



ANNUAL FINANCIAL REPORT

Lawrence County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
LAWRENCE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2022

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

This financial report is available at www.comptroller.tn.gov

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Summary of Audit Findings

Annual Financial Report
Lawrence County, Tennessee
For the Year Ended June 30, 2022

Scope

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2022.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had budget deficiencies.
- ◆ The General Purpose School Fund required material audit adjustments for proper financial statement presentation.
- ◆ Accounting records were not closed and available for audit by August 31, 2022.



INTRODUCTORY SECTION

Lawrence County Officials
June 30, 2022

Officials

T.R. Williams, County Executive
Donnie Joe Brown, Road Superintendent
Michael Adkins, Director of Schools
Kiley Weathers, Trustee
Brady Hutton, Assessor of Property
Chuck Kizer, County Clerk
Debbie Riddle, Circuit, General Sessions, and Juvenile Courts Clerk
Kristy Gang, Clerk and Master
Terra Dickey, Register of Deeds
John Myers, Sheriff
Teresa Purcell, Director of Accounts and Budgets

Board of County Commissioners

T.R. Williams, County Executive, Chairman	Delano Benefield
Chris Jackson	Scott Franks
Wayne Yocum	Phillip Heatherly
Dennis Gillespie	Alanna Harris
Ricky Skillington	Nathan Keeton
Russ Brewer	Tammy Wisdom
John Bradley	Shane Eaton
Aaron Storey	Bert Spearman
Shane Littrell	Randy Brewer
Larry Glass	

Board of Education

Kevin Caruso, Chairman	Jerry Dryden
Larry Davis	Corey Rochelle
Brenda Jacobs	Nicky Hartsfield
Ricky Mabry	John Daniel
Royce Neidert	

Audit Committee

Karen Woodall, Chairman	Kelsey Glass
Scott Franks	Jerry Putman

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

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 the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2022, and the respective changes in financial position and the respective budgetary comparisons for the General, Solid Waste/Sanitation, American Rescue Plan Act Grant, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Lawrence County School Department (a discretely presented component unit), which represent 1.5 percent, 2.4 percent, and 2.8 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those amounts were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Lawrence County School Department's Internal School Fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lawrence County, Tennessee, and to meet our other ethical responsibilities, in accordance with

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lawrence County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lawrence County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lawrence County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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 schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in the total other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 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. 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 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lawrence County's 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 15, 2022

JEM/gc

BASIC FINANCIAL STATEMENTS

Exhibit A

Lawrence County, Tennessee
Statement of Net Position
June 30, 2022

	Primary Government <u>Governmental</u> Activities	Component Unit <u>Lawrence County School Department</u>
<u>ASSETS</u>		
Cash	\$ 173,924	\$ 1,866,195
Equity in Pooled Cash and Investments	27,240,209	26,188,179
Inventories	0	125,243
Accounts Receivable	8,726,919	1,687
Allowance for Uncollectible	(1,530,796)	0
Due from Other Governments	1,261,602	4,482,939
Property Taxes Receivable	14,585,553	6,545,999
Allowance for Uncollectible Property Taxes	(204,528)	(91,792)
Net Pension Asset - Agent Plan	6,368,912	4,161,697
Net Pension Asset - Teacher Retirement Plan	0	370,353
Net Pension Asset - Teacher Legacy Pension Plan	0	34,126,606
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	364,701
Capital Assets:		
Assets Not Depreciated:		
Land	1,315,719	1,443,954
Construction in Progress	114,447	11,143,828
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	31,578,975	26,522,128
Infrastructure	10,844,346	0
Other Capital Assets	4,438,213	6,194,860
Total Assets	<u>\$ 104,913,495</u>	<u>\$ 123,446,577</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 164,998	\$ 0
Pension Changes in Experience	0	121,127
Pension Changes in Assumptions	2,870,218	11,127,154
Pension Changes in Proportion	0	12,417
Pension Contributions After Measurement Date	221,972	2,578,920
OPEB Changes in Experience	0	210,770
OPEB Changes in Assumptions	68,963	1,282,381
OPEB Changes in Proportion	0	51,889
OPEB Contributions After Measurement Date	12,093	521,198
Total Deferred Outflows of Resources	<u>\$ 3,338,244</u>	<u>\$ 15,905,856</u>

(Continued)

Exhibit A

Lawrence County, Tennessee
Statement of Net Position (Cont.)

	Primary Government <u>Governmental</u> Activities	Component Unit <u>Lawrence County School Department</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 681,513	\$ 134,582
Accrued Payroll	3,655	0
Payroll Deductions Payable	671	2,300,865
Contracts Payable	0	881,353
Accrued Interest Payable	252,650	0
Due to Other Governments	0	46,982
Due to Litigants, Heirs, and Others	5	0
Noncurrent Liabilities:		
Due Within One Year - Debt	4,535,048	0
Due Within One Year - Other	744,780	81,488
Due in More Than One Year - Debt	52,186,793	0
Due in More Than One Year - Other	1,083,504	13,262,443
Total Liabilities	<u>\$ 59,488,619</u>	<u>\$ 16,707,713</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 13,863,131	\$ 6,221,776
Pension Changes in Experience	602,614	3,307,809
Pension Changes in Investment Earnings	4,808,163	30,570,233
Pension Changes in Proportion	0	286,127
OPEB Changes in Experience	182,859	1,895,731
OPEB Changes in Assumptions	138,574	1,506,643
OPEB Changes in Proportion	0	1,094,679
Total Deferred Inflows of Resources	<u>\$ 19,595,341</u>	<u>\$ 44,882,998</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 23,798,675	\$ 45,304,770
Restricted for:		
General Government	52,543	0
Administration of Justice	82,816	0
Public Safety	155,199	0
Public Health and Welfare	138	0
Social, Cultural, and Recreational Services	157,382	0
Highway/Public Works	2,051,514	0
Education	0	11,934,985
Capital Projects	425,075	0
Pensions	6,368,912	39,023,357
Unrestricted	<u>(3,924,475)</u>	<u>(18,501,390)</u>
Total Net Position	<u>\$ 29,167,779</u>	<u>\$ 77,761,722</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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Lawrence County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,669,254	\$ 390,864	\$ 9,709,043	\$ 0	\$ 7,430,653	\$ 0
Finance	1,742,723	1,291,951	0	0	(450,772)	0
Administration of Justice	1,802,239	613,224	9,000	0	(1,180,015)	0
Public Safety	7,770,525	526,973	524,277	0	(6,719,275)	0
Public Health and Welfare	5,902,322	4,051,693	1,027,982	0	(822,647)	0
Social, Cultural, and Recreational Services	1,019,301	26,674	81,468	0	(911,159)	0
Agriculture and Natural Resources	213,778	0	0	0	(213,778)	0
Highways	7,292,775	4,997	3,132,869	230,673	(3,924,236)	0
Education	0	1,125,944	0	0	1,125,944	0
Interest on Long-term Debt	1,574,184	0	0	0	(1,574,184)	0
Total Primary Government	\$ 29,987,101	\$ 8,032,320	\$ 14,484,639	\$ 230,673	\$ (7,239,469)	\$ 0
Component Unit:						
Lawrence County School Department	\$ 70,549,232	\$ 2,765,224	\$ 18,354,333	\$ 0	\$ 0	\$ (49,429,675)

(Continued)

Exhibit B

Lawrence County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total	Unit Lawrence County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 12,161,662	\$ 6,364,695
Property Taxes Levied for Debt Service					2,094,208	0
Local Option Sales Tax					1,902,501	8,580,698
Hotel/Motel Tax					236,077	0
Wheel Tax					1,039,188	0
Litigation Tax - General					96,899	0
Litigation Tax - Jail, Workhouse, or Courthouse					87,375	0
Business Tax					506,559	0
Mixed Drink Tax					394	0
Mineral Severance Tax					49,578	0
Wholesale Beer Tax					201,944	0
Other Local Taxes					71,016	27,197
Grants and Contributions Not Restricted to Specific Programs					1,590,158	42,692,337
Unrestricted Investment Income					46,908	0
Miscellaneous					74,752	330,342
Total General Revenues					<u>\$ 20,159,219</u>	<u>\$ 57,995,269</u>
Change in Net Position					\$ 12,919,750	\$ 8,565,594
Net Position, July 1, 2021					<u>16,248,029</u>	<u>69,196,128</u>
Net Position, June 30, 2022					<u>\$ 29,167,779</u>	<u>\$ 77,761,722</u>

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

Exhibit C-1

Lawrence County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2022

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 20,489	\$ 1,225	\$ 0	\$ 0	\$ 152,210	\$ 173,924
Equity in Pooled Cash and Investments	17,636,464	698,917	1,954,541	6,015,311	934,976	27,240,209
Accounts Receivable	5,569,659	3,028,185	6	96,063	33,006	8,726,919
Allowance for Uncollectibles	(1,021,082)	(509,714)	0	0	0	(1,530,796)
Due from Other Governments	391,598	0	532,772	337,232	0	1,261,602
Property Taxes Receivable	10,163,746	412,015	1,867,733	2,142,059	0	14,585,553
Allowance for Uncollectible Property Taxes	(142,522)	(5,778)	(26,190)	(30,038)	0	(204,528)
Advances to Other Funds	0	0	0	226,667	0	226,667
Total Assets	\$ 32,618,352	\$ 3,624,850	\$ 4,328,862	\$ 8,787,294	\$ 1,120,192	\$ 50,479,550
<u>LIABILITIES</u>						
Accounts Payable	\$ 312,375	\$ 109,608	\$ 220,867	\$ 0	\$ 38,663	\$ 681,513
Accrued Payroll	0	0	3,655	0	0	3,655
Payroll Deductions Payable	671	0	0	0	0	671
Due to Litigants, Heirs, and Others	0	0	0	0	5	5
Advances Payable to Other Funds	0	0	226,667	0	0	226,667
Total Liabilities	\$ 313,046	\$ 109,608	\$ 451,189	\$ 0	\$ 38,668	\$ 912,511
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 9,660,337	\$ 391,607	\$ 1,775,224	\$ 2,035,963	\$ 0	\$ 13,863,131
Deferred Delinquent Property Taxes	360,887	14,630	66,319	76,059	0	517,895
Other Deferred/Unavailable Revenue	4,286,069	2,475,792	255,632	166,818	0	7,184,311
Total Deferred Inflows of Resources	\$ 14,307,293	\$ 2,882,029	\$ 2,097,175	\$ 2,278,840	\$ 0	\$ 21,565,337

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75,799	\$ 75,799
Restricted:						
Restricted for General Government	52,543	0	0	0	0	52,543
Restricted for Administration of Justice	82,816	0	0	0	0	82,816
Restricted for Public Safety	19,830	0	0	0	135,369	155,199
Restricted for Public Health and Welfare	138	0	0	0	0	138
Restricted for Social, Cultural, and Recreational Services	81,583	0	0	0	0	81,583
Restricted for Highways/Public Works	0	0	1,780,498	0	0	1,780,498
Restricted for Capital Projects	0	0	0	0	425,075	425,075
Committed:						
Committed for General Government	16,790	0	0	0	119,476	136,266
Committed for Finance	0	0	0	0	71,037	71,037
Committed for Public Safety	45,650	0	0	0	0	45,650
Committed for Public Health and Welfare	0	633,213	0	0	254,768	887,981
Committed for Debt Service	0	0	0	6,508,454	0	6,508,454
Assigned:						
Assigned for General Government	5,469,792	0	0	0	0	5,469,792
Unassigned	12,228,871	0	0	0	0	12,228,871
Total Fund Balances	<u>\$ 17,998,013</u>	<u>\$ 633,213</u>	<u>\$ 1,780,498</u>	<u>\$ 6,508,454</u>	<u>\$ 1,081,524</u>	<u>\$ 28,001,702</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 32,618,352</u>	<u>\$ 3,624,850</u>	<u>\$ 4,328,862</u>	<u>\$ 8,787,294</u>	<u>\$ 1,120,192</u>	<u>\$ 50,479,550</u>

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

Lawrence County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

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)		\$ 28,001,702
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Add: land	\$ 1,315,719	
Add: construction in progress	114,447	
Add: buildings and improvements net of accumulated depreciation	31,578,975	
Add: infrastructure net of accumulated depreciation	10,844,346	
Add: other capital assets net of accumulated depreciation	<u>4,438,213</u>	48,291,700
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (2,333,835)	
Less: other loans payable	(2,673,480)	
Less: bonds payable	(49,490,784)	
Less: unamortized premium on debt	(2,223,742)	
Add: deferred amount on refunding	164,998	
Less: compensated absences payable	(744,780)	
Less: landfill postclosure care costs	(658,491)	
Less: net OPEB liability	(425,013)	
Less: accrued interest on bonds and notes	<u>(252,650)</u>	(58,637,777)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expenses in future years.		
Add: deferred outflows of resources related to pensions	\$ 3,092,190	
Less: deferred inflows of resources related to pensions	(5,410,777)	
Add: deferred outflows of resources related to OPEB	81,056	
Less: deferred inflows of resources related to OPEB	<u>(321,433)</u>	(2,558,964)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		6,368,912
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>7,702,206</u>
Net position of governmental activities (Exhibit A)		<u>\$ 29,167,779</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, 2022

	Major Funds				
	General	Solid Waste / Sanitation	American Rescue Plan Act Grant	Highway / Public Works	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 11,215,476	\$ 395,703	\$ 0	\$ 1,844,050	\$ 5,149,566
Licenses and Permits	58,557	0	0	0	0
Fines, Forfeitures, and Penalties	133,648	0	0	0	0
Charges for Current Services	1,959,898	1,261,545	0	0	0
Other Local Revenues	217,426	215,282	888	84,623	35,004
Fees Received From County Officials	1,304,866	0	0	0	0
State of Tennessee	2,539,693	0	0	3,217,575	0
Federal Government	993,502	0	8,574,066	0	0
Other Governments and Citizens Groups	188,423	25,326	0	160,746	1,125,944
Total Revenues	\$ 18,611,489	\$ 1,897,856	\$ 8,574,954	\$ 5,306,994	\$ 6,310,514
<u>Expenditures</u>					
Current:					
General Government	\$ 1,657,237	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,142,477	0	0	0	0
Administration of Justice	1,875,224	0	0	0	0
Public Safety	7,555,393	0	0	0	0
Public Health and Welfare	3,749,978	1,855,570	0	0	0
Social, Cultural, and Recreational Services	508,210	0	0	0	0
Agriculture and Natural Resources	204,491	0	0	0	0
Other Operations	1,369,309	6,160	0	24,759	0
Highways	0	0	0	5,210,331	0
Debt Service:					
Principal on Debt	0	0	0	0	4,260,708
Interest on Debt	0	0	0	0	1,596,478
Other Debt Service	0	0	0	0	89,130

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	American Rescue Plan Act Grant	Highway / Public Works	General Debt Service
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 12,871	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 18,075,190	\$ 1,861,730	\$ 0	\$ 5,235,090	\$ 5,946,316
Excess (Deficiency) of Revenues Over Expenditures	\$ 536,299	\$ 36,126	\$ 8,574,954	\$ 71,904	\$ 364,198
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 23,228	\$ 0
Transfers In	8,574,954	4,934	0	19,189	0
Transfers Out	(24,123)	0	(8,574,954)	0	0
Total Other Financing Sources (Uses)	\$ 8,550,831	\$ 4,934	\$ (8,574,954)	\$ 42,417	\$ 0
Net Change in Fund Balances	\$ 9,087,130	\$ 41,060	\$ 0	\$ 114,321	\$ 364,198
Fund Balance, July 1, 2021	8,910,883	592,153	0	1,666,177	6,144,256
Fund Balance, June 30, 2022	\$ 17,998,013	\$ 633,213	\$ 0	\$ 1,780,498	\$ 6,508,454

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 14,664		\$ 18,619,459
Licenses and Permits	0		58,557
Fines, Forfeitures, and Penalties	31,810		165,458
Charges for Current Services	715,743		3,937,186
Other Local Revenues	1,809		555,032
Fees Received From County Officials	0		1,304,866
State of Tennessee	0		5,757,268
Federal Government	0		9,567,568
Other Governments and Citizens Groups	554,701		2,055,140
Total Revenues	<u>\$ 1,318,727</u>		<u>\$ 42,020,534</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0		\$ 1,657,237
Finance	654,330		1,796,807
Administration of Justice	1,485		1,876,709
Public Safety	26,293		7,581,686
Public Health and Welfare	0		5,605,548
Social, Cultural, and Recreational Services	0		508,210
Agriculture and Natural Resources	0		204,491
Other Operations	13,684		1,413,912
Highways	0		5,210,331
Debt Service:			
Principal on Debt	0		4,260,708
Interest on Debt	0		1,596,478
Other Debt Service	0		89,130

(Continued)

Exhibit C-3

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

	<u>Nonmajor Funds</u>		Total Governmental Funds
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 1,677,893	\$	1,690,764
Total Expenditures	<u>\$ 2,373,685</u>	<u>\$</u>	<u>33,492,011</u>
 Excess (Deficiency) of Revenues Over Expenditures			
	<u>\$ (1,054,958)</u>	<u>\$</u>	<u>8,528,523</u>
 <u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$	23,228
Transfers In	8,169		8,607,246
Transfers Out	(8,169)		(8,607,246)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$</u>	<u>23,228</u>
 Net Change in Fund Balances	<u>\$ (1,054,958)</u>	<u>\$</u>	<u>8,551,751</u>
Fund Balance, July 1, 2021	<u>2,136,482</u>		<u>19,449,951</u>
 Fund Balance, June 30, 2022	<u>\$ 1,081,524</u>	<u>\$</u>	<u>28,001,702</u>

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

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, 2022

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)		\$ 8,551,751
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,138,111	
Less: current-year depreciation expense	<u>(3,822,494)</u>	(1,684,383)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(53,297)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2021	\$ (6,689,687)	
Add: deferred delinquent property taxes and other deferred June 30, 2022	<u>7,702,206</u>	1,012,519
(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 those differences in the treatment of long-term debt and related items.		
Add: change in premium on debt issuances	\$ 113,630	
Less: change in deferred amount on refunding debt	(25,952)	
Add: principal payments on notes	1,029,998	
Add: principal payments on bonds	2,995,342	
Add: principal payments on other loans	<u>235,368</u>	4,348,386
(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 compensated absences payable	\$ (80,089)	
Change in landfill postclosure care costs	(92,888)	
Change in net OPEB liability	148,426	
Change in accrued interest payable	22,294	
Change in deferred outflows of resources related to pensions	1,900,255	
Change in deferred outflows of resources related to OPEB	(18,349)	
Change in deferred inflows of resources related to pensions	(4,614,000)	
Change in deferred inflows of resources related to OPEB	(152,731)	
Change in net pension asset	<u>3,631,856</u>	744,774
Change in net position of governmental activities (Exhibit B)		<u>\$ 12,919,750</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, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 11,215,476	\$ 0	\$ 11,215,476	\$ 10,712,014	\$ 10,712,014	\$ 503,462
Licenses and Permits	58,557	0	58,557	59,050	59,050	(493)
Fines, Forfeitures, and Penalties	133,648	0	133,648	119,989	119,989	13,659
Charges for Current Services	1,959,898	0	1,959,898	2,133,023	2,133,023	(173,125)
Other Local Revenues	217,426	0	217,426	351,070	431,100	(213,674)
Fees Received From County Officials	1,304,866	0	1,304,866	1,323,329	1,323,329	(18,463)
State of Tennessee	2,539,693	0	2,539,693	2,346,337	2,755,985	(216,292)
Federal Government	993,502	0	993,502	493,352	933,794	59,708
Other Governments and Citizens Groups	188,423	0	188,423	104,800	142,180	46,243
Total Revenues	\$ 18,611,489	\$ 0	\$ 18,611,489	\$ 17,642,964	\$ 18,610,464	\$ 1,025
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 156,460	\$ 0	\$ 156,460	\$ 161,998	\$ 168,598	\$ 12,138
Beer Board	2,112	0	2,112	2,083	2,481	369
County Mayor/Executive	238,274	0	238,274	231,704	248,360	10,086
County Attorney	51,253	0	51,253	50,376	52,274	1,021
Election Commission	273,505	0	273,505	277,054	328,766	55,261
Register of Deeds	309,184	0	309,184	272,459	314,237	5,053
County Buildings	559,578	1,287	560,865	562,302	612,969	52,104
Preservation of Records	66,871	0	66,871	67,884	72,428	5,557
<u>Finance</u>						
Accounting and Budgeting	448,733	0	448,733	438,010	456,194	7,461
Property Assessor's Office	392,714	245	392,959	397,500	420,390	27,431
County Trustee's Office	59,612	0	59,612	72,300	72,530	12,918
County Clerk's Office	100,760	0	100,760	137,784	139,846	39,086

(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)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
Data Processing	\$ 140,658	\$ 0	\$ 140,658	\$ 189,928	\$ 198,092	\$ 57,434
<u>Administration of Justice</u>						
Circuit Court	632,846	400	633,246	649,927	674,916	41,670
General Sessions Court	350,156	0	350,156	352,401	363,693	13,537
Chancery Court	351,232	0	351,232	352,726	389,619	38,387
Juvenile Court	226,858	0	226,858	235,034	242,418	15,560
Other Administration of Justice	44,181	0	44,181	30,978	110,272	66,091
Courtroom Security	152,097	0	152,097	163,888	167,364	15,267
Victim Assistance Programs	117,854	0	117,854	160,500	160,500	42,646
<u>Public Safety</u>						
Sheriff's Department	3,757,368	8,000	3,765,368	4,033,257	4,327,475	562,107
Jail	2,685,790	0	2,685,790	2,873,697	3,055,806	370,016
Workhouse	57,114	0	57,114	58,500	58,500	1,386
Work Release Program	56,540	0	56,540	57,206	61,218	4,678
Fire Prevention and Control	2,000	0	2,000	2,000	2,000	0
Civil Defense	55,459	0	55,459	71,864	71,864	16,405
Rescue Squad	472,500	0	472,500	352,500	472,500	0
Other Emergency Management	339,245	0	339,245	339,245	339,245	0
County Coroner/Medical Examiner	129,377	0	129,377	94,151	145,202	15,825
<u>Public Health and Welfare</u>						
Local Health Center	146,867	0	146,867	156,113	156,113	9,246
Rabies and Animal Control	75,000	0	75,000	75,000	75,000	0
Ambulance/Emergency Medical Services	2,735,654	795	2,736,449	2,748,685	2,914,847	178,398
Alcohol and Drug Programs	161,905	0	161,905	131,453	194,631	32,726
Other Local Health Services	109,410	0	109,410	184,353	184,353	74,943

(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)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Appropriation to State	\$ 439,467	\$ 0	\$ 439,467	\$ 484,048	\$ 502,268	\$ 62,801
Other Public Health and Welfare	81,675	0	81,675	81,675	81,675	0
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	20,000	0	20,000	20,000	20,000	0
Libraries	405,226	0	405,226	445,835	500,738	95,512
Other Social, Cultural, and Recreational	82,984	0	82,984	53,000	83,750	766
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	132,914	100	133,014	161,675	161,675	28,661
Soil Conservation	71,577	0	71,577	59,549	75,685	4,108
<u>Other Operations</u>						
Tourism	96,956	0	96,956	75,400	112,420	15,464
Industrial Development	204,800	0	204,800	176,617	209,946	5,146
Airport	0	0	0	69,000	69,000	69,000
Veterans' Services	156,987	0	156,987	136,604	165,057	8,070
Other Charges	767,285	0	767,285	588,764	786,858	19,573
COVID-19 Grant #2	78,384	0	78,384	0	78,384	0
COVID-19 Grant #10	4,878	0	4,878	0	48,500	43,622
American Rescue Plan Act Grant #1	11,285	0	11,285	0	11,570	285
Miscellaneous	48,734	0	48,734	60,000	60,000	11,266
<u>Capital Projects</u>						
General Administration Projects	12,871	0	12,871	18,541	18,541	5,670
Total Expenditures	\$ 18,075,190	\$ 10,827	\$ 18,086,017	\$ 18,415,568	\$ 20,240,768	\$ 2,154,751
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 536,299	\$ (10,827)	\$ 525,472	\$ (772,604)	\$ (1,630,304)	\$ 2,155,776

