

ANNUAL FINANCIAL REPORT
LAWRENCE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2007



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This financial report is available at www.comptroller.state.tn.us

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Audit Highlights

Annual Financial Report
Lawrence County, Tennessee
For the Year Ended June 30, 2007

Scope

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2007.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE

- ◆ Contributions to a nonprofit organization were not made in compliance with state statute.
- ◆ Inmates performed work on private property.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ The clerk did not prepare trial balances of execution docket cause balances for Circuit, General Sessions, and Juvenile Courts as required by state statute.

INTRODUCTORY SECTION

Lawrence County Officials
June 30, 2007

Officials

Paul Rosson, County Executive
Donny Joe Brown, Road Superintendent
Dr. Bill Heath, Director of Schools
Cindy Benefield, Trustee
Barbara Kizer, Assessor of Property
Chuck Kizer, County Clerk
Debbie Riddle, Circuit, General Sessions, and Juvenile Courts Clerk
Kristy Gang, Clerk and Master
Teresa Dunkin, Register
Kenny Taylor, Sheriff
Teresa Purcell, Director of Accounts and Budgets

Board of County Commissioners

Jerry Dryden, Chairman	Sandra Hyatt
Wayne Yocum	Richard Hill
Chris Jackson	Ray Brazier
Dennis Gillespie	Jerry Putnam
Alan Keener	Charles Robertson
John Sanders, Jr.	Anne Brown
Bobby Clifton	Joe Wray
Mark Niedergeses	Chuck Doerflinger
Ronald Benefield	
Delano Benefield	

Board of Education

Jeff Clifton, Chairman	Kay Dotson
Kevin Caruso	Michael Kilburn
Roberta Brazier	Ron Freemon
Ricky Davenport	Brenda Jacobs
Bill Burks	

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

February 28, 2008

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

To the County Executive and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Lawrence County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lawrence County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Lawrence County Emergency Communications District, which represent two percent and three percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented Lawrence County Emergency Communications District, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the

accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2008, on our consideration of Lawrence County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., in prior years Lawrence County accounted for two endowments in a Private Purpose Trust Fund which should have been accounted for in a Permanent Fund. Effective July 1, 2006, these endowments have been reclassified to a Permanent Fund.

The management of Lawrence County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

The budgetary comparison and pension information on pages 63 through 69 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Service Fund, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in cursive script that reads "John G. Morgan". The signature is written in black ink and includes a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/rc

BASIC FINANCIAL STATEMENTS

Exhibit A

Lawrence County, Tennessee
Statement of Net Assets
June 30, 2007

	Primary Governmental Activities	Component Units	
		Lawrence County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 133,052	\$ 1,279	\$ 310,144
Equity in Pooled Cash and Investments	17,015,021	6,494,599	0
Inventories	0	143,767	0
Accounts Receivable	1,714,594	28,403	63,820
Allowance for Uncollectibles	(835,960)	0	0
Due from Other Governments	767,011	1,255,389	0
Due from Primary Government	0	20,000	0
Property Taxes Receivable	10,174,045	5,606,186	0
Allowance for Uncollectible Property Taxes	(143,905)	(81,856)	0
Notes Receivable	150,000	0	0
Prepaid Items	0	0	9,699
Deferred Charges - Debt Issuance Costs	77,159	0	3,283
Capital Assets:			
Assets Not Depreciated:			
Land	851,253	676,454	0
Construction in Progress	1,649,351	2,957,217	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	4,215,955	37,284,476	596,788
Infrastructure	44,350,071	0	0
Other Capital Assets	3,087,270	4,347,114	219,377
Total Assets	<u>\$ 83,204,917</u>	<u>\$ 58,733,028</u>	<u>\$ 1,203,111</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 559,744	\$ 165,873	\$ 6,333
Accrued Payroll	0	0	2,619
Payroll Deductions Payable	0	1,356,778	0
Due to Component Units	20,000	0	0
Contracts Payable	0	137,597	0
Retainage Payable	0	162,307	0
Accrued Interest Payable	350,774	0	0
Deferred Revenue - Current Property Taxes	9,525,330	5,226,719	0
Noncurrent Liabilities:			
Due Within One Year	4,367,945	43,537	108,385
Due in More Than One Year (net of unamortized discounts on debt)	46,786,001	0	396,920
Total Liabilities	<u>\$ 61,609,794</u>	<u>\$ 7,092,811</u>	<u>\$ 514,257</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Lawrence County School Department	Emergency Communica- tions District
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 39,874,242	\$ 0	\$ 383,815
Invested in Capital Assets	0	45,265,261	0
Restricted for:			
Highway/Public Works	1,346,178	0	0
Solid Waste/Sanitation	645,455	0	0
Courthouse and Jail Maintenance	282,540	0	0
Industrial/Economic Development	194,845	0	0
Alcohol and Drug Treatment	130,927	0	0
Capital Projects	85,315	1,298,864	0
Debt Service	4,997,432	0	0
Other Purposes	157,730	1,247,453	0
Unrestricted	(26,119,541)	3,828,639	305,039
Total Net Assets	<u>\$ 21,595,123</u>	<u>\$ 51,640,217</u>	<u>\$ 688,854</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, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Governmental Total Governmental Activities	Lawrence County School Department	Emergency Communi- cations District
Primary Government:							
Governmental Activities:							
General Government	\$ 1,522,694	\$ 265,056	\$ 21,022	\$ 528,461	\$ (708,155)	\$ 0	\$ 0
Finance	1,033,264	1,028,639	314,282	0	309,657	0	0
Administration of Justice	1,148,035	774,528	60,651	0	(312,856)	0	0
Public Safety	5,914,747	103,451	329,165	0	(5,482,131)	0	0
Public Health and Welfare	3,797,231	2,828,855	330,699	49,500	(588,177)	0	0
Social, Cultural, and Recreational Services	419,594	18,380	77,234	4,009	(319,971)	0	0
Agriculture and Natural Resources	144,395	0	0	0	(144,395)	0	0
Other Operations	563,096	0	94,006	0	(469,090)	0	0
Highways/Public Works	6,229,390	18,478	2,085,196	320,340	(3,805,376)	0	0
Education	500,056	0	0	0	(500,056)	0	0
Interest on Long-term Debt	1,843,982	0	0	0	(1,843,982)	0	0
Other Debt Service	79,435	0	0	0	(79,435)	0	0
Total Primary Government	\$ 23,195,919	\$ 5,037,387	\$ 3,312,255	\$ 902,310	\$ (13,943,967)	\$ 0	\$ 0
Component Units:							
Lawrence County School Department	\$ 45,728,637	\$ 1,741,199	\$ 6,245,263	\$ 495,506	\$ 0	\$ (37,246,669)	\$ 0
Emergency Communications District	1,101,009	461,889	871,427	0	0	0	232,307
Total Component Units	\$ 46,829,646	\$ 2,203,088	\$ 7,116,690	\$ 495,506	\$ 0	\$ (37,246,669)	\$ 232,307

(Continued)

Exhibit B

Lawrence County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Governmental Total Activities	Lawrence County School Department	Emergency Communi- cations District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 7,459,636	\$ 5,533,041	\$ 0
Property Taxes Levied for Debt Service					1,927,011	4,244,845	0
Local Option Sales Taxes					1,334,622	6,725	0
Other Local Taxes					1,629,626	27,664,234	0
Grants and Contributions Not Restricted to Specific Programs					1,025,082	0	0
Unrestricted Investment Earnings					1,352,739	80,788	1,047
Miscellaneous					13,171	0	0
Total General Revenues					\$ 14,741,887	\$ 37,529,633	\$ 1,047
Change in Net Assets							
Change in Net Assets					\$ 797,920	\$ 282,964	\$ 233,354
Net Assets, July 1, 2006					21,203,428	51,357,253	455,500
Prior-Period Adjustment					(406,225)	0	0
Net Assets, June 30, 2007					\$ 21,595,123	\$ 51,640,217	\$ 688,854

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, 2007

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	
<u>ASSETS</u>						
Cash	\$ 300	\$ 0	\$ 0	\$ 0	\$ 132,752	\$ 133,052
Equity in Pooled Cash and Investments	2,913,642	1,030,493	4,984,022	5,352,946	2,733,918	17,015,021
Accounts Receivable	924,765	1,455	95,311	0	693,063	1,714,594
Allowance for Uncollectibles	(268,820)	0	0	0	(567,140)	(835,960)
Due from Other Governments	122,558	479,081	165,254	0	118	767,011
Due from Other Funds	85,759	474	0	0	0	86,233
Property Taxes Receivable	6,676,172	1,460,034	2,037,839	0	0	10,174,045
Allowance for Uncollectible Property Taxes	(94,193)	(20,558)	(29,154)	0	0	(143,905)
Notes Receivable - Long-term	0	0	0	0	150,000	150,000
Total Assets	\$ 10,360,183	\$ 2,950,979	\$ 7,253,272	\$ 5,352,946	\$ 3,142,711	\$ 29,060,091
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 174,373	\$ 237,061	\$ 0	\$ 0	\$ 148,310	\$ 559,744
Due to Other Funds	474	0	0	0	85,759	86,233
Due to Component Units	0	0	0	0	20,000	20,000
Deferred Revenue - Current Property Taxes	6,252,524	1,367,740	1,905,066	0	0	9,525,330
Deferred Revenue - Delinquent Property Taxes	270,443	58,886	85,059	0	0	414,388
Other Deferred Revenues	511,726	197,573	82,801	0	0	792,100
Total Liabilities	\$ 7,209,540	\$ 1,861,260	\$ 2,072,926	\$ 0	\$ 254,069	\$ 11,397,795
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 18,237	\$ 12,847	\$ 0	\$ 515,537	\$ 3,055	\$ 549,676
Reserved for Alcohol and Drug Treatment	130,927	0	0	0	0	130,927
Reserved for Courthouse and Jail Maintenance	211,475	0	0	0	0	211,475
Reserved for Computer System - Register	7,263	0	0	0	0	7,263
Reserved for Automation Purposes - Circuit Court	4,569	0	0	0	0	4,569
Reserved for Automation Purposes - General Sessions Court	15,587	0	0	0	0	15,587
Reserved for Automation Purposes - Juvenile Court	1,124	0	0	0	0	1,124
Reserved for Automation Purposes - Chancery Court	1,203	0	0	0	0	1,203

