	155	1,205,693	1,145,860	1,215,374	9,681
Regular Instruction Program	1,531,964	(55,532)	2,832	1,479,264	1,291,195	1,504,937	25,673
Alternative Instruction Program	24,549	0	0	24,549	0	36,880	12,331
Special Education Program	386,657	0	0	386,657	274,240	394,637	7,980
Vocational Education Program	79,669	0	0	79,669	69,565	86,115	6,446
Adult Programs	76,699	0	56	76,755	1,300	89,355	12,600
Other Programs	331,653	0	0	331,653	0	331,653	0
Board of Education	1,168,496	0	160	1,168,656	1,201,943	1,200,443	31,787
Director of Schools	343,589	(530)	500	343,559	309,775	369,600	26,041
Office of the Principal	3,191,456	0	780	3,192,236	3,064,207	3,252,988	60,752
Fiscal Services	236,365	0	265	236,630	234,462	242,912	6,282

(Continued)

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 (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 145,529	\$ 0	\$ 0	\$ 145,529	\$ 144,421	\$ 150,321	\$ 4,792
Operation of Plant	3,576,417	(77,769)	70,943	3,569,591	3,495,860	3,633,186	63,595
Maintenance of Plant	984,849	(6,400)	9,824	988,273	1,000,166	1,012,113	23,840
Transportation	2,753,598	(1,510)	35,000	2,787,088	2,772,538	2,854,464	67,376
Central and Other	157,703	0	0	157,703	125,720	157,705	2
<u>Operation of Non-instructional Services</u>							
Community Services	142,906	(45,524)	250	97,632	95,480	106,026	8,394
Early Childhood Education	1,092,472	0	4,948	1,097,420	0	1,097,520	100
<u>Capital Outlay</u>							
Regular Capital Outlay	666,442	(14,022)	88,610	741,030	238,855	1,118,419	377,389
<u>Principal on Debt</u>							
Education	0	0	0	0	300,000	0	0
<u>Other Debt Service</u>							
Education	300,000	0	0	300,000	0	300,000	0
Total Expenditures	\$ 47,685,230	\$ (204,865)	\$ 353,112	\$ 47,833,477	\$ 44,711,336	\$ 48,811,459	\$ 977,982
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (1,331,426)	\$ 204,865	\$ (353,112)	\$ (1,479,673)	\$ (1,715,734)	\$ (2,848,467)	\$ 1,368,794
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 36,825	\$ 0	\$ 0	\$ 36,825	\$ 0	\$ 21,000	\$ 15,825
Transfers In	19,517	0	0	19,517	0	68,000	(48,483)
Transfers Out	0	0	0	0	0	(14,173)	14,173
Total Other Financing Sources	\$ 56,342	\$ 0	\$ 0	\$ 56,342	\$ 0	\$ 74,827	\$ (18,485)
Net Change in Fund Balance	\$ (1,275,084)	\$ 204,865	\$ (353,112)	\$ (1,423,331)	\$ (1,715,734)	\$ (2,773,640)	\$ 1,350,309
Fund Balance, July 1, 2013	6,619,716	(204,865)	0	6,414,851	6,619,716	6,619,716	(204,865)
Fund Balance, June 30, 2014	\$ 5,344,632	\$ 0	\$ (353,112)	\$ 4,991,520	\$ 4,903,982	\$ 3,846,076	\$ 1,145,444

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,965,260	\$ 4,413,200	\$ 4,320,870	\$ (355,610)
Total Revenues	\$ 3,965,260	\$ 4,413,200	\$ 4,320,870	\$ (355,610)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,613,686	\$ 1,822,285	\$ 1,765,038	\$ 151,352
Special Education Program	1,031,892	1,040,067	1,033,596	1,704
Vocational Education Program	53,267	49,425	55,760	2,493
<u>Support Services</u>				
Health Services	32,809	33,067	33,717	908
Other Student Support	172,094	180,315	175,154	3,060
Regular Instruction Program	718,070	919,872	876,039	157,969
Special Education Program	319,742	324,380	334,239	14,497
Transportation	0	23,595	27,134	27,134
Total Expenditures	\$ 3,941,560	\$ 4,393,006	\$ 4,300,677	\$ 359,117
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,700	\$ 20,194	\$ 20,193	\$ 3,507
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 68,000	\$ (68,000)
Transfers Out	(19,517)	(20,192)	(88,192)	68,675
Total Other Financing Sources	\$ (19,517)	\$ (20,192)	\$ (20,192)	\$ 675
Net Change in Fund Balance	\$ 4,183	\$ 2	\$ 1	\$ 4,182
Fund Balance, July 1, 2013	37,942	37,942	37,942	0
Fund Balance, June 30, 2014	\$ 42,125	\$ 37,944	\$ 37,943	\$ 4,182

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,111,999	\$ 1,235,500	\$ 1,235,650	\$ (123,651)
Other Local Revenues	5,209	1,100	1,100	4,109
State of Tennessee	41,403	40,500	40,500	903
Federal Government	2,839,482	2,840,800	2,855,000	(15,518)
<b>Total Revenues</b>	<b>\$ 3,998,093</b>	<b>\$ 4,117,900</b>	<b>\$ 4,132,250</b>	<b>\$ (134,157)</b>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 3,899,886	\$ 4,117,900	\$ 4,132,250	\$ 232,364
<b>Total Expenditures</b>	<b>\$ 3,899,886</b>	<b>\$ 4,117,900</b>	<b>\$ 4,132,250</b>	<b>\$ 232,364</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 98,207	\$ 0	\$ 0	\$ 98,207
Net Change in Fund Balance	\$ 98,207	\$ 0	\$ 0	\$ 98,207
Fund Balance, July 1, 2013	854,361	854,361	854,361	0
<b>Fund Balance, June 30, 2014</b>	<b>\$ 952,568</b>	<b>\$ 854,361</b>	<b>\$ 854,361</b>	<b>\$ 98,207</b>

Exhibit I-11

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Lawrence County School Department  
Extended School Program Fund  
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 134,334 \$	0 \$	134,334 \$	142,000 \$	143,450 \$	(9,116)
State of Tennessee	4,562	0	4,562	3,500	4,220	342
Total Revenues	\$ 138,896 \$	0 \$	138,896 \$	145,500 \$	147,670 \$	(8,774)
<u>Expenditures</u>						
<u>Operation of Non-instructional Services</u>						
Community Services	\$ 132,843 \$	732 \$	133,575 \$	145,500 \$	148,920 \$	15,345
Total Expenditures	\$ 132,843 \$	732 \$	133,575 \$	145,500 \$	148,920 \$	15,345
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,053 \$	(732) \$	5,321 \$	0 \$	(1,250) \$	6,571
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 6,053 \$	(732) \$	5,321 \$	0 \$	(1,250) \$	6,571
	32,304	0	32,304	32,304	32,304	0
Fund Balance, June 30, 2014	\$ 38,357 \$	(732) \$	37,625 \$	32,304 \$	31,054 \$	6,571

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Lawrence County, Tennessee  
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds  
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or Matured During Period	Outstanding 6-30-14
<b>NOTES PAYABLE</b>							
<u>Payable through General Debt Service Fund</u>							
General Obligation, Series 2001A	\$ 4,575,000	3.8 %	9-1-01	8-12-13	\$ 480,000	\$ 480,000	\$ 0
General Obligation, Series 2002	1,850,000	1.55 to 4.125	6-1-02	5-6-14	190,000	190,000	0
General Obligation Capital Outlay Note Series 2011	149,000	1.99	3-16-11	3-11-14	49,666	49,666	0
Total Notes Payable					\$ 719,666	\$ 719,666	\$ 0
<b>CAPITAL LEASES PAYABLE</b>							
<u>Payable through General Fund</u>							
Patrol Cars for Sheriff's Department	185,855	5.75	5-30-12	7-30-14	\$ 121,563	\$ 59,083	\$ 62,480
Total Payable through General Fund					\$ 121,563	\$ 59,083	\$ 62,480
<u>Payable through Highway/Public Works Fund</u>							
Road Reclaimer for Highway Department	367,000	2.951	6-1-10	6-15-15	\$ 125,803	\$ 61,986	\$ 63,817
Total Payable through Highway/Public Works Fund					\$ 125,803	\$ 61,986	\$ 63,817
Total Capital Leases Payable					\$ 247,366	\$ 121,069	\$ 126,297
<b>BONDS PAYABLE</b>							
<u>Payable through General Debt Service Fund</u>							
Refunding, Series 2003	8,100,000	3.04	1-1-03	8-1-13	\$ 200,000	\$ 200,000	\$ 0
School Refunding, Series 2003	8,820,000	3.33	4-29-03	5-1-16	2,620,000	845,000	1,775,000
School Refunding, Series 2004	3,375,000	2.599	4-13-04	5-1-16	930,000	305,000	625,000
School Bond, Series 2004	8,000,000	3.6	8-12-04	9-1-19	4,285,000	540,000	3,745,000
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-1-25	6,755,000	410,000	6,345,000
General Obligation, Series 2006	10,000,000	3.95	2-1-06	6-1-31	8,065,000	315,000	7,750,000
General Obligation, Series 2007	10,000,000	4	12-4-07	6-1-37	9,185,000	225,000	8,960,000
General Obligation, Series 2008	4,250,000	4.28	3-18-08	3-1-37	3,870,000	100,000	3,770,000
School Refunding, Series 2010	2,700,000	3.7	1-13-10	10-1-34	2,625,000	25,000	2,600,000
School Improvement, Series 2010	2,160,000	3.7	1-13-10	10-1-34	1,990,000	60,000	1,930,000
General Obligation, Series 2012	132,000	3.375	4-26-12	4-26-50	130,239	1,820	128,419
General Obligation, Series 2012	165,000	3.375	6-21-12	6-21-50	162,799	2,276	160,523
General Obligation, Series 2012	2,750,000	3.375	12-1-12	12-1-27	2,750,000	165,000	2,585,000
Total Bonds Payable					\$ 43,568,038	\$ 3,194,096	\$ 40,373,942

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 40,373,942	\$ 13,832,110	\$ 54,206,052

(Continued)

Exhibit J-2

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

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2015	\$ 126,297	\$ 5,476	\$ 131,773
Total	\$ 126,297	\$ 5,476	\$ 131,773

Lawrence County, Tennessee  
Schedule of Notes Receivable  
June 30, 2014

Exhibit J-3

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-14
<u>Industrial/Economic Development Fund</u> Airport Renovation	Lawrenceburg-Lawrence County Airport	\$ 150,000	5-18-07	Various	0%	\$ 86,212
Total Notes Receivable						<u>\$ 86,212</u>

Exhibit J-4

Lawrence County, Tennessee  
Schedule of Transfers  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	\$ 19,517
Total Transfers Discretely Presented Lawrence County School Department			<u>\$ 19,517</u>

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, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA	\$ 83,064	\$ 50,000	Auto-Owners Insurance Company
Road Superintendent	Section 8-24-102, TCA	74,770	100,000	"
Director of Schools	State Board of Education and County Board of Education	119,404 (1)	50,000	(6)
Trustee	Section 8-24-102, TCA	67,973	1,630,400	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, TCA	67,973 (2)	50,000	"
Director of Accounts and Budgets	County Commission	61,256 (3)	25,000	"
County Clerk	Section 8-24-102, TCA	67,973	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	67,973 (4)	50,000	"
Clerk and Master	Section 8-24-102, TCA	67,973	25,000	"
Register of Deeds	Section 8-24-102, TCA	67,973	25,000	"
Sheriff	Section 8-24-102, TCA	78,508 (5)	25,000	"
<u>Employee Blanket Bonds</u>				
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, accrued vacation leave of \$5,580, and a cell phone allowance of \$1,160.
- (2) Does not include a salary supplement of \$1,000.
- (3) Does not include a longevity pay of \$650.
- (4) Does not include special commissioners fees of \$9,347.
- (5) Does not include a law enforcement training supplement of \$600.
- (6) Covered under the School Department's public employee dishonesty bond.