(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)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 8,574,954	\$ 0	\$ 8,574,954	\$ 0	\$ 8,574,954	\$ 0
Transfers Out	(24,123)	0	(24,123)	0	(24,123)	0
Total Other Financing Sources	<u>\$ 8,550,831</u>	<u>\$ 0</u>	<u>\$ 8,550,831</u>	<u>\$ 0</u>	<u>\$ 8,550,831</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 9,087,130	\$ (10,827)	\$ 9,076,303	\$ (772,604)	\$ 6,920,527	\$ 2,155,776
Fund Balance, July 1, 2021	<u>8,910,883</u>	<u>0</u>	<u>8,910,883</u>	<u>8,050,738</u>	<u>8,050,738</u>	<u>860,145</u>
Fund Balance, June 30, 2022	<u>\$ 17,998,013</u>	<u>\$ (10,827)</u>	<u>\$ 17,987,186</u>	<u>\$ 7,278,134</u>	<u>\$ 14,971,265</u>	<u>\$ 3,015,921</u>

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

Exhibit C-6

Lawrence County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 Solid Waste/Sanitation Fund
 For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 395,703	\$ 382,328	\$ 390,328	\$ 5,375
Charges for Current Services	1,261,545	1,181,450	1,267,729	(6,184)
Other Local Revenues	215,282	127,200	196,200	19,082
Other Governments and Citizens Groups	25,326	21,960	25,326	0
Total Revenues	<u>\$ 1,897,856</u>	<u>\$ 1,712,938</u>	<u>\$ 1,879,583</u>	<u>\$ 18,273</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Landfill Operation and Maintenance	\$ 1,855,570	\$ 1,801,308	\$ 1,923,896	\$ 68,326
<u>Other Operations</u>				
Industrial Development	1,226	0	1,451	225
Other Charges	4,934	0	4,934	0
Total Expenditures	<u>\$ 1,861,730</u>	<u>\$ 1,801,308</u>	<u>\$ 1,930,281</u>	<u>\$ 68,551</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 36,126</u>	<u>\$ (88,370)</u>	<u>\$ (50,698)</u>	<u>\$ 86,824</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 4,934	\$ 0	\$ 4,934	\$ 0
Total Other Financing Sources	<u>\$ 4,934</u>	<u>\$ 0</u>	<u>\$ 4,934</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 41,060	\$ (88,370)	\$ (45,764)	\$ 86,824
Fund Balance, July 1, 2021	<u>592,153</u>	<u>413,136</u>	<u>413,136</u>	<u>179,017</u>
Fund Balance, June 30, 2022	<u>\$ 633,213</u>	<u>\$ 324,766</u>	<u>\$ 367,372</u>	<u>\$ 265,841</u>

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

Exhibit C-7

Lawrence County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
American Rescue Plan Act Grant Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 888	\$ 0	\$ 888	\$ 0
Federal Government	8,574,066	0	8,574,066	0
Total Revenues	<u>\$ 8,574,954</u>	<u>\$ 0</u>	<u>\$ 8,574,954</u>	<u>\$ 0</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,574,954</u>	<u>\$ 0</u>	<u>\$ 8,574,954</u>	<u>\$ 0</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>\$ (8,574,954)</u>	<u>\$ 0</u>	<u>\$ (8,574,954)</u>	<u>\$ 0</u>
Total Other Financing Sources	<u>\$ (8,574,954)</u>	<u>\$ 0</u>	<u>\$ (8,574,954)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30, 2022	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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

Exhibit C-8

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, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,844,050	\$ 0	\$ 1,844,050	\$ 1,805,510	\$ 1,805,510	\$ 38,540
Other Local Revenues	84,623	0	84,623	0	84,623	0
State of Tennessee	3,217,575	0	3,217,575	2,991,758	2,985,883	231,692
Other Governments and Citizens Groups	160,746	0	160,746	0	138,795	21,951
Total Revenues	\$ 5,306,994	\$ 0	\$ 5,306,994	\$ 4,797,268	\$ 5,014,811	\$ 292,183
<u>Expenditures</u>						
<u>Other Operations</u>						
Industrial Development	\$ 5,570	\$ 0	\$ 5,570	\$ 0	\$ 6,576	\$ 1,006
Other Charges	19,189	0	19,189	0	19,189	0
<u>Highways</u>						
Administration	274,985	995	275,980	303,146	310,747	34,767
Highway and Bridge Maintenance	3,540,737	18,035	3,558,772	3,182,668	4,048,431	489,659
Operation and Maintenance of Equipment	742,584	3,318	745,902	729,320	771,602	25,700
Other Charges	124,514	0	124,514	128,266	128,266	3,752
Capital Outlay	527,511	0	527,511	532,000	536,000	8,489
Total Expenditures	\$ 5,235,090	\$ 22,348	\$ 5,257,438	\$ 4,875,400	\$ 5,820,811	\$ 563,373
Excess (Deficiency) of Revenues Over Expenditures	\$ 71,904	\$ (22,348)	\$ 49,556	\$ (78,132)	\$ (806,000)	\$ 855,556
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 23,228	\$ 0	\$ 23,228	\$ 0	\$ 23,228	\$ 0
Transfers In	19,189	0	19,189	0	19,189	0
Transfers Out	0	0	0	(113,333)	(192,959)	192,959
Total Other Financing Sources	\$ 42,417	\$ 0	\$ 42,417	\$ (113,333)	\$ (150,542)	\$ 192,959

(Continued)

Exhibit C-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 114,321	\$ (22,348)	\$ 91,973	\$ (191,465)	\$ (956,542)	\$ 1,048,515
Fund Balance, July 1, 2021	1,666,177	0	1,666,177	1,424,258	1,424,258	241,919
Fund Balance, June 30, 2022	\$ 1,780,498	\$ (22,348)	\$ 1,758,150	\$ 1,232,793	\$ 467,716	\$ 1,290,434

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

Exhibit D-1

Lawrence County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,513,684
Equity in Pooled Cash and Investments	113,410
Accounts Receivable	6,312
Due from Other Governments	<u>1,151,850</u>
Total Assets	<u>\$ 2,785,256</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 2,635
Due to Other Taxing Units	<u>1,149,800</u>
Total Liabilities	<u>\$ 1,152,435</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,632,821</u>
Total Net Position	<u><u>\$ 1,632,821</u></u>

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

Exhibit D-2

Lawrence County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 6,468,495
Fines/Fees and Other Collections	10,593,866
Drug Task Force Collections	94,323
District Attorney General Collections	<u>16,592</u>
Total Additions	<u>\$ 17,173,276</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 6,468,495
Payments to State	6,489,550
Payments to County/City	2,228,754
Payments to Individuals and Others	1,467,482
Payment of Drug Task Force Expenses	106,232
Payment of District Attorney General Expenses	<u>28,437</u>
Total Deductions	<u>\$ 16,788,950</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 384,326
Net Position, July 1, 2021	<u>1,248,495</u>
Net Position, June 30, 2022	<u><u>\$ 1,632,821</u></u>

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

LAWRENCE COUNTY, TENNESSEE
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LAWRENCE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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 financial statements of the Lawrence County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. 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 material to the component units' opinion unit and therefore have been omitted from this report.

The Lawrence County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of

contents. Complete financial statements of the Lawrence County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Lawrence County Emergency
Communications District
P.O. Box 691
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 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, 2022.

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. 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 inflow of resources, fund equity, revenues, and expenditures/expenses. 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, including lease obligations, 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 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. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

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.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions related to the disposal of Lawrence County’s solid waste. Local taxes and general service charges are the foundational revenues of this fund.

American Rescue Plan Act Grant Fund – This fund accounts for funding related to the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, received by the county to be used to respond to acute pandemic response needs, fill revenue shortfalls, and support communities and populations hit by the COVID-19 crisis.

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.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Lawrence County, funds 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.

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

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.

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

Education Capital Projects Fund – This 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.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 22) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 21) are presented in this report. We do not believe using the prior year balances will affect the independent auditor’s opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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; the State Treasurer's Intermediate Term Investment Fund; 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 amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, 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. Compliance with Funding Board policies are audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies are audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied

with accounting principles generally accepted in the United States of America. Lawrence County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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.

Advances between funds, as reported in the General Debt Service Fund financial statements are included in committed fund balance.

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectible. Ambulance and solid waste receivables allowance for uncollectible is based on historical collection data. The allowance for uncollectible property taxes is less than 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 a 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. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Lawrence County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Lawrence County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Lawrence County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. 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 acquisition 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

6. 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 assets 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 items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for a deferred charge on refunding, pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension and OPEB changes in proportionate share, and employer contributions made to the pension and OPEB plans after the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 assets 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 items are from the following sources: current and delinquent property taxes, pension and OPEB changes in experience, pension and OPEB changes in proportionate share, OPEB changes in assumptions, pension changes in investment earnings, 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.

7. **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.

8. **Long-term Debt and 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 are 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 and unamortized premium on debt, 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.

9. 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, 2022, Lawrence County had \$30,650,408 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, and shall remain binding unless removed in the same manner.

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 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. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Lawrence County's participation in the Public Employee Pension Plan of the Tennessee

Consolidated Retirement System (TCRS), and additions to/deductions from Lawrence County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented Lawrence County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Lawrence County. For this purpose, Lawrence County recognizes benefit payments when due and payable in accordance with benefit terms. Lawrence County's OPEB plan is not administered through a trust.

Discretely Presented Lawrence County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Lawrence County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Lawrence County School Department

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

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

Primary Government

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

Discretely Presented Lawrence County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted. 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.

At June 30, 2022, Lawrence County and the Lawrence County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 10,827
Highway/Public Works	22,348
School Department:	
Major Fund:	
General Purpose School	1,152,958
Nonmajor Fund:	
Central Cafeteria	120,606

B. Appropriations Exceed Estimated Available Funding

The budget and subsequent amendments approved by the county commission for the General Purpose School Fund resulted in appropriations exceeding estimated available funding by \$574,732.

C. The Actual Fund Balance Exceeded the Estimated Beginning Fund Balance by a Material Amount

The General Purpose School Fund actual fund balance at July 1, 2021, was \$12,244,162; however, the estimated fund balance reflected in the school's budget was \$7,236,687. Therefore, the actual fund balance exceeded the estimated fund balance presented to the county commission during the budget approval process by \$5,007,475.

D. Ingram Sowell Elementary School Deficiencies

On February 18, 2022, the Comptroller's Office Division of Investigations issued an investigative report on Ingram Sowell Elementary School. This report disclosed that the Lawrence County School System officials hired a principal who did not possess the proper instructional leadership license, the principal failed to follow purchasing procedures and did not complete and/or remit some supporting documentation timely, the school staff failed to remit and deposit collections timely, and Lawrence County School System management violated both state law and local policies regarding nepotism. This report is available at www.comptroller.tn.gov/ia.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Lawrence County and the 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 and investments reflected on the balance sheets or statements of net position represent(s) nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three 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 90 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 fair 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.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

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, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term

Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. 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, 2022.

TCRS Stabilization Trust

Legal Provisions. The Lawrence County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Lawrence County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2022, the Lawrence County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 113,058
Developed Market International Equity	N/A	N/A	51,058
Emerging Market International Equity	N/A	N/A	14,588
U.S. Fixed Income	N/A	N/A	72,940
Real Estate	N/A	N/A	36,470
Short-term Securities	N/A	N/A	3,647
NAV - Private Equity and Strategic Lending	N/A	N/A	72,940
Total			\$ 364,701

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2022/ag21066.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

Primary Government - Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 1,315,719	\$ 0	\$ 0	\$ 1,315,719
Construction in Progress	14,219,895	867,115	(14,972,563)	114,447
Total Capital Assets Not Depreciated	<u>\$ 15,535,614</u>	<u>\$ 867,115</u>	<u>\$ (14,972,563)</u>	<u>\$ 1,430,166</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 27,222,004	\$ 15,007,404	\$ 0	\$ 42,229,408
Infrastructure	83,439,393	25,223	0	83,464,616
Other Capital Assets	15,222,475	1,210,932	(449,408)	15,983,999
Total Capital Assets Depreciated	<u>\$ 125,883,872</u>	<u>\$ 16,243,559</u>	<u>\$ (449,408)</u>	<u>\$ 141,678,023</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,640,757	\$ 1,009,676	\$ 0	\$ 10,650,433
Infrastructure	70,289,837	2,330,433	0	72,620,270
Other Capital Assets	11,459,512	482,385	(396,111)	11,545,786
Total Accumulated Depreciation	<u>\$ 91,390,106</u>	<u>\$ 3,822,494</u>	<u>\$ (396,111)</u>	<u>\$ 94,816,489</u>
Total Capital Assets Depreciated, Net	<u>\$ 34,493,766</u>	<u>\$ 12,421,065</u>	<u>\$ (53,297)</u>	<u>\$ 46,861,534</u>
Governmental Activities Capital Assets, Net	<u>\$ 50,029,380</u>	<u>\$ 13,288,180</u>	<u>\$ (15,025,860)</u>	<u>\$ 48,291,700</u>

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

Governmental Activities:

General Government	\$ 453,858
Finance	5,088
Public Safety	289,639
Public Health and Welfare	410,006
Social, Cultural, and Recreational Services	78,468
Agriculture and Natural Resources	5,238
Other Operations	1,335
Highways	<u>2,578,862</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,822,494</u>

Net Investment in Capital Assets

Capital Assets	\$ 48,291,700
Less:	
Outstanding principal of capital debt and other capital borrowings	(8,019,941)
Outstanding principal balance of debt and other borrowing used to refund capital-related debt	(15,827,750)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(645,334)</u>
Net Investment in Capital Assets	<u>\$ 23,798,675</u>

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

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 1,443,954	\$ 0	\$ 0	\$ 1,443,954
Construction in Progress	4,982,996	6,160,832	0	11,143,828
Total Capital Assets Not Depreciated	\$ 6,426,950	\$ 6,160,832	\$ 0	\$ 12,587,782
Capital Assets Depreciated:				
Buildings and Improvements	\$ 65,645,521	\$ 24,995	\$ (16,692)	\$ 65,653,824
Other Capital Assets	17,217,220	670,988	0	17,888,208
Total Capital Assets Depreciated	\$ 82,862,741	\$ 695,983	\$ (16,692)	\$ 83,542,032
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 37,572,710	\$ 1,575,678	\$ (16,692)	\$ 39,131,696
Other Capital Assets	10,688,982	1,004,366	0	11,693,348
Total Accumulated Depreciation	\$ 48,261,692	\$ 2,580,044	\$ (16,692)	\$ 50,825,044
Total Capital Assets Depreciated, Net	\$ 34,601,049	\$ (1,884,061)	\$ 0	\$ 32,716,988
Governmental Activities Capital Assets, Net	\$ 41,027,999	\$ 4,276,771	\$ 0	\$ 45,304,770

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

Governmental Activities:

Instruction	\$ 2,030,995
Support Services	414,361
Operation of Non-instructional Services	<u>134,688</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,580,044</u>

C. Construction Commitments

On June 30, 2022, Lawrence County School Department had uncompleted construction contracts of approximately \$11,333,856 in the Education Capital Projects Fund for building construction/renovations. Lawrence County issued general obligation bonds to fund these construction contracts. Any additional funding required for these future expenditures will be provided from the General Purpose School Fund.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, was as follows:

Interfund Loans to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General Debt Service	Highway/Public Works	\$ 226,667

The balance of \$226,667 due to the General Debt Service Fund from the Highway/Public Works Fund resulted from an advance to the Highway/Public Works Fund for purchase of highway equipment.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2022, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Purpose</u>
	General Fund	Solid Waste/ Sanitation Fund	Highway/ Public Works Fund	Nonmajor governmental funds	
General Fund	\$ 0	\$ 4,934	\$ 19,189	\$ 0	Operations
American Rescue Plan Act Grant Fund	8,574,954	0	0	0	Operations
Nonmajor governmental funds	0	0	0	8,169	Operations
Total	\$ 8,574,954	\$ 4,934	\$ 19,189	\$ 8,169	

Discretely Presented Lawrence County School Department

Transfer Out	<u>Transfer In</u> General Purpose School Fund	Purpose
School Federal Projects Fund	\$ 335,347	Indirect costs
Total	<u>\$ 335,347</u>	

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes and Other Loans

General Obligation Bonds – Lawrence County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds 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, 2022, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements – Lawrence County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and up to 13 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt.

All notes and other loans included in long-term debt as of June 30, 2022, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2022, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Bonds	1.6 to 3.38 %	6-21-50	\$ 36,572,000	\$ 32,060,784
General Obligation Bonds - Refunding	1.26 to 2.7	4-1-37	24,465,000	17,430,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	1.6 to 2.55	12-1-26	7,950,000	2,333,835
Other Loans - Fixed rate	1.5	11-1-32	3,044,529	2,673,480

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2022, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 3,095,522	\$ 1,395,854	\$ 4,491,376
2024	3,190,708	1,298,592	4,489,300
2025	3,290,901	1,196,063	4,486,964
2026	3,391,100	1,094,464	4,485,564
2027	2,861,306	1,002,505	3,863,811
2028-2032	14,254,871	3,674,375	17,929,246
2033-2037	10,596,164	1,835,871	12,432,035
2038-2042	5,243,598	843,669	6,087,267
2043-2047	3,527,370	156,934	3,684,304
2048-2050	39,244	2,678	41,922
Total	\$ 49,490,784	\$ 12,501,005	\$ 61,991,789

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2023	\$ 1,058,835	\$ 45,967	\$ 1,104,802
2024	310,000	24,418	334,418
2025	315,000	17,972	332,972
2026	320,000	11,025	331,025
2027	330,000	3,711	333,711
Total	\$ 2,333,835	\$ 103,093	\$ 2,436,928

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2023	\$ 238,932	\$ 38,112	\$ 277,044
2024	242,532	34,512	277,044
2025	246,192	30,852	277,044
2026	249,912	27,132	277,044
2027	253,692	23,352	277,044
2028-2032	1,327,080	58,140	1,385,220
2033	115,140	261	115,401
Total	\$ 2,673,480	\$ 212,361	\$ 2,885,841

There is \$6,508,454 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,121, based on the 2020 federal census. Total debt per capita, including bonds, notes, other loans, and unamortized debt premiums, totaled \$1,284, based on the 2020 federal census.

During the year, the school department contributed \$1,125,944 to service some of the debt issued on its behalf by the primary government.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Bonds	Unamortized Premium on Debt
Balance, July 1, 2021	\$ 52,486,126	\$ 2,337,372
Reductions	<u>(2,995,342)</u>	<u>(113,630)</u>
Balance, June 30, 2022	<u>\$ 49,490,784</u>	<u>\$ 2,223,742</u>
Balance Due Within One Year	<u>\$ 3,095,522</u>	<u>\$ 141,759</u>

Governmental Activities:

	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2021	\$ 3,363,833	\$ 2,908,848
Reductions	<u>(1,029,998)</u>	<u>(235,368)</u>
Balance, June 30, 2022	<u>\$ 2,333,835</u>	<u>\$ 2,673,480</u>
Balance Due Within One Year	<u>\$ 1,058,835</u>	<u>\$ 238,932</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 56,721,841
Less: Balance Due Within One Year - Debt	<u>(4,535,048)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 52,186,793</u>

F. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2021	\$ 664,691	\$ 565,603	\$ 573,439
Additions	994,076	92,888	87,301
Reductions	(913,987)	0	(235,727)
Balance, June 30, 2022	<u>\$ 744,780</u>	<u>\$ 658,491</u>	<u>\$ 425,013</u>
Balance Due Within One Year	<u>\$ 744,780</u>	<u>\$ 0</u>	<u>\$ 0</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 1,828,284
Less: Balance Due Within One Year - Other	<u>(744,780)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,083,504</u>

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, 2022, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2021	\$ 75,909	\$ 13,694,925
Additions	76,543	1,555,153
Reductions	(70,964)	(1,987,635)
Balance, June 30, 2022	<u>\$ 81,488</u>	<u>\$ 13,262,443</u>
Balance Due Within One Year	<u>\$ 81,488</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2022	\$ 13,343,931
Less: Balance Due Within One Year - Other	<u>(81,488)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 13,262,443</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. This plan is administered by the State of Tennessee and reported in the state’s Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2022, totaled \$201,068. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

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 \$250,000 for property and \$450,000 for liability for each insured event.

Lawrence County participates in the Local Government Workers’ Compensation Fund (LWCF), a public entity risk pool established under provisions of Section 29-20-401, *Tennessee Code Annotated*, by the Tennessee County Services Association to provide a program of workers’ compensation coverage to employees of local governments. The county pays an annual premium to the LWCF for its workers’ compensation insurance coverage. The

LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

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 (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive 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 discretely presented Lawrence County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The school department pays an annual premium to the TN-RMT for its general liability, property, casualty, and worker's compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive 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

GASB Statement No. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of

resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties.

GASB Statement No. 92, *Omnibus 2020*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provision about the following:

- The effective date of GASB Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of GASB Statement No. 84 to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

GASB Statement 93, *Replacement of Interbank Offered Rates*, became effective during the year. This statement was necessary due to the eventual ceasing of the London Interbank Offered Rate (LIBOR) and the replacement with another interbank offered rate (IBOR). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred*

Compensation Plans (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

GASB Statement No 98, *The Comprehensive Annual Financial Report*, became effective during the year. This statement replaces the terms comprehensive annual financial report and comprehensive annual financial reports in NCGA and GASB pronouncements with annual comprehensive financial report and annual comprehensive financial reports, respectively. The associated acronyms in NCGA and GASB pronouncements are replaced with ACFR and ACFRs.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

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.

D. 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 \$658,491 reported as postclosure care liability on June 30, 2022, represents amounts based on what it would cost to perform all postclosure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. 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 did not contribute to the operations of the joint venture during the year ended June 30, 2022.

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 \$204,800 to the Lawrence County Joint Economic Development Board during the year ended June 30, 2022.

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, 2022.