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>						
<u>Fund Balances (Cont.)</u>						
Reserved for Long-term Notes Receivable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000	\$ 150,000
Reserved for Capital Outlay	0	0	0	0	519,994	519,994
Reserved for Other General Purposes	0	0	0	0	3,354	3,354
Unreserved, Reported In:						
General Fund	2,760,258	0	0	0	0	2,760,258
Special Revenue Funds	0	1,076,872	0	0	2,100,625	3,177,497
Debt Service Funds	0	0	5,180,346	0	0	5,180,346
Capital Projects Funds	0	0	0	4,837,409	35,815	4,873,224
Permanent Funds	0	0	0	0	75,799	75,799
Total Fund Balances	<u>\$ 3,150,643</u>	<u>\$ 1,089,719</u>	<u>\$ 5,180,346</u>	<u>\$ 5,352,946</u>	<u>\$ 2,888,642</u>	<u>\$ 17,662,296</u>
Total Liabilities and Fund Balances	<u>\$ 10,360,183</u>	<u>\$ 2,950,979</u>	<u>\$ 7,253,272</u>	<u>\$ 5,352,946</u>	<u>\$ 3,142,711</u>	<u>\$ 29,060,091</u>

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

Exhibit C-2

Lawrence County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 17,662,296
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 851,253	
Add: construction in progress	1,649,351	
Add: infrastructure net of accumulated depreciation	44,350,071	
Add: buildings and improvements net of accumulated depreciation	4,215,955	
Add: other capital assets net of accumulated depreciation	<u>3,087,270</u>	54,153,900
(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	\$ (6,195,000)	
Less: bonds payable	(43,620,000)	
Add: deferred charges - debt issuance costs	77,159	
Add: deferred charges - discount on debt issues	89,743	
Less: compensated absences payable	(361,915)	
Less: landfill closure/postclosure care costs	(1,066,774)	
Less: accrued interest on bonds and notes	<u>(350,774)</u>	(51,427,561)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,206,488</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 21,595,123</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, 2007

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 6,850,062	\$ 1,416,507	\$ 4,371,174	\$ 0	\$ 10,358	\$ 12,648,101
Licenses and Permits	32,905	0	0	0	0	32,905
Fines, Forfeitures, and Penalties	164,224	0	0	0	163,851	328,075
Charges for Current Services	1,201,658	0	0	0	1,886,981	3,088,639
Other Local Revenues	574,778	18,478	782,842	0	266,083	1,642,181
Fees Received from County Officials	1,043,067	0	0	0	0	1,043,067
State of Tennessee	806,179	2,366,230	409,342	49,500	44,008	3,675,259
Federal Government	51,099	32,434	0	0	373,175	456,708
Other Governments and Citizens Groups	4,617	15,971	300,000	0	81,854	402,442
Total Revenues	\$ 10,728,589	\$ 3,849,620	\$ 5,863,358	\$ 49,500	\$ 2,826,310	\$ 23,317,377
<u>Expenditures</u>						
Current:						
General Government	\$ 1,202,236	\$ 0	\$ 0	\$ 0	\$ 165,855	\$ 1,368,091
Finance	475,382	0	0	0	428,696	904,078
Administration of Justice	853,674	0	0	0	50,590	904,264
Public Safety	4,422,571	0	0	0	150,163	4,572,734
Public Health and Welfare	1,716,205	0	0	0	1,515,485	3,231,690
Social, Cultural, and Recreational Services	110,912	0	0	0	286,871	397,783
Agriculture and Natural Resources	123,056	0	0	0	0	123,056
Other Operations	2,130,557	0	0	0	4,373	2,134,930
Highways	0	3,750,151	0	0	0	3,750,151
Debt Service:						
Principal on Debt	0	0	3,763,239	0	0	3,763,239
Interest on Debt	0	0	1,866,863	0	0	1,866,863
Other Debt Service	0	0	76,207	0	0	76,207
Capital Projects	0	0	0	2,412,698	2,021,380	4,434,078
Total Expenditures	\$ 11,034,593	\$ 3,750,151	\$ 5,706,309	\$ 2,412,698	\$ 4,623,413	\$ 27,527,164
Excess (Deficiency) of Revenues Over Expenditures	\$ (306,004)	\$ 99,469	\$ 157,049	\$ (2,363,198)	\$ (1,797,103)	\$ (4,209,787)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000
Transfers In	707,182	0	110,000	0	212,540	1,029,722

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>						
Transfers Out	\$ (212,540)	\$ (110,000)	\$ (692,843)	\$ 0	\$ (14,339)	\$ (1,029,722)
Total Other Financing Sources (Uses)	\$ 494,642	\$ (110,000)	\$ (582,843)	\$ 0	\$ 1,198,201	\$ 1,000,000
Net Change in Fund Balances	\$ 188,638	\$ (10,531)	\$ (425,794)	\$ (2,363,198)	\$ (598,902)	\$ (3,209,787)
Fund Balance, July 1, 2006	2,962,005	1,100,250	5,606,140	7,716,144	3,411,745	20,796,284
Prior Period Adjustment	0	0	0	0	75,799	75,799
Fund Balance, June 30, 2007	\$ 3,150,643	\$ 1,089,719	\$ 5,180,346	\$ 5,352,946	\$ 2,888,642	\$ 17,662,296

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

Exhibit C-4

Lawrence County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2007

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)		\$ (3,209,787)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 4,439,743	
Less: current year depreciation expense	<u>(3,784,503)</u>	655,240
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized		203,362
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 1,206,488	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(756,025)</u>	450,463
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (1,000,000)	
Less: change in deferred debt issuance costs	(3,228)	
Less: change in deferred discount on debt issuance	(3,755)	
Add: principal payments on bonds	2,660,000	
Add: principal payments on notes	<u>1,103,239</u>	2,756,256
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 26,635	
Change in compensated absences	(84,499)	
Change in landfill closure/postclosure care costs	<u>250</u>	<u>(57,614)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 797,920</u>

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

Exhibit D-1

Lawrence County, Tennessee
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,071,550
Equity in Pooled Cash and Investments	16,913
Accounts Receivable	350
Due from Other Governments	<u>680,317</u>
Total Assets	<u>\$ 1,769,130</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 680,317
Due to Joint Ventures	20,277
Due to Litigants, Heirs, and Others	<u>1,068,536</u>
Total Liabilities	<u>\$ 1,769,130</u>

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

LAWRENCE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

Blended Component Units – There are no legally separate component units of Lawrence County that meet the criteria for being reported as part of the primary government by the blending method.

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 without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The Lawrence County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of

the Lawrence County School Department are included in this report as listed in the table of contents. Complete financial statements of the Lawrence County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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. Net debt issues (\$495,506) were contributed by the county to the School Department during the year ended June 30, 2007.

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

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

Lawrence County reports the following major governmental funds:

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

Highway/Public Works Fund – This fund accounts for transactions of the county’s Highway Department.

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.

General Capital Projects Fund – This fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, Lawrence County reports the following fund types:

Permanent 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 are posted directly to the Public Library Fund (special revenue fund).

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

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

Education Capital Projects Fund – This fund accounts for debt issued by Lawrence County that is subsequently contributed to the discretely presented Lawrence County School Department for construction and renovation projects.

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

Special Revenue Funds – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

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 assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General and the General Debt Service funds. Lawrence County and the discretely presented Lawrence County 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 and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

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

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

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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

Retainage payable in the School Department's Education Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

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.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 (bridge infrastructure \$50,000) or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

5. 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.

6. 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 assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

7. Net Assets and Fund Equity

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

- a. Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2007, Lawrence County had \$29,545,000 in outstanding debt for capital purposes for the discretely presented Lawrence County School Department. The debt is a liability of Lawrence County, but the capital assets acquired are reported in the financial statements of the Lawrence County School Department. Therefore, Lawrence County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county’s capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2007:

<u>Fund/Purpose</u>	<u>Amount</u>
General Purpose School:	
Knowledge Bowl	\$ 1,304
Materials Center	354
Childcare	11,194
Band Instruments	8,451

8. Prior-period Adjustment

The liability for landfill closure/postclosure care costs was restated (\$482,024) when Lawrence County discontinued its agreement with Waste Services of Decatur, LLC, and became responsible for all closure and postclosure costs. See Note V.F. for more information.

In the prior period, we reflected a Private Purpose Trust Fund, which should have been classified as a Permanent Fund. We have reclassified this fund and included \$75,799 as a prior-period adjustment to bring the beginning unreserved fund balance on the financial statements.

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 assets

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 assets.

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 assets.

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 assets 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 assets of governmental activities reported in the government-wide statement of activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees Fund (special revenue fund) which are not budgeted, and the School Department's Education Capital Projects Fund, which adopts a project length budget. 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 State 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, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state director of Local Finance 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 market value of the securities on the day of purchase. The county had no pooled and nonpooled investments as of June 30, 2007.

B. Notes Receivable

The Industrial/Economic Development Fund had a long-term note receivable of \$150,000 on June 30, 2007, from financing a project for the Lawrenceburg-Lawrence County Airport (Joint Venture).

C. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 775,253	\$ 76,000	\$ 0	\$ 851,253

Governmental Activities (Cont.):

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated (Cont.):				
Construction in Progress	\$ 117,547	\$ 1,649,351	\$ 117,547	\$ 1,649,351
Total Capital Assets Not Depreciated	<u>\$ 892,800</u>	<u>\$ 1,725,351</u>	<u>\$ 117,547</u>	<u>\$ 2,500,604</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,173,975	\$ 1,066,479	\$ 0	\$ 6,240,454
Infrastructure	69,514,457	1,740,764	0	71,255,221
Other Capital Assets	7,282,494	250,696	46,139	7,487,051
Total Capital Assets Depreciated	<u>\$ 81,970,926</u>	<u>\$ 3,057,939</u>	<u>\$ 46,139</u>	<u>\$ 84,982,726</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,886,445	\$ 138,054	\$ 0	\$ 2,024,499
Infrastructure	23,908,199	2,996,951	0	26,905,150
Other Capital Assets	3,773,784	649,498	23,501	4,399,781
Total Accumulated Depreciation	<u>\$ 29,568,428</u>	<u>\$ 3,784,503</u>	<u>\$ 23,501</u>	<u>\$ 33,329,430</u>
Total Capital Assets Depreciated, Net	<u>\$ 52,402,498</u>	<u>\$ (726,564)</u>	<u>\$ 22,638</u>	<u>\$ 51,653,296</u>
Governmental Activities Capital Assets, Net	<u>\$ 53,295,298</u>	<u>\$ 998,787</u>	<u>\$ 140,185</u>	<u>\$ 54,153,900</u>

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

Governmental Activities:

General Government	\$ 57,055
Finance	16,479
Administration of Justice	4,876
Public Safety	379,567
Public Health and Welfare	132,575
Social, Cultural, and Recreational Services	30,076

Governmental Activities (Cont.):

Agriculture and Natural Resources	\$	1,265
Other Operations		128
Highways		<u>3,162,482</u>
Total Depreciation Expense- Governmental Activities	<u>\$</u>	<u>3,784,503</u>

Discretely Presented Lawrence County School Department

Governmental Activities:

	Balance 7-1-06	Increases	Balance 6-30-07
Capital Assets Not Depreciated:			
Land	\$ 676,454	\$ 0	\$ 676,454
Construction In Progress	2,717,190	240,027	<u>2,957,217</u>
Total Capital Assets Not Depreciated	<u>3,393,644</u>	<u>240,027</u>	<u>3,633,671</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 51,300,026	\$ 2,410,274	\$ 53,710,300
Other Capital Assets	9,075,836	686,596	<u>9,762,432</u>
Total Capital Assets Depreciated:	<u>\$ 60,375,862</u>	<u>\$ 3,096,870</u>	<u>\$ 63,472,732</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 15,195,902	\$ 1,229,922	\$ 16,425,824
Other Capital Assets	4,554,747	860,571	<u>5,415,318</u>
Total Accumulated Depreciation	<u>\$ 19,750,649</u>	<u>\$ 2,090,493</u>	<u>\$ 21,841,142</u>
Total Capital Assets Depreciated, Net	<u>\$ 40,625,213</u>	<u>\$ 1,006,377</u>	<u>\$ 41,631,590</u>
Governmental Activities Capital Assets, Net	<u>\$ 44,018,857</u>	<u>\$ 1,246,404</u>	<u>\$ 45,265,261</u>

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

Governmental Activities:

Instruction	\$	1,096,363
Support Services		797,696
Operation of Non-Instructional Services		<u>196,434</u>
Total Depreciation Expense- Governmental Activities	<u>\$</u>	<u>2,090,493</u>

D. Construction Commitments

At June 30, 2007, the county had uncompleted construction contracts of approximately \$515,537 for the renovation of the county jail. Funding has been received for these future expenditures.

At June 30, 2007, the discretely presented Lawrence County School Department had uncompleted construction contracts of approximately \$1,225,867 for geothermal construction projects. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 85,759
Highway/Public Works	General	474
Discretely Presented School Department:		
General Purpose School	Education Capital Projects	20,000

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

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component unit:		
Education Capital Projects	Primary government: Nonmajor governmental	\$ 20,000

Interfund Transfers:

Interfund transfers for the year ended June 30, 2007, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	\$ 212,540
Highway/Public Works Fund	0	110,000	0
General Debt Service Fund	692,843	0	0
Nonmajor governmental funds	14,339	0	0
Total	<u>\$ 707,182</u>	<u>\$ 110,000</u>	<u>\$ 212,540</u>

Discretely Presented Lawrence County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	<u>\$ 8,000</u>
Total	<u>\$ 8,000</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.

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general

obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 25 years for bonds and 12 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2007, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds	2.2 to 4.85 %	\$ 21,340,000	\$ 19,810,000
General Obligation Bonds- Refunding	2.599 to 5.05	37,850,000	23,810,000
Capital Outlay Notes	1.55 to 4.125	7,425,000	5,110,000
Capital Outlay Notes- Refunding	2.74	2,195,000	1,085,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2007, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 2,835,000	\$ 1,558,447	\$ 1,130,000	\$ 215,412
2009	2,930,000	1,459,302	1,180,000	179,279
2010	3,020,000	1,356,753	1,215,000	137,051
2011	3,125,000	1,250,698	755,000	93,295
2012	3,240,000	1,142,590	610,000	65,833
2013-2017	13,020,000	4,188,782	1,305,000	58,880
2018-2022	7,400,000	2,318,366	0	0
2023-2027	5,720,000	1,030,508	0	0
2028-2031	2,330,000	235,025	0	0
Total	\$ 43,620,000	\$ 14,540,471	\$ 6,195,000	\$ 749,750

There is \$5,180,346 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,093, based on the 2000

federal census. Debt per capita, including bonds and notes, totaled \$1,248, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the primary government for the year ended June 30, 2007, was as follows:

Governmental Activities:	<u>Bonds</u>	<u>Notes</u>
Balance July 1, 2006	\$ 46,280,000	\$ 6,298,239
Additions	0	
Deductions	<u>(2,660,000)</u>	<u>(1,103,239)</u>
Balance June 30, 2007	<u>\$ 43,620,000</u>	<u>\$ 6,195,000</u>
Balance Due Within One Year	<u>\$ 2,835,000</u>	<u>\$ 1,130,000</u>

	<u>Compensated Absences</u>	<u>Closure/ Postclosure Costs</u>
Balance, July 1, 2006	\$ 277,416	\$ 585,000
Additions	606,092	482,024
Deductions	<u>(521,593)</u>	<u>(250)</u>
Balance, June 30, 2007	<u>\$ 361,915</u>	<u>\$ 1,066,744</u>
Balance Due Within One Year	<u>\$ 361,915</u>	<u>\$ 41,030</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 51,243,689
Less: Due Within One Year	(4,367,945)
Less: Unamortized Discount on Debt	<u>(89,743)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 46,786,001</u>

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

Defeasance of Prior Debt

In prior years, Lawrence County defeased certain outstanding general obligation refunding bonds by placing the proceeds of new bonds into an irrevocable trust to provide for a portion of the future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2007, the following outstanding bonds are considered defeased:

School Refunding Bonds, Series 2000	\$ 6,170,000
School Refunding Bonds, Series 2001	1,115,000

Discretely Presented Lawrence County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Lawrence County School Department for the year ended June 30, 2007, was as follows:

Governmental Activities:

	<u>Notes</u>	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 1,770	\$ 46,864
Additions	0	52,275
Deductions	(1,770)	(55,602)
	<hr/>	<hr/>
Balance, June 30, 2007	\$ 0	\$ 43,537
	<hr/>	<hr/>
Balance Due Within One Year	\$ 0	\$ 43,537
	<hr/>	<hr/>

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

G. Short-term Debt

Lawrence County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet operating expenses coming due before current tax collections. Short-term debt activity for the year ended June 30, 2007, was as follows:

	Balance 7-1-06	Issued	Redeemed	Balance 6-30-07
Tax Anticipation Notes	\$ 0	\$ 500,000	\$ (500,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. During a prior year, 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 \$500,000 (property) and \$250,000 (casualty) for each insured event.

Lawrence County does not have a formal workers' compensation plan. The county is self-insured for risks associated with workers' compensation claims due to on-the-job injuries up to a limit of \$25,000 per claim and has purchased an occupational accident commercial insurance policy to cover claims over \$25,000 per occurrence and up to \$1,000,000 per accident. This policy does not limit the county's liability should occupational-related lawsuits be filed. Each county department pays a prorated share of the commercial insurance policy premiums, as well as an amount equal to the specific medical claims and wages for employees of their respective departments, from their appropriate funds. Settled claims have not exceeded the county's coverage in any of the past three fiscal years.

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

Discretely Presented Lawrence County School Department

The School Department joined 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 annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The School Department continues to carry commercial insurance for all other risks of loss, including employee health and accident. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Accounting Change

In prior years, two private citizens donated cash (endowments) restricted for use for the public library. The principal is to remain intact, and the interest is to be deposited directly into the Public Library Fund (special revenue fund). These endowments were reflected in a Private Purpose Trust Fund but should have been reflected in a Permanent Fund. Effective July 1, 2006, these endowments have been reclassified to a Permanent Fund in the financial statements of this report.

C. Subsequent Events

On December 4, 2007, Lawrence County issued \$10,000,000 in general obligation bonds for various construction and renovation projects.

On December 7, 2007, the county's General Debt Service Fund issued a \$500,000 tax anticipation note to the General Fund for temporary operating funds.

D. Contingent Liabilities

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

E. Changes in Administration

On August 31, 2006, Ametra Bailey left the Office of County Executive and was succeeded by Paul Rosson; Larry Davis left the Office of Director of Schools and was succeeded by Dr. Bill Heath; Leon Clanton left the Office of Circuit, General Sessions, and Juvenile Courts Clerk and was succeeded by Debbie Riddle; and William Dorning left the Office of Sheriff and was succeeded by Kenny Taylor.

F. Landfill Closure/Postclosure Care Costs

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The county closed the landfill in 2001. The Solid Waste/Sanitation Fund reports closure/postclosure costs as a current operating expense.

In prior years, Lawrence County contracted with Waste Services of Decatur, LLC., (WSD) to provide long-term disposal services, the operation of a solid waste transfer station, solid waste transportation services, and closure and postclosure costs of the county's landfill. Lawrence County had agreed to pay

WSD \$22,500 per year for 30 years to cover any closure/postclosure costs. As a result, WSD was contractually liable for all actual closure/postclosure costs.

In May 2006, Lawrence County discontinued the agreement with WSD to provide closure and postclosure costs of the county's landfill. Lawrence County agreed to take over the closure and postclosure care costs. The \$1,066,774 reported as the landfill closure/postclosure care liability at June 30, 2007, represents the net amount to date based on the use of 100 percent of the estimated capacity of the landfill. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

Lawrence County and the City of Lawrenceburg jointly operate the Lawrenceburg-Lawrence County Airport. A six-member board, including three appointees from the county and three from the city, governs the Lawrenceburg-Lawrence County Airport. Lawrence County has control over budgeting and financing the joint venture only to the extent of representation by the three members appointed. Lawrence County contributed \$60,000 to the operations of the joint venture during the year ended June 30, 2007.