Exhibit J-6

Lawrence County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2014

	General	Courthouse and Jail Maintenance	Special Revenue Funds			
			Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,371,293	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	212,283	0	0	0	0	0
Trustee's Collections - Bankruptcy	1,522	0	0	0	0	0
Circuit/Clerk and Master Collections - Prior Years	133,769	0	0	0	0	0
Interest and Penalty	44,772	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,290	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	336,901	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	13,781	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	88,295	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	123,157	0	0	0	0	0
Litigation Tax - Special Purpose	63,895	16,951	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	5,848	0	0	0	0	0
Business Tax	265,994	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	0
Wholesale Beer Tax	41,667	0	0	40,000	0	0
Interstate Telecommunications Tax	3,760	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 7,709,227</b>	<b>\$ 16,951</b>	<b>\$ 0</b>	<b>\$ 40,000</b>	<b>\$ 0</b>	<b>0</b>

(Continued)

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
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,682	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	40,571	0	0	0	0
<u>Permits</u>					
Beer Permits	4,045	0	0	0	0
Total Licenses and Permits	\$ 46,298	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 28,947	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	30,630	0	0	0	0
Drug Control Fines	4,138	0	0	0	5,860
Jail Fees	4,391	0	0	0	0
DUI Treatment Fines	1,984	0	0	0	0
Data Entry Fee - Circuit Court	3,018	0	0	0	0
Courtroom Security Fee	0	940	0	0	0
<u>Criminal Court</u>					
Fines	1,640	0	0	0	0
Officers Costs	541	0	0	0	0
Drug Control Fines	0	0	0	0	2,906
DUI Treatment Fines	1,359	0	0	0	0
<u>General Sessions Court</u>					
Fines	16,233	0	0	0	0
Fines for Littering	380	0	0	0	0
Officers Costs	38,795	0	0	0	0
Game and Fish Fines	348	0	0	0	0

(Continued)

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
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Drug Control Fines	\$ 2,266	\$ 0	\$ 0	\$ 0	9,006
DUI Treatment Fines	6,157	0	0	0	0
Data Entry Fee - General Sessions Court	16,078	0	0	0	0
<u>Juvenile Court</u>					
Fines	3,983	0	0	0	0
Officers Costs	2,896	0	0	0	0
Data Entry Fee - Juvenile Court	618	0	0	0	0
Courtroom Security Fee	2	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	2,769	0	0	0	0
Data Entry Fee - Chancery Court	4,770	0	0	0	0
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	38,348
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	33,454
Total Fines, Forfeitures, and Penalties	\$ 171,943	\$ 940	\$ 0	\$ 0	\$ 89,574

<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 291,986	\$ 0	0
Residential Waste Collection Charge	0	0	683,314	0	0
Tipping Fees	0	0	350	0	0
Solid Waste Disposal Fee	0	0	9,871	0	0
Patient Charges	1,581,679	0	0	0	0
Past Due Collections - Ambulance	586	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
<u>Charges for Current Services (Cont.)</u>					
<u>General Service Charges (Cont.)</u>					
Work Release Charges for Board	\$ 4,120	\$ 0	\$ 0	\$ 0	\$ 0
Water Tap Sales	0	0	0	10,050	0
Service Charges	865	0	0	0	0
<u>Fees</u>					
Copy Fees	5,929	0	0	0	0
Library Fees	4,386	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0
Telephone Commissions	52,594	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	12,266	0	0	0	0
Data Processing Fee - Sheriff	2,868	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,490	0	0	0	0
Data Processing Fee - County Clerk	3,644	0	0	0	0
<u>Other Charges for Services</u>					
Other Charges for Services	2,864	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 1,676,341</b>	<b>\$ 0</b>	<b>\$ 985,521</b>	<b>\$ 10,050</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 37,457	\$ 0	\$ 2,414	\$ 0	\$ 0
Lease/Rentals	779	0	0	0	0
Sale of Materials and Supplies	465	0	0	0	0
Commissary Sales	580	0	0	0	0
Sale of Recycled Materials	0	0	169,587	0	0

(Continued)

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
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
E-Rate Funding	\$ 1,288	\$ 0	\$ 0	\$ 0	\$ 0
Commodity Rebates	0	0	0	0	0
Miscellaneous Refunds	34,001	0	146,519	0	0
Expenditure Credits	560	0	0	0	0
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	0	0	0	0	0
Contributions and Gifts	3,238	0	0	0	0
Total Other Local Revenues	\$ 78,368	\$ 0	\$ 318,520	\$ 0	\$ 0
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 110,164	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	397,304	0	0	0	0
<u>Fees in-Lieu-of Salary</u>					
Circuit Court Clerk	155,706	0	0	0	0
General Sessions Court Clerk	187,048	0	0	0	0
Clerk and Master	160,611	0	0	0	0
Juvenile Court Clerk	43,874	0	0	0	0
Register	142,914	0	0	0	0
Sheriff	14,754	0	0	0	0
Total Fees Received from County Officials	\$ 1,212,375	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
General Government Grants	\$ 0	\$ 0	\$ 67,829	\$ 0	\$ 0
Solid Waste Grants					

(Continued)

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
<u>State of Tennessee (Cont.)</u>					
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	\$ 23,400	\$ 0	\$ 0	\$ 0	\$ 0
Health and Welfare Grants					
Health Department Programs	268,075	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	0
Litter Program	49,185	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	65,119	0	0	0	0
Beer Tax	17,806	0	0	0	0
Vehicle Certificate of Title Fees	8,816	0	0	0	0
Alcoholic Beverage Tax	79,224	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0
Emergency Hospital - Prisoners	39,050	0	0	0	0
Contracted Prisoner Boarding	1,183,334	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	1,000	0	0	0	0
Other State Revenues	46,375	0	0	0	0
Total State of Tennessee	\$ 1,796,548	\$ 0	\$ 67,829	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 174,817	\$ 0
Disaster Relief	0	0	0	0	0

(Continued)

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
<u>Federal Government (Cont.)</u>					
<u>Federal through State (Cont.)</u>					
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	33,303	0	0	0	0
<u>Direct Federal Revenue</u>	133,516	0	0	0	0
Other Direct Federal Revenue	166,819	0	0	174,817	0
Total Federal Government	\$ 333,644	\$ 0	\$ 0	\$ 174,817	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 147,190	\$ 0	\$ 18,370	\$ 116,208	\$ 0
Citizens Groups	10,898	0	0	0	0
Donations					
Other	2,855	0	0	0	0
Total Other Governments and Citizens Groups	\$ 160,943	\$ 0	\$ 18,370	\$ 116,208	\$ 0
Total	\$ 494,587	\$ 17,891	\$ 1,390,240	\$ 341,075	\$ 89,574

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service		Capital Projects Funds			Total
	Constituti- onal Officers - Fees	Highway / Public Works	General Debt Service	Fund		General Capital Projects	Other Capital Projects		
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 0	\$ 1,570,588	\$ 1,814,081	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,755,962	
Trustee's Collections - Prior Year	0	53,175	63,504	0	0	0	0	328,962	
Trustee's Collections - Bankruptcy	0	359	449	0	0	0	0	2,330	
Circuit/Clerk and Master Collections - Prior Years	0	31,440	39,609	0	0	0	0	204,818	
Interest and Penalty	0	10,857	12,920	0	0	0	0	68,549	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	0	2,290	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	0	336,901	
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	0	13,781	
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	1,426,778	0	0	0	0	1,426,778	
Hotel/Motel Tax	0	0	0	0	0	0	0	88,295	
Wheel Tax	0	0	928,779	0	0	0	0	928,779	
Litigation Tax - General	0	0	0	0	0	0	0	123,157	
Litigation Tax - Special Purpose	0	0	0	0	0	0	0	80,846	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	109,906	0	0	0	0	109,906	
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	0	0	0	5,848	
Business Tax	0	0	0	0	0	0	0	265,994	
Mineral Severance Tax	0	41,675	0	0	0	0	0	41,675	
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	52,063	0	0	0	0	52,063	
Wholesale Beer Tax	0	0	0	49,290	0	0	0	130,957	
Interstate Telecommunications Tax	0	0	0	0	0	0	0	3,760	
<b>Total Local Taxes</b>	<b>\$ 0</b>	<b>\$ 1,708,094</b>	<b>\$ 4,448,089</b>	<b>\$ 49,290</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,971,651</b>	

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects			
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Marriage Licenses	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,682
Cable TV Franchise	0	0	0	0	0	0	0	40,571
<u>Permits</u>								
Beer Permits	0	0	0	0	0	0	0	4,045
<b>Total Licenses and Permits</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>46,298</b>
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	28,947
Officers Costs	0	0	0	0	0	0	0	30,630
Drug Control Fines	0	0	0	0	0	0	0	9,998
Jail Fees	0	0	0	0	0	0	0	4,391
DUI Treatment Fines	0	0	0	0	0	0	0	1,984
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	3,018
Courtroom Security Fee	0	0	0	0	0	0	0	940
<u>Criminal Court</u>								
Fines	0	0	0	0	0	0	0	1,640
Officers Costs	0	0	0	0	0	0	0	541
Drug Control Fines	0	0	0	0	0	0	0	2,906
DUI Treatment Fines	0	0	0	0	0	0	0	1,359
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	16,233
Fines for Littering	0	0	0	0	0	0	0	380
Officers Costs	0	0	0	0	0	0	0	38,795
Game and Fish Fines	0	0	0	0	0	0	0	348