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
200 West Gaines Street, Suite 201
Lawrenceburg, TN 38464

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

F. 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, 2022.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Lawrence County and non-certified employees of the discretely presented Lawrence County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 60.48 percent, the non-certified employees of the discretely presented school department comprise 39.52 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the

plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	361
Inactive Employees Entitled To But Not Yet Receiving	
Benefits	564
Active Employees	571
 Total	 <u><u>1,496</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary to the plan. Lawrence County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial

valuation. For the year ended June 30, 2022, the employer contributions for Lawrence County was \$316,998 based on a rate of 1.8 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lawrence County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Lawrence County's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2021, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market

projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	%	Percentage Target Allocations	%
U.S. Equity Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income Real Estate	6.57		20	
Short-term Securities	1.20		20	
	4.38		10	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Lawrence County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	\$ 53,605,510	\$ 58,131,065	\$ (4,525,555)
Changes for the Year:			
Service Cost	\$ 1,393,087	\$ 0	\$ 1,393,087
Interest	3,893,867	0	3,893,867
Differences Between Expected and Actual Experience	(172,788)	0	(172,788)
Changes in Assumptions	5,676,671	0	5,676,671
Contributions-Employer	0	1,127,462	(1,127,462)
Contributions-Employees	0	812,302	(812,302)
Net Investment Income	0	14,906,860	(14,906,860)
Benefit Payments, Including Refunds of Employee Contributions	(2,580,164)	(2,580,164)	0
Administrative Expense	0	(50,733)	50,733
Net Changes	\$ 8,210,673	\$ 14,215,727	\$ (6,005,054)
Balance, June 30, 2021	\$ 61,816,183	\$ 72,346,792	\$ (10,530,609)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	60.48%	\$ 37,386,427	\$ 43,755,340	\$ (6,368,912)
School Department	39.52%	24,429,756	28,591,452	(4,161,697)
Total		\$ 61,816,183	\$ 72,346,792	\$ (10,530,609)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Lawrence County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Lawrence County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ (1,961,680) \$ (10,530,609) \$ (17,575,545)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Lawrence County recognized pension expense (negative pension expense) of (\$1,136,952).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, Lawrence County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 996,386
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,950,005
Changes in Assumptions	4,745,730	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	316,998	N/A
Total	<u>\$ 5,062,728</u>	<u>\$ 8,946,391</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

		Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	60.48%	\$ 3,092,190	\$ 5,410,777
School Department	39.52%	1,970,538	3,535,614
Total		<u>\$ 5,062,728</u>	<u>\$ 8,946,391</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (1,164,442)
2024	(1,026,064)
2025	(967,448)
2026	(1,042,706)
2027	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Lawrence County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Lawrence County and non-certified employees of the discretely presented Lawrence County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 60.48 percent and the non-certified employees of the discretely presented school department comprise 39.52 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Lawrence County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher

Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2022, to the Teacher Retirement Plan were \$106,048, which is 2.01 percent of covered payroll. In addition, employer contributions of \$104,993, which is 1.99 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$370,353) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's proportion was 0.341902 percent. The proportion as of June 30, 2020, was 0.304509 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the Lawrence County School Department recognized pension expense (negative pension expense) of \$42,807.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 6,443	\$ 67,767
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	213,185
Changes in Assumptions	133,583	0
Changes in Proportion of Net Pension Liability (Asset)	11,903	35,968
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	106,048	N/A
Total	<u>\$ 257,977</u>	<u>\$ 316,920</u>

The school department's employer contributions of \$106,048, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (48,993)
2024	(47,827)
2025	(47,494)
2026	(52,859)
2027	4,003
Thereafter	28,179

Actuarial Assumptions. The total pension liability as of the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2021, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		10	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Lawrence County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Lawrence County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 127,317 \$ (370,353) \$ (737,402)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Lawrence County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of

death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Lawrence County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were \$2,377,846, which is 10.3 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). On June 30, 2022, the school department reported a liability (asset) of (\$34,126,606) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, the school department's proportion was 0.791206 percent. The proportion measured on June 30, 2020, was 0.745988 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$5,402,140).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 114,684	\$ 2,846,270
Changes in Assumptions	9,118,059	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	27,215,206
Changes in Proportion of Net Pension Liability (Asset)	514	250,159
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	<u>2,377,846</u>	<u>N/A</u>
Total	<u>\$ 11,611,103</u>	<u>\$ 30,311,635</u>

The school department's employer contributions of \$2,377,846 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (5,035,026)
2024	(4,778,137)
2025	(3,920,614)
2026	(7,344,601)
2027	0
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability as of the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2021, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income Real Estate	6.57		20	
	1.20		20	
	4.38		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Lawrence County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Lawrence County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ (6,073,388) \$ (34,126,606) \$ (57,472,480)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

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.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$307,068 and teachers contributed \$99,842 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

Lawrence County and the discretely presented Lawrence County School Department provide OPEB benefits to its retirees under various OPEB plans. These include OPEB provided through state administered public entity risk pools. For reporting purposes, the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of Lawrence County are provided healthcare under a Local Government Plan (LGP) until they reach Medicare eligibility. Likewise, the Lawrence County School Department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Lawrence County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The county and the school department’s total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.36% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 10-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 2.16 percent, based on an average rating of AA/Aa as shown on the Bond Buyers 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30,

2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% to load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 19 to load for males and a 18% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.21 percent as of the beginning of the measurement period to 2.16 percent as of the measurement date of June 30, 2021. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 9.02 percent to 7.36 percent. The assumed long term inflation rate was changed from 2.1 percent to 2.25 percent.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Lawrence County are provided with pre-65 retiree health insurance benefits through the closed Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

Benefits Provided. Lawrence County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Lawrence

County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

	<u>Total</u>
Inactive Employees Currently Receiving Benefit Payments	2
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefits	<u>236</u>
 Total	 <u><u>238</u></u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2022, the county paid \$12,093 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability – As of the Measurement Date

	<u>Lawrence County</u>
Balance July 1, 2020	<u>\$ 573,439</u>
Changes for the Year:	
Service Cost	\$ 61,127
Interest	13,825
Difference between Expected and Actual Experience	(62,897)
Changes in Assumption and Other Inputs	(142,388)
Benefit Payments	<u>(18,093)</u>
Net Changes	<u>\$ (148,426)</u>
 Balance June 30, 2021	 <u><u>\$ 425,013</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the county recognized OPEB expense of \$34,747. On June 30, 2022, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the

following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 182,859
Changes of Assumptions/Inputs	68,963	138,574
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2021	<u>12,093</u>	<u>0</u>
Total	<u>\$ 81,056</u>	<u>\$ 321,433</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Lawrence County</u>
2023	\$ (40,205)
2024	(40,205)
2025	(40,205)
2026	(40,205)
2027	(38,241)
Thereafter	(53,409)

In the table shown above positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	Current		
	1% Decrease	Discount Rate	1% Increase
Lawrence County	1.16%	2.16%	3.16%

Total OPEB Liability \$ 459,899 \$ 425,013 \$ 392,299

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>	Current		
	1% Decrease	Trend Rate	1% Increase
Lawrence County	6.36 to 3.5%	7.36 to 4.5%	8.36 to 5.5%

Total OPEB Liability \$ 373,532 \$ 425,013 \$ 487,133

Closed Local Education (LEP) OPEB Plan (discretely presented school department)

Plan Description. Employees of the Lawrence County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The Lawrence County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The Lawrence County School Department (LCSD) provides post-retirement health care benefits, in accordance with contract provisions, to all employees who retire from the

school department on or after 30 years' service (ten of the 30 with the LCSD) or age 55 (or over) with at least 17 years' service (ten of the 17 with LCSD). The school department pays the cost of individual coverage for accident and health insurance until the individual reaches the age of 65. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided by the state for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees Currently Receiving Benefit Payments	45
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0
Active Employees Eligible For Benefits	<u>635</u>
 Total	 <u><u>680</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$521,198 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	<u>Share of Collective Liability</u>		
	<u>Lawrence County School Department</u> 72.28%	<u>State of TN</u> 27.72%	<u>Total OPEB Liability</u>
Balance July 1, 2020	\$ 13,694,925	\$ 4,765,504	\$ 18,460,429
Changes for the Year:			
Service Cost	\$ 702,978	\$ 269,660	\$ 972,638
Interest	304,655	116,865	421,520
Difference between Expected and Actuarial Experience	79,715	30,579	110,294
Changes in Assumption and Other Inputs	(1,001,593)	110,079	(891,514)
Benefit Payments	(518,237)	(205,258)	(723,495)
Net Changes	<u>\$ (432,482)</u>	<u>\$ 321,925</u>	<u>\$ (110,557)</u>
Balance June 30, 2021	<u>\$ 13,262,443</u>	<u>\$ 5,087,429</u>	<u>\$ 18,349,872</u>

The Lawrence County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Lawrence County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$423,244 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Lawrence County School Department's proportionate share of the collective OPEB liability was 72.28 percent and the State of Tennessee's share was 27.72 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$921,212 including the state's share of the expense. At June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 210,770	\$ 1,895,731
Changes of Assumptions/Inputs	1,282,381	1,506,643
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	51,889	1,094,679
Benefits Paid After the Measurement Date of June 30, 2021	<u>521,198</u>	<u>0</u>
Total	<u>\$ 2,066,238</u>	<u>\$ 4,497,053</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2023	\$ (509,665)
2024	(509,665)
2025	(509,665)
2026	(509,665)
2027	(469,384)
Thereafter	(443,969)

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the school department’s proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%

Proportionate Share of the Collective Total OPEB Liability	\$ 14,201,821	\$ 13,262,443	\$ 12,352,536
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rates	1% Increase
	6.36 to 3.5%	7.36 to 4.5%	8.36 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 11,778,666	\$ 13,262,443	\$ 14,997,417
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I. 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.

J. 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 \$25,000 to be made on the basis of publicly advertised competitive bids. Additionally, the county commission requires three quotes for purchases over \$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 \$25,000. Additionally, the Board of Education requires three quotes for all purchases less than \$25,000 (whenever possible), and competitive bids on all purchases made from federal grant funds exceeding \$5,000.

K. Subsequent Events

County Executive T.R. Williams left office August 31, 2022, and was succeeded by David Morgan effective September 1, 2022.

Road Superintendent Donnie Joe Brown left office August 31, 2022, and was succeeded by Ryan Krick effective September 1, 2022.

County Clerk Chuck Kizer left office August 31, 2022, and was succeeded by Russ Brewer effective September 1, 2022.

Circuit, General Session, and Juvenile Courts Clerk Debbie Riddle left office August 31, 2022, and was succeeded by Tommy Lee Kidd effective September 1, 2022.

Director of Accounts and Budgets Teresa Purcell resigned December 1, 2022.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Lawrence County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Based on Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 1,271,060	\$ 1,211,026	\$ 1,232,011	\$ 1,265,829	\$ 1,353,325	\$ 1,341,143	\$ 1,407,715	\$ 1,393,087
Interest	2,948,844	3,048,419	3,165,275	3,352,588	3,489,668	3,613,810	3,777,259	3,893,867
Differences Between Actual and Expected Experience	(787,746)	(607,124)	159,180	(394,656)	(875,115)	(190,218)	(902,119)	(172,788)
Changes of Assumptions	0	0	0	1,226,363	0	0	0	5,676,671
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(2,183,175)	(2,047,274)	(2,138,286)	(2,072,594)	(2,414,198)	(2,739,495)	(2,580,164)
Net Change in Total Pension Liability	\$ 1,526,452	\$ 1,469,146	\$ 2,509,192	\$ 3,311,838	\$ 1,895,284	\$ 2,350,537	\$ 1,543,360	\$ 8,210,673
Total Pension Liability, Beginning	38,999,701	40,526,153	41,995,299	44,504,491	47,816,329	49,711,613	52,062,150	53,605,510
Total Pension Liability, Ending (a)	\$ 40,526,153	\$ 41,995,299	\$ 44,504,491	\$ 47,816,329	\$ 49,711,613	\$ 52,062,150	\$ 53,605,510	\$ 61,816,183
Plan Fiduciary Net Position								
Contributions - Employer	\$ 1,393,943	\$ 1,320,163	\$ 1,397,768	\$ 1,433,034	\$ 1,450,213	\$ 1,490,029	\$ 1,083,294	\$ 1,127,462
Contributions - Employee	676,878	676,371	961,918	448,058	743,238	766,540	774,283	812,302
Net Investment Income	5,879,061	1,271,681	1,129,720	4,952,304	4,028,396	3,908,335	2,769,114	14,906,860
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(2,183,175)	(2,047,274)	(2,138,286)	(2,072,594)	(2,414,198)	(2,739,495)	(2,580,164)
Administrative Expense	(22,110)	(28,821)	(43,608)	(48,925)	(54,409)	(49,937)	(49,962)	(50,733)
Other	0	0	0	(25)	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 6,022,066	\$ 1,056,219	\$ 1,398,524	\$ 4,646,160	\$ 4,094,844	\$ 3,700,769	\$ 1,837,234	\$ 14,215,727
Plan Fiduciary Net Position, Beginning	35,375,249	41,397,315	42,453,534	43,852,058	48,498,218	52,593,062	56,293,831	58,131,065
Plan Fiduciary Net Position, Ending (b)	\$ 41,397,315	\$ 42,453,534	\$ 43,852,058	\$ 48,498,218	\$ 52,593,062	\$ 56,293,831	\$ 58,131,065	\$ 72,346,792
Net Pension Liability (Asset), Ending (a - b)	\$ (871,162)	\$ (458,235)	\$ 652,433	\$ (681,889)	\$ (2,881,449)	\$ (4,231,681)	\$ (4,525,555)	\$ (10,530,609)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.15%	101.09%	98.53%	101.43%	105.80%	108.13%	108.44%	117.04%
Covered Payroll	\$ 13,507,051	\$ 13,508,240	\$ 14,307,019	\$ 14,667,955	\$ 14,843,552	\$ 15,251,089	\$ 15,475,580	\$ 16,245,751
Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.45%	3.39%	4.56%	(4.65)%	(19.41)%	(27.75)%	(29.24)%	(64.82)%

Note 1: Ten years of data will be presented when available.

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

Lawrence County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 1,393,943	\$ 1,320,163	\$ 1,397,768	\$ 1,433,034	\$ 1,450,213	\$ 1,490,029	\$ 1,075,556	\$ 1,127,462	\$ 316,998
Less: Contributions in Relation to the Actuarially Determined Contribution	(1,393,943)	(1,320,163)	(1,397,768)	(1,433,034)	(1,450,213)	(1,490,029)	(1,083,294)	(1,127,462)	(316,998)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (7,738)	\$ 0	\$ 0
Covered Payroll	\$ 13,507,051	\$ 13,508,240	\$ 14,307,019	\$ 14,667,955	\$ 14,843,552	\$ 15,251,089	\$ 15,475,580	\$ 16,245,751	\$ 17,611,000
Contributions as a Percentage of Covered Payroll	10.32%	9.77%	9.77%	9.77%	9.77%	9.77%	7.00%	6.94%	1.80%

Note 1: Ten years of data will be presented when available.

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-3

Lawrence County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Lawrence County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 13,833	\$ 48,374	\$ 81,585	\$ 98,331	\$ 65,843	\$ 78,006	\$ 99,675	\$ 106,048
Less: Contributions in Relation to the Contractually Required Contribution	(13,833)	(48,374)	(81,585)	(98,331)	(65,843)	(78,006)	(99,675)	(106,048)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 345,812	\$ 1,209,349	\$ 1,937,690	\$ 2,493,546	\$ 3,393,963	\$ 3,842,677	\$ 4,934,380	\$ 5,276,030
Contributions as a Percentage of Covered Payroll	4%	4%	4%	4%	1.94%	2.03%	2.02%	2.01%

Note 1: Ten years of data will be presented when available.

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%
 2020: Pension - 2.03%, SRT - 1.97%
 2021: Pension - 2.02%, SRT - 1.98%
 2022: Pension - 2.01%, SRT - 1.99%

Exhibit E-4

Lawrence County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Lawrence County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 2,266,972	\$ 2,284,174	\$ 2,269,765	\$ 2,287,823	\$ 2,278,712	\$ 2,569,550	\$ 2,639,259	\$ 2,666,988	\$ 2,377,846
Less: Contributions in Relation to the Contractually Required Contribution	(2,266,972)	(2,284,174)	(2,269,765)	(2,287,823)	(2,278,712)	(2,569,550)	(2,639,259)	(2,666,988)	(2,377,846)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 25,528,961	\$ 25,267,416	\$ 25,108,537	\$ 25,409,660	\$ 25,060,676	\$ 24,565,513	\$ 24,828,382	\$ 25,968,707	\$ 23,085,883
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%

Note: Ten years of data will be presented when available.

Exhibit E-5

Lawrence County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Plan of TCRS
Discretely Presented Lawrence County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.166438%	0.274849%	0.310756%	0.281306%	0.320728%	0.304509%	0.341902%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (6,696)	\$ (28,613)	\$ (81,990)	\$ (127,580)	\$ (181,046)	\$ (173,157)	\$ (370,353)
Covered Payroll	\$ 345,812	\$ 1,209,349	\$ 1,937,690	\$ 2,493,546	\$ 3,393,963	\$ 3,842,677	\$ 4,934,380
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.23)%	(5.12)%	(5.33)%	(4.51)%	(7.51)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

Note: Ten years of data will be presented when available.

Exhibit E-6

Lawrence County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Lawrence County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.650421%	0.674967%	0.695552%	0.715930%	0.716684%	0.732611%	0.745988%	0.791206%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (105,690)	\$ 276,490	\$ 4,346,814	\$ (234,241)	\$ (2,521,952)	\$ (7,532,558)	\$ (5,688,707)	\$ (34,126,606)
Covered Payroll	\$ 25,528,961	\$ 25,267,416	\$ 25,108,537	\$ 25,409,660	\$ 25,060,676	\$ 24,565,513	\$ 24,828,382	\$ 25,968,707
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094253%	17.31%	(.92)%	(10.06)%	(30.66)%	(22.91)%	(131.41)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

Note: Ten years of data will be presented when available.

Exhibit E-7

Lawrence County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios
Primary Government
For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 46,959	\$ 44,426	\$ 52,552	\$ 50,823	\$ 61,127
Interest	15,268	19,530	21,001	19,271	13,825
Differences Between Actual and Expected Experience	0	(57,396)	(110,440)	(34,262)	(62,897)
Changes in Assumptions or Other Inputs	(27,516)	30,552	25,124	47,370	(142,388)
Benefit Payments	(4,793)	(8,125)	(19,410)	(15,805)	(18,093)
Net Change in Total OPEB Liability	\$ 29,918	\$ 28,987	\$ (31,173)	\$ 67,397	\$ (148,426)
Total OPEB Liability, Beginning	478,310	508,228	537,215	506,042	573,439
Total OPEB Liability, Ending	\$ 508,228	\$ 537,215	\$ 506,042	\$ 573,439	\$ 425,013
Covered Employee Payroll	\$ 8,904,896	\$ 9,386,103	\$ 10,071,303	\$ 9,965,184	\$ 10,578,700
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.71%	5.72%	5.02%	5.75%	4.02%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

- For the 2019 plan year - from 5.4% to 6.75%
- For the 2020 plan year - from 6.75% to 6.03%
- For the 2021 plan year - from 6.03% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%

Note 3: No assets are accumulated in the trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Lawrence County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios
Discretely Presented Lawrence County School Department
For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 1,610,450	\$ 1,502,935	\$ 1,012,315	\$ 764,815	\$ 972,638
Interest	713,301	880,300	696,172	599,474	421,520
Changes in Benefit Terms	0	(3,585,307)	(1,913,334)	0	0
Differences Between Actual and Expected Experience	0	(3,610,217)	295,263	(634,518)	110,294
Changes in Assumptions or Other Inputs	(1,059,033)	676,565	(1,211,182)	1,792,748	(891,514)
Benefit Payments	(789,339)	(926,251)	(820,874)	(746,195)	(723,495)
Net Change in Total OPEB Liability	\$ 475,379	\$ (5,061,975)	\$ (1,941,640)	\$ 1,776,324	\$ (110,557)
Total OPEB Liability, Beginning	23,212,341	23,687,720	18,625,745	16,684,105	18,460,429
Total OPEB Liability, Ending	\$ 23,687,720	\$ 18,625,745	\$ 16,684,105	\$ 18,460,429	\$ 18,349,872
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 5,007,442	\$ 4,568,634	\$ 4,380,444	\$ 4,765,504	\$ 5,087,429
Employer Proportionate Share of the Total OPEB Liability	18,680,278	14,057,111	12,303,661	13,694,925	13,262,443
Covered Employee Payroll	\$ 32,901,250	\$ 34,363,765	\$ 34,842,637	\$ 36,093,652	\$ 38,043,035
Net OPEB Liability as a Percentage of Covered Employee Payroll	56.78%	40.91%	35.31%	37.94%	34.86%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

- For the 2019 plan year - from 5.4% to 6.75%
- For the 2020 plan year - from 6.75% to 6.03%
- For the 2021 plan year - from 6.03% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%

Note 3: No assets are accumulated in the trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

LAWRENCE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

I. TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2022 were calculated based on the July 1, 2020, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation; averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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.

Special Purpose Fund – The Special Purpose Fund is used to account for revenues received from rental income and expenditures related to a county building that offers college classes.

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

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

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

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

Higher Education Fund – The Higher Education Fund is used to account for the financial resources to be used for the construction of a county building to offer college classes.

Permanent Fund

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

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

Exhibit F-1

Lawrence County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2022

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Industrial/ Economic Development	Special Purpose	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 152,210	\$ 152,210
Equity in Pooled Cash and Investments	64,502	254,768	8,169	69,288	0	396,727
Accounts Receivable	827	0	0	2,040	30,139	33,006
Total Assets	\$ 65,329	\$ 254,768	\$ 8,169	\$ 71,328	\$ 182,349	\$ 581,943
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 1,288	\$ 0	\$ 1,288
Due to Litigants, Heirs, and Others	0	0	0	0	5	5
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 1,288	\$ 5	\$ 1,293
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:						
Restricted for Public Safety	65,329	0	0	70,040	0	135,369
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for General Government	0	0	8,169	0	111,307	119,476
Committed for Finance	0	0	0	0	71,037	71,037
Committed for Public Health and Welfare	0	254,768	0	0	0	254,768
Total Fund Balances	\$ 65,329	\$ 254,768	\$ 8,169	\$ 70,040	\$ 182,344	\$ 580,650
Total Liabilities and Fund Balances	\$ 65,329	\$ 254,768	\$ 8,169	\$ 71,328	\$ 182,349	\$ 581,943

(Continued)

Exhibit F-1

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

	Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Total	Endowment	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 152,210
Equity in Pooled Cash and Investments	434,747	27,703	462,450	75,799	934,976
Accounts Receivable	0	0	0	0	33,006
Total Assets	\$ 434,747	\$ 27,703	\$ 462,450	\$ 75,799	\$ 1,120,192
<u>LIABILITIES</u>					
Accounts Payable	\$ 37,375	\$ 0	\$ 37,375	\$ 0	\$ 38,663
Due to Litigants, Heirs, and Others	0	0	0	0	5
Total Liabilities	\$ 37,375	\$ 0	\$ 37,375	\$ 0	\$ 38,668
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 75,799	\$ 75,799
Restricted:					
Restricted for Public Safety	0	0	0	0	135,369
Restricted for Capital Projects	397,372	27,703	425,075	0	425,075
Committed:					
Committed for General Government	0	0	0	0	119,476
Committed for Finance	0	0	0	0	71,037
Committed for Public Health and Welfare	0	0	0	0	254,768
Total Fund Balances	\$ 397,372	\$ 27,703	\$ 425,075	\$ 75,799	\$ 1,081,524
Total Liabilities and Fund Balances	\$ 434,747	\$ 27,703	\$ 462,450	\$ 75,799	\$ 1,120,192

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, 2022

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Industrial/ Economic Development	Special Purpose	Drug Control	Constitu - tional Officers - Fees	Total
<u>Revenues</u>						
Local Taxes	\$ 14,664	\$ 0	\$ 0	\$ 0	\$ 0	14,664
Fines, Forfeitures, and Penalties	628	0	0	31,182	0	31,810
Charges for Current Services	0	0	0	0	715,743	715,743
Other Local Revenues	0	1,809	0	0	0	1,809
Other Governments and Citizens Groups	0	0	0	0	0	0
Total Revenues	<u>\$ 15,292</u>	<u>\$ 1,809</u>	<u>\$ 0</u>	<u>\$ 31,182</u>	<u>\$ 715,743</u>	<u>\$ 764,026</u>
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 654,330	\$ 654,330
Administration of Justice	0	0	0	0	1,485	1,485
Public Safety	0	0	0	26,293	0	26,293
Other Operations	13,684	0	0	0	0	13,684
Capital Projects	0	44,978	0	0	0	44,978
Total Expenditures	<u>\$ 13,684</u>	<u>\$ 44,978</u>	<u>\$ 0</u>	<u>\$ 26,293</u>	<u>\$ 655,815</u>	<u>\$ 740,770</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,608</u>	<u>\$ (43,169)</u>	<u>\$ 0</u>	<u>\$ 4,889</u>	<u>\$ 59,928</u>	<u>\$ 23,256</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 8,169	\$ 0	\$ 0	8,169
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,169</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,169</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Industrial/ Economic Development	Special Purpose	Drug Control	Constitu - tional Officers - Fees	
Net Change in Fund Balances	\$ 1,608	\$ (43,169)	\$ 8,169	\$ 4,889	\$ 59,928	\$ 31,425
Fund Balance, July 1, 2021	63,721	297,937	0	65,151	122,416	549,225
Fund Balance, June 30, 2022	\$ 65,329	\$ 254,768	\$ 8,169	\$ 70,040	\$ 182,344	\$ 580,650

(Continued)

Exhibit F-2

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

	Capital Projects Funds				Permanent Fund	Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Higher Education Fund	Total	Endowment	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	14,664
Fines, Forfeitures, and Penalties	0	0	0	0	0	31,810
Charges for Current Services	0	0	0	0	0	715,743
Other Local Revenues	0	0	0	0	0	1,809
Other Governments and Citizens Groups	0	0	554,701	554,701	0	554,701
Total Revenues	\$ 0	\$ 0	\$ 554,701	\$ 554,701	\$ 0	\$ 1,318,727
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	654,330
Administration of Justice	0	0	0	0	0	1,485
Public Safety	0	0	0	0	0	26,293
Other Operations	0	0	0	0	0	13,684
Capital Projects	460,528	447,047	725,340	1,632,915	0	1,677,893
Total Expenditures	\$ 460,528	\$ 447,047	\$ 725,340	\$ 1,632,915	\$ 0	\$ 2,373,685
Excess (Deficiency) of Revenues						
Over Expenditures	\$ (460,528)	\$ (447,047)	\$ (170,639)	\$ (1,078,214)	\$ 0	\$ (1,054,958)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	8,169
Transfers Out	0	0	(8,169)	(8,169)	0	(8,169)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (8,169)	\$ (8,169)	\$ 0	\$ 0

(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	Higher Education Fund		Endowment	
Net Change in Fund Balances	\$ (460,528)	\$ (447,047)	\$ (178,808)	\$ (1,086,383)	\$ 0	\$ (1,054,958)
Fund Balance, July 1, 2021	857,900	474,750	178,808	1,511,458	75,799	2,136,482
Fund Balance, June 30, 2022	\$ 397,372	\$ 27,703	\$ 0	\$ 425,075	\$ 75,799	\$ 1,081,524