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 did not appropriate any funds to the Lawrence County Joint Economic Development Board during the year ended June 30, 2007.

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

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

Administrative Offices:

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

Administrative Offices (Cont.):

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

H. 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 executives 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, 2007.

I. Retirement Commitments

Plan Description

General County Employees

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP.

That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

Public Library Employees

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

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Funding Policy

General County Employees

Lawrence County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2007, was 9.07 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Lawrence County is established and may be amended by the TCRS Board of Trustees.

Public Library Employees

Lawrence County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2007, was 13.13 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Lawrence County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

General County Employees

For the year ended June 30, 2007, Lawrence County's annual pension cost of \$1,049,041 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Lawrence County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 13 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-07	\$1,049,041	100%	\$0
6-30-06	679,063	100	0
6-30-05	658,497	100	0

Public Library Employees

For the year ended June 30, 2007, Lawrence County's annual pension cost of \$16,194 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of

return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Lawrence County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 16 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$16,194	100%	\$0
6-30-06	21,014	100	0
6-30-05	23,330	100	0

School Teachers

Plan Description

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

granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Lawrence County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2007, was 6.13 percent of annual covered payroll. The employer contribution requirement for the Lawrence County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2007, 2006, and 2005, were \$1,340,430, \$1,172,970, and \$1,169,208, respectively, equal to the required contributions for each year.

J. Other Post-employment Benefits

In addition to the retirement commitments described above, the School Department 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 Lawrence County School Department) or age 55 (or over) with at least 17 years service (ten of the 17 with the Lawrence County School Department). Currently, 47 retirees meet those eligibility requirements. The School Department pays the cost of individual coverage for accident and health insurance provided by the Tennessee Insurance System until the individual reaches the age of 65. During the year, expenditures totaled approximately \$14,270 per month.

K. Purchasing Laws

Offices of County Executive and Road Superintendent

Purchasing procedures for these offices are governed by the Fiscal Control Acts of 1957, Section 5-14-101 et seq., Tennessee Code Annotated (TCA). Purchasing procedures for the Road Department are also governed by the Uniform Road Law, Section 54-7-113, TCA. These statutes require that purchase orders be issued for all purchases, and that sealed bids be solicited on purchases exceeding \$5,000 for the Office of County Executive and \$10,000 for the Office of Road Superintendent. The County Commission requires three quotes for purchases estimated to be between \$2,500 and \$5,000.

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

1. Reporting Entity

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

2. Basis of Accounting

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

The district applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions; issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The district has elected not to apply FASB statements and interpretations issued after November 30, 1989.

3. Cash and Cash Equivalents

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

4. Supply Inventory

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

5. Capital Assets

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

6. Estimates

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

The district's annual budget is required by state law. The budget is adopted on a basis consistent with generally accepted accounting principles and is presented on the accrual basis. All budget appropriations lapse at year end.

B. Cash and Certificates of Deposit

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

C. Capital Assets

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

	Balance 7-1-06	Additions	Disposals	Balance 6-30-07
Communications Equipment	\$ 567,820	\$ 154,812	\$ (347,511)	\$ 375,121
Building	471,708	0	(71,708)	400,000
Leasehold Improvements	23,111	279,446	(28,543)	274,014
Equipment and Furniture	11,484	0	0	11,484
	<u>\$ 1,074,123</u>	<u>\$ 434,258</u>	<u>\$ (447,762)</u>	<u>\$ 1,060,619</u>
Less Accumulated Depreciation	<u>(507,250)</u>			<u>(244,454)</u>
Utility Plant - Net	<u>\$ 566,873</u>			<u>\$ 816,165</u>

Accumulated depreciation consists of communications equipment (\$159,189), furniture (\$8,039), building (\$40,000), and leaseholds (\$37,226). All assets are being depreciated.

D. Long-term Debt

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

	Balance 7-1-06	Retirements	Balance 6-30-07
Series 2005	\$ 466,304	\$ (33,954)	\$ 432,350

Future maturities of note principal and interest are as follows:

Year Ending June 30	Principal	Interest
2008	\$ 35,430	\$ 18,807
2009	36,972	17,265
2010	38,580	15,657
2011	40,258	13,979
2012	42,009	12,228
2013-2017	<u>239,101</u>	<u>32,084</u>
Total	<u>\$ 432,350</u>	<u>\$ 110,020</u>

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

E. Risk Management

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

F. Pension Plan

Plan Description

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

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

Funding Policy

The district requires employees to contribute five percent of earned compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2007, was 8.49 percent of annual covered payroll. The contribution requirements of

plan members are set by state statute. Contribution requirements for the district are established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2007, the district’s annual pension cost of \$42,677 to TCRS was equal to the required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent per year compounded annually, (b) projected salary increases of 4.75 percent annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of equities over a five-year period. The district’s unfunded actuarial accrued liability is being amortized at a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 11 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Year Ended	Pension Cost (APC)	of APC Contributed	Pension Obligation
6-30-07	\$ 42,677	100%	\$ 0
6-30-06	27,481	100	0
6-30-05	28,626	100	0

G. Liability for Compensated Absences

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

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

H. Commitments and Contingencies

1. Agreement with BellSouth

The district and BellSouth Business Systems, Inc., entered into an agreement in 1990 that went into service in 1992 and has been in continuous service since that time. BellSouth provides the premises equipment, which includes all voice and data circuits, at a monthly rental fee. There is also a monthly charge for the administration of the 911-customer base. The charges for both the equipment and the service are based on guidelines set by the General Subscriber Services Tariff. Payments to BellSouth for the current year totaled \$38,928. Maintenance and repair responsibilities rest with BellSouth.

2. Agreement with Interact Computer Systems

During the prior year, the district entered into a multi-year maintenance contract with Interact Computer Systems. The five-year agreement included the first year's expense in the purchase price of the equipment. By signing the multi-year agreement, the district received a three percent discount on the maintenance agreement. The annual payment due Interact Computer Systems for the current year was \$12,564.

3. Federal and State Grants

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,850,062	\$ 0	\$ 0	\$ 6,850,062	\$ 6,686,504	\$ 6,692,585	\$ 157,477
Licenses and Permits	32,905	0	0	32,905	22,550	22,550	10,355
Fines, Forfeitures, and Penalties	164,224	0	0	164,224	160,300	167,329	(3,105)
Charges for Current Services	1,201,658	0	0	1,201,658	1,115,145	1,115,145	86,513
Other Local Revenues	574,778	0	0	574,778	203,851	242,393	332,385
Fees Received from County Officials	1,043,067	0	0	1,043,067	903,500	903,500	139,567
State of Tennessee	806,179	0	0	806,179	816,574	869,799	(63,620)
Federal Government	51,099	0	0	51,099	6,000	52,777	(1,678)
Other Governments and Citizens Groups	4,617	0	0	4,617	0	0	4,617
Total Revenues	\$ 10,728,589	\$ 0	\$ 0	\$ 10,728,589	\$ 9,914,424	\$ 10,066,078	\$ 662,511
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 109,112	\$ 0	\$ 0	\$ 109,112	\$ 151,750	\$ 122,750	\$ 13,638
County Mayor/Executive	136,554	(300)	0	136,254	130,712	139,674	3,420
County Attorney	6,000	0	0	6,000	6,000	6,000	0
Election Commission	493,867	(619)	0	493,248	465,560	515,636	22,388
Register of Deeds	33,761	(490)	0	33,271	45,685	45,684	12,413
County Buildings	366,321	(3,214)	409	363,516	410,657	412,656	49,140
Preservation of Records	56,621	0	0	56,621	56,481	58,481	1,860
<u>Finance</u>							
Accounting and Budgeting	108,777	0	0	108,777	98,839	120,160	11,383
Purchasing	94,150	0	0	94,150	104,421	104,796	10,646
Property Assessor's Office	216,446	(168)	0	216,278	217,913	226,413	10,135
County Trustee's Office	22,480	(115)	0	22,365	26,225	26,226	3,861
County Clerk's Office	33,529	(19)	0	33,510	58,900	58,899	25,389

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 311,943	\$ (110)	\$ 180	\$ 312,013	\$ 339,077	\$ 348,077	\$ 36,064
General Sessions Court	288,303	0	0	288,303	265,042	311,820	23,517
Chancery Court	183,431	(132)	0	183,299	194,825	198,825	15,526
Juvenile Court	27,332	0	0	27,332	55,970	29,063	1,731
District Attorney General	42,665	0	0	42,665	30,000	42,665	0
Courtroom Security	0	0	0	0	0	4,000	4,000
<u>Public Safety</u>							
Sheriff's Department	2,115,788	(19,097)	3,342	2,100,033	2,075,684	2,157,292	57,259
Jail	1,713,024	(11,825)	4,473	1,705,672	938,712	1,758,532	52,860
Workhouse	39,850	(438)	0	39,412	39,856	39,856	444
Work Release Program	3,170	0	100	3,270	0	3,820	550
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	6,255	(150)	4,965	11,070	15,000	15,000	3,930
Rescue Squad	245,500	0	0	245,500	245,500	245,500	0
Other Emergency Management	284,832	0	0	284,832	285,000	285,000	168
County Coroner/Medical Examiner	6,500	0	0	6,500	6,500	6,500	0
Other Public Safety	5,652	0	0	5,652	6,000	6,000	348
<u>Public Health and Welfare</u>							
Local Health Center	78,056	0	0	78,056	88,900	90,900	12,844
Ambulance/Emergency Medical Services	1,355,104	(5,503)	2,980	1,352,581	1,244,486	1,383,387	30,806
Regional Mental Health Center	10,000	0	0	10,000	10,000	10,000	0
Appropriation to State	230,668	0	0	230,668	243,400	243,400	12,732
Aid to Dependent Children	7,928	0	0	7,928	8,383	8,383	455
Other Public Health and Welfare	34,449	0	0	34,449	34,449	34,449	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	14,000	0	0	14,000	14,000	14,000	0