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>General Sessions Court (Cont.)</u>								
Drug Control Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	11,272
DUI Treatment Fines	0	0	0	0	0	0	0	6,157
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	16,078
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	3,983
Officers Costs	0	0	0	0	0	0	0	2,896
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	618
Courtroom Security Fee	0	0	0	0	0	0	0	2
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	0	2,769
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	4,770
<u>Judicial District Drug Program</u>								
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	38,348
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	0	0	33,454
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	262,457
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	291,986
Residential Waste Collection Charge	0	0	0	0	0	0	0	683,314
Tipping Fees	0	0	0	0	0	0	0	350
Solid Waste Disposal Fee	0	0	0	0	0	0	0	9,871
Patient Charges	0	0	0	0	0	0	0	1,581,679
Past Due Collections - Ambulance	0	0	0	0	0	0	0	586

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)			Debt Service			Capital Projects Funds			Total
	Constituti- onal Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	Fund				
<u>Charges for Current Services (Cont.)</u>										
<u>General Service Charges (Cont.)</u>										
Work Release Charges for Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,120
Water Tap Sales	0	0	0	0	0	0	0	0	0	10,050
Service Charges	0	0	0	0	0	0	0	0	0	865
<u>Fees</u>										
Copy Fees	0	0	0	0	0	0	0	0	0	5,929
Library Fees	0	0	0	0	0	0	0	0	0	4,386
Greenbelt Late Application Fee	0	0	0	0	0	0	0	0	0	50
Telephone Commissions	0	0	0	0	0	0	0	0	0	52,594
Constitutional Officers' Fees and Commissions	458,046	0	0	0	0	0	0	0	0	458,046
Special Commissioner Fees/Special Master Fees	9,347	0	0	0	0	0	0	0	0	9,347
Data Processing Fee - Register	0	0	0	0	0	0	0	0	0	12,266
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	0	2,868
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0	0	0	0	4,490
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	0	0	3,644
<u>Other Charges for Services</u>										
Other Charges for Services	0	0	0	0	0	0	0	0	0	2,864
Total Charges for Current Services	\$ 467,393	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,139,305
<u>Other Local Revenues</u>										
<u>Recurring Items</u>										
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	39,871
Lease/Rentals	0	0	35,211	0	0	0	0	0	0	35,990
Sale of Materials and Supplies	0	0	0	0	0	0	0	0	0	465
Commissary Sales	0	0	0	0	0	0	0	0	0	580
Sale of Recycled Materials	0	6,557	0	0	0	0	0	0	0	176,144

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)		Debt Service		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects			
<u>Other Local Revenues (Cont.)</u>								
<u>Recurring Items (Cont.)</u>								
E-Rate Funding	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,288
Commodity Rebates	0	0	0	0	1,480	0	0	1,480
Miscellaneous Refunds	0	0	11	0	0	0	0	180,531
Expenditure Credits	0	0	0	0	0	0	0	560
<u>Nonrecurring Items</u>								
Damages Recovered from Individuals	0	17	0	0	0	0	0	17
Contributions and Gifts	0	0	0	0	0	0	0	3,238
Total Other Local Revenues	\$ 0	\$ 6,574	\$ 35,222	\$ 0	\$ 1,480	\$ 0	\$ 0	\$ 440,164
<u>Fees Received from County Officials</u>								
<u>Excess Fees</u>								
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	110,164
Trustee	0	0	0	0	0	0	0	397,304
<u>Fees in-Lieu-of Salary</u>								
Circuit Court Clerk	0	0	0	0	0	0	0	155,706
General Sessions Court Clerk	0	0	0	0	0	0	0	187,048
Clerk and Master	0	0	0	0	0	0	0	160,611
Juvenile Court Clerk	0	0	0	0	0	0	0	43,874
Register	0	0	0	0	0	0	0	142,914
Sheriff	0	0	0	0	0	0	0	14,754
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,212,375
<u>State of Tennessee</u>								
General Government Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	67,829
Solid Waste Grants								

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)		Debt Service		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects			
<u>State of Tennessee (Cont.)</u>								
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	23,400
<u>Health and Welfare Grants</u>								
Health Department Programs	0	0	0	0	0	0	0	268,075
<u>Public Works Grants</u>								
State Aid Program	0	183,529	0	0	0	0	0	183,529
Litter Program	0	0	0	0	0	0	0	49,185
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	0	65,119
Beer Tax	0	0	0	0	0	0	0	17,806
Vehicle Certificate of Title Fees	0	0	0	0	0	0	0	8,816
Alcoholic Beverage Tax	0	0	0	0	0	0	0	79,224
State Revenue Sharing - T.V.A.	0	0	657,208	0	0	0	0	657,208
Emergency Hospital - Prisoners	0	0	0	0	0	0	0	39,050
Contracted Prisoner Boarding	0	0	0	0	0	0	0	1,183,334
Gasoline and Motor Fuel Tax	0	1,979,281	0	0	0	0	0	1,979,281
Petroleum Special Tax	0	30,210	0	0	0	0	0	30,210
Registrar's Salary Supplement	0	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	0	1,000
Other State Revenues	0	0	0	0	0	0	0	46,375
<b>Total State of Tennessee</b>	<b>\$ 0</b>	<b>\$ 2,193,020</b>	<b>\$ 657,208</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>4,714,605</b>
<u>Federal Government</u>								
<u>Federal through State</u>								
Community Development	\$ 0	0	0	0	0	0	0	174,817
Disaster Relief	0	195,194	0	0	0	0	0	195,194

(Continued)

Exhibit J-6

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

	Special Revenue Funds (Cont.)		Debt Service		Capital Projects Funds			Total
	Constituti- onal Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	Other Capital Projects	Total	
<u>Federal Government (Cont.)</u>								
<u>Federal through State (Cont.)</u>								
Homeland Security Grants	\$ 0 \$	0 \$	0 \$	0 \$	82,475 \$	0	82,475 \$	82,475
Other Federal through State	0	0	0	0	0	0	0	33,303
<u>Direct Federal Revenue</u>								
Other Direct Federal Revenue	0	14,015	0	0	0	0	0	147,531
Total Federal Government	\$ 0 \$	209,209 \$	0 \$	0 \$	82,475 \$	0	82,475 \$	633,320
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	\$ 0 \$	0 \$	300,000 \$	0 \$	0 \$	0 \$	0 \$	581,768
<u>Citizens Groups</u>								
Donations	0	191,640	0	0	0	0	0	202,538
Other	0	0	0	0	0	0	0	2,855
Total Other Governments and Citizens Groups	\$ 0 \$	191,640 \$	300,000 \$	0 \$	0 \$	0 \$	0 \$	787,161
Total	\$ 467,393 \$	4,308,537 \$	5,440,519 \$	49,290 \$	83,955 \$	0 \$	83,955 \$	25,207,336

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, 2014

	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	\$ 5,555,889	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,555,889
Trustee's Collections - Prior Year	231,784	0	0	0	0	0	231,784
Trustee's Collections - Bankruptcy	1,335	0	0	0	0	0	1,335
Circuit/Clerk and Master Collections - Prior Years	117,325	0	0	0	0	0	117,325
Interest and Penalty	39,195	0	0	0	0	0	39,195
<u>County Local Option Taxes</u>							
Local Option Sales Tax	4,625,544	0	0	0	0	0	4,625,544
<u>Statutory Local Taxes</u>							
Interstate Telecommunications Tax	4,229	0	0	0	0	0	4,229
<u>Total Local Taxes</u>	<u>\$ 10,575,301</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>10,575,301</u>
<u>Licenses and Permits</u>							
Licenses							
Marriage Licenses	\$ 1,691	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,691
<u>Total Licenses and Permits</u>	<u>\$ 1,691</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,691</u>
<u>Charges for Current Services</u>							
<u>Education Charges</u>							
Tuition - Regular Day Students	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	100
Tuition - Other	0	0	0	134,334	0	0	134,334
Lunch Payments - Children	0	0	595,492	0	0	0	595,492
Lunch Payments - Adults	0	0	136,944	0	0	0	136,944
Income from Breakfast	0	0	107,567	0	0	0	107,567
A la carte Sales	0	0	267,574	0	0	0	267,574
Receipts from Individual Schools	70,231	0	4,272	0	0	0	74,503

(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	
		School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Other Charges for Services</u>						
Other Charges for Services	\$ 161	\$ 0	\$ 150	\$ 0	\$ 0	\$ 311
Total Charges for Current Services	\$ 70,492	\$ 0	\$ 1,111,999	\$ 134,334	\$ 0	\$ 1,316,825
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 5,135	\$ 0	\$ 0	\$ 5,135
Sale of Materials and Supplies	4,650	0	0	0	0	4,650
E-Rate Funding	29,702	0	0	0	0	29,702
Miscellaneous Refunds	19,652	0	74	0	0	19,726
<u>Nonrecurring Items</u>						
Sale of Equipment	52,671	0	0	0	0	52,671
Damages Recovered from Individuals	3,328	0	0	0	0	3,328
Contributions and Gifts	65,400	0	0	0	0	65,400
<u>Other Local Revenues</u>						
Other Local Revenues	162	0	0	0	0	162
Total Other Local Revenues	\$ 175,565	\$ 0	\$ 5,209	\$ 0	\$ 0	\$ 180,774
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 331,653	\$ 0	\$ 0	\$ 0	\$ 0	\$ 331,653
<u>State Education Funds</u>						
Basic Education Program	32,617,999	0	0	0	0	32,617,999
Early Childhood Education	1,027,016	0	0	0	0	1,027,016
School Food Service	0	0	41,403	0	0	41,403

(Continued)

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>State of Tennessee (Cont.)</u>							
<u>State Education Funds (Cont.)</u>							
Driver Education	\$ 27,685	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	27,685
Other State Education Funds	390,564	0	0	0	0	0	390,564
Career Ladder Program	199,469	0	0	0	0	0	199,469
Career Ladder - Extended Contract	45,295	0	0	0	0	0	45,295
<u>Other State Revenues</u>							
State Revenue Sharing - T.V.A.	200,000	0	0	0	0	0	200,000
Other State Grants	1,530	0	0	0	0	0	1,530
Other State Revenues	506,527	0	0	4,562	0	0	511,089
Total State of Tennessee	\$ 35,347,738	\$ 0	\$ 41,403	\$ 4,562	\$ 0	\$ 0	\$ 35,393,703

	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	\$ 1,861,433	\$ 0	\$ 0	\$ 0	1,861,433
USDA - Commodities Breakfast	0	0	282,088	0	0	0	282,088
USDA - Other	0	0	670,422	0	0	0	670,422
Adult Education State Grant Program	123,544	0	25,539	0	0	0	25,539
Vocational Education - Basic Grants to States	0	101,500	0	0	0	0	123,544
Other Vocational	10,000	0	0	0	0	0	101,500
Title I Grants to Local Education Agencies	0	1,775,451	0	0	0	0	1,775,451
Special Education - Grants to States	46,497	1,340,989	0	0	0	0	1,387,486
Special Education Preschool Grants	0	43,453	0	0	0	0	43,453
Rural Education	0	33,480	0	0	0	0	33,480
Eisenhower Professional Development State Grants	0	223,629	0	0	0	0	223,629