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 14,664	\$ 16,500	\$ 16,500	\$ (1,836)
Fines, Forfeitures, and Penalties	628	225	225	403
Total Revenues	<u>\$ 15,292</u>	<u>\$ 16,725</u>	<u>\$ 16,725</u>	<u>\$ (1,433)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 13,684	\$ 30,300	\$ 30,300	\$ 16,616
Total Expenditures	<u>\$ 13,684</u>	<u>\$ 30,300</u>	<u>\$ 30,300</u>	<u>\$ 16,616</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,608</u>	<u>\$ (13,575)</u>	<u>\$ (13,575)</u>	<u>\$ 15,183</u>
Net Change in Fund Balance	\$ 1,608	\$ (13,575)	\$ (13,575)	\$ 15,183
Fund Balance, July 1, 2021	<u>63,721</u>	<u>61,075</u>	<u>61,075</u>	<u>2,646</u>
Fund Balance, June 30, 2022	<u>\$ 65,329</u>	<u>\$ 47,500</u>	<u>\$ 47,500</u>	<u>\$ 17,829</u>

Exhibit F-4

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 1,809	\$ 0	\$ 0	\$ 1,809
Total Revenues	<u>\$ 1,809</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,809</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 3,775	\$ 20,000	\$ 19,500	\$ 15,725
Public Utility Projects	41,203	118,721	169,221	128,018
Total Expenditures	<u>\$ 44,978</u>	<u>\$ 138,721</u>	<u>\$ 188,721</u>	<u>\$ 143,743</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (43,169)</u>	<u>\$ (138,721)</u>	<u>\$ (188,721)</u>	<u>\$ 145,552</u>
Net Change in Fund Balance	\$ (43,169)	\$ (138,721)	\$ (188,721)	\$ 145,552
Fund Balance, July 1, 2021	<u>297,937</u>	<u>271,122</u>	<u>271,122</u>	<u>26,815</u>
Fund Balance, June 30, 2022	<u>\$ 254,768</u>	<u>\$ 132,401</u>	<u>\$ 82,401</u>	<u>\$ 172,367</u>

Exhibit F-5

Lawrence County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 Special Purpose Fund
 For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 8,169	\$ 0	\$ 8,169	\$ 0
Total Other Financing Sources	\$ 8,169	\$ 0	\$ 8,169	\$ 0
Net Change in Fund Balance	\$ 8,169	\$ 0	\$ 8,169	\$ 0
Fund Balance, July 1, 2021	0	0	0	0
Fund Balance, June 30, 2022	\$ 8,169	\$ 0	\$ 8,169	\$ 0

Exhibit F-6

Lawrence County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 Drug Control Fund
 For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 31,182	\$ 23,800	\$ 23,800	\$ 7,382
Total Revenues	\$ 31,182	\$ 23,800	\$ 23,800	\$ 7,382
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 26,293	\$ 29,800	\$ 35,400	\$ 9,107
Total Expenditures	\$ 26,293	\$ 29,800	\$ 35,400	\$ 9,107
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,889	\$ (6,000)	\$ (11,600)	\$ 16,489
Net Change in Fund Balance	\$ 4,889	\$ (6,000)	\$ (11,600)	\$ 16,489
Fund Balance, July 1, 2021	65,151	43,356	43,356	21,795
Fund Balance, June 30, 2022	\$ 70,040	\$ 37,356	\$ 31,756	\$ 38,284

Exhibit F-7

Lawrence County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 General Capital Projects Fund
 For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 460,528	\$ 825,000	\$ 824,999	\$ 364,471
Total Expenditures	\$ 460,528	\$ 825,000	\$ 824,999	\$ 364,471
Excess (Deficiency) of Revenues Over Expenditures	\$ (460,528)	\$ (825,000)	\$ (824,999)	\$ 364,471
Net Change in Fund Balance	\$ (460,528)	\$ (825,000)	\$ (824,999)	\$ 364,471
Fund Balance, July 1, 2021	857,900	832,274	832,274	25,626
Fund Balance, June 30, 2022	\$ 397,372	\$ 7,274	\$ 7,275	\$ 390,097

Exhibit F-8

Lawrence County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 Highway Capital Projects Fund
 For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Capital Projects</u>				
Highway and Street Capital Projects	\$ 447,047	\$ 447,047	\$ 447,047	\$ 0
Total Expenditures	\$ 447,047	\$ 447,047	\$ 447,047	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (447,047)	\$ (447,047)	\$ (447,047)	\$ 0
Net Change in Fund Balance	\$ (447,047)	\$ (447,047)	\$ (447,047)	\$ 0
Fund Balance, July 1, 2021	474,750	474,750	474,750	0
Fund Balance, June 30, 2022	\$ 27,703	\$ 27,703	\$ 27,703	\$ 0

Exhibit F-9

Lawrence County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 Higher Education Fund
 For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Governments and Citizens Groups	\$ 554,701	\$ 0	\$ 574,699	\$ (19,998)
Total Revenues	\$ 554,701	\$ 0	\$ 574,699	\$ (19,998)
<u>Expenditures</u>				
<u>Capital Projects</u>				
Education Capital Projects	\$ 725,340	\$ 10,000	\$ 725,340	\$ 0
Total Expenditures	\$ 725,340	\$ 10,000	\$ 725,340	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (170,639)	\$ (10,000)	\$ (150,641)	\$ (19,998)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (8,169)	\$ 0	\$ (8,169)	\$ 0
Total Other Financing Sources	\$ (8,169)	\$ 0	\$ (8,169)	\$ 0
Net Change in Fund Balance	\$ (178,808)	\$ (10,000)	\$ (158,810)	\$ (19,998)
Fund Balance, July 1, 2021	178,808	178,808	178,808	0
Fund Balance, June 30, 2022	\$ 0	\$ 168,808	\$ 19,998	\$ (19,998)

Major Governmental Fund

General 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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,149,566	\$ 4,851,036	\$ 4,851,036	\$ 298,530
Other Local Revenues	35,004	35,000	35,000	4
Other Governments and Citizens Groups	1,125,944	1,125,944	1,125,944	0
Total Revenues	<u>\$ 6,310,514</u>	<u>\$ 6,011,980</u>	<u>\$ 6,011,980</u>	<u>\$ 298,534</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 2,416,473	\$ 2,740,342	\$ 2,416,473	\$ 0
Highways and Streets	523,898	442,376	523,898	0
Education	1,320,337	1,077,868	1,320,337	0
<u>Interest on Debt</u>				
General Government	1,042,413	1,073,213	1,042,413	0
Highways and Streets	30,212	18,776	30,212	0
Education	523,853	504,610	523,853	0
<u>Other Debt Service</u>				
General Government	89,130	89,000	96,715	7,585
Total Expenditures	<u>\$ 5,946,316</u>	<u>\$ 5,946,185</u>	<u>\$ 5,953,901</u>	<u>\$ 7,585</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 364,198</u>	<u>\$ 65,795</u>	<u>\$ 58,079</u>	<u>\$ 306,119</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 113,333	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 113,333</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 364,198	\$ 179,128	\$ 58,079	\$ 306,119
Fund Balance, July 1, 2021	6,144,256	5,937,590	5,937,590	206,666
Fund Balance, June 30, 2022	<u>\$ 6,508,454</u>	<u>\$ 6,116,718</u>	<u>\$ 5,995,669</u>	<u>\$ 512,785</u>

Custodial Funds

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

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.

Constitutional Officers - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial capacity by the county clerk, circuit and general sessions 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.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues that are held in trust for the benefit of the judicial district drug task force.

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

Lawrence County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2022

	Custodial Funds				
	Cities - Sales Tax	Constitu- tional Officers - Custodial	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,481,136	\$ 32,548	\$ 0	\$ 1,513,684
Equity in Pooled Cash and Investments	0	0	102,584	10,826	113,410
Accounts Receivable	0	1,251	5,061	0	6,312
Due from Other Governments	1,149,800	0	2,050	0	1,151,850
Total Assets	\$ 1,149,800	\$ 1,482,387	\$ 142,243	\$ 10,826	\$ 2,785,256
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 2,635	\$ 0	\$ 2,635
Due to Other Taxing Units	1,149,800	0	0	0	1,149,800
Total Liabilities	\$ 1,149,800	\$ 0	\$ 2,635	\$ 0	\$ 1,152,435
<u>NET POSITION</u>					
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 1,482,387	\$ 139,608	\$ 10,826	\$ 1,632,821
Total Net Position	\$ 0	\$ 1,482,387	\$ 139,608	\$ 10,826	\$ 1,632,821

Exhibit H-2

Lawrence County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2022

	<u>Custodial Funds</u>				
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Judicial District Drug	District Attorney General	Total
<u>ADDITIONS</u>					
Sales Tax Collections for Other Governments	\$ 6,468,495	\$ 0	\$ 0	\$ 0	\$ 6,468,495
Fines/Fees and Other Collections	0	10,593,866	0	0	10,593,866
Drug Task Force Collections	0	0	94,323	0	94,323
District Attorney General Collections	0	0	0	16,592	16,592
Total Additions	<u>\$ 6,468,495</u>	<u>\$ 10,593,866</u>	<u>\$ 94,323</u>	<u>\$ 16,592</u>	<u>\$ 17,173,276</u>
<u>DEDUCTIONS</u>					
Payment of Sales Tax Collections to Other Governments	\$ 6,468,495	\$ 0	\$ 0	\$ 0	\$ 6,468,495
Payments to State	0	6,489,550	0	0	6,489,550
Payments to County/City	0	2,228,754	0	0	2,228,754
Payments to Individuals and Others	0	1,467,482	0	0	1,467,482
Payment of Drug Task Force Expenses	0	0	106,232	0	106,232
Payment of District Attorney General Expenses	0	0	0	28,437	28,437
Total Deductions	<u>\$ 6,468,495</u>	<u>\$ 10,185,786</u>	<u>\$ 106,232</u>	<u>\$ 28,437</u>	<u>\$ 16,788,950</u>
Change in Net Position	\$ 0	\$ 408,080	\$ (11,909)	\$ (11,845)	\$ 384,326
Net Position July 1, 2021	0	1,074,307	151,517	22,671	1,248,495
Net Position June 30, 2022	<u>\$ 0</u>	<u>\$ 1,482,387</u>	<u>\$ 139,608</u>	<u>\$ 10,826</u>	<u>\$ 1,632,821</u>

Lawrence County School Department

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

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

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

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

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

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

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, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 35,731,002	\$ 313,093	\$ 6,615,958	\$ (28,801,951)
Support Services	26,722,009	2,208,618	6,314,082	(18,199,309)
Operation of Non-instructional Services	8,096,221	243,513	5,424,293	(2,428,415)
Total Governmental Activities	\$ 70,549,232	\$ 2,765,224	\$ 18,354,333	\$ (49,429,675)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 6,364,695
Local Option Sales Tax				8,580,698
Other Local Taxes				27,197
Grants and Contributions Not Restricted to Specific Programs				42,692,337
Miscellaneous				330,342
Total General Revenues				\$ 57,995,269
Change in Net Position				\$ 8,565,594
Net Position, July 1, 2021				69,196,128
Net Position, June 30, 2022				\$ 77,761,722

Exhibit I-2

Lawrence County, Tennessee
 Balance Sheet - Governmental Funds
Discretely Presented Lawrence County School Department
 June 30, 2022

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,866,195	\$ 1,866,195
Equity in Pooled Cash and Investments	14,021,268	1,256,436	7,904,099	3,006,376	26,188,179
Inventories	0	0	0	125,243	125,243
Accounts Receivable	0	0	0	1,687	1,687
Due from Other Governments	3,658,525	659,422	0	164,992	4,482,939
Property Taxes Receivable	6,545,999	0	0	0	6,545,999
Allowance for Uncollectible Property Taxes	(91,792)	0	0	0	(91,792)
Restricted Assets	364,701	0	0	0	364,701
Total Assets	<u>\$ 24,498,701</u>	<u>\$ 1,915,858</u>	<u>\$ 7,904,099</u>	<u>\$ 5,164,493</u>	<u>\$ 39,483,151</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 87,468	\$ 0	\$ 46,387	\$ 727	\$ 134,582
Payroll Deductions Payable	2,007,988	265,858	0	27,019	2,300,865
Contracts Payable	0	0	881,353	0	881,353
Due to Other Governments	0	0	0	46,982	46,982
Total Liabilities	<u>\$ 2,095,456</u>	<u>\$ 265,858</u>	<u>\$ 927,740</u>	<u>\$ 74,728</u>	<u>\$ 3,363,782</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,221,776	\$ 0	\$ 0	\$ 0	\$ 6,221,776
Deferred Delinquent Property Taxes	232,431	0	0	0	232,431
Other Deferred/Unavailable Revenue	754,061	0	0	0	754,061
Total Deferred Inflows of Resources	<u>\$ 7,208,268</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,208,268</u>

(Continued)

Exhibit I-2

Lawrence County, Tennessee
 Balance Sheet - Governmental Funds
Discretely Presented Lawrence County School Department (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 0	\$ 0	\$ 125,243	\$ 125,243
Restricted:					
Restricted for Education	0	0	6,976,359	4,833,383	11,809,742
Restricted for Hybrid Retirement Stabilization Funds	364,701	0	0	0	364,701
Committed:					
Committed for Education	0	1,650,000	0	131,139	1,781,139
Assigned:					
Assigned for Education	1,613,365	0	0	0	1,613,365
Assigned for Capital Outlay	5,784,112	0	0	0	5,784,112
Unassigned	7,432,799	0	0	0	7,432,799
Total Fund Balances	<u>\$ 15,194,977</u>	<u>\$ 1,650,000</u>	<u>\$ 6,976,359</u>	<u>\$ 5,089,765</u>	<u>\$ 28,911,101</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,498,701</u>	<u>\$ 1,915,858</u>	<u>\$ 7,904,099</u>	<u>\$ 5,164,493</u>	<u>\$ 39,483,151</u>

Exhibit I-3

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, 2022

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)		\$	28,911,101
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,443,954	
Add: construction in progress		11,143,828	
Add: buildings and improvements net of accumulated depreciation		26,522,128	
Add: other capital assets net of accumulated depreciation		<u>6,194,860</u>	45,304,770
(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	\$	(81,488)	
Less: net OPEB liability		<u>(13,262,443)</u>	(13,343,931)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expenses in future years.			
Add: deferred outflows of resources related to pensions	\$	13,839,618	
Less: deferred inflows of resources related to pensions		(34,164,169)	
Add: deferred outflows of resources related to OPEB		2,066,238	
Less: deferred inflows of resources related to OPEB		<u>(4,497,053)</u>	(22,755,366)
(4) Net pension assets of the agent, teacher retirement, and teacher legacy pension plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	4,161,697	
Add: net pension asset - teacher retirement plan		370,353	
Add: net pension asset - teacher legacy pension plan		<u>34,126,606</u>	38,658,656
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>986,492</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>77,761,722</u></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, 2022

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 14,789,205	\$ 0	\$ 0	\$ 0	\$ 14,789,205
Licenses and Permits	1,520	0	0	0	1,520
Charges for Current Services	147,830	0	0	408,776	556,606
Other Local Revenues	369,218	0	16,192	2,197,091	2,582,501
State of Tennessee	42,468,576	0	0	45,748	42,514,324
Federal Government	521,547	12,067,212	0	5,475,282	18,064,041
Total Revenues	\$ 58,297,896	\$ 12,067,212	\$ 16,192	\$ 8,126,897	\$ 78,508,197
<u>Expenditures</u>					
Current:					
Instruction	\$ 32,966,023	\$ 6,598,800	\$ 0	\$ 0	\$ 39,564,823
Support Services	17,488,062	4,508,734	0	0	21,996,796
Operation of Non-Instructional Services	1,444,701	376,079	0	6,402,858	8,223,638
Capital Outlay	3,159,202	248,252	0	0	3,407,454
Debt Service:					
Other Debt Service	1,125,944	0	0	0	1,125,944
Capital Projects	0	0	8,964,876	0	8,964,876
Total Expenditures	\$ 56,183,932	\$ 11,731,865	\$ 8,964,876	\$ 6,402,858	\$ 83,283,531
Excess (Deficiency) of Revenues Over Expenditures					
	\$ 2,113,964	\$ 335,347	\$ (8,948,684)	\$ 1,724,039	\$ (4,775,334)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 477,998	\$ 0	\$ 0	\$ 0	\$ 477,998
Transfers In	335,347	0	0	0	335,347

(Continued)

Exhibit I-4

Lawrence County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Lawrence County School Department (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>					
Transfers Out	\$ 0	\$ (335,347)	\$ 0	\$ 0	\$ (335,347)
Total Other Financing Sources (Uses)	\$ 813,345	\$ (335,347)	\$ 0	\$ 0	\$ 477,998
Net Change in Fund Balances	\$ 2,927,309	\$ 0	\$ (8,948,684)	\$ 1,724,039	\$ (4,297,336)
Fund Balance, July 1, 2021	12,267,668	1,650,000	15,925,043	3,365,726	33,208,437
Fund Balance, June 30, 2022	\$ 15,194,977	\$ 1,650,000	\$ 6,976,359	\$ 5,089,765	\$ 28,911,101

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, 2022

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)		\$ (4,297,336)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their 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	\$ 6,856,815	
Less: current-year depreciation expense	<u>(2,580,044)</u>	4,276,771
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2021	\$ (803,107)	
Add: deferred delinquent property taxes and other deferred June 30, 2022	<u>986,492</u>	183,385
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (5,579)	
Change in net OPEB liability	432,482	
Change in deferred outflows of resources related to pensions	8,184,344	
Change in deferred outflows of resources related to OPEB	(203,853)	
Change in deferred inflows of resources related to pensions	(30,807,514)	
Change in deferred inflows of resources related to OPEB	(205,399)	
Change in net pension asset - agent plan	2,373,198	
Change in net pension asset - teacher retirement plan	197,196	
Change in net pension asset - teacher legacy pension plan	<u>28,437,899</u>	<u>8,402,774</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 8,565,594</u>

Exhibit I-6

Lawrence County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Lawrence County School Department
 June 30, 2022

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	Internal School	
<u>ASSETS</u>				
Cash	\$ 1,100	\$ 0	\$ 1,865,095	\$ 1,866,195
Equity in Pooled Cash and Investments	2,829,739	176,637	0	3,006,376
Inventories	125,243	0	0	125,243
Accounts Receivable	0	1,484	203	1,687
Due from Other Governments	164,992	0	0	164,992
Total Assets	<u>\$ 3,121,074</u>	<u>\$ 178,121</u>	<u>\$ 1,865,298</u>	<u>\$ 5,164,493</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 727	\$ 727
Payroll Deductions Payable	27,019	0	0	27,019
Due to Other Governments	0	46,982	0	46,982
Total Liabilities	<u>\$ 27,019</u>	<u>\$ 46,982</u>	<u>\$ 727</u>	<u>\$ 74,728</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 125,243	\$ 0	\$ 0	\$ 125,243
Restricted:				
Restricted for Education	2,968,812	0	1,864,571	4,833,383
Committed:				
Committed for Education	0	131,139	0	131,139
Total Fund Balances	<u>\$ 3,094,055</u>	<u>\$ 131,139</u>	<u>\$ 1,864,571</u>	<u>\$ 5,089,765</u>
Total Liabilities and Fund Balances	<u>\$ 3,121,074</u>	<u>\$ 178,121</u>	<u>\$ 1,865,298</u>	<u>\$ 5,164,493</u>

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, 2022

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	Internal School	
<u>Revenues</u>				
Charges for Current Services	\$ 243,513	\$ 165,263	\$ 0	\$ 408,776
Other Local Revenues	1,073	0	2,196,018	2,197,091
State of Tennessee	33,708	12,040	0	45,748
Federal Government	5,475,282	0	0	5,475,282
Total Revenues	<u>\$ 5,753,576</u>	<u>\$ 177,303</u>	<u>\$ 2,196,018</u>	<u>\$ 8,126,897</u>
<u>Expenditures</u>				
Current:				
Operation of Non-Instructional Services	\$ 4,219,205	\$ 155,632	\$ 2,028,021	\$ 6,402,858
Total Expenditures	<u>\$ 4,219,205</u>	<u>\$ 155,632</u>	<u>\$ 2,028,021</u>	<u>\$ 6,402,858</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,534,371</u>	<u>\$ 21,671</u>	<u>\$ 167,997</u>	<u>\$ 1,724,039</u>
Net Change in Fund Balances	\$ 1,534,371	\$ 21,671	\$ 167,997	\$ 1,724,039
Fund Balance, July 1, 2021	1,559,684	109,468	1,696,574	3,365,726
Fund Balance, June 30, 2022	<u>\$ 3,094,055</u>	<u>\$ 131,139</u>	<u>\$ 1,864,571</u>	<u>\$ 5,089,765</u>

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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 14,789,205	\$ 0	\$ 0	\$ 14,789,205	\$ 11,938,874	\$ 11,938,874	\$ 2,850,331
Licenses and Permits	1,520	0	0	1,520	1,000	1,000	520
Charges for Current Services	147,830	0	0	147,830	65,000	130,200	17,630
Other Local Revenues	369,218	0	0	369,218	7,500	272,927	96,291
State of Tennessee	42,468,576	0	0	42,468,576	39,979,748	42,643,149	(174,573)
Federal Government	521,547	0	0	521,547	0	522,042	(495)
Total Revenues	\$ 58,297,896	\$ 0	\$ 0	\$ 58,297,896	\$ 51,992,122	\$ 55,508,192	\$ 2,789,704
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 26,288,192	\$ 0	\$ 0	\$ 26,288,192	\$ 25,935,349	\$ 26,976,758	\$ 688,566
Alternative Instruction Program	371,656	0	0	371,656	450,090	399,090	27,434
Special Education Program	3,795,707	0	0	3,795,707	4,175,880	3,906,380	110,673
Career and Technical Education Program	2,510,468	0	0	2,510,468	2,598,730	2,602,006	91,538
<u>Support Services</u>							
Health Services	118,117	0	0	118,117	634,100	460,705	342,588
Other Student Support	871,581	0	0	871,581	1,529,230	1,119,350	247,769
Regular Instruction Program	1,574,306	0	1,156	1,575,462	1,359,533	1,648,998	73,536
Alternative Instruction Program	30,267	0	0	30,267	25,500	35,500	5,233
Special Education Program	232,992	0	0	232,992	218,270	303,242	70,250
Career and Technical Education Program	132,351	0	0	132,351	92,180	145,180	12,829
Technology	500,826	0	0	500,826	502,415	569,615	68,789
Other Programs	201,068	0	0	201,068	0	201,068	0
Board of Education	1,044,548	0	0	1,044,548	1,060,935	1,060,935	16,387
Director of Schools	348,627	(4,005)	0	344,622	439,930	394,930	50,308
Office of the Principal	3,894,508	0	0	3,894,508	3,880,650	3,969,920	75,412
Fiscal Services	341,651	0	0	341,651	359,185	365,835	24,184
Human Services/Personnel	179,127	0	0	179,127	166,290	200,314	21,187
Operation of Plant	3,937,557	0	16,938	3,954,495	3,605,880	3,958,201	3,706

(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 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 1,360,988	\$ (19,501)	\$ 91,681	\$ 1,433,168	\$ 1,041,370	\$ 1,510,096	\$ 76,928
Transportation	2,595,750	0	0	2,595,750	2,373,560	2,703,396	107,646
Central and Other	123,798	0	0	123,798	82,000	150,000	26,202
<u>Operation of Non-Instructional Services</u>							
Community Services	342,248	0	0	342,248	90,190	515,682	173,434
Early Childhood Education	1,102,453	0	0	1,102,453	0	1,112,527	10,074
<u>Capital Outlay</u>							
Regular Capital Outlay	3,159,202	0	1,043,183	4,202,385	363,810	8,153,508	3,951,123
<u>Other Debt Service</u>							
Education	1,125,944	0	0	1,125,944	1,127,045	1,127,045	1,101
Total Expenditures	\$ 56,183,932	\$ (23,506)	\$ 1,152,958	\$ 57,313,384	\$ 52,112,122	\$ 63,590,281	\$ 6,276,897
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,113,964	\$ 23,506	\$ (1,152,958)	\$ 984,512	\$ (120,000)	\$ (8,082,089)	\$ 9,066,601
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 477,998	\$ 0	\$ 0	\$ 477,998	\$ 0	\$ 158,221	\$ 319,777
Transfers In	335,347	0	0	335,347	120,000	120,000	215,347
Transfers Out	0	0	0	0	0	(7,551)	7,551
Total Other Financing Sources	\$ 813,345	\$ 0	\$ 0	\$ 813,345	\$ 120,000	\$ 270,670	\$ 542,675
Net Change in Fund Balance	\$ 2,927,309	\$ 23,506	\$ (1,152,958)	\$ 1,797,857	\$ 0	\$ (7,811,419)	\$ 9,609,276
Fund Balance, July 1, 2021	12,267,668	(23,506)	0	12,244,162	7,236,687	7,236,687	5,007,475
Fund Balance, June 30, 2022	\$ 15,194,977	\$ 0	\$ (1,152,958)	\$ 14,042,019	\$ 7,236,687	\$ (574,732)	\$ 14,616,751