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Other Social, Cultural, and Recreational	\$ 96,912	\$ 0	\$ 0	\$ 96,912	\$ 95,000	\$ 98,000	\$ 1,088
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	90,976	(100)	0	90,876	97,932	97,932	7,056
Soil Conservation	29,944	0	1,650	31,594	30,816	31,816	222
Other Agriculture and Natural Resources	2,136	0	0	2,136	0	5,000	2,864
<u>Other Operations</u>							
Tourism	74,895	0	0	74,895	61,800	74,895	0
Industrial Development	97,237	0	0	97,237	97,237	97,237	0
Airport	60,000	0	0	60,000	60,000	60,000	0
Veterans' Services	63,354	(20)	0	63,334	56,584	63,391	57
Other Charges	484,090	(234)	138	483,994	460,464	487,110	3,116
Employee Benefits	1,350,981	0	0	1,350,981	1,327,655	1,352,237	1,256
Total Expenditures	\$ 11,034,593	\$ (42,534)	\$ 18,237	\$ 11,010,296	\$ 10,203,415	\$ 11,443,462	\$ 433,166
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (306,004)	\$ 42,534	\$ (18,237)	\$ (281,707)	\$ (288,991)	\$ (1,377,384)	\$ 1,095,677
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 707,182	\$ 0	\$ 0	\$ 707,182	\$ 0	\$ 710,682	\$ (3,500)
Transfers Out	(212,540)	0	0	(212,540)	(207,709)	(212,540)	0
Total Other Financing Sources (Uses)	\$ 494,642	\$ 0	\$ 0	\$ 494,642	\$ (207,709)	\$ 498,142	\$ (3,500)
Net Change in Fund Balance							
Fund Balance, July 1, 2006	\$ 188,638	\$ 42,534	\$ (18,237)	\$ 212,935	\$ (496,700)	\$ (879,242)	\$ 1,092,177
	2,962,005	(42,534)	0	2,919,471	2,886,088	2,886,088	33,383
Fund Balance, June 30, 2007	\$ 3,150,643	\$ 0	\$ (18,237)	\$ 3,132,406	\$ 2,389,388	\$ 2,006,846	\$ 1,125,560

Exhibit E-2

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,416,507	\$ 0	\$ 0	\$ 1,416,507	\$ 1,340,757	\$ 1,340,757	\$ 75,750
Charges for Current Services	0	0	0	0	1,500	1,500	(1,500)
Other Local Revenues	18,478	0	0	18,478	2,500	43,616	(25,138)
State of Tennessee	2,366,230	0	0	2,366,230	2,390,269	2,311,026	55,204
Federal Government	32,434	0	0	32,434	0	32,434	0
Other Governments and Citizens Groups	15,971	0	0	15,971	0	19,198	(3,227)
Total Revenues	\$ 3,849,620	\$ 0	\$ 0	\$ 3,849,620	\$ 3,735,026	\$ 3,748,531	\$ 101,089
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 173,352	\$ (50)	\$ 0	\$ 173,302	\$ 201,937	\$ 201,937	\$ 28,635
Highway and Bridge Maintenance	1,764,179	(178,148)	1,450	1,587,481	1,877,800	1,940,897	353,416
Operation and Maintenance of Equipment	624,297	(64,564)	11,397	571,130	728,050	757,700	186,570
Other Charges	102,954	0	0	102,954	121,768	121,768	18,814
Employee Benefits	367,763	0	0	367,763	410,000	410,000	42,237
Capital Outlay	717,606	0	0	717,606	870,000	790,757	73,151
Total Expenditures	\$ 3,750,151	\$ (242,762)	\$ 12,847	\$ 3,520,236	\$ 4,209,555	\$ 4,223,059	\$ 702,823
Excess (Deficiency) of Revenues Over Expenditures	\$ 99,469	\$ 242,762	\$ (12,847)	\$ 329,384	\$ (474,529)	\$ (474,528)	\$ 803,912
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (110,000)	\$ 0	\$ 0	\$ (110,000)	\$ (110,000)	\$ (110,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (110,000)	\$ 0	\$ 0	\$ (110,000)	\$ (110,000)	\$ (110,000)	\$ 0
Net Change in Fund Balance	\$ (10,531)	\$ 242,762	\$ (12,847)	\$ 219,384	\$ (584,529)	\$ (584,528)	\$ 803,912
Fund Balance, July 1, 2006	1,100,250	(242,762)	0	857,488	951,559	951,559	(94,071)
Fund Balance, June 30, 2007	\$ 1,089,719	\$ 0	\$ (12,847)	\$ 1,076,872	\$ 367,030	\$ 367,031	\$ 709,841

Exhibit E-3

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
State of Tennessee	\$ 49,500	\$ 0	\$ 0	\$ 49,500	\$ 0	\$ 0	\$ 49,500
Total Revenues	\$ 49,500	\$ 0	\$ 0	\$ 49,500	\$ 0	\$ 0	\$ 49,500
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 2,412,698	\$ (161,325)	\$ 515,537	\$ 2,766,910	\$ 7,730,219	\$ 7,730,218	\$ 4,963,308
Total Expenditures	\$ 2,412,698	\$ (161,325)	\$ 515,537	\$ 2,766,910	\$ 7,730,219	\$ 7,730,218	\$ 4,963,308
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,363,198)	\$ 161,325	\$ (515,537)	\$ (2,717,410)	\$ (7,730,219)	\$ (7,730,218)	\$ 5,012,808
Net Change in Fund Balance	\$ (2,363,198)	\$ 161,325	\$ (515,537)	\$ (2,717,410)	\$ (7,730,219)	\$ (7,730,218)	\$ 5,012,808
Fund Balance, July 1, 2006	7,716,144	(161,325)	0	7,554,819	7,730,219	7,730,219	(175,400)
Fund Balance, June 30, 2007	\$ 5,352,946	\$ 0	\$ (515,537)	\$ 4,837,409	\$ 0	\$ 1	\$ 4,837,408

Exhibit E-4

Lawrence County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2007

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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General County Employees

6-30-05	\$ 21,414	\$ 22,176	761	96.57 %	\$ 10,751	7.08 %
6-30-03	19,110	19,937	827	95.85	9,608	8.61
6-30-01	16,805	17,795	990	94.44	9,178	10.79

Public Library Employees

6-30-05	348	359	11	97.02	133	8.06
6-30-03	258	269	11	95.91	114	9.65
6-30-01	194	211	17	91.94	95	17.89

LAWRENCE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

BUDGETARY INFORMATION

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 Lawrence 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 State 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, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the Lawrence 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 generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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 or maintenance on the courthouse or jail.

Public Library Fund – The Public Library Fund is used to account for transactions of the Lawrence County Public Library.

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

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

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

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

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

Capital Projects Funds

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

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for HUD grant revenues and expenditures.

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

Homeland Security Capital Projects Fund – The Homeland Security Capital Projects Fund is used to account for Homeland Security grant revenues and expenditures.

Permanent Fund

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

Permanent 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 are posted directly to the Public Library Fund (special revenue fund).

Exhibit F-1

Lawrence County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General
<u>ASSETS</u>						
Cash	\$ 0	\$ 150	\$ 125	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	71,065	57,140	1,695,470	615,961	58,881	15,931
Accounts Receivable	0	0	692,834	0	0	0
Allowance for Uncollectibles	0	0	(567,140)	0	0	0
Due from Other Governments	0	0	118	0	0	0
Notes Receivable - Long-term	0	0	0	150,000	0	0
Total Assets	\$ 71,065	\$ 57,290	\$ 1,821,407	\$ 765,961	\$ 58,881	\$ 15,931
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 0	\$ 505	\$ 83,195	\$ 31,122	\$ 632	\$ 0
Due to Other Funds	0	1,646	9,113	0	0	0
Due to Component Units	0	0	0	20,000	0	0
Total Liabilities	\$ 0	\$ 2,151	\$ 92,308	\$ 51,122	\$ 632	\$ 0
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 0	\$ 1,795	\$ 700	\$ 0	\$ 560	\$ 0
Reserved for Long-term Notes Receivable	0	0	0	150,000	0	0
Reserved for Capital Outlay	0	0	0	519,994	0	0
Reserved for Other General Purposes	0	3,354	0	0	0	0
Unreserved	71,065	49,990	1,728,399	44,845	57,689	15,931
Total Fund Balances	\$ 71,065	\$ 55,139	\$ 1,729,099	\$ 714,839	\$ 58,249	\$ 15,931
Total Liabilities and Fund Balances	\$ 71,065	\$ 57,290	\$ 1,821,407	\$ 765,961	\$ 58,881	\$ 15,931

(Continued)

Exhibit F-1

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Constitu - tional Officers - Fees	Total	Highway Capital Projects	Other Capital Projects	Total	Endowment	
<u>ASSETS</u>							
Cash	\$ 132,477	\$ 132,752	\$ 0	\$ 0	\$ 0	\$ 0	\$ 132,752
Equity in Pooled Cash and Investments	0	2,514,448	57,579	86,092	143,671	75,799	2,733,918
Accounts Receivable	229	693,063	0	0	0	0	693,063
Allowance for Uncollectibles	0	(567,140)	0	0	0	0	(567,140)
Due from Other Governments	0	118	0	0	0	0	118
Notes Receivable - Long-term	0	150,000	0	0	0	0	150,000
Total Assets	\$ 132,706	\$ 2,923,241	\$ 57,579	\$ 86,092	\$ 143,671	\$ 75,799	\$ 3,142,711
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 0	\$ 115,454	\$ 32,856	\$ 0	\$ 32,856	\$ 0	\$ 148,310
Due to Other Funds	0	10,759	0	75,000	75,000	0	85,759
Due to Component Units	0	20,000	0	0	0	0	20,000
Total Liabilities	\$ 0	\$ 146,213	\$ 32,856	\$ 75,000	\$ 107,856	\$ 0	\$ 254,069
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 0	\$ 3,055	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,055
Reserved for Long-term Notes Receivable	0	150,000	0	0	0	0	150,000
Reserved for Capital Outlay	0	519,994	0	0	0	0	519,994
Reserved for Other General Purposes	0	3,354	0	0	0	0	3,354
Unreserved	132,706	2,100,625	24,723	11,092	35,815	75,799	2,212,239
Total Fund Balances	\$ 132,706	\$ 2,777,028	\$ 24,723	\$ 11,092	\$ 35,815	\$ 75,799	\$ 2,888,642
Total Liabilities and Fund Balances	\$ 132,706	\$ 2,923,241	\$ 57,579	\$ 86,092	\$ 143,671	\$ 75,799	\$ 3,142,711