(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 (Cont.)</u>							
<u>Federal through State (Cont.)</u>							
Race-to-the-Top - ARRA	\$ 0	\$ 446,758	\$ 0	\$ 0	\$ 0	\$ 0	\$ 446,758
Other Federal through State	2,976	0	0	0	0	0	2,976
Total Federal Government	\$ 183,017	\$ 3,965,260	\$ 2,839,482	\$ 0	\$ 0	\$ 0	\$ 6,987,759
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 240,000	\$ 240,000	\$ 240,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 240,000	\$ 240,000	\$ 240,000
Total	\$ 46,353,804	\$ 3,965,260	\$ 3,998,093	\$ 138,896	\$ 240,000	\$ 54,696,053	

Exhibit J-8

Lawrence County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	43,381	
In-service Training		1,900	
Social Security		2,631	
State Retirement		3,481	
Disability Insurance		2	
Employer Medicare		615	
Advertising		402	
Audit Services		25,001	
Dues and Memberships		8,680	
Postal Charges		795	
Travel		9,042	
Other Supplies and Materials		137	
Other Charges		36	
Data Processing Equipment		124	
Total County Commission			\$ 96,227

Beer Board

Board and Committee Members Fees	\$	900	
Social Security		56	
Employer Medicare		13	
Legal Notices, Recording, and Court Costs		887	
Criminal Investigation of Applicants - TBI		319	
Total Beer Board			2,175

County Mayor/Executive

County Official/Administrative Officer	\$	83,064	
Secretary(ies)		51,460	
Longevity Pay		450	
Social Security		8,268	
State Retirement		13,929	
Employee and Dependent Insurance		660	
Life Insurance		108	
Medical Insurance		6,439	
Dental Insurance		485	
Disability Insurance		522	
Unemployment Compensation		223	
Employer Medicare		1,934	
Dues and Memberships		1,950	
Maintenance Agreements		790	
Pest Control		60	
Postal Charges		61	
Printing, Stationery, and Forms		88	
Travel		1,069	
Office Supplies		2,110	
Other Supplies and Materials		178	
Workers' Compensation Insurance		1,411	
Other Charges		796	
Data Processing Equipment		1,897	
Total County Mayor/Executive			177,952

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	6,000	
Social Security		372	
State Retirement		619	
Employer Medicare		87	
Total County Attorney			\$ 7,078

Election Commission

County Official/Administrative Officer	\$	63,528	
Deputy(ies)		46,626	
Longevity Pay		775	
Overtime Pay		280	
Other Salaries and Wages		9,179	
Election Commission		3,096	
Election Workers		17,170	
In-service Training		2,275	
Social Security		6,842	
State Retirement		11,184	
Employee and Dependent Insurance		90	
Life Insurance		3	
Medical Insurance		17,748	
Dental Insurance		20	
Disability Insurance		11	
Unemployment Compensation		324	
Employer Medicare		1,600	
Communication		95	
Contracts with Private Agencies		8,474	
Data Processing Services		83	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		1,521	
Maintenance Agreements		12,267	
Pest Control		180	
Postal Charges		1,063	
Printing, Stationery, and Forms		1,736	
Rentals		575	
Travel		5,478	
Disposal Fees		100	
Office Supplies		1,592	
Utilities		4,010	
Other Supplies and Materials		420	
Workers' Compensation Insurance		1,179	
Data Processing Equipment		4,354	
Voting Machines		72,658	
Total Election Commission			296,686

Register of Deeds

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		53,209	

(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.)

Part-time Personnel	\$	4,080	
Longevity Pay		1,400	
Social Security		7,438	
State Retirement		12,650	
Medical Insurance		19,316	
Unemployment Compensation		265	
Employer Medicare		1,739	
Data Processing Services		615	
Dues and Memberships		822	
Operating Lease Payments		11,870	
Maintenance Agreements		1,170	
Pest Control		60	
Postal Charges		555	
Printing, Stationery, and Forms		118	
Travel		1,295	
Office Supplies		1,933	
Other Supplies and Materials		207	
Workers' Compensation Insurance		1,257	
Total Register of Deeds			\$ 187,972

County Buildings

Supervisor/Director	\$	31,200	
Custodial Personnel		61,460	
Longevity Pay		2,200	
Social Security		5,486	
State Retirement		9,790	
Medical Insurance		25,754	
Unemployment Compensation		432	
Employer Medicare		1,283	
Communication		52,232	
Maintenance Agreements		115	
Maintenance and Repair Services - Buildings		45,320	
Maintenance and Repair Services - Equipment		2,234	
Maintenance and Repair Services - Vehicles		1,553	
Pest Control		1,000	
Postal Charges		189	
Travel		1,235	
Disposal Fees		914	
Other Contracted Services		276	
Custodial Supplies		10,979	
Food Supplies		5,203	
Gasoline		6,271	
Office Supplies		9	
Utilities		144,136	
Other Supplies and Materials		658	
Workers' Compensation Insurance		992	
Total County Buildings			410,921

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records

Supervisor/Director	\$	27,780	
Deputy(ies)		25,429	
Longevity Pay		750	
Social Security		3,292	
State Retirement		5,569	
Employee and Dependent Insurance		360	
Life Insurance		67	
Medical Insurance		6,439	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		216	
Employer Medicare		770	
Communication		1,894	
Contracts with Private Agencies		285	
Dues and Memberships		40	
Maintenance Agreements		390	
Maintenance and Repair Services - Buildings		99	
Pest Control		180	
Office Supplies		202	
Utilities		5,304	
Other Supplies and Materials		25	
Workers' Compensation Insurance		566	
Data Processing Equipment		2,445	
Total Preservation of Records			\$ 82,605

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	61,256
Accountants/Bookkeepers		123,652
Longevity Pay		1,950
Overtime Pay		170
In-service Training		1,069
Social Security		10,365
State Retirement		15,924
Employee and Dependent Insurance		90
Medical Insurance		32,276
Unemployment Compensation		640
Employer Medicare		2,424
Communication		601
Data Processing Services		8,970
Legal Notices, Recording, and Court Costs		437
Maintenance Agreements		1,030
Maintenance and Repair Services - Buildings		564
Pest Control		240
Postal Charges		2,120
Printing, Stationery, and Forms		1,917
Travel		1,669

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Disposal Fees	\$	100	
Office Supplies		4,518	
Utilities		7,662	
Other Supplies and Materials		208	
Workers' Compensation Insurance		2,187	
Other Charges		976	
Data Processing Equipment		5,742	
Total Accounting and Budgeting	\$		288,757

Property Assessor's Office

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		104,670	
Salary Supplements		1,000	
Longevity Pay		1,950	
Other Salaries and Wages		29,974	
Board and Committee Members Fees		948	
In-service Training		125	
Social Security		12,400	
State Retirement		21,112	
Employee and Dependent Insurance		439	
Life Insurance		90	
Medical Insurance		27,824	
Dental Insurance		242	
Disability Insurance		87	
Unemployment Compensation		564	
Employer Medicare		2,900	
Data Processing Services		11,893	
Dues and Memberships		2,115	
Maintenance Agreements		5,655	
Maintenance and Repair Services - Vehicles		2,300	
Pest Control		60	
Postal Charges		1,247	
Printing, Stationery, and Forms		343	
Travel		2,828	
Gasoline		2,646	
Office Supplies		2,352	
Workers' Compensation Insurance		2,128	
Other Charges		615	
Data Processing Equipment		7,960	
Total Property Assessor's Office			314,440

County Trustee's Office

State Retirement	\$	18,260	
Employee and Dependent Insurance		540	
Life Insurance		101	
Medical Insurance		22,618	
Dental Insurance		364	

(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 (Cont.)

Disability Insurance	\$	392	
Unemployment Compensation		432	
Data Processing Services		10,538	
Dues and Memberships		522	
Pest Control		60	
Postal Charges		6,883	
Printing, Stationery, and Forms		6,056	
Office Supplies		1,131	
Workers' Compensation Insurance		1,824	
Data Processing Equipment		173	
Total County Trustee's Office			\$ 69,894

County Clerk's Office

Social Security	\$	42	
State Retirement		26,094	
Employee and Dependent Insurance		1,710	
Life Insurance		319	
Medical Insurance		23,964	
Dental Insurance		424	
Disability Insurance		1,239	
Unemployment Compensation		965	
Employer Medicare		10	
Communication		527	
Data Processing Services		19,363	
Dues and Memberships		807	
Legal Notices, Recording, and Court Costs		65	
Maintenance Agreements		4,640	
Pest Control		60	
Postal Charges		7,430	
Printing, Stationery, and Forms		1,085	
Travel		3,683	
Office Supplies		2,957	
Other Supplies and Materials		116	
Workers' Compensation Insurance		2,906	
Other Charges		455	
Total County Clerk's Office			98,861

Data Processing

Assistant(s)	\$	35,000	
Supervisor/Director		65,274	
Social Security		6,149	
State Retirement		7,614	
Medical Insurance		6,961	
Unemployment Compensation		324	
Employer Medicare		1,438	
Communication		1,020	
Maintenance Agreements		5,547	

(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	\$	178	
Other Supplies and Materials		389	
Workers' Compensation Insurance		1,010	
Data Processing Equipment		12,549	
Total Data Processing			\$ 143,453

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		256,504	
Longevity Pay		5,650	
Jury and Witness Expense		13,520	
In-service Training		975	
Social Security		18,642	
State Retirement		34,069	
Employee and Dependent Insurance		180	
Life Insurance		34	
Medical Insurance		65,227	
Dental Insurance		121	
Unemployment Compensation		1,038	
Employer Medicare		4,360	
Data Processing Services		12,323	
Dues and Memberships		812	
Evaluation and Testing		1,040	
Legal Notices, Recording, and Court Costs		99	
Maintenance Agreements		5,461	
Pest Control		102	
Postal Charges		3,620	
Printing, Stationery, and Forms		5,629	
Travel		3,368	
Office Supplies		9,051	
Other Supplies and Materials		28	
Workers' Compensation Insurance		3,497	
Other Charges		1,072	
Data Processing Equipment		5,470	
Total Circuit Court			519,865

General Sessions Court

Judge(s)	\$	148,456	
Deputy(ies)		31,780	
Guards		46,369	
Longevity Pay		750	
Overtime Pay		2,122	
Other Salaries and Wages		2,582	
Social Security		12,123	
State Retirement		20,091	
Medical Insurance		18,765	

(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.)