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Federal Government	\$ 12,067,212	\$ 26,386,351	\$ 27,613,139	\$ (15,545,927)
Total Revenues	\$ 12,067,212	\$ 26,386,351	\$ 27,613,139	\$ (15,545,927)
Expenditures				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,700,307	\$ 13,466,079	\$ 13,816,066	\$ 9,115,759
Special Education Program	1,783,778	1,994,733	2,014,233	230,455
Career and Technical Education Program	114,715	101,328	114,715	0
<u>Support Services</u>				
Health Services	836,281	1,002,812	1,062,062	225,781
Other Student Support	621,423	824,325	817,466	196,043
Regular Instruction Program	1,944,350	2,032,179	2,740,044	795,694
Special Education Program	498,698	824,226	629,726	131,028
Career and Technical Education Program	858	2,500	858	0
Technology	7,119	10,670	7,470	351
Office of the Principal	128,334	145,754	128,334	0
Fiscal Services	0	180,000	226,200	226,200
Operation of Plant	1,703	20,000	20,000	18,297
Maintenance of Plant	48,615	128,348	128,348	79,733
Transportation	421,353	541,872	548,280	126,927
<u>Operation of Non-Instructional Services</u>				
Food Service	72,783	72,900	72,900	117
Community Services	303,296	0	415,062	111,766
<u>Capital Outlay</u>				
Regular Capital Outlay	248,252	3,713,625	3,719,545	3,471,293
Total Expenditures	\$ 11,731,865	\$ 25,061,351	\$ 26,461,309	\$ 14,729,444
Excess (Deficiency) of Revenues Over Expenditures	\$ 335,347	\$ 1,325,000	\$ 1,151,830	\$ (816,483)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (335,347)	\$ (1,325,000)	\$ (1,151,830)	\$ 816,483
Total Other Financing Sources	\$ (335,347)	\$ (1,325,000)	\$ (1,151,830)	\$ 816,483
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2021	1,650,000	0	0	1,650,000
Fund Balance, June 30, 2022	\$ 1,650,000	\$ 0	\$ 0	\$ 1,650,000

Exhibit I-10

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lawrence County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 243,513	\$ 0	\$ 243,513	\$ 747,900	\$ 259,050	\$ (15,537)
Other Local Revenues	1,073	0	1,073	8,100	3,100	(2,027)
State of Tennessee	33,708	0	33,708	38,000	38,000	(4,292)
Federal Government	5,475,282	0	5,475,282	3,202,000	5,475,000	282
Total Revenues	\$ 5,753,576	\$ 0	\$ 5,753,576	\$ 3,996,000	\$ 5,775,150	\$ (21,574)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 4,219,205	\$ 120,606	\$ 4,339,811	\$ 3,996,000	\$ 4,829,320	\$ 489,509
Total Expenditures	\$ 4,219,205	\$ 120,606	\$ 4,339,811	\$ 3,996,000	\$ 4,829,320	\$ 489,509
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,534,371	\$ (120,606)	\$ 1,413,765	\$ 0	\$ 945,830	\$ 467,935
Net Change in Fund Balance	\$ 1,534,371	\$ (120,606)	\$ 1,413,765	\$ 0	\$ 945,830	\$ 467,935
Fund Balance, July 1, 2021	1,559,684	0	1,559,684	1,382,055	1,382,055	177,629
Fund Balance, June 30, 2022	\$ 3,094,055	\$ (120,606)	\$ 2,973,449	\$ 1,382,055	\$ 2,327,885	\$ 645,564

Exhibit I-11

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lawrence County School Department
Extended School Program Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 165,263	\$ 117,000	\$ 173,000	\$ (7,737)
State of Tennessee	12,040	6,000	16,000	(3,960)
Federal Government	0	0	46,982	(46,982)
Total Revenues	<u>\$ 177,303</u>	<u>\$ 123,000</u>	<u>\$ 235,982</u>	<u>\$ (58,679)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Community Services	\$ 155,632	\$ 123,000	\$ 240,331	\$ 84,699
Total Expenditures	<u>\$ 155,632</u>	<u>\$ 123,000</u>	<u>\$ 240,331</u>	<u>\$ 84,699</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 21,671</u>	<u>\$ 0</u>	<u>\$ (4,349)</u>	<u>\$ 26,020</u>
Net Change in Fund Balance	\$ 21,671	\$ 0	\$ (4,349)	\$ 26,020
Fund Balance, July 1, 2021	<u>109,468</u>	<u>109,857</u>	<u>109,857</u>	<u>(389)</u>
Fund Balance, June 30, 2022	<u>\$ 131,139</u>	<u>\$ 109,857</u>	<u>\$ 105,508</u>	<u>\$ 25,631</u>

Exhibit I-12

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lawrence County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 16,192	\$ 0	\$ 16,192	\$ 0
Total Revenues	\$ 16,192	\$ 0	\$ 16,192	\$ 0
<u>Expenditures</u>				
<u>Capital Projects</u>				
Education Capital Projects	\$ 8,964,876	\$ 15,245,063	\$ 15,245,063	\$ 6,280,187
Total Expenditures	\$ 8,964,876	\$ 15,245,063	\$ 15,245,063	\$ 6,280,187
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,948,684)	\$ (15,245,063)	\$ (15,228,871)	\$ 6,280,187
Net Change in Fund Balance	\$ (8,948,684)	\$ (15,245,063)	\$ (15,228,871)	\$ 6,280,187
Fund Balance, July 1, 2021	15,925,043	15,545,063	15,545,063	379,980
Fund Balance, June 30, 2022	\$ 6,976,359	\$ 300,000	\$ 316,192	\$ 6,660,167

MISCELLANEOUS SCHEDULES

Exhibit J-1

Lawrence County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Paid and/or Matured During Period	Outstanding 6-30-22
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Capital Outlay Note Series 2014	\$ 3,500,000	1.83	% 12-19-14	12-1-26	\$ 1,875,000	\$ 295,000	\$ 1,580,000
General Obligation Capital Outlay Note Series 2016	2,000,000	1.60	3-3-16	3-1-23	592,500	292,500	300,000
General Obligation Capital Outlay Note Series 2016	2,000,000	1.60	3-3-16	3-1-23	592,500	292,500	300,000
General Obligation Highway Capital Outlay Note Series 2019	450,000	2.55	10-9-19	10-9-22	303,833	149,998	153,835
Total Notes Payable					<u>\$ 3,363,833</u>	<u>\$ 1,029,998</u>	<u>\$ 2,333,835</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Energy Efficient Schools Initiative	3,044,529	1.5	6-25-19	11-1-32	\$ 2,908,848	\$ 235,368	\$ 2,673,480
Total Other Loans Payable					<u>\$ 2,908,848</u>	<u>\$ 235,368</u>	<u>\$ 2,673,480</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation, Series 2012	132,000	3.38	4-26-12	4-26-50	\$ 113,834	\$ 2,374	\$ 111,460
General Obligation, Series 2012	165,000	3.38	6-21-12	6-21-50	142,292	2,968	139,324
General Obligation, Series 2012	2,750,000	3.38	12-1-12	12-1-27	1,380,000	185,000	1,195,000
General Obligation Refunding, Series 2016	7,015,000	1.70	4-27-16	5-1-31	4,905,000	450,000	4,455,000
General Obligation Refunding, Series 2017	8,215,000	2.57	4-28-17	4-1-37	6,895,000	350,000	6,545,000
General Obligation Improvement, Series 2017	495,000	2.57	4-28-17	4-1-37	415,000	20,000	395,000
General Obligation Refunding, Series 2017A	7,860,000	2.70	12-14-17	12-1-36	5,855,000	700,000	5,155,000
General Obligation Improvement, Series 2017A	1,505,000	2.70	12-14-17	12-1-36	1,320,000	65,000	1,255,000
General Obligation School Improvement, Series 2019	9,975,000	2.47	5-15-19	5-1-34	8,900,000	550,000	8,350,000
General Obligation Improvement, Series 2019A	15,550,000	2.68	11-1-19	11-1-44	15,185,000	385,000	14,800,000
General Obligation School Bond Series 2020	6,000,000	1.60	9-22-20	10-1-44	6,000,000	185,000	5,815,000
General Obligation School Refunding Bond Series 2020	1,375,000	1.26	10-22-20	10-1-32	1,375,000	100,000	1,275,000
Total Bonds Payable					<u>\$ 52,486,126</u>	<u>\$ 2,995,342</u>	<u>\$ 49,490,784</u>

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 3,095,522	\$ 1,395,854	\$ 4,491,376
2024	3,190,708	1,298,592	4,489,300
2025	3,290,901	1,196,063	4,486,964
2026	3,391,100	1,094,464	4,485,564
2027	2,861,306	1,002,505	3,863,811
2028	2,951,519	914,065	3,865,584
2029	2,826,739	825,137	3,651,876
2030	2,916,966	735,769	3,652,735
2031	3,007,202	643,761	3,650,963
2032	2,552,445	555,643	3,108,088
2033	2,617,695	487,882	3,105,577
2034	2,547,956	421,277	2,969,233
2035	1,768,224	353,924	2,122,148
2036	1,808,501	309,461	2,117,962
2037	1,853,788	263,327	2,117,115
2038	994,085	220,352	1,214,437
2039	1,019,392	195,973	1,215,365
2040	1,049,709	170,565	1,220,274
2041	1,075,037	143,143	1,218,180
2042	1,105,375	113,636	1,219,011
2043	1,135,725	82,911	1,218,636
2044	1,166,088	51,323	1,217,411
2045	1,201,461	18,824	1,220,285
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	13,494	456	13,950
Total	\$ 49,490,784	\$ 12,501,005	\$ 61,991,789

(Continued)

Exhibit J-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2023	\$ 1,058,835	\$ 45,967	\$ 1,104,802
2024	310,000	24,418	334,418
2025	315,000	17,972	332,972
2026	320,000	11,025	331,025
2027	330,000	3,711	333,711
Total	<u>\$ 2,333,835</u>	<u>\$ 103,093</u>	<u>\$ 2,436,928</u>

Year Ending June 30	Other Loans		Total
	Principal	Interest	
2023	\$ 238,932	\$ 38,112	\$ 277,044
2024	242,532	34,512	277,044
2025	246,192	30,852	277,044
2026	249,912	27,132	277,044
2027	253,692	23,352	277,044
2028	257,520	19,524	277,044
2029	261,408	15,636	277,044
2030	265,356	11,688	277,044
2031	269,364	7,680	277,044
2032	273,432	3,612	277,044
2033	115,140	261	115,401
Total	<u>\$ 2,673,480</u>	<u>\$ 212,361</u>	<u>\$ 2,885,841</u>

Exhibit J-3

Lawrence County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Lawrence County School Department

For the Year Ended June 30, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Solid Waste/Sanitation	Operations	\$ 4,934
"	Highway/Public Works	Operations	19,189
American Rescue Plan Act Grant	General	Operations	8,574,954
Higher Education	Special Purpose	Operations	<u>8,169</u>
Total Transfers Primary Government			<u>\$ 8,607,246</u>
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 335,347</u>
Total Transfers Discretely Presented Lawrence County School Department			<u>\$ 335,347</u>

Exhibit J-4

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, 2022

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA	\$ 108,218	\$ 400,000	Local Government Property and Casualty Fund
Road Superintendent	Section 8-24-102, TCA	97,393	400,000	"
Director of Schools	State Board of Education and County Board of Education	154,755 (1)	400,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, TCA	88,493	400,000	Local Government Property and Casualty Fund
Assessor of Property	Section 8-24-102, TCA	88,493	400,000	"
Director of Accounts and Budgets	County Commission	92,729 (2)	400,000	"
County Clerk	Section 8-24-102, TCA	88,493	400,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	88,493	400,000	"
Clerk and Master	Section 8-24-102, TCA	88,493 (3)	100,000	(5) Auto-Owners Insurance Company
Register of Deeds	Section 8-24-102, TCA	88,493	400,000	Local Government Property and Casualty Fund
Sheriff	Section 8-24-102, TCA	102,210 (4)	400,000	"
<u>Employee Blanket Bonds</u>				
Public Employee Dishonesty - County Departments			400,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Departments			400,000	Tennessee Risk Management Trust

- 1) Includes a cell phone allowance of \$1,800, travel allowance of \$12,000, family insurance benefit of \$6,242, unused vacation days of \$5,309, and a career ladder supplement of \$2,000.
- 2) Does not include longevity pay of \$2,100, CCFO and Certified Public Administrator stipends totaling \$2,539, or a bonus of \$500.
- 3) Does not include special commissioner fees of \$1,485.
- 4) Does not include a law enforcement training supplement of \$800.
- 5) Covered under the Public Employee Dishonesty - County Blanket Bond.

Exhibit J-5

Lawrence County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2022

	Special Revenue Funds					American Rescue Plan Act Grant
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,304,711	\$ 0	\$ 377,258	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	321,688	0	13,043	0	0	0
Trustee's Collections - Bankruptcy	144	0	6	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	78,126	0	3,168	0	0	0
Interest and Penalty	54,899	0	2,228	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	353,281	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	4,402	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	236,077	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	96,899	0	0	0	0	0
Litigation Tax - Special Purpose	50,892	14,664	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	5,460	0	0	0	0	0
Business Tax	506,559	0	0	0	0	0
Mixed Drink Tax	394	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	201,944	0	0	0	0	0
Total Local Taxes	\$ 11,215,476	\$ 14,664	\$ 395,703	\$ 0	\$ 0	0

(Continued)

Exhibit J-5

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	American Rescue Plan Act Grant
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,553	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	53,117	0	0	0	0	0
<u>Permits</u>						
Beer Permits	3,887	0	0	0	0	0
Total Licenses and Permits	\$ 58,557	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 8,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	18,348	0	0	0	0	0
Drug Control Fines	10,200	0	0	0	7,279	0
Jail Fees	9,659	0	0	0	0	0
Data Entry Fee - Circuit Court	2,159	0	0	0	0	0
Courtroom Security Fee	0	628	0	0	0	0
<u>Criminal Court</u>						
Officers Costs	92	0	0	0	0	0
DUI Treatment Fines	1,092	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	11,585	0	0	0	0	0
Fines for Littering	142	0	0	0	0	0
Officers Costs	33,753	0	0	0	0	0
Game and Fish Fines	454	0	0	0	0	0
Drug Control Fines	3,810	0	0	0	3,657	0
DUI Treatment Fines	5,426	0	0	0	0	0
Data Entry Fee - General Sessions Court	10,926	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					American Rescue Plan Act Grant
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 9,810	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	789	0	0	0	0	0
Data Entry Fee - Juvenile Court	204	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,259	0	0	0	0	0
Data Entry Fee - Chancery Court	4,040	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	20,246	0
Total Fines, Forfeitures, and Penalties	\$ 133,648	\$ 628	\$ 0	\$ 0	\$ 31,182	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 459,531	\$ 0	\$ 0	0
Residential Waste Collection Charge	0	0	648,550	0	0	0
Tipping Fees	0	0	528	0	0	0
Surcharge - General	0	0	54,655	0	0	0
Solid Waste Disposal Fee	0	0	31,646	0	0	0
Surcharge - Waste Tire Disposal	0	0	66,635	0	0	0
Patient Charges	1,842,766	0	0	0	0	0
Service Charges	3,287	0	0	0	0	0
<u>Fees</u>						
Copy Fees	5,992	0	0	0	0	0
Library Fees	1,674	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	76,065	0	0	0	0	0

(Continued)

Exhibit J-5

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	American Rescue Plan Act Grant
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Constitutional Officers' Fees and Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	18,002	0	0	0	0	0
Data Processing Fee - Sheriff	1,717	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	6,300	0	0	0	0	0
Data Processing Fee - County Clerk	3,695	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	300	0	0	0	0	0
Total Charges for Current Services	\$ 1,959,898	\$ 0	\$ 1,261,545	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 45,808	\$ 0	\$ 212	\$ 0	\$ 0	\$ 888
Lease/Rentals	0	0	0	0	0	0
Commissary Sales	48,573	0	0	0	0	0
Sale of Recycled Materials	0	0	211,070	0	0	0
Miscellaneous Refunds	107,004	0	4,000	0	0	0
Expenditure Credits	1,000	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	15,041	0	0	0	0	0
Sale of Property	0	0	0	1,809	0	0
Total Other Local Revenues	\$ 217,426	\$ 0	\$ 215,282	\$ 1,809	\$ 0	\$ 888

(Continued)

Exhibit J-5

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

	Special Revenue Funds					American Rescue Plan Act Grant
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 108,731	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	463,714	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	110,759	0	0	0	0	0
General Sessions Court Clerk	163,150	0	0	0	0	0
Clerk and Master	135,745	0	0	0	0	0
Juvenile Court Clerk	36,627	0	0	0	0	0
Register	271,175	0	0	0	0	0
Sheriff	14,965	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,304,866	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	36,800	0	0	0	0	0
Other Public Safety Grants	120,321	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	345,771	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	41,824	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	3,456	0	0	0	0	0
Beer Tax	19,194	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					American Rescue Plan Act Grant
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Vehicle Certificate of Title Fees	\$ 11,874	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Alcoholic Beverage Tax	126,065	0	0	0	0	0
State Revenue Sharing - T.V.A.	889,474	0	0	0	0	0
State Revenue Sharing - Telecommunications	85,116	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	28,362	0	0	0	0	0
Contracted Prisoner Boarding	335,400	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	453,489	0	0	0	0	0
Other State Revenues	18,383	0	0	0	0	0
Total State of Tennessee	\$ 2,539,693	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	64,800	0	0	0	0	0
COVID-19 Grant #2	95,784	0	0	0	0	0
COVID-19 Grant C	3,563	0	0	0	0	0
COVID-19 Grant E	4,879	0	0	0	0	0
American Rescue Plan Act Grant #1	11,285	0	0	0	0	0
Other Federal through State	430,928	0	0	0	0	0
<u>Direct Federal Revenue</u>						
COVID-19 Grant #7	141,219	0	0	0	0	0
American Rescue Plan Act Grant #6	0	0	0	0	0	8,574,066

(Continued)

Exhibit J-5

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

	Special Revenue Funds					American Rescue Plan Act Grant
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue (Cont.)</u>						
Other Direct Federal Revenue	\$ 191,044	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 993,502	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,574,066
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 115,773	\$ 0	\$ 25,326	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>						
Donations	71,270	0	0	0	0	0
<u>Other</u>						
Other	1,380	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 188,423	\$ 0	\$ 25,326	\$ 0	\$ 0	\$ 0
Total	\$ 18,611,489	\$ 15,292	\$ 1,897,856	\$ 1,809	\$ 31,182	\$ 8,574,954

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	Higher Education Fund	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 1,709,825	\$ 1,961,571	\$ 0	\$ 13,353,365
Trustee's Collections - Prior Year	0	58,163	67,748	0	460,642
Trustee's Collections - Bankruptcy	0	26	30	0	206
Circuit Clerk/Clerk and Master Collections - Prior Years	0	14,356	16,470	0	112,120
Interest and Penalty	0	10,087	11,571	0	78,785
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	353,281
Payments in-Lieu-of Taxes - Other	0	0	0	0	4,402
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	1,884,789	0	1,884,789
Hotel/Motel Tax	0	0	0	0	236,077
Wheel Tax	0	0	1,039,188	0	1,039,188
Litigation Tax - General	0	0	0	0	96,899
Litigation Tax - Special Purpose	0	0	0	0	65,556
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	87,375	0	87,375
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	5,460
Business Tax	0	0	0	0	506,559
Mixed Drink Tax	0	0	0	0	394
Mineral Severance Tax	0	51,593	0	0	51,593
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	80,824	0	80,824
Wholesale Beer Tax	0	0	0	0	201,944
Total Local Taxes	\$ 0	\$ 1,844,050	\$ 5,149,566	\$ 0	\$ 18,619,459

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service	Capital	Total
	Constitu - tional - Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Fund Higher Education Fund	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	1,553
Cable TV Franchise	0	0	0	0	53,117
<u>Permits</u>					
Beer Permits	0	0	0	0	3,887
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>58,557</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	8,900
Officers Costs	0	0	0	0	18,348
Drug Control Fines	0	0	0	0	17,479
Jail Fees	0	0	0	0	9,659
Data Entry Fee - Circuit Court	0	0	0	0	2,159
Courtroom Security Fee	0	0	0	0	628
<u>Criminal Court</u>					
Officers Costs	0	0	0	0	92
DUI Treatment Fines	0	0	0	0	1,092
<u>General Sessions Court</u>					
Fines	0	0	0	0	11,585
Fines for Littering	0	0	0	0	142
Officers Costs	0	0	0	0	33,753
Game and Fish Fines	0	0	0	0	454
Drug Control Fines	0	0	0	0	7,467
DUI Treatment Fines	0	0	0	0	5,426
Data Entry Fee - General Sessions Court	0	0	0	0	10,926

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Higher Education Fund	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	9,810
Officers Costs	0	0	0	0	789
Data Entry Fee - Juvenile Court	0	0	0	0	204
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	2,259
Data Entry Fee - Chancery Court	0	0	0	0	4,040
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	20,246
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	165,458
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	459,531
Residential Waste Collection Charge	0	0	0	0	648,550
Tipping Fees	0	0	0	0	528
Surcharge - General	0	0	0	0	54,655
Solid Waste Disposal Fee	0	0	0	0	31,646
Surcharge - Waste Tire Disposal	0	0	0	0	66,635
Patient Charges	0	0	0	0	1,842,766
Service Charges	0	0	0	0	3,287
<u>Fees</u>					
Copy Fees	0	0	0	0	5,992
Library Fees	0	0	0	0	1,674
Greenbelt Late Application Fee	0	0	0	0	100
Telephone Commissions	0	0	0	0	76,065

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	Higher Education Fund	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Constitutional Officers' Fees and Commissions	\$ 714,258	\$ 0	\$ 0	\$ 0	\$ 714,258
Special Commissioner Fees/Special Master Fees	1,485	0	0	0	1,485
Data Processing Fee - Register	0	0	0	0	18,002
Data Processing Fee - Sheriff	0	0	0	0	1,717
Sexual Offender Registration Fee - Sheriff	0	0	0	0	6,300
Data Processing Fee - County Clerk	0	0	0	0	3,695
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	300
Total Charges for Current Services	\$ 715,743	\$ 0	\$ 0	\$ 0	\$ 3,937,186
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,908
Lease/Rentals	0	0	35,004	0	35,004
Commissary Sales	0	0	0	0	48,573
Sale of Recycled Materials	0	4,997	0	0	216,067
Miscellaneous Refunds	0	0	0	0	111,004
Expenditure Credits	0	0	0	0	1,000
<u>Nonrecurring Items</u>					
Sale of Equipment	0	79,626	0	0	94,667
Sale of Property	0	0	0	0	1,809
Total Other Local Revenues	\$ 0	\$ 84,623	\$ 35,004	\$ 0	\$ 555,032

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
	<u>Constitu -</u> <u>Officers -</u> <u>Fees</u>	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>Fund</u> <u>General</u> <u>Debt</u> <u>Service</u>	<u>Projects Fund</u> <u>Higher</u> <u>Education</u> <u>Fund</u>	
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	108,731
Trustee	0	0	0	0	463,714
<u>Fees In-Lieu-of Salary</u>					
Circuit Court Clerk	0	0	0	0	110,759
General Sessions Court Clerk	0	0	0	0	163,150
Clerk and Master	0	0	0	0	135,745
Juvenile Court Clerk	0	0	0	0	36,627
Register	0	0	0	0	271,175
Sheriff	0	0	0	0	14,965
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	1,304,866
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	36,800
Other Public Safety Grants	0	0	0	0	120,321
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	345,771
<u>Public Works Grants</u>					
State Aid Program	0	230,673	0	0	230,673
Litter Program	0	0	0	0	41,824
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	3,456
Beer Tax	0	0	0	0	19,194