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, 2007

	Special Revenue Funds							Total
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General	Constitu - tional Officers - Fees	
<u>Revenues</u>								
Local Taxes	\$ 10,358	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,358
Fines, Forfeitures, and Penalties	88	0	0	0	129,444	34,319	0	163,851
Charges for Current Services	0	9,853	1,280,037	0	0	0	597,091	1,886,981
Other Local Revenues	0	11,231	250,561	0	0	4,291	0	266,083
State of Tennessee	0	4,009	39,999	0	0	0	0	44,008
Federal Government	0	0	0	24,700	13,099	552	0	38,351
Other Governments and Citizens Groups	0	77,234	0	0	4,620	0	0	81,854
Total Revenues	\$ 10,446	\$ 102,327	\$ 1,570,597	\$ 24,700	\$ 147,163	\$ 39,162	\$ 597,091	\$ 2,491,486
<u>Expenditures</u>								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 165,855	\$ 165,855
Finance	0	0	0	0	0	0	428,696	428,696
Administration of Justice	0	0	0	0	0	48,415	2,175	50,590
Public Safety	0	0	0	0	149,984	0	179	150,163
Public Health and Welfare	0	0	1,515,485	0	0	0	0	1,515,485
Social, Cultural, and Recreational Services	0	286,871	0	0	0	0	0	286,871
Other Operations	4,373	0	0	0	0	0	0	4,373
Capital Projects	0	0	0	623,580	0	0	0	623,580
Total Expenditures	\$ 4,373	\$ 286,871	\$ 1,515,485	\$ 623,580	\$ 149,984	\$ 48,415	\$ 596,905	\$ 3,225,613
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,073	\$ (184,544)	\$ 55,112	\$ (598,880)	\$ (2,821)	\$ (9,253)	\$ 186	\$ (734,127)
<u>Other Financing Sources (Uses)</u>								
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 1,000,000
Transfers In	0	212,540	0	0	0	0	0	212,540
Transfers Out	0	0	(14,339)	0	0	0	0	(14,339)
Total Other Financing Sources (Uses)	\$ 0	\$ 212,540	\$ (14,339)	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 1,198,201
Net Change in Fund Balances	\$ 6,073	\$ 27,996	\$ 40,773	\$ 401,120	\$ (2,821)	\$ (9,253)	\$ 186	\$ 464,074
Fund Balance, July 1, 2006	64,992	27,143	1,688,326	313,719	61,070	25,184	132,520	2,312,954
Prior Period Adjustment	0	0	0	0	0	0	0	0
Fund Balance, June 30, 2007	\$ 71,065	\$ 55,139	\$ 1,729,099	\$ 714,839	\$ 58,249	\$ 15,931	\$ 132,706	\$ 2,777,028

(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	Total Nonmajor Governmental Funds
	HUD Grant Projects	Highway Capital Projects	Other Capital Projects	Total	Fund Endowment	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,358
Fines, Forfeitures, and Penalties	0	0	0	0	0	163,851
Charges for Current Services	0	0	0	0	0	1,886,981
Other Local Revenues	0	0	0	0	0	266,083
State of Tennessee	0	0	0	0	0	44,008
Federal Government	69,306	0	265,518	334,824	0	373,175
Other Governments and Citizens Groups	0	0	0	0	0	81,854
Total Revenues	\$ 69,306	\$ 0	\$ 265,518	\$ 334,824	\$ 0	\$ 2,826,310
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	165,855
Finance	0	0	0	0	0	428,696
Administration of Justice	0	0	0	0	0	50,590
Public Safety	0	0	0	0	0	150,163
Public Health and Welfare	0	0	0	0	0	1,515,485
Social, Cultural, and Recreational Services	0	0	0	0	0	286,871
Other Operations	0	0	0	0	0	4,373
Capital Projects	69,306	1,058,252	270,242	1,397,800	0	2,021,380
Total Expenditures	\$ 69,306	\$ 1,058,252	\$ 270,242	\$ 1,397,800	\$ 0	\$ 4,623,413
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (1,058,252)	\$ (4,724)	\$ (1,062,976)	\$ 0	\$ (1,797,103)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,000,000
Transfers In	0	0	0	0	0	212,540
Transfers Out	0	0	0	0	0	(14,339)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,198,201
Net Change in Fund Balances	\$ 0	\$ (1,058,252)	\$ (4,724)	\$ (1,062,976)	\$ 0	\$ (598,902)
Fund Balance, July 1, 2006	0	1,082,975	15,816	1,098,791	0	3,411,745
Prior Period Adjustment	0	0	0	0	75,799	75,799
Fund Balance, June 30, 2007	\$ 0	\$ 24,723	\$ 11,092	\$ 35,815	\$ 75,799	\$ 2,888,642

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 10,358	\$ 10,925	\$ 10,925	\$ (567)
Fines, Forfeitures, and Penalties	88	0	0	88
Total Revenues	<u>\$ 10,446</u>	<u>\$ 10,925</u>	<u>\$ 10,925</u>	<u>\$ (479)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 4,373	\$ 5,905	\$ 9,905	\$ 5,532
Total Expenditures	<u>\$ 4,373</u>	<u>\$ 5,905</u>	<u>\$ 9,905</u>	<u>\$ 5,532</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,073</u>	<u>\$ 5,020</u>	<u>\$ 1,020</u>	<u>\$ 5,053</u>
Net Change in Fund Balance	\$ 6,073	\$ 5,020	\$ 1,020	\$ 5,053
Fund Balance, July 1, 2006	<u>64,992</u>	<u>64,992</u>	<u>64,992</u>	<u>0</u>
Fund Balance, June 30, 2007	<u><u>\$ 71,065</u></u>	<u><u>\$ 70,012</u></u>	<u><u>\$ 66,012</u></u>	<u><u>\$ 5,053</u></u>

Exhibit F-4

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Public Library Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 9,853	\$ 0	\$ 0	\$ 9,853	\$ 10,850	\$ 10,850	\$ (997)
Other Local Revenues	11,231	0	0	11,231	6,500	10,100	1,131
State of Tennessee	4,009	0	0	4,009	3,500	0	4,009
Other Governments and Citizens Groups	77,234	0	0	77,234	73,691	73,691	3,543
Total Revenues	\$ 102,327	\$ 0	\$ 0	\$ 102,327	\$ 94,541	\$ 94,641	\$ 7,686
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 286,871	\$ (932)	\$ 1,795	\$ 287,734	\$ 305,593	\$ 313,407	\$ 25,673
Total Expenditures	\$ 286,871	\$ (932)	\$ 1,795	\$ 287,734	\$ 305,593	\$ 313,407	\$ 25,673
Excess (Deficiency) of Revenues Over Expenditures	\$ (184,544)	\$ 932	\$ (1,795)	\$ (185,407)	\$ (211,052)	\$ (218,766)	\$ 33,359
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 212,540	\$ 0	\$ 0	\$ 212,540	\$ 207,709	\$ 212,540	\$ 0
Total Other Financing Sources (Uses)	\$ 212,540	\$ 0	\$ 0	\$ 212,540	\$ 207,709	\$ 212,540	\$ 0
Net Change in Fund Balance	\$ 27,996	\$ 932	\$ (1,795)	\$ 27,133	\$ (3,343)	\$ (6,226)	\$ 33,359
Fund Balance, July 1, 2006	27,143	(932)	0	26,211	24,640	24,640	1,571
Fund Balance, June 30, 2007	\$ 55,139	\$ 0	\$ (1,795)	\$ 53,344	\$ 21,297	\$ 18,414	\$ 34,930

Exhibit F-5

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,280,037	\$ 0	\$ 0	\$ 1,280,037	\$ 1,337,235	\$ 1,337,235	\$ (57,198)
Other Local Revenues	250,561	0	0	250,561	140,250	147,119	103,442
State of Tennessee	39,999	0	0	39,999	40,000	40,000	(1)
Total Revenues	\$ 1,570,597	\$ 0	\$ 0	\$ 1,570,597	\$ 1,517,485	\$ 1,524,354	\$ 46,243
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Landfill Operation and Maintenance	\$ 1,515,485	\$ (22,648)	\$ 700	\$ 1,493,537	\$ 1,742,723	\$ 1,739,222	\$ 245,685
Total Expenditures	\$ 1,515,485	\$ (22,648)	\$ 700	\$ 1,493,537	\$ 1,742,723	\$ 1,739,222	\$ 245,685
Excess (Deficiency) of Revenues Over Expenditures	\$ 55,112	\$ 22,648	\$ (700)	\$ 77,060	\$ (225,238)	\$ (214,868)	\$ 291,928
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,000	\$ 0	\$ 0
Transfers Out	(14,339)	0	0	(14,339)	0	(17,839)	3,500
Total Other Financing Sources (Uses)	\$ (14,339)	\$ 0	\$ 0	\$ (14,339)	\$ 42,000	\$ (17,839)	\$ 3,500
Net Change in Fund Balance	\$ 40,773	\$ 22,648	\$ (700)	\$ 62,721	\$ (183,238)	\$ (232,707)	\$ 295,428
Fund Balance, July 1, 2006	1,688,326	(22,648)	0	1,665,678	1,793,611	1,793,611	(127,933)
Fund Balance, June 30, 2007	\$ 1,729,099	\$ 0	\$ (700)	\$ 1,728,399	\$ 1,610,373	\$ 1,560,904	\$ 167,495