Unemployment Compensation	\$	423	
Employer Medicare		3,023	
Dues and Memberships		265	
Pest Control		102	
Postal Charges		92	
Printing, Stationery, and Forms		287	
Travel		2,764	
Office Supplies		1,323	
Other Supplies and Materials		387	
Workers' Compensation Insurance		3,023	
Total General Sessions Court			\$ 294,727

Chancery Court

County Official/Administrative Officer	\$	67,973	
Deputy(ies)		123,631	
Longevity Pay		2,700	
Overtime Pay		113	
Social Security		11,627	
State Retirement		20,064	
Employee and Dependent Insurance		720	
Life Insurance		134	
Medical Insurance		23,719	
Dental Insurance		364	
Disability Insurance		392	
Unemployment Compensation		486	
Employer Medicare		2,719	
Data Processing Services		6,894	
Dues and Memberships		692	
Pest Control		102	
Postal Charges		8,435	
Printing, Stationery, and Forms		2,424	
Travel		283	
Office Supplies		2,313	
Other Supplies and Materials		1,550	
Workers' Compensation Insurance		2,094	
Office Equipment		3,073	
Total Chancery Court			282,502

Juvenile Court

Deputy(ies)	\$	41,156	
Youth Service Officer(s)		6,903	
Salary Supplements		60,000	
Longevity Pay		250	
Social Security		6,153	
State Retirement		11,178	
Medical Insurance		15,629	
Unemployment Compensation		216	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Employer Medicare	\$	1,439	
Postal Charges		379	
Travel		300	
Other Contracted Services		3,177	
Workers' Compensation Insurance		639	
Total Juvenile Court			\$ 147,419

District Attorney General

Workers' Compensation Insurance	\$	142	
Total District Attorney General			142

Victim Assistance Programs

Contracts with Private Agencies	\$	7,273	
Total Victim Assistance Programs			7,273

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	78,508	
Supervisor/Director		56,999	
Deputy(ies)		654,269	
Investigator(s)		274,242	
Captain(s)		53,238	
Lieutenant(s)		90,750	
Sergeant(s)		326,665	
Secretary(ies)		146,354	
Longevity Pay		15,150	
Overtime Pay		33,601	
Other Salaries and Wages		10,000	
In-service Training		36,679	
Social Security		105,226	
State Retirement		166,281	
Employee and Dependent Insurance		3,387	
Life Insurance		596	
Medical Insurance		257,572	
Dental Insurance		1,252	
Disability Insurance		1,969	
Unemployment Compensation		5,518	
Employer Medicare		24,609	
Communication		478	
Data Processing Services		136	
Dues and Memberships		3,126	
Evaluation and Testing		1,470	
Operating Lease Payments		458	
Legal Notices, Recording, and Court Costs		40	
Maintenance Agreements		5,297	
Maintenance and Repair Services - Buildings		1,152	
Maintenance and Repair Services - Equipment		400	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Vehicles	\$	68,553	
Pest Control		282	
Postal Charges		1,674	
Printing, Stationery, and Forms		2,188	
Rentals		2,400	
Towing Services		2,794	
Travel		11,367	
Custodial Supplies		7,328	
Gasoline		135,122	
Law Enforcement Supplies		3,423	
Office Supplies		12,594	
Tires and Tubes		9,666	
Uniforms		28,476	
Utilities		10,397	
Other Supplies and Materials		2,536	
Workers' Compensation Insurance		17,253	
Other Self-insured Claims		2,500	
Other Charges		1,680	
Data Processing Equipment		13,623	
Furniture and Fixtures		617	
Law Enforcement Equipment		5,727	
Motor Vehicles		13,198	
Total Sheriff's Department			\$ 2,708,820

Jail

Assistant(s)	\$	22,106
Lieutenant(s)		42,399
Sergeant(s)		105,456
Medical Personnel		132,164
Guards		698,673
Longevity Pay		3,400
Overtime Pay		13,660
In-service Training		3,830
Social Security		58,512
State Retirement		81,502
Employee and Dependent Insurance		2,503
Life Insurance		664
Medical Insurance		170,166
Dental Insurance		1,740
Disability Insurance		2,448
Unemployment Compensation		5,716
Employer Medicare		13,684
Communication		4,919
Contracts with Private Agencies		516
Evaluation and Testing		5,550
Maintenance Agreements		6,322
Maintenance and Repair Services - Buildings		11,501

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance and Repair Services - Equipment	\$	8,595	
Pest Control		360	
Printing, Stationery, and Forms		1,282	
Travel		3,881	
Custodial Supplies		24,343	
Drugs and Medical Supplies		72,241	
Food Supplies		313,766	
Gasoline		89	
Law Enforcement Supplies		3,484	
Office Supplies		1,848	
Uniforms		19,979	
Utilities		213,600	
Other Supplies and Materials		51,354	
Medical Claims		400,396	
Workers' Compensation Insurance		9,876	
Other Charges		239	
Data Processing Equipment		755	
Furniture and Fixtures		1,748	
Total Jail			\$ 2,515,267

Workhouse

Accountants/Bookkeepers	\$	8,200	
Guards		13,100	
Social Security		508	
State Retirement		206	
Unemployment Compensation		37	
Employer Medicare		119	
Food Supplies		6,410	
Gasoline		1,973	
Other Supplies and Materials		1,797	
Other Charges		16,834	
Total Workhouse			49,184

Work Release Program

Maintenance and Repair Services - Equipment	\$	432	
Maintenance and Repair Services - Vehicles		365	
Food Supplies		2,003	
Gasoline		1,922	
Total Work Release Program			4,722

Fire Prevention and Control

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

Civil Defense

Dues and Memberships	\$	15	
Maintenance and Repair Services - Equipment		487	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Maintenance and Repair Services - Vehicles	\$	866	
Travel		322	
Gasoline		121	
Other Supplies and Materials		556	
Data Processing Equipment		711	
Other Equipment		2,063	
Total Civil Defense			\$ 5,141

Rescue Squad

Contributions	\$	303,750	
Total Rescue Squad			303,750

Other Emergency Management

Contributions	\$	339,245	
Total Other Emergency Management			339,245

County Coroner/Medical Examiner

Social Security	\$	308	
State Retirement		516	
Employer Medicare		72	
Maintenance and Repair Services - Vehicles		757	
Medical and Dental Services		10,000	
Travel		83	
Other Contracted Services		37,540	
Gasoline		675	
Total County Coroner/Medical Examiner			49,951

Other Public Safety

Other Supplies and Materials	\$	8,273	
Total Other Public Safety			8,273

Public Health and Welfare

Local Health Center

Secretary(ies)	\$	40,044	
In-service Training		50	
Social Security		2,446	
State Retirement		2,480	
Employee and Dependent Insurance		330	
Life Insurance		68	
Medical Insurance		3,136	
Dental Insurance		40	
Disability Insurance		281	
Unemployment Compensation		302	
Employer Medicare		572	
Communication		2,213	
Dues and Memberships		200	
Janitorial Services		12,000	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Maintenance and Repair Services - Buildings	\$	1,318	
Pest Control		288	
Disposal Fees		464	
Food Supplies		346	
Utilities		25,290	
Other Supplies and Materials		853	
Workers' Compensation Insurance		461	
Total Local Health Center			\$ 93,182

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	51,650	
Assistant(s)		42,000	
Medical Personnel		965,783	
Secretary(ies)		27,780	
Part-time Personnel		106,981	
Longevity Pay		6,800	
Overtime Pay		371	
In-service Training		3,735	
Social Security		71,138	
State Retirement		110,937	
Medical Insurance		168,345	
Unemployment Compensation		4,092	
Employer Medicare		16,637	
Communication		4,790	
Contracts with Private Agencies		1,877	
Dues and Memberships		600	
Licenses		3,452	
Maintenance Agreements		4,200	
Maintenance and Repair Services - Buildings		888	
Maintenance and Repair Services - Equipment		2,719	
Maintenance and Repair Services - Vehicles		48,989	
Pest Control		180	
Postal Charges		7,098	
Printing, Stationery, and Forms		1,293	
Towing Services		350	
Travel		3,083	
Disposal Fees		1,821	
Other Contracted Services		1,575	
Custodial Supplies		3,239	
Drugs and Medical Supplies		90,000	
Gasoline		85,009	
Office Supplies		4,056	
Tires and Tubes		9,412	
Uniforms		7,132	
Utilities		13,379	
Other Supplies and Materials		1,363	
Liability Insurance		14,428	

(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.)

Vehicle and Equipment Insurance	\$	22,419	
Workers' Compensation Insurance		10,989	
Liability Claims		450	
Other Charges		912	
Data Processing Equipment		5,215	
Office Equipment		80	
Health Equipment		1,758	
Total Ambulance/Emergency Medical Services			\$ 1,929,005

Alcohol and Drug Programs

Contributions	\$	71,043	
Total Alcohol and Drug Programs			71,043

Other Local Health Services

Contributions	\$	5,000	
Office Supplies		15,721	
Total Other Local Health Services			20,721

Regional Mental Health Center

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

Appropriation to State

Other Salaries and Wages	\$	193,895	
Social Security		11,465	
State Retirement		15,105	
Employee and Dependent Insurance		210	
Life Insurance		39	
Medical Insurance		33,927	
Dental Insurance		141	
Disability Insurance		142	
Unemployment Compensation		1,046	
Employer Medicare		2,681	
Contracts with Government Agencies		15,000	
Travel		8,211	
Other Charges		178	
Total Appropriation to State			282,040

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	\$	2,000	
Total Senior Citizens Assistance			2,000

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Supervisor/Director	\$	39,808	
Deputy(ies)		27,584	
Librarians		53,159	
Part-time Personnel		32,012	
Longevity Pay		2,250	
Social Security		8,840	
Medical Insurance		31,509	
Unemployment Compensation		918	
Employer Medicare		2,067	
Communication		2,764	
Dues and Memberships		200	
Janitorial Services		6,400	
Maintenance Agreements		1,826	
Maintenance and Repair Services - Buildings		634	
Pest Control		420	
Postal Charges		1,274	
Printing, Stationery, and Forms		1,217	
Travel		364	
Disposal Fees		100	
Other Contracted Services		720	
Custodial Supplies		806	
Instructional Supplies and Materials		1,721	
Library Books/Media		26,170	
Office Supplies		4,391	
Periodicals		4,293	
Utilities		23,795	
Refunds		21	
Workers' Compensation Insurance		1,687	
Office Equipment		5,350	
Total Libraries			\$ 282,300

Other Social, Cultural, and Recreational

Contributions	\$	14,250	
Total Other Social, Cultural, and Recreational			14,250

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	97,794	
Secretary(ies)		5,974	
Social Security		370	
State Retirement		280	
Unemployment Compensation		72	
Employer Medicare		87	
Communication		1,944	
Dues and Memberships		15	
Maintenance Agreements		520	
Maintenance and Repair Services - Vehicles		236	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Pest Control	\$	144	
Disposal Fees		300	
Gasoline		696	
Instructional Supplies and Materials		2,000	
Utilities		10,439	
Other Supplies and Materials		50	
Workers' Compensation Insurance		133	
Total Agricultural Extension Service			\$ 121,054

Soil Conservation

Salary Supplements	\$	31,904	
Overtime Pay		428	
Social Security		1,958	
State Retirement		1,771	
Medical Insurance		4,787	
Unemployment Compensation		108	
Employer Medicare		458	
Dues and Memberships		800	
Postal Charges		98	
Workers' Compensation Insurance		296	
Other Charges		249	
Total Soil Conservation			42,857