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>Fund</u>	<u>Projects Fund</u>	
	<u>Officers -</u>	<u>Public</u>	<u>General</u>	<u>Higher</u>	
	<u>Fees</u>	<u>Works</u>	<u>Debt</u>	<u>Education</u>	<u>Total</u>
			<u>Service</u>	<u>Fund</u>	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Vehicle Certificate of Title Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,874
Alcoholic Beverage Tax	0	0	0	0	126,065
State Revenue Sharing - T.V.A.	0	0	0	0	889,474
State Revenue Sharing - Telecommunications	0	0	0	0	85,116
State Shared Sports Gaming Privilege Tax	0	0	0	0	28,362
Contracted Prisoner Boarding	0	0	0	0	335,400
Gasoline and Motor Fuel Tax	0	2,957,484	0	0	2,957,484
Petroleum Special Tax	0	29,418	0	0	29,418
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	453,489
Other State Revenues	0	0	0	0	18,383
Total State of Tennessee	\$ 0	\$ 3,217,575	\$ 0	\$ 0	\$ 5,757,268
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,000
Law Enforcement Grants	0	0	0	0	64,800
COVID-19 Grant #2	0	0	0	0	95,784
COVID-19 Grant C	0	0	0	0	3,563
COVID-19 Grant E	0	0	0	0	4,879
American Rescue Plan Act Grant #1	0	0	0	0	11,285
Other Federal through State	0	0	0	0	430,928
<u>Direct Federal Revenue</u>					
COVID-19 Grant #7	0	0	0	0	141,219
American Rescue Plan Act Grant #6	0	0	0	0	8,574,066

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	Higher Education Fund	Total
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue (Cont.)</u>					
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 191,044
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,567,568
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 1,125,944	\$ 43,224	\$ 1,310,267
<u>Citizens Groups</u>					
Donations	0	160,746	0	511,477	743,493
<u>Other</u>					
Other	0	0	0	0	1,380
Total Other Governments and Citizens Groups	\$ 0	\$ 160,746	\$ 1,125,944	\$ 554,701	\$ 2,055,140
Total	\$ 715,743	\$ 5,306,994	\$ 6,310,514	\$ 554,701	\$ 42,020,534

Exhibit J-6

Lawrence County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2022

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,963,842	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	195,662	0	0	0	0
Trustee's Collections - Bankruptcy	93	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	50,320	0	0	0	0
Interest and Penalty	35,365	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	8,516,726	0	0	0	0
Mixed Drink Tax	27,197	0	0	0	0
Total Local Taxes	\$ 14,789,205	\$ 0	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,520	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 1,520	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 7,600	\$ 0	\$ 0	\$ 0	\$ 0
Tuition - Other	0	0	0	165,263	0
Lunch Payments - Adults	0	0	109,293	0	0
A la Carte Sales	0	0	132,337	0	0
Receipts from Individual Schools	66,345	0	1,883	0	0
Other Charges for Services	73,885	0	0	0	0
Total Charges for Current Services	\$ 147,830	\$ 0	\$ 243,513	\$ 165,263	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ (16,828)	\$ 0	\$ 1,073	\$ 0	\$ 0
Sale of Materials and Supplies	12,600	0	0	0	0
Miscellaneous Refunds	15,154	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	41,547	0	0	0	0
Damages Recovered from Individuals	6,489	0	0	0	0
Contributions and Gifts	59,296	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	250,960	0	0	0	2,196,018
Total Other Local Revenues	<u>\$ 369,218</u>	<u>\$ 0</u>	<u>\$ 1,073</u>	<u>\$ 0</u>	<u>\$ 2,196,018</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 201,068	\$ 0	\$ 0	\$ 0	\$ 0
<u>State Education Funds</u>					
Basic Education Program	40,066,830	0	0	0	0
Early Childhood Education	1,121,890	0	0	0	0
School Food Service	0	0	33,708	0	0
Driver Education	20,072	0	0	0	0
Other State Education Funds	906,342	0	0	0	0
Career Ladder Program	100,633	0	0	0	0
<u>Other State Revenues</u>					
Other State Revenues	51,741	0	0	12,040	0
Total State of Tennessee	<u>\$ 42,468,576</u>	<u>\$ 0</u>	<u>\$ 33,708</u>	<u>\$ 12,040</u>	<u>\$ 0</u>

(Continued)

Exhibit J-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,695,254	\$ 0	\$ 0
USDA - Commodities	0	0	323,888	0	0
Breakfast	0	0	1,338,660	0	0
USDA - Other	0	0	32,783	0	0
Vocational Education - Basic Grants to States	0	138,439	0	0	0
Title I Grants to Local Education Agencies	0	1,940,379	0	0	0
Special Education - Grants to States	85,772	1,648,256	0	0	0
Special Education Preschool Grants	0	51,957	0	0	0
English Language Acquisition Grants	4,402	0	0	0	0
Rural Education	0	95,018	0	0	0
21st Century Community Learning Centers	195,472	0	0	0	0
Eisenhower Professional Development State Grants	0	227,719	0	0	0
COVID-19 Grant #1	0	268,466	0	0	0
COVID-19 Grant #4	0	1,477,871	0	0	0
COVID-19 Grant B	0	257,976	0	0	0
COVID-19 Grant D	0	318,153	0	0	0
COVID-19 Grant E	0	15,000	0	0	0
American Rescue Plan Act Grant #1	0	3,145,263	0	0	0
American Rescue Plan Act Grant #2	0	288,167	0	0	0
American Rescue Plan Act Grant #4	0	2,231	0	0	0
Other Federal through State	235,901	1,715,143	84,697	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	477,174	0	0	0
Total Federal Government	<u>\$ 521,547</u>	<u>\$ 12,067,212</u>	<u>\$ 5,475,282</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 58,297,896</u>	<u>\$ 12,067,212</u>	<u>\$ 5,753,576</u>	<u>\$ 177,303</u>	<u>\$ 2,196,018</u>

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 5,963,842
Trustee's Collections - Prior Year	0	195,662
Trustee's Collections - Bankruptcy	0	93
Circuit Clerk/Clerk and Master Collections - Prior Years	0	50,320
Interest and Penalty	0	35,365
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	8,516,726
Mixed Drink Tax	0	27,197
Total Local Taxes	<u>\$ 0</u>	<u>\$ 14,789,205</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 1,520
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 1,520</u>
<u>Charges for Current Services</u>		
<u>Education Charges</u>		
Tuition - Regular Day Students	\$ 0	\$ 7,600
Tuition - Other	0	165,263
Lunch Payments - Adults	0	109,293
A la Carte Sales	0	132,337
Receipts from Individual Schools	0	68,228
Other Charges for Services	0	73,885
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 556,606</u>

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<hr/>		
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ (15,755)
Sale of Materials and Supplies	0	12,600
Miscellaneous Refunds	16,192	31,346
<u>Nonrecurring Items</u>		
Sale of Equipment	0	41,547
Damages Recovered from Individuals	0	6,489
Contributions and Gifts	0	59,296
<u>Other Local Revenues</u>		
Other Local Revenues	0	2,446,978
Total Other Local Revenues	<u>\$ 16,192</u>	<u>\$ 2,582,501</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
On-behalf Contributions for OPEB	\$ 0	\$ 201,068
<u>State Education Funds</u>		
Basic Education Program	0	40,066,830
Early Childhood Education	0	1,121,890
School Food Service	0	33,708
Driver Education	0	20,072
Other State Education Funds	0	906,342
Career Ladder Program	0	100,633
<u>Other State Revenues</u>		
Other State Revenues	0	63,781
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 42,514,324</u>

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>Federal Government</u>		
<u>Federal Through State</u>		
USDA School Lunch Program	\$ 0	\$ 3,695,254
USDA - Commodities	0	323,888
Breakfast	0	1,338,660
USDA - Other	0	32,783
Vocational Education - Basic Grants to States	0	138,439
Title I Grants to Local Education Agencies	0	1,940,379
Special Education - Grants to States	0	1,734,028
Special Education Preschool Grants	0	51,957
English Language Acquisition Grants	0	4,402
Rural Education	0	95,018
21st Century Community Learning Centers	0	195,472
Eisenhower Professional Development State Grants	0	227,719
COVID-19 Grant #1	0	268,466
COVID-19 Grant #4	0	1,477,871
COVID-19 Grant B	0	257,976
COVID-19 Grant D	0	318,153
COVID-19 Grant E	0	15,000
American Rescue Plan Act Grant #1	0	3,145,263
American Rescue Plan Act Grant #2	0	288,167
American Rescue Plan Act Grant #4	0	2,231
Other Federal through State	0	2,035,741
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	0	477,174
Total Federal Government	<u>\$ 0</u>	<u>\$ 18,064,041</u>
Total	<u>\$ 16,192</u>	<u>\$ 78,508,197</u>

Exhibit J-7

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2022

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	68,598	
In-service Training		300	
Social Security		4,120	
Pensions		1,175	
Employer Medicare		964	
Advertising		1,875	
Audit Services		47,889	
Contributions		6,600	
Data Processing Services		9,710	
Dues and Memberships		8,680	
Travel		412	
Food Supplies		2,977	
Office Supplies		120	
Workers' Compensation Insurance		87	
Other Charges		100	
Data Processing Equipment		2,853	
Total County Commission			\$ 156,460

Beer Board

Board and Committee Members Fees	\$	1,500	
Social Security		91	
Employer Medicare		22	
Legal Notices, Recording, and Court Costs		234	
Workers' Compensation Insurance		4	
Criminal Investigation of Applicants - TBI		261	
Total Beer Board			2,112

County Mayor/Executive

County Official/Administrative Officer	\$	108,218	
Secretary(ies)		80,869	
Longevity Pay		700	
In-service Training		950	
Social Security		10,909	
Pensions		3,731	
Life Insurance		25	
Medical Insurance		20,995	
Disability Insurance		87	
Unemployment Compensation		52	
Employer Medicare		2,551	
Dues and Memberships		1,815	
Evaluation and Testing		29	
Maintenance Agreements		539	
Pest Control		50	
Postal Charges		118	
Food Supplies		2,528	
Office Supplies		1,802	
Other Supplies and Materials		659	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Workers' Compensation Insurance	\$	423	
Other Charges		1,224	
Total County Mayor/Executive			\$ 238,274

County Attorney

County Official/Administrative Officer	\$	46,731	
Social Security		2,897	
Pensions		935	
Employer Medicare		678	
Workers' Compensation Insurance		12	
Total County Attorney			51,253

Election Commission

County Official/Administrative Officer	\$	79,644	
Deputy(ies)		64,417	
Temporary Personnel		4,020	
Longevity Pay		800	
Overtime Pay		4,297	
Election Commission		3,100	
Election Workers		17,160	
Social Security		9,447	
Pensions		2,897	
Medical Insurance		23,085	
Unemployment Compensation		54	
Employer Medicare		2,209	
Contracts with Private Agencies		11,150	
Evaluation and Testing		667	
Legal Notices, Recording, and Court Costs		1,108	
Maintenance Agreements		15,366	
Maintenance and Repair Services - Buildings		9,162	
Pest Control		165	
Postal Charges		4,266	
Printing, Stationery, and Forms		2,306	
Rentals		900	
Office Supplies		3,662	
Utilities		4,995	
Other Supplies and Materials		547	
Liability Insurance		3,334	
Workers' Compensation Insurance		273	
Data Processing Equipment		2,280	
Other Capital Outlay		2,194	
Total Election Commission			273,505

Register of Deeds

County Official/Administrative Officer	\$	88,493	
Deputy(ies)		120,312	
Longevity Pay		2,900	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Social Security	\$	12,601	
Pensions		4,234	
Medical Insurance		30,780	
Unemployment Compensation		63	
Employer Medicare		2,947	
Data Processing Services		22,787	
Dues and Memberships		833	
Lease Payments		18,190	
Maintenance Agreements		539	
Pest Control		50	
Postal Charges		555	
Printing, Stationery, and Forms		458	
Travel		1,140	
Office Supplies		1,986	
Workers' Compensation Insurance		316	
Total Register of Deeds			\$ 309,184

County Buildings

Supervisor/Director	\$	53,222
Custodial Personnel		59,982
Longevity Pay		500
Overtime Pay		11,451
Social Security		7,697
Pensions		1,925
Employee and Dependent Insurance		476
Life Insurance		149
Medical Insurance		7,067
Dental Insurance		479
Disability Insurance		522
Unemployment Compensation		84
Employer Medicare		1,800
Communication		152,628
Evaluation and Testing		57
Maintenance Agreements		1,650
Maintenance and Repair Services - Buildings		92,438
Maintenance and Repair Services - Equipment		1,103
Maintenance and Repair Services - Vehicles		932
Pest Control		799
Postal Charges		178
Rentals		345
Custodial Supplies		14,201
Food Supplies		7,142
Gasoline		7,122
Office Supplies		48
Small Tools		235
Uniforms		150
Utilities		122,591

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Other Supplies and Materials	\$	580	
Workers' Compensation Insurance		2,824	
Other Charges		565	
Furniture and Fixtures		1,537	
Other Capital Outlay		7,099	
Total County Buildings			\$ 559,578

Preservation of Records

Supervisor/Director	\$	39,981	
Social Security		2,404	
Pensions		800	
Medical Insurance		7,695	
Unemployment Compensation		21	
Employer Medicare		562	
Communication		2,427	
Contracts with Private Agencies		387	
Dues and Memberships		30	
Maintenance Agreements		2,036	
Maintenance and Repair Services - Buildings		652	
Pest Control		165	
Travel		250	
Office Supplies		2,911	
Utilities		6,335	
Workers' Compensation Insurance		59	
Data Processing Equipment		156	
Total Preservation of Records			66,871

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	92,729	
Accountants/Bookkeepers		200,738	
Part-time Personnel		85	
Educational Incentive - Official/Admin Officer		6,277	
Longevity Pay		5,400	
Overtime Pay		7,843	
In-service Training		2,950	
Social Security		18,275	
Pensions		5,645	
Employee and Dependent Insurance		360	
Life Insurance		74	
Medical Insurance		36,529	
Dental Insurance		230	
Disability Insurance		261	
Unemployment Compensation		162	
Employer Medicare		4,274	
Communication		1,487	
Data Processing Services		18,755	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Dues and Memberships	\$	1,314	
Evaluation and Testing		86	
Legal Notices, Recording, and Court Costs		391	
Maintenance Agreements		3,562	
Maintenance and Repair Services - Buildings		863	
Pest Control		290	
Postal Charges		1,938	
Printing, Stationery, and Forms		1,741	
Travel		7,946	
Office Supplies		5,619	
Utilities		11,526	
Other Supplies and Materials		1,434	
Workers' Compensation Insurance		427	
Other Charges		1,598	
Data Processing Equipment		7,606	
Furniture and Fixtures		318	
Total Accounting and Budgeting			\$ 448,733

Property Assessor's Office

County Official/Administrative Officer	\$	88,493	
Deputy(ies)		152,363	
Longevity Pay		6,900	
Other Salaries and Wages		39,982	
Board and Committee Members Fees		1,128	
Social Security		17,124	
Pensions		5,674	
Employee and Dependent Insurance		720	
Life Insurance		149	
Medical Insurance		29,749	
Dental Insurance		479	
Disability Insurance		261	
Unemployment Compensation		108	
Employer Medicare		4,005	
Data Processing Services		15,140	
Dues and Memberships		1,885	
Maintenance Agreements		1,488	
Maintenance and Repair Services - Vehicles		1,000	
Pest Control		50	
Postal Charges		1,929	
Printing, Stationery, and Forms		390	
Travel		520	
Gasoline		1,550	
Office Supplies		3,242	
Other Supplies and Materials		198	
Workers' Compensation Insurance		2,304	
Other Charges		29	
Data Processing Equipment		12,252	
Office Equipment		3,602	
Total Property Assessor's Office			392,714

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

Pensions	\$	4,352	
Employee and Dependent Insurance		360	
Life Insurance		74	
Medical Insurance		23,085	
Dental Insurance		230	
Disability Insurance		261	
Unemployment Compensation		90	
Data Processing Services		10,388	
Dues and Memberships		708	
Evaluation and Testing		43	
Maintenance Agreements		539	
Pest Control		50	
Postal Charges		7,398	
Printing, Stationery, and Forms		8,043	
Office Supplies		672	
Workers' Compensation Insurance		328	
Data Processing Equipment		71	
Office Equipment		2,920	
Total County Trustee's Office			\$ 59,612

County Clerk's Office

Pensions	\$	7,612	
Employee and Dependent Insurance		40	
Life Insurance		82	
Medical Insurance		50,762	
Dental Insurance		59	
Disability Insurance		283	
Unemployment Compensation		165	
Dues and Memberships		858	
Evaluation and Testing		43	
Maintenance Agreements		22,607	
Pest Control		50	
Postal Charges		12,308	
Printing, Stationery, and Forms		1,621	
Office Supplies		3,437	
Other Supplies and Materials		86	
Workers' Compensation Insurance		747	
Total County Clerk's Office			100,760

Data Processing

Supervisor/Director	\$	72,446	
Social Security		4,417	
Pensions		1,449	
Medical Insurance		7,695	
Unemployment Compensation		21	
Employer Medicare		1,033	
Communication		565	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Contracts with Private Agencies	\$	225	
Data Processing Services		12,054	
Maintenance Agreements		35,302	
Office Supplies		143	
Other Supplies and Materials		853	
Workers' Compensation Insurance		470	
Data Processing Equipment		3,985	
Total Data Processing			\$ 140,658

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	88,493	
Deputy(ies)		355,753	
Part-time Personnel		1,080	
Longevity Pay		11,000	
Overtime Pay		5,816	
Jury and Witness Expense		16,352	
Social Security		27,811	
Pensions		8,872	
Employee and Dependent Insurance		990	
Life Insurance		198	
Medical Insurance		50,990	
Dental Insurance		169	
Disability Insurance		435	
Unemployment Compensation		247	
Employer Medicare		6,504	
Data Processing Services		32,673	
Dues and Memberships		1,253	
Evaluation and Testing		57	
Legal Notices, Recording, and Court Costs		121	
Maintenance Agreements		4,904	
Pest Control		94	
Postal Charges		3,026	
Printing, Stationery, and Forms		2,708	
Travel		2,223	
Office Supplies		8,674	
Other Supplies and Materials		162	
Workers' Compensation Insurance		593	
Other Charges		813	
Office Equipment		835	
Total Circuit Court			632,846

General Sessions Court

Judge(s)	\$	173,638	
Deputy(ies)		38,500	
Guards		67,810	
Temporary Personnel		1,900	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Part-time Personnel	\$	11,391	
Longevity Pay		1,600	
Overtime Pay		2,736	
Social Security		15,160	
Pensions		5,625	
Life Insurance		18	
Medical Insurance		22,586	
Dental Insurance		197	
Disability Insurance		239	
Unemployment Compensation		96	
Employer Medicare		3,545	
Dues and Memberships		320	
Maintenance Agreements		769	
Pest Control		94	
Postal Charges		9	
Printing, Stationery, and Forms		280	
Travel		823	
Office Supplies		1,731	
Other Supplies and Materials		591	
Workers' Compensation Insurance		498	
Total General Sessions Court			\$ 350,156

Chancery Court

County Official/Administrative Officer	\$	88,493	
Deputy(ies)		164,290	
Longevity Pay		5,400	
Social Security		15,388	
Pensions		5,164	
Medical Insurance		38,475	
Unemployment Compensation		84	
Employer Medicare		3,599	
Data Processing Services		12,051	
Dues and Memberships		1,198	
Maintenance Agreements		1,068	
Pest Control		94	
Postal Charges		2,060	
Printing, Stationery, and Forms		2,237	
Office Supplies		3,950	
Other Supplies and Materials		252	
Workers' Compensation Insurance		427	
Office Equipment		7,002	
Total Chancery Court			351,232

Juvenile Court

Deputy(ies)	\$	84,303	
Youth Service Officer(s)		8,887	
Salary Supplements		88,495	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Longevity Pay	\$	1,700	
Social Security		10,960	
Pensions		3,668	
Medical Insurance		23,619	
Unemployment Compensation		44	
Employer Medicare		2,563	
Dues and Memberships		120	
Postal Charges		805	
Travel		636	
Office Supplies		397	
Other Supplies and Materials		392	
Workers' Compensation Insurance		269	
Total Juvenile Court			\$ 226,858

Other Administration of Justice

Secretary(ies)	\$	26,385	
Social Security		1,636	
Pensions		188	
Life Insurance		50	
Disability Insurance		174	
Unemployment Compensation		42	
Employer Medicare		383	
Travel		5,273	
Other Contracted Services		5,000	
Office Supplies		5,050	
Total Other Administration of Justice			44,181

Courtroom Security

Deputy(ies)	\$	109,666	
Longevity Pay		2,700	
Overtime Pay		1,995	
Bonus Payments		1,000	
Social Security		6,899	
Pensions		2,247	
Medical Insurance		19,953	
Unemployment Compensation		104	
Employer Medicare		1,614	
Evaluation and Testing		78	
Law Enforcement Supplies		1,925	
Uniforms		1,777	
Law Enforcement Equipment		2,139	
Total Courtroom Security			152,097

Victim Assistance Programs

Assistant(s)	\$	48,164	
Longevity Pay		500	
Other Salaries and Wages		36,346	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Victim Assistance Programs (Cont.)

Social Security	\$	5,217	
Pensions		1,700	
Life Insurance		25	
Medical Insurance		12,877	
Disability Insurance		87	
Unemployment Compensation		42	
Employer Medicare		1,220	
Contracts with Private Agencies		7,460	
Printing, Stationery, and Forms		2,108	
Travel		578	
Office Supplies		535	
Other Supplies and Materials		900	
Workers' Compensation Insurance		95	
Total Victim Assistance Programs			\$ 117,854

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	102,210
Supervisor/Director		77,285
Deputy(ies)		712,653
Investigator(s)		251,222
Captain(s)		64,411
Lieutenant(s)		210,543
Sergeant(s)		296,491
Secretary(ies)		174,693
School Resource Officer		461,766
Longevity Pay		42,500
Overtime Pay		97,471
Bonus Payments		1,000
Other Salaries and Wages		20,748
In-service Training		49,734
Social Security		151,870
Pensions		46,861
Employee and Dependent Insurance		2,362
Life Insurance		620
Medical Insurance		328,270
Dental Insurance		1,492
Disability Insurance		1,582
Unemployment Compensation		1,245
Employer Medicare		35,518
Communication		3,412
Contracts with Private Agencies		6,091
Data Processing Services		1,173
Dues and Memberships		4,700
Evaluation and Testing		4,421
Maintenance Agreements		16,151
Maintenance and Repair Services - Buildings		4,141

(Continued)

Exhibit J-7

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 - Equipment	\$	2,446	
Maintenance and Repair Services - Office Equipment		35	
Maintenance and Repair Services - Vehicles		63,860	
Pest Control		258	
Postal Charges		1,318	
Printing, Stationery, and Forms		1,068	
Rentals		11,700	
Towing Services		4,011	
Travel		18,509	
Custodial Supplies		7,646	
Drugs and Medical Supplies		1,725	
Gasoline		130,185	
Law Enforcement Supplies		81,083	
Office Supplies		7,398	
Tires and Tubes		18,574	
Uniforms		53,826	
Utilities		8,419	
Other Supplies and Materials		848	
Workers' Compensation Insurance		56,345	
Other Self-insured Claims		5,500	
Other Charges		1,946	
Communication Equipment		2,638	
Data Processing Equipment		2,718	
Furniture and Fixtures		4,189	
Law Enforcement Equipment		9,165	
Motor Vehicles		89,322	
Total Sheriff's Department			\$ 3,757,368

Jail

Assistant(s)	\$	43,286
Lieutenant(s)		58,041
Sergeant(s)		154,207
Medical Personnel		106,171
Guards		826,878
Part-time Personnel		8,310
Longevity Pay		8,800
Overtime Pay		74,427
Bonus Payments		2,500
Social Security		77,421
Pensions		19,731
Employee and Dependent Insurance		1,471
Life Insurance		257
Medical Insurance		210,510
Dental Insurance		353
Disability Insurance		914
Unemployment Compensation		1,020
Employer Medicare		18,107

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Advertising	\$	58	
Communication		16,690	
Contracts with Private Agencies		26,988	
Evaluation and Testing		9,510	
Maintenance Agreements		10,239	
Maintenance and Repair Services - Buildings		78,392	
Maintenance and Repair Services - Equipment		55,336	
Maintenance and Repair Services - Vehicles		970	
Pest Control		350	
Printing, Stationery, and Forms		756	
Travel		3,792	
Other Contracted Services		23,406	
Custodial Supplies		28,638	
Drugs and Medical Supplies		56,662	
Food Supplies		226,728	
Gasoline		44	
Law Enforcement Supplies		4,858	
Uniforms		14,077	
Utilities		255,082	
Other Supplies and Materials		56,488	
Medical Claims		149,965	
Workers' Compensation Insurance		43,169	
Other Self-insured Claims		3,000	
Other Charges		29	
Data Processing Equipment		2,211	
Furniture and Fixtures		5,948	
Total Jail			\$ 2,685,790

Workhouse

Accountants/Bookkeepers	\$	8,200	
Guards		18,605	
Social Security		508	
Unemployment Compensation		15	
Employer Medicare		119	
Travel		254	
Food Supplies		4,596	
Gasoline		1,019	
Other Supplies and Materials		1,974	
Other Charges		21,824	
Total Workhouse			57,114

Work Release Program

Maintenance Personnel	\$	33,048	
Social Security		1,980	
Pensions		661	
Medical Insurance		7,695	
Unemployment Compensation		21	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Work Release Program (Cont.)