Exhibit F-6

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 24,700	\$ 0	\$ 24,700	\$ 0	\$ 0	\$ 24,700
Total Revenues	\$ 24,700	\$ 0	\$ 24,700	\$ 0	\$ 0	\$ 24,700
<u>Expenditures</u>						
<u>Capital Projects</u>						
General Administration Projects	\$ 500,006	\$ 0	\$ 500,006	\$ 0	\$ 1,000,000	\$ 499,994
Public Utility Projects	123,574	(78)	123,496	250,000	234,647	111,151
Total Expenditures	\$ 623,580	\$ (78)	\$ 623,502	\$ 250,000	\$ 1,234,647	\$ 611,145
Excess (Deficiency) of Revenues Over Expenditures	\$ (598,880)	\$ 78	\$ (598,802)	\$ (250,000)	\$ (1,234,647)	\$ 635,845
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Total Other Financing Sources (Uses)	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Net Change in Fund Balance	\$ 401,120	\$ 78	\$ 401,198	\$ (250,000)	\$ (234,647)	\$ 635,845
Fund Balance, July 1, 2006	313,719	(78)	313,641	406,492	406,492	(92,851)
Fund Balance, June 30, 2007	\$ 714,839	\$ 0	\$ 714,839	\$ 156,492	\$ 171,845	\$ 542,994

Exhibit F-7

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 129,444	\$ 0	\$ 0	\$ 129,444	\$ 66,439	\$ 84,350	\$ 45,094
Other Local Revenues	0	0	0	0	350	350	(350)
State of Tennessee	0	0	0	0	1,000	1,000	(1,000)
Federal Government	13,099	0	0	13,099	0	11,396	1,703
Other Governments and Citizens Groups	4,620	0	0	4,620	0	0	4,620
Total Revenues	\$ 147,163	\$ 0	\$ 0	\$ 147,163	\$ 67,789	\$ 97,096	\$ 50,067
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 149,984	\$ (1,848)	\$ 560	\$ 148,696	\$ 95,485	\$ 180,053	\$ 31,357
Total Expenditures	\$ 149,984	\$ (1,848)	\$ 560	\$ 148,696	\$ 95,485	\$ 180,053	\$ 31,357
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,821)	\$ 1,848	\$ (560)	\$ (1,533)	\$ (27,696)	\$ (82,957)	\$ 81,424
Net Change in Fund Balance	\$ (2,821)	\$ 1,848	\$ (560)	\$ (1,533)	\$ (27,696)	\$ (82,957)	\$ 81,424
Fund Balance, July 1, 2006	61,070	(1,848)	0	59,222	39,068	39,068	20,154
Fund Balance, June 30, 2007	\$ 58,249	\$ 0	\$ (560)	\$ 57,689	\$ 11,372	\$ (43,889)	\$ 101,578

Exhibit F-8

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
HUD Grant Projects Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 69,306	\$ 69,306	\$ 69,306	\$ 0
Total Revenues	\$ 69,306	\$ 69,306	\$ 69,306	\$ 0
<u>Expenditures</u>				
<u>Capital Projects</u>				
Other General Government Projects	\$ 69,306	\$ 69,306	\$ 69,306	\$ 0
Total Expenditures	\$ 69,306	\$ 69,306	\$ 69,306	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2006	0	0	0	0
Fund Balance, June 30, 2007	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit F-9

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures</u>						
<u>Capital Projects</u>						
Highway and Street Capital Projects	\$ 1,058,252	\$ (145,000)	\$ 913,252	\$ 1,077,986	\$ 1,077,986	\$ 164,734
Total Expenditures	\$ 1,058,252	\$ (145,000)	\$ 913,252	\$ 1,077,986	\$ 1,077,986	\$ 164,734
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,058,252)	\$ 145,000	\$ (913,252)	\$ (1,077,986)	\$ (1,077,986)	\$ 164,734
Net Change in Fund Balance	\$ (1,058,252)	\$ 145,000	\$ (913,252)	\$ (1,077,986)	\$ (1,077,986)	\$ 164,734
Fund Balance, July 1, 2006	1,082,975	(145,000)	937,975	1,077,986	1,077,986	(140,011)
Fund Balance, June 30, 2007	\$ 24,723	\$ 0	\$ 24,723	\$ 0	\$ 0	\$ 24,723

Exhibit F-10

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Homeland Security Capital Projects Fund
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 265,518	\$ 0	\$ 265,518	\$ 283,434	\$ 283,434	\$ (17,916)
Total Revenues	\$ 265,518	\$ 0	\$ 265,518	\$ 283,434	\$ 283,434	\$ (17,916)
<u>Expenditures</u>						
<u>Capital Projects</u>						
Public Safety Projects	\$ 270,242	\$ (32,080)	\$ 238,162	\$ 283,434	\$ 283,434	\$ 45,272
Total Expenditures	\$ 270,242	\$ (32,080)	\$ 238,162	\$ 283,434	\$ 283,434	\$ 45,272
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,724)	\$ 32,080	\$ 27,356	\$ 0	\$ 0	\$ 27,356
Net Change in Fund Balance	\$ (4,724)	\$ 32,080	\$ 27,356	\$ 0	\$ 0	\$ 27,356
Fund Balance, July 1, 2006	15,816	(32,080)	(16,264)	10,568	10,568	(26,832)
Fund Balance, June 30, 2007	\$ 11,092	\$ 0	\$ 11,092	\$ 10,568	\$ 10,568	\$ 524

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,371,174	\$ 4,293,852	\$ 4,293,852	\$ 77,322
Other Local Revenues	782,842	765,000	765,000	17,842
State of Tennessee	409,342	330,000	330,000	79,342
Other Governments and Citizens Groups	300,000	300,000	300,000	0
Total Revenues	<u>\$ 5,863,358</u>	<u>\$ 5,688,852</u>	<u>\$ 5,688,852</u>	<u>\$ 174,506</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,510,000	\$ 1,510,000	\$ 1,510,000	\$ 0
Highways and Streets	603,239	603,239	603,239	0
Education	1,650,000	1,650,000	1,650,000	0
<u>Interest on Debt</u>				
General Government	733,398	733,398	733,398	0
Highways and Streets	47,573	47,574	47,574	1
Education	1,085,892	1,085,892	1,085,892	0
<u>Other Debt Service</u>				
General Government	74,707	75,500	75,000	293
Education	1,500	1,000	1,500	0
Total Expenditures	<u>\$ 5,706,309</u>	<u>\$ 5,706,603</u>	<u>\$ 5,706,603</u>	<u>\$ 294</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 157,049</u>	<u>\$ (17,751)</u>	<u>\$ (17,751)</u>	<u>\$ 174,800</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 110,000	\$ 110,000	\$ 110,000	\$ 0
Transfers Out	(692,843)	0	(692,843)	0
Total Other Financing Sources (Uses)	<u>\$ (582,843)</u>	<u>\$ 110,000</u>	<u>\$ (582,843)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (425,794)	\$ 92,249	\$ (600,594)	\$ 174,800
Fund Balance, July 1, 2006	<u>5,606,140</u>	<u>5,647,242</u>	<u>5,647,242</u>	<u>(41,102)</u>
Fund Balance, June 30, 2007	<u>\$ 5,180,346</u>	<u>\$ 5,739,491</u>	<u>\$ 5,046,648</u>	<u>\$ 133,698</u>

Fiduciary Funds

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

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

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

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

Exhibit H-1

Lawrence County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>			<u>Total</u>
	<u>Cities - Sales Tax</u>	<u>Judicial District Drug</u>	<u>Constitu- tional Officers - Agency</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 3,364	\$ 1,068,186	\$ 1,071,550
Equity in Pooled Cash and Investments	0	16,913	0	16,913
Accounts Receivable	0	0	350	350
Due from Other Governments	680,317	0	0	680,317
Total Assets	<u>\$ 680,317</u>	<u>\$ 20,277</u>	<u>\$ 1,068,536</u>	<u>\$ 1,769,130</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 680,317	\$ 0	\$ 0	\$ 680,317
Due to Joint Ventures	0	20,277	0	20,277
Due to Litigants, Heirs, and Others	0	0	1,068,536	1,068,536
Total Liabilities	<u>\$ 680,317</u>	<u>\$ 20,277</u>	<u>\$ 1,068,536</u>	<u>\$ 1,769,130</u>

Exhibit H-2

Lawrence County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,904,373	\$ 3,904,373	\$ 0
Due from Other Governments	657,086	680,317	657,086	680,317
Total Assets	\$ 657,086	\$ 4,584,690	\$ 4,561,459	\$ 680,317
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 657,086	\$ 4,584,690	\$ 4,561,459	\$ 680,317
Total Liabilities	\$ 657,086	\$ 4,584,690	\$ 4,561,459	\$ 680,317
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 2,300	\$ 3,364	\$ 2,300	\$ 3,364
Equity in Pooled Cash and Investments	26,249	16,913	26,249	16,913
Total Assets	\$ 28,549	\$ 20,277	\$ 28,549	\$ 20,277
<u>Liabilities</u>				
Accounts Payable	\$ 3,457	\$ 0	\$ 3,457	\$ 0
Due to Joint Ventures	26,092	20,277	25,092	20,277
Total Liabilities	\$ 28,549	\$ 20,277	\$ 28,549	\$ 20,277
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,290,815	\$ 7,539,596	\$ 7,762,225	\$ 1,068,186
Accounts Receivable	0	350	0	350
Total Assets	\$ 1,290,815	\$ 7,539,946	\$ 7,762,225	\$ 1,068,536
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,290,815	\$ 7,539,946	\$ 7,762,225	\$ 1,068,536
Total Liabilities	\$ 1,290,815	\$ 7,539,946	\$ 7,762,225	\$ 1,068,536
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,293,115	\$ 7,542,960	\$ 7,764,525	\$ 1,071,550
Equity in Pooled Cash and Investments	26,249	3,921,286	3,930,622	16,913
Accounts Receivable	0	350	0	350
Due from Other Governments	657,086	680,317	657,086	680,317
Total Assets	\$ 1,976,450	\$ 12,144,913	\$ 12,352,233	\$ 1,769,130

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 3,457	\$ 0	\$ 3,457	\$ 0
Due to Litigants, Heirs, and Others	1,290,815	7,539,946	7,762,225	1,068,536
Due to Other Taxing Units	657,086	4,584,690	4,561,459	680,317
Due to Joint Ventures	25,092	20,277	25,092	20,277
Total Liabilities	<u>\$ 1,976,450</u>	<u>\$ 12,144,913</u>	<u>\$ 12,352,233</u>	<u>\$ 1,769,130</u>