Other Agriculture and Natural Resources

Advertising	\$	1,000	
Total Other Agriculture and Natural Resources			1,000

Other Operations

Tourism

Contributions	\$	46,451	
Dues and Memberships		500	
Total Tourism			46,951

Industrial Development

Contributions	\$	139,515	
Total Industrial Development			139,515

Housing and Urban Development

Legal Notices, Recording, and Court Costs	\$	43	
Total Housing and Urban Development			43

Airport

Contributions	\$	69,000	
Total Airport			69,000

Veterans' Services

Supervisor/Director	\$	30,058	
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(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Secretary(ies)	\$	25,428	
Longevity Pay		450	
Overtime Pay		1,190	
Social Security		3,339	
State Retirement		4,219	
Employee and Dependent Insurance		300	
Life Insurance		62	
Medical Insurance		6,439	
Dental Insurance		222	
Disability Insurance		239	
Unemployment Compensation		287	
Employer Medicare		781	
Communication		1,436	
Maintenance Agreements		399	
Maintenance and Repair Services - Buildings		116	
Maintenance and Repair Services - Vehicles		182	
Pest Control		120	
Postal Charges		282	
Printing, Stationery, and Forms		46	
Travel		1,781	
Disposal Fees		500	
Gasoline		2,399	
Office Supplies		433	
Utilities		2,690	
Other Supplies and Materials		1,973	
Workers' Compensation Insurance		590	
Office Equipment		1,818	
Other Equipment		4,600	
Total Veterans' Services	\$		92,379

Other Charges

Bonus Payments	\$	82,000	
Social Security		5,115	
Unemployment Compensation		50	
Employer Medicare		1,196	
Data Processing Services		2,340	
Legal Services		11,125	
Legal Notices, Recording, and Court Costs		185	
Postal Charges		2,427	
Building and Contents Insurance		56,787	
Liability Insurance		96,840	
Trustee's Commission		166,366	
Vehicle and Equipment Insurance		49,490	
Other Self-insured Claims		73,720	
Other Charges		18,030	
Total Other Charges			565,671

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Capital Leases	\$ 59,083	
Total General Government		\$ 59,083

Interest on Debt

General Government

Interest on Capital Leases	\$ 6,990	
Total General Government		6,990

Capital Projects

General Administration Projects

Communication	\$ 78,152	
Total General Administration Projects		<u>78,152</u>

Total General Fund		\$ 13,417,907
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Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Maintenance and Repair Services - Buildings	\$ 24,518	
Maintenance and Repair Services - Equipment	4,608	
Trustee's Commission	<u>169</u>	
Total Other Charges		<u>\$ 29,295</u>

Total Courthouse and Jail Maintenance Fund		29,295
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Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Salary Supplements	\$ 37,587
Laborers	255,331
Secretary(ies)	55,250
Clerical Personnel	25,428
Longevity Pay	5,900
Overtime Pay	5,008
Bonus Payments	7,500
In-service Training	400
Social Security	21,856
State Retirement	36,994
Employee and Dependent Insurance	357
Life Insurance	79
Medical Insurance	80,466
Dental Insurance	545
Disability Insurance	586
Unemployment Compensation	3,532
Employer Medicare	5,111
Communication	2,410
Contracts with Private Agencies	663,221

(Continued)

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.)

Data Processing Services	\$	1,380	
Dues and Memberships		214	
Engineering Services		8,694	
Legal Services		133	
Legal Notices, Recording, and Court Costs		163	
Maintenance and Repair Services - Buildings		4,038	
Maintenance and Repair Services - Equipment		10,257	
Maintenance and Repair Services - Vehicles		8,512	
Pest Control		120	
Postal Charges		10,008	
Printing, Stationery, and Forms		2,627	
Travel		2,834	
Brokerage Fees - Recyclables		53,473	
Permits		2,575	
Other Contracted Services		680	
Custodial Supplies		2,049	
Diesel Fuel		14,354	
Food Supplies		9,634	
Garage Supplies		18,928	
Gasoline		2,675	
Office Supplies		1,311	
Propane Gas		4,442	
Small Tools		41	
Tires and Tubes		1,416	
Uniforms		1,185	
Utilities		37,674	
Wire		5,386	
Other Supplies and Materials		1,633	
Building and Contents Insurance		2,899	
Liability Insurance		1,130	
Refunds		1,849	
Trustee's Commission		9,936	
Vehicle and Equipment Insurance		6,127	
Workers' Compensation Insurance		3,623	
Other Self-insured Claims		500	
Other Charges		160,444	
Building Improvements		40,843	
Solid Waste Equipment		30,594	
Total Landfill Operation and Maintenance			\$ 1,671,942

Total Solid Waste/Sanitation Fund \$ 1,671,942

Industrial/Economic Development Fund

Capital Projects

General Administration Projects

Contributions	\$	10,035	
Total General Administration Projects			\$ 10,035

(Continued)

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

Industrial/Economic Development Fund (Cont.)

Capital Projects (Cont.)

Public Utility Projects

Contracts with Private Agencies	\$	334,041	
Engineering Services		12,492	
Legal Notices, Recording, and Court Costs		425	
Trustee's Commission		400	
Total Public Utility Projects			<u>\$ 347,358</u>

Total Industrial/Economic Development Fund \$ 357,393

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	9,328	
Contracts with Private Agencies		2,558	
Confidential Drug Enforcement Payments		21,000	
Maintenance and Repair Services - Vehicles		1,744	
Food Supplies		274	
Law Enforcement Supplies		728	
Office Supplies		369	
Trustee's Commission		658	
Other Charges		324	
Law Enforcement Equipment		3,699	
Motor Vehicles		23,100	
Total Drug Enforcement			<u>\$ 63,782</u>

Total Drug Control Fund 63,782

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	190,933	
Total County Trustee's Office			\$ 190,933

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	265,972	
Total County Clerk's Office			265,972

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	9,347	
Total Chancery Court			<u>9,347</u>

Total Constitutional Officers - Fees Fund 466,252

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	74,770	
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(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Accountants/Bookkeepers	\$	58,818	
Longevity Pay		1,350	
Bonus Payments		1,000	
Social Security		8,334	
State Retirement		13,604	
Employee and Dependent Insurance		570	
Life Insurance		101	
Medical Insurance		9,374	
Dental Insurance		364	
Unemployment Compensation		524	
Employer Medicare		1,949	
Communication		14,506	
Data Processing Services		1,275	
Dues and Memberships		4,261	
Legal Notices, Recording, and Court Costs		360	
Maintenance Agreements		590	
Pest Control		240	
Travel		192	
Disposal Fees		288	
Custodial Supplies		285	
Office Supplies		1,521	
Utilities		11,715	
Workers' Compensation Insurance		1,144	
Other Charges		2,920	
Office Equipment		2,715	
Total Administration			\$ 212,770

Highway and Bridge Maintenance

Foremen	\$	119,422
Equipment Operators		230,493
Equipment Operators - Light		202,984
Truck Drivers		246,103
Laborers		109,574
Longevity Pay		12,400
Overtime Pay		8
Bonus Payments		14,000
Social Security		55,796
State Retirement		90,860
Employee and Dependent Insurance		601
Life Insurance		118
Medical Insurance		161,634
Dental Insurance		423
Disability Insurance		456
Unemployment Compensation		8,268
Employer Medicare		13,049
Rentals		45,500
Asphalt		744,235

(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.)

Asphalt - Cold Mix	\$	36,861	
Concrete		13,164	
Crushed Stone		339,108	
Pipe - Metal		86,295	
Road Signs		9,317	
Wood Products		143	
Workers' Compensation Insurance		10,000	
Other Charges		32,914	
Total Highway and Bridge Maintenance			\$ 2,583,726

Operation and Maintenance of Equipment

Mechanic(s)	\$	133,855	
Longevity Pay		1,500	
Bonus Payments		2,000	
Social Security		8,307	
State Retirement		13,088	
Medical Insurance		24,104	
Unemployment Compensation		1,066	
Employer Medicare		1,943	
Maintenance and Repair Services - Equipment		119,869	
Diesel Fuel		164,484	
Garage Supplies		1,774	
Gasoline		50,216	
Lubricants		14,882	
Tires and Tubes		19,818	
Workers' Compensation Insurance		597	
Other Charges		7,933	
Total Operation and Maintenance of Equipment			565,436

Other Charges

Building and Contents Insurance	\$	1,812	
Liability Insurance		14,032	
Trustee's Commission		53,497	
Vehicle and Equipment Insurance		26,228	
Other Charges		995	
Total Other Charges			96,564

Capital Outlay

Highway Construction	\$	236,142	
Highway Equipment		57,121	
Total Capital Outlay			293,263

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	61,986	
Total Highways and Streets			61,986

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$ 3,713	
Total Highways and Streets	<u>3,713</u>	\$ 3,713

Total Highway/Public Works Fund \$ 3,817,458

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 862,246	
Principal on Notes	<u>508,466</u>	
Total General Government		\$ 1,370,712

Highways and Streets

Principal on Bonds	\$ 135,600	
Principal on Notes	<u>211,200</u>	
Total Highways and Streets		346,800

Education

Principal on Bonds	\$ 2,196,250	
Total Education		2,196,250

Interest on Debt

General Government

Interest on Bonds	\$ 816,975	
Interest on Notes	<u>13,933</u>	
Total General Government		830,908

Highways and Streets

Interest on Bonds	\$ 87,416	
Interest on Notes	<u>4,013</u>	
Total Highways and Streets		91,429

Education

Interest on Bonds	\$ 676,734	
Total Education		676,734

Other Debt Service

General Government

Trustee's Commission	\$ 70,272	
Other Debt Service	<u>4,600</u>	
Total General Government		74,872

Education

Other Debt Service	\$ 1,050	
Total Education		<u>1,050</u>

Total General Debt Service Fund 5,588,755

(Continued)

Exhibit J-8

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

<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Trustee's Commission	\$	500	
Building Construction		15,404	
Motor Vehicles		126,010	
Total General Administration Projects			\$ 141,914
 <u>Public Health and Welfare Projects</u>			
Building Improvements	\$	2,660	
Total Public Health and Welfare Projects			<u>2,660</u>
Total General Capital Projects Fund			\$ 144,574
 <u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Asphalt	\$	326,786	
Total Highway and Street Capital Projects			<u>\$ 326,786</u>
Total Highway Capital Projects Fund			326,786
 <u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Charges	\$	68,599	
Total Public Safety Projects			<u>\$ 68,599</u>
Total Other Capital Projects Fund			<u>68,599</u>
Total Governmental Funds - Primary Government			<u><u>\$ 25,952,743</u></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, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 15,566,441	
Career Ladder Program	125,700	
Career Ladder Extended Contracts	46,426	
Homebound Teachers	11,800	
Educational Assistants	669,283	
Other Salaries and Wages	41,892	
Certified Substitute Teachers	49,852	
Non-certified Substitute Teachers	148,242	
Social Security	977,152	
State Retirement	1,457,524	
Medical Insurance	3,021,937	
Unemployment Compensation	14,350	
Employer Medicare	229,633	
Other Contracted Services	150	
Instructional Supplies and Materials	420,430	
Textbooks	5,479	
Other Supplies and Materials	3,228	
Other Charges	3,754	
Regular Instruction Equipment	634,025	
Total Regular Instruction Program		\$ 23,427,298

Alternative Instruction Program

Teachers	\$ 189,407	
Educational Assistants	37,207	
Social Security	10,626	
State Retirement	16,878	
Medical Insurance	13,843	
Employer Medicare	3,106	
Other Contracted Services	591	
Instructional Supplies and Materials	143	
Other Supplies and Materials	16,395	
Other Charges	2,472	
Total Alternative Instruction Program		290,668

Special Education Program

Teachers	\$ 1,357,160
Career Ladder Program	9,000
Career Ladder Extended Contracts	2,060
Homebound Teachers	15,725
Educational Assistants	281,668
Speech Pathologist	193,442
Other Salaries and Wages	13,518
Certified Substitute Teachers	10,302
Non-certified Substitute Teachers	34,654
Social Security	112,686
State Retirement	166,754

(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.)