Employer Medicare	\$	463	
Maintenance and Repair Services - Equipment		3,058	
Maintenance and Repair Services - Vehicles		513	
Food Supplies		558	
Gasoline		4,003	
Lubricants		130	
Small Tools		9	
Tires and Tubes		459	
Uniforms		100	
Other Supplies and Materials		2,415	
Workers' Compensation Insurance		727	
Maintenance Equipment		700	
Total Work Release Program			\$ 56,540

Fire Prevention and Control

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

Civil Defense

In-service Training	\$	1,020	
Dues and Memberships		110	
Maintenance and Repair Services - Equipment		2,652	
Maintenance and Repair Services - Vehicles		1,121	
Gasoline		338	
Other Supplies and Materials		218	
Other Charges		50,000	
Total Civil Defense			55,459

Rescue Squad

Contributions	\$	472,500	
Total Rescue Squad			472,500

Other Emergency Management

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

County Coroner/Medical Examiner

Social Security	\$	644	
Pensions		212	
Medical Insurance		80	
Dental Insurance		1	
Disability Insurance		1	
Employer Medicare		150	
Medical and Dental Services		10,000	
Other Contracted Services		118,179	
Gasoline		110	
Total County Coroner/Medical Examiner			129,377

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Communication	\$	6,441	
Contracts with Government Agencies		90,290	
Dues and Memberships		200	
Janitorial Services		21,600	
Maintenance and Repair Services - Buildings		760	
Pest Control		264	
Disposal Fees		460	
Food Supplies		234	
Utilities		24,549	
Other Supplies and Materials		854	
Other Charges		1,215	
Total Local Health Center			\$ 146,867

Rabies and Animal Control

Contributions	\$	75,000	
Total Rabies and Animal Control			75,000

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	68,826	
Assistant(s)		55,097	
Medical Personnel		1,322,472	
Secretary(ies)		36,353	
Part-time Personnel		38,409	
Longevity Pay		24,800	
Overtime Pay		137,769	
In-service Training		3,499	
Social Security		100,070	
Pensions		31,924	
Employee and Dependent Insurance		271	
Life Insurance		87	
Medical Insurance		195,096	
Dental Insurance		148	
Disability Insurance		304	
Unemployment Compensation		685	
Employer Medicare		23,404	
On-behalf Payments to OPEB		150	
Communication		14,891	
Contracts with Private Agencies		108,609	
Dues and Memberships		815	
Evaluation and Testing		1,134	
Licenses		3,510	
Maintenance and Repair Services - Buildings		3,213	
Maintenance and Repair Services - Equipment		5,468	
Maintenance and Repair Services - Vehicles		78,336	
Pest Control		165	
Postal Charges		39	
Towing Services		2,720	

(Continued)

Exhibit J-7

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.)

Travel	\$	3,746	
Disposal Fees		854	
Custodial Supplies		2,031	
Drugs and Medical Supplies		102,146	
Gasoline		78,234	
Office Supplies		971	
Tires and Tubes		10,299	
Uniforms		9,866	
Utilities		19,526	
Other Supplies and Materials		397	
Liability Insurance		14,046	
Vehicle and Equipment Insurance		38,387	
Workers' Compensation Insurance		125,169	
Other Charges		201	
Data Processing Equipment		2,308	
Furniture and Fixtures		1,925	
Motor Vehicles		67,284	
Total Ambulance/Emergency Medical Services			\$ 2,735,654

Alcohol and Drug Programs

Assistant(s)	\$	35,023	
Other Salaries and Wages		53,980	
Social Security		4,752	
Pensions		1,534	
Life Insurance		22	
Medical Insurance		14,467	
Disability Insurance		76	
Unemployment Compensation		56	
Employer Medicare		1,111	
Communication		1,260	
Dues and Memberships		450	
Evaluation and Testing		43	
Postal Charges		3,378	
Travel		13,278	
Other Contracted Services		3,750	
Office Supplies		17,354	
Other Supplies and Materials		11,299	
Workers' Compensation Insurance		72	
Total Alcohol and Drug Programs			161,905

Other Local Health Services

Assistant(s)	\$	4,776	
Supervisor/Director		40,508	
Overtime Pay		769	
Social Security		2,677	
Pensions		906	
Medical Insurance		7,964	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Unemployment Compensation	\$	24	
Employer Medicare		626	
Travel		9,577	
Other Contracted Services		6,750	
Office Supplies		9,218	
Other Supplies and Materials		25,615	
Total Other Local Health Services			\$ 109,410

Appropriation to State

Longevity Pay	\$	2,400	
Overtime Pay		3,495	
Other Salaries and Wages		353,843	
Social Security		21,296	
Pensions		6,723	
Employee and Dependent Insurance		1,018	
Life Insurance		298	
Medical Insurance		39,670	
Dental Insurance		501	
Disability Insurance		1,044	
Unemployment Compensation		255	
Employer Medicare		4,980	
Evaluation and Testing		129	
Travel		1,648	
Liability Insurance		223	
Workers' Compensation Insurance		1,944	
Total Appropriation to State			439,467

Other Public Health and Welfare

Dues and Memberships	\$	9,504	
Other Contracted Services		72,171	
Total Other Public Health and Welfare			81,675

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	20,000	
Total Senior Citizens Assistance			20,000

Libraries

Supervisor/Director	\$	58,536	
Deputy(ies)		39,982	
Librarians		66,708	
Part-time Personnel		66,361	
Longevity Pay		3,600	
In-service Training		950	
Social Security		13,610	
Pensions		3,046	
Medical Insurance		27,506	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Unemployment Compensation	\$	193	
Employer Medicare		3,183	
Communication		4,521	
Dues and Memberships		459	
Evaluation and Testing		43	
Janitorial Services		900	
Maintenance Agreements		3,778	
Maintenance and Repair Services - Buildings		7,818	
Pest Control		350	
Postal Charges		1,410	
Printing, Stationery, and Forms		1,918	
Travel		50	
Custodial Supplies		1,503	
Instructional Supplies and Materials		6,755	
Library Books/Media		52,347	
Office Supplies		8,302	
Periodicals		4,302	
Utilities		18,882	
Refunds		6	
Workers' Compensation Insurance		336	
Other Charges		69	
Data Processing Equipment		4,060	
Furniture and Fixtures		2,239	
Office Equipment		1,503	
Total Libraries			\$ 405,226

Other Social, Cultural, and Recreational

Contributions	\$	82,984	
Total Other Social, Cultural, and Recreational			82,984

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	116,610	
Secretary(ies)		989	
Social Security		61	
Unemployment Compensation		3	
Employer Medicare		14	
Communication		2,176	
Dues and Memberships		500	
Maintenance Agreements		594	
Maintenance and Repair Services - Buildings		150	
Pest Control		132	
Disposal Fees		460	
Gasoline		553	
Instructional Supplies and Materials		1,195	
Utilities		9,469	
Workers' Compensation Insurance		8	
Total Agricultural Extension Service			132,914

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Salary Supplements	\$	57,438	
Social Security		3,048	
Pensions		1,010	
Medical Insurance		7,695	
Unemployment Compensation		21	
Employer Medicare		713	
Postal Charges		58	
Workers' Compensation Insurance		75	
Other Charges		1,519	
Total Soil Conservation	\$		71,577

Other Operations

Tourism

Contributions	\$	96,956	
Total Tourism			96,956

Industrial Development

Contributions	\$	204,800	
Total Industrial Development			204,800

Veterans' Services

Supervisor/Director	\$	43,978	
Secretary(ies)		45,508	
Longevity Pay		2,400	
Social Security		5,392	
Pensions		1,655	
Medical Insurance		16,213	
Unemployment Compensation		63	
Employer Medicare		1,261	
Communication		3,234	
Contracts with Private Agencies		216	
Evaluation and Testing		43	
Maintenance Agreements		1,327	
Maintenance and Repair Services - Buildings		11,979	
Maintenance and Repair Services - Vehicles		825	
Pest Control		235	
Postal Charges		99	
Travel		912	
Disposal Fees		460	
Gasoline		167	
Office Supplies		1,812	
Utilities		2,800	
Other Supplies and Materials		8,206	
Workers' Compensation Insurance		118	
Other Charges		3,240	
Office Equipment		4,844	
Total Veterans' Services			156,987

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Bonus Payments	\$	103,250	
Social Security		5,812	
Pensions		1,850	
Employer Medicare		1,359	
Communication		8,071	
Contracts with Private Agencies		350	
Data Processing Services		10,742	
Postal Charges		2,061	
Other Supplies and Materials		51	
Building and Contents Insurance		119,654	
Liability Insurance		161,150	
Refunds		32,278	
Trustee's Commission		245,644	
Vehicle and Equipment Insurance		73,596	
Other Charges		1,417	
Total Other Charges	\$		767,285

COVID-19 Grant #2

Data Processing Services	\$	65,000	
Data Processing Equipment		13,384	
Total COVID-19 Grant #2			78,384

COVID-19 Grant #10

Other Salaries and Wages	\$	4,188	
Social Security		258	
Life Insurance		9	
Disability Insurance		33	
Unemployment Compensation		4	
Employer Medicare		60	
Travel		326	
Total COVID-19 Grant #10			4,878

American Rescue Plan Act Grant #1

Data Processing Services	\$	11,285	
Total American Rescue Plan Act Grant #1			11,285

Miscellaneous

Tax Relief Program	\$	48,734	
Total Miscellaneous			48,734

Capital Projects

General Administration Projects

Communication	\$	12,871	
Total General Administration Projects			12,871

Total General Fund \$ 18,075,190

(Continued)

Exhibit J-7

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

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Maintenance and Repair Services - Buildings	\$	13,531	
Trustee's Commission		153	
Total Other Charges			\$ 13,684

Total Courthouse and Jail Maintenance Fund \$ 13,684

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Salary Supplements	\$	86,214
Laborers		245,587
Secretary(ies)		43,978
Clerical Personnel		39,537
Longevity Pay		6,600
Overtime Pay		6,739
Social Security		21,692
Pensions		6,490
Employee and Dependent Insurance		296
Life Insurance		77
Medical Insurance		63,461
Dental Insurance		11
Disability Insurance		254
Unemployment Compensation		1,838
Employer Medicare		5,073
Communication		4,354
Contracts with Private Agencies		1,007,618
Data Processing Services		5,324
Dues and Memberships		323
Engineering Services		16,735
Evaluation and Testing		487
Maintenance Agreements		2,680
Maintenance and Repair Services - Buildings		10,291
Maintenance and Repair Services - Equipment		5,832
Maintenance and Repair Services - Vehicles		3,945
Pest Control		110
Postal Charges		11,872
Printing, Stationery, and Forms		4,728
Travel		3,728
Brokerage Fees - Recyclables		112,374
Permits		4,150
Other Contracted Services		1,401
Crushed Stone		157
Custodial Supplies		527
Diesel Fuel		12,829
Food Supplies		8,986
Garage Supplies		6,877
Gasoline		4,380

(Continued)

Exhibit J-7

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

<u>Solid Waste/Sanitation Fund (Cont.)</u>		
<u>Public Health and Welfare (Cont.)</u>		
<u>Landfill Operation and Maintenance (Cont.)</u>		
Office Supplies	\$	640
Propane Gas		3,166
Small Tools		195
Uniforms		800
Utilities		21,301
Wire		6,567
Other Supplies and Materials		802
Building and Contents Insurance		5,788
Liability Insurance		2,072
Refunds		1,436
Trustee's Commission		19,994
Vehicle and Equipment Insurance		10,004
Workers' Compensation Insurance		13,188
Other Charges		736
Data Processing Equipment		663
Furniture and Fixtures		763
Motor Vehicles		9,900
Total Landfill Operation and Maintenance		<u>\$ 1,855,570</u>
<u>Other Operations</u>		
<u>Industrial Development</u>		
Contributions	\$	1,226
Total Industrial Development		<u>1,226</u>
<u>Other Charges</u>		
Bonus Payments	\$	4,500
Social Security		279
Pensions		90
Employer Medicare		65
Total Other Charges		<u>4,934</u>
Total Solid Waste/Sanitation Fund		<u>\$ 1,861,730</u>
<u>Industrial/Economic Development Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Contributions	\$	3,775
Total General Administration Projects		<u>\$ 3,775</u>
<u>Public Utility Projects</u>		
Advertising	\$	330
Contributions		40,873
Total Public Utility Projects		<u>41,203</u>
Total Industrial/Economic Development Fund		<u>44,978</u>

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	18,653	
Confidential Drug Enforcement Payments		5,000	
Veterinary Services		671	
Animal Food and Supplies		635	
Trustee's Commission		319	
Law Enforcement Equipment		1,015	
Total Drug Enforcement			\$ 26,293

Total Drug Control Fund \$ 26,293

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	245,281	
Total County Trustee's Office			\$ 245,281

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	409,049	
Total County Clerk's Office			409,049

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	1,485	
Total Chancery Court			1,485

Total Constitutional Officers - Fees Fund 655,815

Highway/Public Works Fund

Other Operations

Industrial Development

Contributions	\$	5,570	
Total Industrial Development			\$ 5,570

Other Charges

Bonus Payments	\$	17,500	
Social Security		1,085	
Pensions		350	
Employer Medicare		254	
Total Other Charges			19,189

Highways

Administration

County Official/Administrative Officer	\$	97,393	
Accountants/Bookkeepers		90,497	
Custodial Personnel		2,316	
Longevity Pay		2,700	
Overtime Pay		441	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Social Security	\$	11,469	
Pensions		3,730	
Employee and Dependent Insurance		330	
Life Insurance		75	
Medical Insurance		15,390	
Dental Insurance		229	
Unemployment Compensation		489	
Employer Medicare		2,682	
Communication		10,591	
Data Processing Services		404	
Dues and Memberships		5,050	
Evaluation and Testing		1,100	
Pest Control		220	
Travel		3,483	
Custodial Supplies		453	
Office Supplies		1,590	
Utilities		13,491	
Refunds		4,926	
Workers' Compensation Insurance		2,372	
Other Charges		949	
Furniture and Fixtures		1,376	
Office Equipment		1,239	
Total Administration			\$ 274,985

Highway and Bridge Maintenance

Foremen	\$	143,764
Equipment Operators		318,269
Equipment Operators - Light		231,891
Truck Drivers		307,834
Laborers		136,787
Longevity Pay		35,500
Overtime Pay		16,492
Social Security		70,988
Pensions		22,454
Employee and Dependent Insurance		635
Life Insurance		126
Medical Insurance		202,798
Dental Insurance		389
Disability Insurance		433
Unemployment Compensation		6,737
Employer Medicare		16,602
Rentals		17,022
Asphalt		1,137,293
Asphalt - Cold Mix		41,507
Concrete		16,038
Crushed Stone		517,403
Pipe - Metal		180,467

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Road Signs	\$	15,467	
Wood Products		460	
Workers' Compensation Insurance		60,919	
Other Charges		42,462	
Total Highway and Bridge Maintenance			\$ 3,540,737

Operation and Maintenance of Equipment

Mechanic(s)	\$	210,617	
Longevity Pay		6,600	
Overtime Pay		3,129	
Social Security		13,190	
Pensions		4,119	
Medical Insurance		38,424	
Unemployment Compensation		1,101	
Employer Medicare		3,085	
Maintenance and Repair Services - Equipment		141,343	
Diesel Fuel		187,073	
Garage Supplies		2,290	
Gasoline		75,623	
Lubricants		13,006	
Propane Gas		291	
Tires and Tubes		28,770	
Workers' Compensation Insurance		4,282	
Other Charges		9,641	
Total Operation and Maintenance of Equipment			742,584

Other Charges

Building and Contents Insurance	\$	1,795	
Liability Insurance		25,744	
Trustee's Commission		66,130	
Vehicle and Equipment Insurance		30,010	
Other Charges		835	
Total Other Charges			124,514

Capital Outlay

Highway Construction	\$	235,986	
Highway Equipment		291,525	
Total Capital Outlay			527,511

Total Highway/Public Works Fund \$ 5,235,090

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	2,060,442	
Principal on Notes		356,031	
Total General Government			\$ 2,416,473

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Highways and Streets

Principal on Bonds	\$ 81,400	
Principal on Notes	442,498	
Total Highways and Streets		\$ 523,898

Education

Principal on Bonds	\$ 853,500	
Principal on Notes	231,469	
Principal on Other Loans	235,368	
Total Education		1,320,337

Interest on Debt

General Government

Interest on Bonds	\$ 1,015,132	
Interest on Notes	27,281	
Total General Government		1,042,413

Highways and Streets

Interest on Bonds	\$ 11,558	
Interest on Notes	18,654	
Total Highways and Streets		30,212

Education

Interest on Bonds	\$ 462,070	
Interest on Notes	20,107	
Interest on Other Loans	41,676	
Total Education		523,853

Other Debt Service

General Government

Refunds	\$ 7,717	
Trustee's Commission	72,230	
Other Debt Service	9,183	
Total General Government		89,130

Total General Debt Service Fund \$ 5,946,316

General Capital Projects Fund

Capital Projects

General Administration Projects

Building Improvements	\$ 278,190	
Furniture and Fixtures	49,802	
Solid Waste Equipment	52,576	
Health Equipment	42,568	
Other Equipment	12,169	
Other Capital Outlay	25,223	
Total General Administration Projects		\$ 460,528

Total General Capital Projects Fund 460,528

(Continued)

Exhibit J-7

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

<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Highway Equipment	\$	447,047	
Total Highway and Street Capital Projects			\$ 447,047
Total Highway Capital Projects Fund			\$ 447,047
 <u>Higher Education Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Building Construction	\$	117,887	
Data Processing Equipment		410,700	
Furniture and Fixtures		196,753	
Total Education Capital Projects			\$ 725,340
Total Higher Education Fund			725,340
Total Governmental Funds - Primary Government			\$ 33,492,011

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2022

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 18,233,999	
Career Ladder Program	54,800	
Homebound Teachers	14,280	
Educational Assistants	766,018	
Other Salaries and Wages	11,151	
Certified Substitute Teachers	17,259	
Non-certified Substitute Teachers	260,999	
Social Security	1,126,370	
Pensions	1,759,775	
Medical Insurance	3,296,742	
Unemployment Compensation	2,069	
Employer Medicare	264,387	
Other Contracted Services	411,100	
Instructional Supplies and Materials	4,431	
Other Supplies and Materials	27,354	
Regular Instruction Equipment	37,458	
Total Regular Instruction Program		\$ 26,288,192

Alternative Instruction Program

Teachers	\$ 215,856	
Educational Assistants	47,526	
Certified Substitute Teachers	560	
Non-certified Substitute Teachers	4,970	
Social Security	15,315	
Pensions	23,023	
Medical Insurance	59,014	
Employer Medicare	3,582	
Instructional Supplies and Materials	1,209	
Other Supplies and Materials	601	
Total Alternative Instruction Program		371,656

Special Education Program

Teachers	\$ 1,316,095	
Career Ladder Program	4,000	
Homebound Teachers	20,287	
Educational Assistants	793,237	
Speech Pathologist	299,670	
Other Salaries and Wages	125,549	
Certified Substitute Teachers	1,330	
Non-certified Substitute Teachers	58,097	
Social Security	147,219	
Pensions	173,802	
Medical Insurance	722,118	
Employer Medicare	35,060	
Contracts with Private Agencies	76,800	
Maintenance and Repair Services - Equipment	1,028	

(Continued)

Exhibit J-8

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.)

Instructional Supplies and Materials	\$ 17,612	
Other Supplies and Materials	3,803	
Total Special Education Program		\$ 3,795,707

Career and Technical Education Program

Teachers	\$ 1,596,007	
Career Ladder Program	4,000	
Certified Substitute Teachers	1,512	
Non-certified Substitute Teachers	30,250	
Social Security	95,661	
Pensions	148,828	
Medical Insurance	307,290	
Employer Medicare	22,392	
Contracts with Other School Systems	208,400	
Maintenance and Repair Services - Equipment	987	
Other Contracted Services	2,924	
Instructional Supplies and Materials	73,774	
Textbooks - Bound	7,016	
Other Supplies and Materials	900	
Vocational Instruction Equipment	10,527	
Total Career and Technical Education Program		2,510,468

Support Services

Health Services

Supervisor/Director	\$ 41,168	
Medical Personnel	3,375	
Other Salaries and Wages	13,519	
Social Security	3,270	
Pensions	1,291	
Medical Insurance	10,283	
Employer Medicare	765	
Travel	143	
Other Contracted Services	9,252	
Drugs and Medical Supplies	3,440	
Other Supplies and Materials	16,678	
In Service/Staff Development	14,097	
Other Charges	836	
Total Health Services		118,117

Other Student Support

Career Ladder Program	\$ 2,000	
Guidance Personnel	431,730	
Social Workers	110,436	
Other Salaries and Wages	34,962	
Non-certified Substitute Teachers	490	
Social Security	30,212	

(Continued)

Exhibit J-8

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.)

Other Student Support (Cont.)

Pensions	\$	47,978	
Medical Insurance		127,789	
Employer Medicare		8,032	
Evaluation and Testing		57,568	
Other Supplies and Materials		1,491	
In Service/Staff Development		18,439	
Other Charges		454	
Total Other Student Support	\$		871,581

Regular Instruction Program

Supervisor/Director	\$	280,962	
Career Ladder Program		5,000	
Librarians		560,298	
Other Salaries and Wages		66,859	
Certified Substitute Teachers		70	
Non-certified Substitute Teachers		3,718	
Social Security		54,357	
Pensions		89,649	
Medical Insurance		163,149	
Employer Medicare		12,629	
Travel		4,151	
Other Contracted Services		213,503	
Other Supplies and Materials		36,072	
In Service/Staff Development		5,803	
Other Charges		78	
Other Equipment		78,008	
Total Regular Instruction Program			1,574,306

Alternative Instruction Program

Other Contracted Services	\$	30,267	
Total Alternative Instruction Program			30,267

Special Education Program

Supervisor/Director	\$	78,653	
Career Ladder Program		1,000	
Social Security		4,769	
Pensions		8,204	
Medical Insurance		18,902	
Employer Medicare		1,116	
Travel		12,091	
Other Contracted Services		95,897	
Other Supplies and Materials		9,539	
In Service/Staff Development		2,753	
Other Charges		68	
Total Special Education Program			232,992

(Continued)

Exhibit J-8

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.)