Special Education Program (Cont.)

Medical Insurance	\$	326,668	
Employer Medicare		26,458	
Contracts with Private Agencies		36,000	
Maintenance and Repair Services - Equipment		1,308	
Instructional Supplies and Materials		13,998	
Other Supplies and Materials		1,285	
Total Special Education Program			\$ 2,602,686

Vocational Education Program

Teachers	\$	1,453,489	
Career Ladder Program		8,000	
Certified Substitute Teachers		4,029	
Non-certified Substitute Teachers		22,818	
Social Security		87,836	
State Retirement		128,929	
Medical Insurance		294,819	
Employer Medicare		20,584	
Contracts with Other School Systems		195,991	
Maintenance and Repair Services - Equipment		2,426	
Other Contracted Services		4,983	
Instructional Supplies and Materials		55,694	
Textbooks		1,629	
Other Supplies and Materials		1,125	
Other Charges		800	
Total Vocational Education Program			2,283,152

Student Body Education Program

Other Equipment	\$	9,447	
Total Student Body Education Program			9,447

Adult Education Program

Teachers	\$	81,332	
Social Security		4,723	
State Retirement		4,868	
Medical Insurance		551	
Employer Medicare		1,175	
Instructional Supplies and Materials		408	
Other Supplies and Materials		1,995	
Total Adult Education Program			95,052

Support Services

Attendance

Supervisor/Director	\$	72,996	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Social Security		4,780	

(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.)

Attendance (Cont.)

State Retirement	\$	6,926	
Medical Insurance		6,385	
Employer Medicare		1,118	
Travel		2,251	
Other Contracted Services		10,732	
Total Attendance			\$ 110,188

Health Services

Medical Personnel	\$	315,740	
Social Security		17,003	
State Retirement		26,563	
Medical Insurance		97,329	
Unemployment Compensation		875	
Employer Medicare		3,976	
Maintenance and Repair Services - Equipment		891	
Travel		75	
Drugs and Medical Supplies		6,619	
Other Supplies and Materials		991	
In Service/Staff Development		126	
Total Health Services			470,188

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		732,774	
Social Workers		18,974	
Clerical Personnel		29,044	
Other Salaries and Wages		109,620	
Social Security		51,184	
State Retirement		76,631	
Medical Insurance		129,823	
Employer Medicare		12,466	
Evaluation and Testing		26,496	
Postal Charges		600	
Travel		2,851	
Other Contracted Services		3,000	
Other Supplies and Materials		7,410	
Other Charges		2,665	
Total Other Student Support			1,205,538

Regular Instruction Program

Supervisor/Director	\$	244,945	
Career Ladder Program		7,000	
Career Ladder Extended Contracts		4,000	
Librarians		567,391	
Instructional Computer Personnel		63,495	
Other Salaries and Wages		73,427	

(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.)

Regular Instruction Program (Cont.)

Social Security	\$	56,774	
State Retirement		85,265	
Medical Insurance		156,866	
Employer Medicare		13,278	
Contributions		73,772	
Travel		14,324	
Other Contracted Services		49,267	
Other Supplies and Materials		38,070	
In Service/Staff Development		82,507	
Other Charges		1,583	
Total Regular Instruction Program			\$ 1,531,964

Alternative Instruction Program

Postal Charges	\$	521	
Travel		1,477	
Other Contracted Services		19,681	
In Service/Staff Development		2,322	
Other Charges		548	
Total Alternative Instruction Program			24,549

Special Education Program

Supervisor/Director	\$	126,030	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Other Salaries and Wages		236	
Social Security		7,529	
State Retirement		11,642	
Medical Insurance		19,679	
Employer Medicare		1,761	
Travel		19,744	
Other Contracted Services		185,086	
Other Supplies and Materials		7,476	
In Service/Staff Development		2,474	
Total Special Education Program			386,657

Vocational Education Program

Supervisor/Director	\$	34,126	
Employer Medicare		495	
Travel		45,048	
Total Vocational Education Program			79,669

Adult Programs

Clerical Personnel	\$	2,000	
Other Salaries and Wages		46,270	
Social Security		2,551	
State Retirement		4,435	

(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.)

Adult Programs (Cont.)

Medical Insurance	\$	12,368	
Employer Medicare		596	
Travel		1,221	
Other Contracted Services		1,031	
Other Supplies and Materials		1,057	
In Service/Staff Development		5,170	
Total Adult Programs			\$ 76,699

Other Programs

On-behalf Payments to OPEB	\$	331,653	
Total Other Programs			331,653

Board of Education

Secretary to Board	\$	2,400	
Board and Committee Members Fees		21,600	
Social Security		1,339	
State Retirement		609	
Medical Insurance		324,568	
Employer Medicare		348	
Audit Services		14,935	
Dues and Memberships		9,110	
Legal Services		23,664	
Travel		4,361	
Other Contracted Services		5,200	
Other Supplies and Materials		140	
Liability Insurance		32,213	
Trustee's Commission		242,619	
Workers' Compensation Insurance		483,635	
Other Charges		1,755	
Total Board of Education			1,168,496

Director of Schools

County Official/Administrative Officer	\$	119,404	
Secretary(ies)		65,456	
Social Security		10,687	
State Retirement		17,358	
Medical Insurance		17,082	
Employer Medicare		2,671	
Communication		65,976	
Dues and Memberships		6,320	
Maintenance and Repair Services - Equipment		5,898	
Postal Charges		10,829	
Travel		5,914	
Office Supplies		10,313	
Other Supplies and Materials		3,939	
Other Charges		1,275	
Administration Equipment		467	
Total Director of Schools			343,589

(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.)

Office of the Principal

Principals	\$	846,861	
Career Ladder Program		9,000	
Career Ladder Extended Contracts		2,970	
Assistant Principals		1,030,755	
Secretary(ies)		519,136	
Social Security		144,465	
State Retirement		218,079	
Medical Insurance		326,942	
Employer Medicare		33,786	
Dues and Memberships		7,800	
Postal Charges		441	
Other Contracted Services		16,013	
Other Supplies and Materials		5,279	
In Service/Staff Development		2,591	
Other Charges		23,056	
Administration Equipment		4,282	
Total Office of the Principal			\$ 3,191,456

Fiscal Services

Supervisor/Director	\$	64,652	
Accountants/Bookkeepers		108,192	
Social Security		10,508	
State Retirement		17,837	
Medical Insurance		17,905	
Employer Medicare		2,458	
Data Processing Services		11,367	
Travel		1,035	
Data Processing Supplies		1,866	
Administration Equipment		545	
Total Fiscal Services			236,365

Human Services/Personnel

Supervisor/Director	\$	74,341	
Career Ladder Extended Contracts		2,000	
Secretary(ies)		32,163	
Social Security		6,209	
State Retirement		10,098	
Medical Insurance		16,946	
Employer Medicare		1,452	
Travel		415	
Other Supplies and Materials		442	
In Service/Staff Development		636	
Other Charges		183	
Administration Equipment		644	
Total Human Services/Personnel			145,529

(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.)

Operation of Plant

Custodial Personnel	\$	681,495	
Other Salaries and Wages		226,496	
Social Security		53,893	
State Retirement		84,309	
Medical Insurance		218,611	
Unemployment Compensation		1,503	
Employer Medicare		12,604	
Laundry Service		10,031	
Travel		6,479	
Disposal Fees		34,839	
Other Contracted Services		246,818	
Custodial Supplies		158,720	
Electricity		1,278,121	
Natural Gas		225,612	
Water and Sewer		208,354	
Other Supplies and Materials		6,676	
Building and Contents Insurance		117,354	
Plant Operation Equipment		4,502	
Total Operation of Plant			\$ 3,576,417

Maintenance of Plant

Supervisor/Director	\$	53,257	
Other Salaries and Wages		349,541	
Social Security		24,752	
State Retirement		41,569	
Medical Insurance		58,873	
Employer Medicare		5,789	
Laundry Service		4,680	
Maintenance and Repair Services - Buildings		28,236	
Maintenance and Repair Services - Equipment		18,941	
Maintenance and Repair Services - Vehicles		1,359	
Travel		376	
Other Contracted Services		74,621	
Other Supplies and Materials		300,399	
Other Charges		4,284	
Maintenance Equipment		18,172	
Total Maintenance of Plant			984,849

Transportation

Supervisor/Director	\$	53,257
Mechanic(s)		206,387
Bus Drivers		876,994
Clerical Personnel		27,262
Other Salaries and Wages		61,480
Social Security		70,287
State Retirement		106,676

(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 (Cont.)