Career and Technical Education Program

Supervisor/Director	\$	40,727	
Career Ladder Program		500	
Social Security		2,257	
Pensions		4,246	
Medical Insurance		6,640	
Employer Medicare		528	
Travel		64,389	
Other Contracted Services		1,600	
Other Supplies and Materials		7,083	
In Service/Staff Development		1,083	
Other Charges		3,298	
Total Career and Technical Education Program			\$ 132,351

Technology

Supervisor/Director	\$	71,985	
Computer Programmer(s)		166,500	
Other Salaries and Wages		36,156	
Social Security		16,749	
Pensions		17,682	
Medical Insurance		46,294	
Employer Medicare		3,917	
Travel		1,597	
Other Contracted Services		96,687	
Data Processing Supplies		6,957	
Other Supplies and Materials		15,114	
Other Charges		40	
Data Processing Equipment		21,148	
Total Technology			500,826

Other Programs

On-behalf Payments to OPEB	\$	201,068	
Total Other Programs			201,068

Board of Education

Secretary to Board	\$	2,400	
Other Salaries and Wages		24,254	
Board and Committee Members Fees		21,600	
Social Security		2,545	
Pensions		332	
Medical Insurance		207,076	
Employer Medicare		700	
Audit Services		14,935	
Dues and Memberships		4,635	
Legal Services		23,709	
Other Contracted Services		30,741	
Other Supplies and Materials		3,619	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Liability Insurance	\$	96,313	
Trustee's Commission		282,118	
Workers' Compensation Insurance		325,590	
In Service/Staff Development		3,981	
Total Board of Education			\$ 1,044,548

Director of Schools

County Official/Administrative Officer	\$	152,755	
Career Ladder Program		2,000	
Secretary(ies)		35,139	
Social Security		10,493	
Pensions		16,643	
Medical Insurance		11,311	
Employer Medicare		2,679	
Communication		67,499	
Dues and Memberships		3,214	
Postal Charges		7,159	
Other Contracted Services		1,843	
Office Supplies		8,309	
Other Supplies and Materials		13,048	
In Service/Staff Development		838	
Other Charges		5,700	
Administration Equipment		9,997	
Total Director of Schools			348,627

Office of the Principal

Principals	\$	1,104,752	
Career Ladder Program		6,500	
Assistant Principals		1,230,362	
Secretary(ies)		613,232	
Non-certified Substitute Teachers		1,765	
Social Security		175,212	
Pensions		250,981	
Medical Insurance		427,049	
Employer Medicare		40,976	
Other Contracted Services		15,587	
Other Supplies and Materials		1,892	
Other Charges		26,200	
Total Office of the Principal			3,894,508

Fiscal Services

Supervisor/Director	\$	84,045	
Accountants/Bookkeepers		154,528	
Social Security		14,523	
Pensions		4,367	
Medical Insurance		28,477	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Employer Medicare	\$	3,397	
Data Processing Services		47,970	
Travel		233	
Data Processing Supplies		1,803	
Other Supplies and Materials		1,071	
In Service/Staff Development		1,237	
Total Fiscal Services			\$ 341,651

Human Services/Personnel

Supervisor/Director	\$	81,453	
Career Ladder Program		1,000	
Secretary(ies)		35,139	
Social Security		6,977	
Pensions		9,196	
Medical Insurance		15,391	
Employer Medicare		1,632	
Dues and Memberships		700	
Travel		202	
Other Contracted Services		24,560	
Other Supplies and Materials		1,544	
In Service/Staff Development		1,033	
Other Charges		300	
Total Human Services/Personnel			179,127

Operation of Plant

Supervisor/Director	\$	78,653	
Custodial Personnel		674,677	
Other Salaries and Wages		442,467	
Certified Substitute Teachers		140	
Non-certified Substitute Teachers		280	
Social Security		69,900	
Pensions		27,704	
Medical Insurance		335,944	
Employer Medicare		16,347	
Laundry Service		13,057	
Travel		12,500	
Disposal Fees		40,440	
Other Contracted Services		221,886	
Custodial Supplies		142,742	
Electricity		1,143,821	
Natural Gas		203,195	
Water and Sewer		230,189	
Other Supplies and Materials		1,720	
Building and Contents Insurance		222,999	
In Service/Staff Development		3,733	
Plant Operation Equipment		55,163	
Total Operation of Plant			3,937,557

(Continued)

Exhibit J-8

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.)

Maintenance of Plant

Supervisor/Director	\$	66,106	
Other Salaries and Wages		368,429	
Non-certified Substitute Teachers		210	
Social Security		26,613	
Pensions		8,692	
Medical Insurance		45,521	
Employer Medicare		6,226	
Laundry Service		11,055	
Maintenance and Repair Services - Buildings		14,731	
Maintenance and Repair Services - Equipment		11,889	
Maintenance and Repair Services - Vehicles		6,856	
Other Contracted Services		181,040	
Other Supplies and Materials		553,282	
Other Charges		1,350	
Administration Equipment		23,900	
Maintenance Equipment		13,000	
Plant Operation Equipment		22,088	
Total Maintenance of Plant			\$ 1,360,988

Transportation

Supervisor/Director	\$	78,653	
Mechanic(s)		179,621	
Bus Drivers		899,154	
Clerical Personnel		32,352	
Other Salaries and Wages		92,192	
Certified Substitute Teachers		39	
Non-certified Substitute Teachers		1,218	
Social Security		72,836	
Pensions		37,145	
Medical Insurance		451,867	
Employer Medicare		17,042	
Communication		8,387	
Contracts with Parents		26,644	
Laundry Service		7,131	
Maintenance and Repair Services - Vehicles		6,096	
Medical and Dental Services		7,105	
Travel		32,527	
Other Contracted Services		24,900	
Diesel Fuel		298,845	
Gasoline		53,073	
Lubricants		10,214	
Tires and Tubes		39,503	
Vehicle Parts		129,438	
Other Supplies and Materials		37,650	
Vehicle and Equipment Insurance		51,335	
In Service/Staff Development		713	
Other Charges		70	
Total Transportation			2,595,750

(Continued)

Exhibit J-8

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.)

Central and Other

Other Contracted Services	\$ 123,798	
Total Central and Other		\$ 123,798

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$ 46,804	
Teachers	90,501	
Career Ladder Program	500	
Clerical Personnel	5,983	
Educational Assistants	10,825	
Other Salaries and Wages	72,523	
Social Security	13,133	
Pensions	20,526	
Medical Insurance	14,945	
Employer Medicare	3,072	
Travel	1,181	
Food Supplies	161	
Instructional Supplies and Materials	14,561	
Other Supplies and Materials	28,732	
In Service/Staff Development	489	
Other Charges	18,312	
Total Community Services		342,248

Early Childhood Education

Teachers	\$ 561,384	
Clerical Personnel	13,216	
Educational Assistants	175,536	
Certified Substitute Teachers	630	
Non-certified Substitute Teachers	26,383	
Social Security	43,609	
Pensions	68,756	
Medical Insurance	179,825	
Employer Medicare	10,209	
Instructional Supplies and Materials	177	
Other Supplies and Materials	20,501	
In Service/Staff Development	1,080	
Other Charges	1,147	
Total Early Childhood Education		1,102,453

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$ 888,752	
Building Construction	1,488,039	
Building Improvements	782,411	
Total Regular Capital Outlay		3,159,202

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 1,125,944	
Total Education		<u>\$ 1,125,944</u>

Total General Purpose School Fund \$ 56,183,932

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,509,067	
Educational Assistants	597,760	
Other Salaries and Wages	174,350	
Certified Substitute Teachers	2,074	
Non-certified Substitute Teachers	21,606	
Social Security	132,107	
Pensions	140,247	
Medical Insurance	271,146	
Employer Medicare	32,239	
Retirement - Hybrid Stabilization	17	
Instructional Supplies and Materials	1,355,193	
Other Supplies and Materials	10,616	
In Service/Staff Development	1,320	
Regular Instruction Equipment	<u>452,565</u>	
Total Regular Instruction Program		\$ 4,700,307

Special Education Program

Teachers	\$ 484,757	
Educational Assistants	314,196	
Speech Pathologist	96,398	
Certified Substitute Teachers	1,445	
Non-certified Substitute Teachers	21,260	
Social Security	52,353	
Pensions	59,573	
Medical Insurance	180,487	
Employer Medicare	12,255	
Instructional Supplies and Materials	<u>561,054</u>	
Total Special Education Program		1,783,778

Career and Technical Education Program

Other Salaries and Wages	\$ 16,250	
Social Security	940	
Pensions	1,674	
Medical Insurance	2,548	
Employer Medicare	220	
Maintenance and Repair Services - Equipment	482	
Other Contracted Services	55,603	
Instructional Supplies and Materials	6,437	

(Continued)

Exhibit J-8

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.)

Career and Technical Education Program (Cont.)

Other Supplies and Materials	\$	8,225	
Vocational Instruction Equipment		22,336	
Total Career and Technical Education Program			\$ 114,715

Support Services

Health Services

Supervisor/Director	\$	24,701	
Medical Personnel		480,626	
Social Security		27,546	
Pensions		40,492	
Medical Insurance		103,137	
Employer Medicare		6,443	
Travel		787	
Drugs and Medical Supplies		78,512	
Other Supplies and Materials		166	
In Service/Staff Development		10,000	
Health Equipment		51,164	
Other Equipment		12,707	
Total Health Services			836,281

Other Student Support

Guidance Personnel	\$	427,798	
Other Salaries and Wages		750	
Social Security		25,306	
Pensions		42,340	
Medical Insurance		66,236	
Employer Medicare		5,918	
Travel		16,803	
Other Supplies and Materials		1,492	
In Service/Staff Development		6,064	
Other Charges		28,716	
Total Other Student Support			621,423

Regular Instruction Program

Supervisor/Director	\$	140,421	
Other Salaries and Wages		972,356	
Social Security		65,569	
Pensions		112,516	
Medical Insurance		160,632	
Employer Medicare		15,335	
Other Contracted Services		143,489	
In Service/Staff Development		334,032	
Total Regular Instruction Program			1,944,350

Special Education Program

Psychological Personnel	\$	122,634	
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(Continued)

Exhibit J-8

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.)

Special Education Program (Cont.)

Medical Personnel	\$	165,536	
Clerical Personnel		35,139	
Social Security		19,220	
Pensions		26,474	
Medical Insurance		49,670	
Employer Medicare		4,495	
Travel		154	
Other Contracted Services		74,070	
Other Supplies and Materials		1,306	
Total Special Education Program			\$ 498,698

Career and Technical Education Program

In Service/Staff Development	\$	858	
Total Career and Technical Education Program			858

Technology

Other Salaries and Wages	\$	2,722	
Social Security		169	
Pensions		54	
Employer Medicare		39	
Internet Connectivity		1,593	
Other Contracted Services		2,542	
Total Technology			7,119

Office of the Principal

Principals	\$	61,442	
Social Security		3,809	
Pensions		6,329	
Medical Insurance		6,663	
Employer Medicare		891	
Administration Equipment		49,200	
Total Office of the Principal			128,334

Operation of Plant

Custodial Supplies	\$	1,703	
Total Operation of Plant			1,703

Maintenance of Plant

Other Supplies and Materials	\$	48,615	
Total Maintenance of Plant			48,615

Transportation

Bus Drivers	\$	1,674	
Other Salaries and Wages		6,480	
Social Security		506	
Pensions		141	

(Continued)

Exhibit J-8

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.)

Transportation (Cont.)

Employer Medicare	\$	118	
Contracts with Parents		1,838	
Transportation Equipment		410,596	
Total Transportation			\$ 421,353

Operation of Non-Instructional Services

Food Service

Food Service Equipment	\$	72,783	
Total Food Service			72,783

Community Services

Teachers	\$	73,450	
Other Salaries and Wages		8,942	
Social Security		3,500	
Pensions		4,670	
Employer Medicare		1,184	
Travel		251	
Other Contracted Services		84,512	
Instructional Supplies and Materials		98,498	
Office Supplies		762	
In Service/Staff Development		8,109	
Other Charges		19,418	
Total Community Services			303,296

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	245,562	
Other Equipment		2,690	
Total Regular Capital Outlay			248,252

Total School Federal Projects Fund \$ 11,731,865

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	77,527	
Accountants/Bookkeepers		37,840	
Cafeteria Personnel		1,173,321	
Social Security		75,242	
Pensions		17,967	
Medical Insurance		307,474	
Unemployment Compensation		59	
Employer Medicare		17,610	
Maintenance and Repair Services - Equipment		53,587	
Transportation - Other than Students		27,248	
Travel		3,125	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Contracted Services	\$	38,486	
Food Supplies		1,728,620	
Office Supplies		12,837	
USDA - Commodities		323,888	
Other Supplies and Materials		244,509	
In Service/Staff Development		1,206	
Other Charges		4,621	
Food Service Equipment		74,038	
Total Food Service			\$ 4,219,205

Total Central Cafeteria Fund \$ 4,219,205

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	133,109	
Social Security		8,253	
Pensions		6,286	
Employer Medicare		1,930	
Retirement - Hybrid Stabilization		118	
Other Supplies and Materials		4,040	
Trustee's Commission		1,796	
In Service/Staff Development		100	
Total Community Services			\$ 155,632

Total Extended School Program Fund 155,632

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	2,028,021	
Total Community Services			\$ 2,028,021

Total Internal School Fund 2,028,021

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Construction	\$	8,964,876	
Total Education Capital Projects			\$ 8,964,876

Total Education Capital Projects Fund 8,964,876

Total Governmental Funds - Lawrence County School Department \$ 83,283,531

Lawrence County, Tennessee
Schedule of Detailed Additions, Deductions,
and Changes in Net Position - City Custodial Fund
For the Year Ended June 30, 2022

	<u>Cities - Sales Tax Fund</u>
<u>ADDITIONS</u>	
Local Option Sales Tax	<u>\$ 6,468,495</u>
Total Additions	<u>\$ 6,468,495</u>
<u>DEDUCTIONS</u>	
Remittance of Revenues Collected	\$ 6,404,903
Trustee's Commission	<u>63,592</u>
Total Deductions	<u>\$ 6,468,495</u>
Excess of Additions Over (Under) Deductions	\$ 0
Net Position, July 1, 2021	<u>0</u>
Net Position, June 30, 2022	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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, 2022, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 15, 2022. Our report includes a reference to other auditors who audited the Internal School Fund of Lawrence County School Department (a discretely presented component unit), as described in our report on Lawrence County's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the report of the other auditors.

Report on 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) as a basis for designing 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. We identified two deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be material weaknesses: 2022-001 and 2022-002.

Report on 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 financial statements. 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: 2022-003.

Lawrence County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Lawrence County's responses to the findings identified in our audit, which 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 results 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 15, 2022

JEM/gc



JASON E. MUMPOWER
Comptroller

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 the Uniform Guidance

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

Opinion on Each Major Federal Program

We have audited Lawrence County's compliance with the types of compliance requirements described in the *OMB 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lawrence County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lawrence County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lawrence County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lawrence County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lawrence County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Lawrence County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lawrence County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2022, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements. We issued our report thereon dated December 15, 2022, 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 the Uniform Guidance 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 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 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 15, 2022

JEM/gc

Lawrence County, Tennessee, and the Lawrence County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year Ended June 30, 2022

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	\$ 323,888 (6)
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	1,338,660
National School Lunch Program	10.555	(4)	3,776,887 (6)
Fresh Fruit and Vegetable Program	10.582	(4)	32,783
COVID 19 - Pandemic EBT Administrative Costs	10.649	(4)	3,063
Passed-through State Department of Health:			
Special Supplement Nutrition Program for Women, Infants, and Children	10.557	(4)	73,331
Total U.S. Department of Agriculture			\$ 5,548,612
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	(4)	\$ 78,384
Crime Victim Assistance	16.575	(4)	110,393
Bulletproof Vest Partnership Program	16.607	(4)	20,272
Passed through Tennessee Bureau of Investigation:			
Opioid Affected Youth Initiative	16.842	(4)	12,142
Comprehensive Opioid Abuse Site-Based Program	16.838	(4)	30,474
Total U.S. Department of Justice			\$ 251,665
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (5)			
State and Community Highway Safety	20.600	(4)	\$ 4,000
Total U.S. Department of Transportation			\$ 4,000
U.S. Department of Treasury:			
Direct Program:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 8,574,066
Total U.S. Department of Treasury			\$ 8,574,066
The Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
COVID 19 - Grants to States	45.310	(4)	\$ 11,285
Total Institute of Museum and Library Services			\$ 11,285

(Continued)

Lawrence County, Tennessee, and the Lawrence County School Department
 Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Direct Program:			
Funds for the Improvement of Education	84.215	N/A	\$ 477,174
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	1,940,379
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	1,734,028 (7)
COVID 19 - Special Education - Grants to States - ARP	84.027	(4)	288,167 (7)
Special Education - Preschool Grants	84.173	(4)	51,957
Career and Technical Education - Basic Grants to States	84.048	(4)	138,439
Twenty-first Century Community Learning Centers	84.287	(4)	195,472
Rural Education	84.358	(4)	95,018
English Language Acquisition State Grants	84.365	(4)	4,402
Supporting Effective Instruction State Grants	84.367	(4)	227,719
Comprehensive Literacy Development	84.371	(4)	79,609
Student Support and Academic Enrichment Program	84.424	(4)	114,996
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	(4)	268,466 (8)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	(4)	2,477,400 (8)
COVID 19 - 2021 American Rescue Plan - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425D	(4)	2,657,253 (8)
COVID 19 - Education Stabilization Fund - Homeless Children and Youth	84.425W	(4)	2,231 (8)
Total U.S. Department of Education			\$ 10,752,710
U.S. Department of Health and Human Services:			
Direct Programs:			
Drug-Free Communities Support Program Grants	93.276	N/A	\$ 184,044
COVID 19 - Provider Relief Fund and American Rescue Plan Rural Distribution	93.498	N/A	141,219
Passed-through State Department of Health:			
Family Planning Services	93.217	(4)	25,365
Maternal and Child Health Services Block Grant to the States	93.994	(4)	17,318
Passed-through State Department of Mental Health and Substance Abuse Services:			
Temporary Assistance for Needy Families	93.558	(4)	64,683 (9)
Opioid STR	93.788	(4)	30,388
Passed-through State Department of Education:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	(4)	1,557,662
Temporary Assistance for Needy Families	93.558	(4)	235,901 (9)
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools			
	93.981	(4)	42,487
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	(4)	40,528
COVID 19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	(4)	4,878 (10)
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(4)	66,834 (10)
Total U.S. Department of Health and Human Services			\$ 2,411,307

(Continued)

Lawrence County, Tennessee, and the Lawrence County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military: Homeland Security Grant Program	97.067	(4)	\$ 50,000
Total U.S. Department of Homeland Security			<u>\$ 50,000</u>
Total Expenditures of Federal Grants			<u>\$ 27,603,645</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Safe Schools Act - State Department of Education	N/A	(4)	\$ 165,170
Early Childhood Education - State Department of Education	N/A	(4)	1,105,469
Coordinated School Health - State Department of Education	N/A	(4)	100,000
Summer Learning Camps - State Department of Education	N/A	(4)	303,337
Bridge Camp - State Department of Education	N/A	(4)	122,507
STREAM Mini Camps - State Department of Education	N/A	(4)	82,733
Learning Camps Transportation - State Department of Education	N/A	(4)	102,983
Litter Grant - State Department of Transportation	N/A	(4)	41,824
Evidence-based Jail Programming - State Department of Finance and Administration	N/A	(4)	31,639
Family Resources Center - State Department of Education	N/A	(4)	29,612
State Direct Appropriations Grant FY 2021 - State Department of Finance and Administration	N/A	(4)	451,998
Health Department Programs - State Department of Health	N/A	(4)	345,771
Archives Development Program - Secretary of State	N/A	(4)	1,491
Mental Health Transport Program - State Department of Finance and Administration	N/A	(4)	88,682
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	(4)	9,000
Total State Grants			<u>\$ 2,982,216</u>

FAL = Federal Assistance Listing
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Lawrence County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$5,472,218; Highway Safety Cluster total \$4,000; and Special Education Cluster total \$2,074,152.
- (6) Total for FAL No. 10.555 is \$4,100,775.
- (7) Total for FAL No. 84.027 is \$2,022,195.
- (8) Total for FAL No. 84.425 is \$5,405,350.
- (9) Total for FAL No. 93.558 is \$300,584.
- (10) Total for FAL No. 93.959 is \$71,712.

Lawrence County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2022

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Lawrence County, Tennessee, for the year ended June 30, 2022.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

2021	219	2021-001	The office did not review its report of voided transactions.	N/A	Corrected
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OFFICE OF CLERK AND MASTER

2021	220	2021-002	Invested court funds were paid out by a depository without the clerk's knowledge.	N/A	Corrected
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Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

LAWRENCE COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Lawrence County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **YES**
 - * Significant deficiency identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
 - * Assistance Listing Number: 93.323 COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ARP)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$828,109**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2022-001

THE OFFICE HAD BUDGET DEFICIENCIES

(Internal Control – Material Weakness Under *Government Auditing Standards*)

- A. The budget and subsequent amendments approved by the county commission for the General Purpose School Fund resulted in appropriations exceeding estimated available funding by \$574,732. Sound budgetary principles dictate that appropriations should be held within estimated available funding. This deficiency was the result of a lack of management oversight.

- B. The actual beginning fund balance of the General Purpose School Fund on July 1, 2021, exceeded the estimated fund balance presented to the county commission during the budget process by \$5,007,475. Sound business practices dictate that realistic estimates of beginning fund balances should be presented to the county commission during the budget process. This deficiency is due to management's failure to properly estimate the actual ending fund balance for June 30, 2021.

RECOMMENDATION

Appropriations that exceed estimated available funding should not be submitted to the county commission, and the county commission should not approve such appropriations. Estimates of the beginning fund balance should be made on a more realistic basis to provide county officials with accurate information upon which to base funding decisions. The estimated beginning fund balance should be amended during the year when it becomes apparent that the original estimate varies from the actual by a significant amount.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

This finding was a result of a misunderstanding. At the beginning of the 2021-2022 fiscal year, the estimated unassigned fund balance was presented to both the county commission and the board of education rather than the total fund balance. The funds in question were restricted funds reserved to complete school building renovations, roofing projects, and parking lot improvements. These restrictions were clearly presented in both board of education and county commission budget presentations.

We concur with this finding. In the future, the department will provide to both board of education and county commission a total fund balance with a footnote to include any funds restricted for various purposes.

FINDING 2022-002

THE GENERAL PURPOSE SCHOOL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2022, certain general ledger account balances in the General Purpose School Fund were not materially correct, and audit adjustments totaling \$754,061, related to sales tax receivables and deferrals were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the school department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the school department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The school department should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

This finding was in relation to deferred sales tax revenue collections. In previous years, this adjustment had been completed by audit during the time annual financial statements are being prepared.

We concur with this finding. The department has noted that this entry should be made by management rather than audit. In the future, this will be a part of the fiscal year end process.

FINDING 2022-003

ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2022

(Noncompliance Under *Government Auditing Standards*)

Accounting records were not closed and available for audit by August 31, 2022, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute requires a county have their records available for audit no later than two months after the close of their fiscal year. The accounting records were closed and available for audit on October 26, 2022. This deficiency can be attributed to a lack of management oversight. The failure to close accounting records

on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of budgetary and accounting controls, and increases the risk that errors will not be discovered and corrected timely.

RECOMMENDATION

Management should ensure all accounting records for the fiscal year ended June 30 are available for audit by the following August 31, as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

This was simply a failure to check a box in the financial system. The department has noted the oversight. We concur with this finding. In the future, this will be a part of the fiscal year end closing process.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2022.

Lawrence County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2022

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF SCHOOLS

2022-001	The office budget deficiencies.	229
2022-002	The General Purpose School Fund required material audit adjustments for proper financial statement presentation.	229
2022-003	Accounting records were not closed and available for audit by August 31, 2022.	230

LAWRENCE COUNTY
SCHOOL  SYSTEM

Michael Adkins, Ed. S., Director of Schools
1620 Springer Road • Lawrenceburg, TN 38464
931-762-3581

Corrective Action Plan

Response and Corrective Action Plan Prepared by:
Jessica Eledge, CFO

Person Responsible for Implementing the Corrective Action:
Jessica Eledge, CFO

Anticipated Completion Date of Corrective Action:
Immediately

FINDING 2022-001 THE OFFICE HAD BUDGET DEFICIENCIES

Planned Corrective Action:

This finding was a result of a miscommunication. At the beginning of the 2021-2022 fiscal year, the estimated unassigned fund balance was presented to both the county commission and the board of education rather than the total fund balance. The funds in question were restricted funds reserved to complete school building renovations, roofing projects, and parking lot improvements. These restrictions were clearly presented in both board of education and county commission budget presentations.

In the future, the department will provide to both board of education and county commission a total fund balance with a footnote to include any funds restricted for various purposes.

**FINDING 2022-002 THE GENERAL PURPOSE SCHOOL FUND REQUIRED
MATERIAL AUDIT ADJUSTMENTS FOR PROPER
FINANCIAL STATEMENT PRESENTATION**

Planned Corrective Action:

The department has noted that this entry should be made by management rather than audit. In the future, this will be a part of the fiscal year end process.

FINDING 2022-003

**ACCOUNTING RECORDS WERE NOT CLOSED AND
AVAILABLE FOR AUDIT BY AUGUST 31, 2022**

Planned Corrective Action:

This was simply a failure to check a box in the financial system. The department has noted the oversight. In the future, this will be a part of the fiscal year end closing process.



Jessica Eledge

Chief Financial Officer

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.