Medical Insurance	\$	369,372	
Employer Medicare		16,529	
Communication		4,307	
Contracts with Parents		5,549	
Laundry Service		3,425	
Maintenance and Repair Services - Vehicles		530	
Medical and Dental Services		5,965	
Travel		7,458	
Other Contracted Services		18,491	
Diesel Fuel		374,881	
Gasoline		44,661	
Lubricants		3,032	
Tires and Tubes		57,778	
Vehicle Parts		81,831	
Other Supplies and Materials		7,815	
Vehicle and Equipment Insurance		67,408	
In Service/Staff Development		733	
Other Charges		622	
Transportation Equipment		280,868	
Total Transportation			\$ 2,753,598

Central and Other

Other Salaries and Wages	\$	35,464	
Social Security		2,157	
State Retirement		3,660	
Medical Insurance		6,017	
Employer Medicare		505	
Other Contracted Services		102,966	
Other Supplies and Materials		6,934	
Total Central and Other			157,703

Operation of Non-instructional Services

Community Services

Career Ladder Program	\$	1,000	
Other Salaries and Wages		51,296	
Social Security		2,826	
State Retirement		4,644	
Medical Insurance		11,331	
Employer Medicare		661	
Travel		3,182	
Other Supplies and Materials		20,622	
In Service/Staff Development		1,241	
Other Charges		653	
Other Equipment		45,450	
Total Community Services			142,906

(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	\$	55,944	
Teachers		477,879	
Career Ladder Program		1,000	
Clerical Personnel		20,546	
Educational Assistants		161,571	
Other Salaries and Wages		10,113	
Certified Substitute Teachers		1,658	
Non-certified Substitute Teachers		14,178	
Social Security		42,794	
State Retirement		65,852	
Medical Insurance		158,917	
Employer Medicare		10,017	
Communication		2,366	
Maintenance and Repair Services - Equipment		1,614	
Postal Charges		300	
Travel		3,382	
Other Contracted Services		45,780	
Other Supplies and Materials		7,862	
In Service/Staff Development		4,005	
Other Charges		1,014	
Other Equipment		5,680	
Total Early Childhood Education			\$ 1,092,472

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	60,512	
Social Security		3,365	
State Retirement		6,245	
Medical Insurance		11,331	
Employer Medicare		787	
Contributions		240,000	
Other Contracted Services		2,647	
Building Improvements		341,555	
Total Regular Capital Outlay			666,442

Other Debt Service

Education

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

Total General Purpose School Fund \$ 47,685,230

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	833,739	
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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.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Educational Assistants	\$	161,083	
Bonus Payments		10,000	
Certified Substitute Teachers		5,961	
Non-certified Substitute Teachers		14,280	
Social Security		60,199	
State Retirement		86,904	
Medical Insurance		189,138	
Employer Medicare		14,262	
Instructional Supplies and Materials		232,982	
Other Supplies and Materials		5,079	
Regular Instruction Equipment		59	
Total Regular Instruction Program			\$ 1,613,686

Special Education Program

Educational Assistants	\$	631,194	
Speech Pathologist		45,009	
Certified Substitute Teachers		2,907	
Non-certified Substitute Teachers		33,278	
Social Security		41,269	
State Retirement		66,118	
Medical Insurance		198,219	
Employer Medicare		9,659	
Instructional Supplies and Materials		321	
Special Education Equipment		3,918	
Total Special Education Program			1,031,892

Vocational Education Program

Teachers	\$	3,591	
Social Security		223	
State Retirement		319	
Employer Medicare		52	
Other Contracted Services		11,750	
Other Supplies and Materials		15,170	
Vocational Instruction Equipment		22,162	
Total Vocational Education Program			53,267

Support Services

Health Services

Medical Personnel	\$	21,080	
Social Security		1,130	
State Retirement		1,872	
Medical Insurance		8,463	
Employer Medicare		264	
Total Health Services			32,809

(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.)

Other Student Support

Social Workers	\$	58,274	
Other Salaries and Wages		36,687	
Social Security		5,823	
State Retirement		8,447	
Medical Insurance		13,267	
Employer Medicare		1,362	
Travel		48,234	
Total Other Student Support			\$ 172,094

Regular Instruction Program

Other Salaries and Wages	\$	517,782	
Social Security		26,185	
State Retirement		39,251	
Medical Insurance		87,700	
Employer Medicare		7,223	
Travel		5,917	
Other Supplies and Materials		1,798	
In Service/Staff Development		16,637	
Other Charges		15,577	
Total Regular Instruction Program			718,070

Special Education Program

Psychological Personnel	\$	109,123	
Clerical Personnel		31,396	
Other Salaries and Wages		82,699	
Social Security		13,183	
State Retirement		16,680	
Medical Insurance		34,339	
Employer Medicare		3,083	
Travel		535	
Other Contracted Services		25,743	
Other Supplies and Materials		2,961	
Total Special Education Program			<u>319,742</u>

Total School Federal Projects Fund \$ 3,941,560

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	64,195	
Accountants/Bookkeepers		35,970	
Clerical Personnel		16,023	
Cafeteria Personnel		1,248,258	
Bonus Payments		73	
Social Security		80,931	
State Retirement		91,128	

(Continued)

Exhibit J-9

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Medical Insurance	\$ 263,773	
Unemployment Compensation	29	
Employer Medicare	18,927	
Maintenance and Repair Services - Equipment	67,465	
Transportation - Other than Students	25,667	
Travel	2,921	
Other Contracted Services	29,466	
Food Preparation Supplies	388	
Food Supplies	1,521,212	
Office Supplies	965	
Utilities	15,421	
USDA - Commodities	282,088	
Other Supplies and Materials	132,325	
In Service/Staff Development	865	
Other Charges	1,796	
Total Food Service		\$ 3,899,886
Total Central Cafeteria Fund		\$ 3,899,886
<u>Extended School Program Fund</u>		
<u>Operation of Non-instructional Services</u>		
<u>Community Services</u>		
Other Salaries and Wages	\$ 105,520	
Social Security	6,535	
State Retirement	9,333	
Employer Medicare	1,530	
Other Supplies and Materials	8,425	
Trustee's Commission	1,401	
In Service/Staff Development	99	
Total Community Services		\$ 132,843
Total Extended School Program Fund		132,843
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$ 186,700	
Engineering Services	3,700	
Building Construction	259,167	
Total Education Capital Projects		\$ 449,567
Total Education Capital Projects Fund		449,567
Total Governmental Funds - Lawrence County School Department		<u>\$ 56,109,086</u>

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, 2014

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 4,159,680
Total Cash Receipts	<u>\$ 4,159,680</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 4,118,083
Trustee's Commission	41,597
Total Cash Disbursements	<u>\$ 4,159,680</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash, July 1, 2013	<u>0</u>
Cash, June 30, 2014	<u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

**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, 2014, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements, and have issued our report thereon dated November 12, 2014.

**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. 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: 2014-001.

### **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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2014-002.

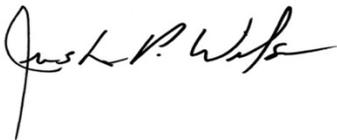
### **Lawrence County's Responses to Findings**

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

November 12, 2014

JPW/yu



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

**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, 2014. 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, 2014.

### **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.

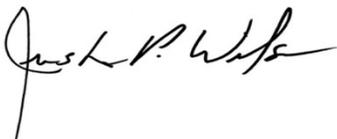
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2014, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements. We issued our report thereon dated November 12, 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 basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

November 12, 2014

JPW/yu

Lawrence County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2014

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	(1)	\$ 14,015
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	282,088 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	670,422
National School Lunch Program	10.555	N/A	1,861,433 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	25,539
Total U.S. Department of Agriculture			<u>\$ 2,853,497</u>
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)	\$ 174,817
Total U.S. Department of Housing and Urban Development			<u>\$ 174,817</u>
U.S. Department of Justice:			
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	\$ 59,318
Total U.S. Department of Justice			<u>\$ 59,318</u>
Institute of Museum and Library Services:			
Passed through Tennessee Secretary of State:			
Grants to States	45.310	(2)	\$ 1,750
Total Institute of Museum and Library Services			<u>\$ 1,750</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 123,544
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,776,121
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,387,486
Special Education - Preschool Grants	84.173	N/A	43,457
Career and Technical Education - Basic Grants to States	84.048	N/A	111,500
Rural Education	84.358	(2)	29,092
English Language Acquisition Grants	84.365	N/A	2,976
Improving Teacher Quality State Grants	84.367	N/A	223,742
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	446,176
Total U.S. Department of Education			<u>\$ 4,144,094</u>

(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. Election Assistance Commission			
Direct Program:			
Help America Vote Act Requirements Payments	90.401	(1)	\$ 74,198
Total U.S. Election Assistance Commission			\$ 74,198
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	GG-09-25251-03	\$ 31,553
Total U.S. Department of Health and Human Services			\$ 31,553
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 195,194
Homeland Security Grant Program	97.067	(2)	82,475
Total U.S. Department of Homeland Security			\$ 277,669
Total Expenditures of Federal Awards			\$ 7,616,896

<u>State Grants</u>		<u>Contract Number</u>	
ACT Explore Testing - State Department of Education	N/A	(2)	\$ 8,526
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	41,181
Coordinated School Health - State Department of Education	N/A	(2)	100,000
Early Childhood Education - State Department of Education	N/A	(2)	1,027,016
Family Resources Center - State Department of Education	N/A	(2)	29,608
Farmers Market Grant Program - State Department of Agriculture	N/A	(2)	1,000
Health Department Programs - State Department of Health	N/A	Z-12-43633-00	268,075
Internet Connectivity - State Department of Education	N/A	(2)	19,219
Litter Grant - State Department of Transportation	N/A	(2)	49,185
Lottery for Education - Afterschool Program - State Department of Education	N/A	(2)	135,464
Safe Schools - State Department of Education	N/A	(2)	39,090
Solid Waste Equipment Grant - State Department of Environment and Conservation	N/A	(2)	23,336
Statewide Student Management System - State Department of Education	N/A	(2)	17,476
Student Ticket Subsidy - Tennessee Arts Commission	N/A	(2)	1,530
Three Star Technology Grant - State Department of Economic and Community Development	N/A	(2)	506,527
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212962-02	44,493
Total State Grants			\$ 2,311,726

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 \$2,143,521

Lawrence County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2014

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below is a finding from the Annual Financial Report for Lawrence County, Tennessee, for the year ended June 30, 2013, which has not been corrected.

**OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-003	175	Circuit, General Sessions, and Juvenile Courts did not prepare execution docket trial balances

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**LAWRENCE COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2014**

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**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 Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), State Fiscal Stabilization Funds – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395), and Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) 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 circuit, general sessions, and juvenile courts clerk provided a written response to her finding, which is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

### **OFFICES OF DIRECTOR OF ACCOUNTS AND BUDGETS AND TRUSTEE**

**FINDING 2014-001**                    **DEFICIENCIES EXISTED IN THE INFORMATION SYSTEM ENVIRONMENT FOR SOLID WASTE COLLECTIONS**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Employees of the Offices of Director of Accounts and Budgets and Trustee processed transactions for solid waste collections. Adequate controls to protect information resources for this environment were not in place. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur. This deficiency was corrected in November 2014.

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### **OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

**FINDING 2014-002**                    **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 \$78,741, \$70,780, and \$7,834, respectively, at June 30, 2014, 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.

## MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

This is an inherited problem that I have been working on for several years. There were a very large number of cases that I had to research and correct general ledger errors, and still have numerous cases to correct before I know the true balances on these dockets. I believe that the majority of the deficiencies are errors due to voided checks not hitting the trial balances and monies receipted in one account and paid out of a different account. Our current software prevents this from happening in the future. The only right way to correct this is to go into every case, which is very time consuming. I am working hard to correct this audit finding.

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

There were no findings and questioned costs for federal awards.

## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below 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.

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

Lawrence County does not have a central system of accounting, budgeting, and purchasing. 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. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Lawrence County. Therefore, 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.

**LAWRENCE COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2014**

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