Lawrence County School Department

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

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

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

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

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

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

Exhibit I-1

Lawrence County, Tennessee
Statement of Activities
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit:					
Governmental Activities:					
Instruction	\$ 30,185,705	\$ 143,767	\$ 4,128,315	\$ 495,506	\$ (25,418,117)
Support Services	10,631,440	78,745	101,803	0	(10,450,892)
Operation of Non-Instructional Services	4,911,492	1,518,687	2,015,145	0	(1,377,660)
Total Governmental Activities	<u>\$ 45,728,637</u>	<u>\$ 1,741,199</u>	<u>\$ 6,245,263</u>	<u>\$ 495,506</u>	<u>\$ (37,246,669)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,533,041
Local Option Sales Taxes					4,244,845
Other Local Taxes					6,725
Grants and Contributions Not Restricted to Specific Programs					27,664,234
Miscellaneous					80,788
Total General Revenues					<u>\$ 37,529,633</u>
Change in Net Assets					\$ 282,964
Net Assets, July 1, 2006					<u>51,357,253</u>
Net Assets, June 30, 2007					<u>\$ 51,640,217</u>

Exhibit I-2

Lawrence County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Lawrence County School Department
June 30, 2007

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Funds Other Govern-mental Funds	
<u>ASSETS</u>				
Cash	\$ 79	\$ 0	\$ 1,200	\$ 1,279
Equity in Pooled Cash and Investments	3,781,275	1,619,124	1,094,200	6,494,599
Inventories	0	0	143,767	143,767
Accounts Receivable	27,480	0	923	28,403
Due from Other Governments	1,178,448	0	76,941	1,255,389
Due from Other Funds	20,000	0	0	20,000
Due from Primary Government	0	20,000	0	20,000
Property Taxes Receivable	5,606,186	0	0	5,606,186
Allowance for Uncollectible Property Taxes	(81,856)	0	0	(81,856)
Total Assets	\$ 10,531,612	\$ 1,639,124	\$ 1,317,031	\$ 13,487,767
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 121,651	\$ 20,356	\$ 23,866	\$ 165,873
Payroll Deductions Payable	1,201,963	0	154,815	1,356,778
Contracts Payable	0	137,597	0	137,597
Retainage Payable	0	162,307	0	162,307
Due to Other Funds	0	20,000	0	20,000
Deferred Revenue - Current Property Taxes	5,226,719	0	0	5,226,719
Deferred Revenue - Delinquent Property Taxes	244,309	0	0	244,309
Other Deferred Revenues	403,134	0	0	403,134
Total Liabilities	\$ 7,197,776	\$ 340,260	\$ 178,681	\$ 7,716,717
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 176,153	\$ 1,225,867	\$ 85,461	\$ 1,487,481
Reserved for Vocational Projects	10,100	0	0	10,100
Other Local Education Reserves	26,338	0	0	26,338
Reserved for Career Ladder - Extended Contract	58,328	0	0	58,328
Reserved for Career Ladder Program	14,337	0	0	14,337
Reserved for Innovative Education Program Strategies	0	0	52	52
Other Federal Reserves	0	0	5,086	5,086
Unreserved, Reported In:				
General Fund	3,048,580	0	0	3,048,580
Special Revenue Funds	0	0	1,047,751	1,047,751
Capital Projects Funds	0	72,997	0	72,997
Total Fund Balances	\$ 3,333,836	\$ 1,298,864	\$ 1,138,350	\$ 5,771,050
Total Liabilities and Fund Balances	\$ 10,531,612	\$ 1,639,124	\$ 1,317,031	\$ 13,487,767

Exhibit I-3

Lawrence County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
Discretely Presented Lawrence County School Department
June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	5,771,050
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	676,454	
Add: construction in progress		2,957,217	
Add: buildings and improvements net of accumulated depreciation		37,248,476	
Add: other capital assets net of accumulated depreciation		<u>4,347,114</u>	45,229,261
(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			(43,537)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>647,443</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>51,604,217</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, 2007

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 9,686,738	\$ 0	\$ 0	\$ 9,686,738
Licenses and Permits	1,914	0	0	1,914
Charges for Current Services	117,527	0	1,620,697	1,738,224
Other Local Revenues	115,459	0	51,165	166,624
State of Tennessee	28,065,379	0	44,482	28,109,861
Federal Government	251,907	0	5,275,568	5,527,475
Other Governments and Citizens Groups	0	495,506	0	495,506
Total Revenues	\$ 38,238,924	\$ 495,506	\$ 6,991,912	\$ 45,726,342
<u>Expenditures</u>				
Current:				
Instruction	\$ 24,541,193	\$ 0	\$ 2,779,776	\$ 27,320,969
Support Services	11,622,102	0	547,005	12,169,107
Operation of Non-Instructional Services	827,781	0	3,626,418	4,454,199
Capital Outlay	361,830	0	0	361,830
Debt Service:				
Principal on Debt	301,770	0	0	301,770
Capital Projects	0	2,209,394	0	2,209,394
Total Expenditures	\$ 37,654,676	\$ 2,209,394	\$ 6,953,199	\$ 46,817,269
Excess (Deficiency) of Revenues Over Expenditures	\$ 584,248	\$ (1,713,888)	\$ 38,713	\$ (1,090,927)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 8,000	\$ 0	\$ 0	\$ 8,000
Transfers Out	0	0	(8,000)	(8,000)
Total Other Financing Sources (Uses)	\$ 8,000	\$ 0	\$ (8,000)	\$ 0
Net Change in Fund Balances	\$ 592,248	\$ (1,713,888)	\$ 30,713	\$ (1,090,927)
Fund Balance, July 1, 2006	2,741,588	3,012,752	1,107,637	6,861,977
Fund Balance, June 30, 2007	\$ 3,333,836	\$ 1,298,864	\$ 1,138,350	\$ 5,771,050

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, 2007

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (1,090,927)
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 3,336,897	
Less: current year depreciation expense	<u>(2,090,493)</u>	1,246,404
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 647,443	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(523,283)</u>	124,160
<p>(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.</p>		
Change in compensated absences		<u>3,327</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 282,964</u>

Exhibit I-6

Lawrence County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Lawrence County School Department
June 30, 2007

	<u>Special Revenue Funds</u>			
	School Federal Projects	Central Cafeteria	Extended School Program	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 1,200	\$ 0	\$ 1,200
Equity in Pooled Cash and Investments	35,512	1,044,117	14,571	1,094,200
Inventories	0	143,767	0	143,767
Accounts Receivable	0	0	923	923
Due from Other Governments	76,941	0	0	76,941
Total Assets	\$ 112,453	\$ 1,189,084	\$ 15,494	\$ 1,317,031
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 23,866	\$ 0	\$ 23,866
Payroll Deductions Payable	107,315	47,500	0	154,815
Total Liabilities	\$ 107,315	\$ 71,366	\$ 0	\$ 178,681
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 0	\$ 85,461	\$ 0	\$ 85,461
Reserved for Innovative Education Program Strategies	52	0	0	52
Other Federal Reserves	5,086	0	0	5,086
Unreserved	0	1,032,257	15,494	1,047,751
Total Fund Balances	\$ 5,138	\$ 1,117,718	\$ 15,494	\$ 1,138,350
Total Liabilities and Fund Balances	\$ 112,453	\$ 1,189,084	\$ 15,494	\$ 1,317,031

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, 2007

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 1,498,613	\$ 122,084	\$ 1,620,697
Other Local Revenues	0	51,165	0	51,165
State of Tennessee	0	41,375	3,107	44,482
Federal Government	3,462,897	1,812,671	0	5,275,568
Total Revenues	\$ 3,462,897	\$ 3,403,824	\$ 125,191	\$ 6,991,912
<u>Expenditures</u>				
Current:				
Instruction	\$ 2,779,776	\$ 0	\$ 0	\$ 2,779,776
Support Services	547,005	0	0	547,005
Operation of Non-Instructional Services	130,681	3,368,934	126,803	3,626,418
Total Expenditures	\$ 3,457,462	\$ 3,368,934	\$ 126,803	\$ 6,953,199
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,435	\$ 34,890	\$ (1,612)	\$ 38,713
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (8,000)	\$ 0	\$ 0	\$ (8,000)
Total Other Financing Sources (Uses)	\$ (8,000)	\$ 0	\$ 0	\$ (8,000)
Net Change in Fund Balances	\$ (2,565)	\$ 34,890	\$ (1,612)	\$ 30,713
Fund Balance, July 1, 2006	7,703	1,082,828	17,106	1,107,637
Fund Balance, June 30, 2007	\$ 5,138	\$ 1,117,718	\$ 15,494	\$ 1,138,350

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,686,738	\$ 0	\$ 0	\$ 9,686,738	\$ 9,430,998	\$ 9,430,998	\$ 255,740
Licenses and Permits	1,914	0	0	1,914	0	0	1,914
Charges for Current Services	117,527	0	0	117,527	84,000	85,915	31,612
Other Local Revenues	115,459	0	0	115,459	18,000	119,714	(4,255)
State of Tennessee	28,065,379	0	0	28,065,379	26,831,619	28,101,562	(36,183)
Federal Government	251,907	0	0	251,907	0	302,220	(50,313)
Total Revenues	\$ 38,238,924	\$ 0	\$ 0	\$ 38,238,924	\$ 36,364,617	\$ 38,040,409	\$ 198,515
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 19,925,887	\$ (42,620)	\$ 55,676	\$ 19,938,943	\$ 20,004,704	\$ 20,318,986	\$ 380,043
Alternative Instruction Program	110,666	0	5,200	115,866	61,386	122,070	6,204
Special Education Program	2,253,545	0	1,239	2,254,784	2,319,434	2,330,076	75,292
Vocational Education Program	2,081,285	(469)	4,600	2,085,416	2,049,259	2,151,672	66,256
Adult Education Program	169,810	(525)	3,814	173,099	20,000	177,022	3,923
<u>Support Services</u>							
Attendance	83,526	(4,500)	6,950	85,976	85,713	85,997	21
Health Services	306,832	0	0	306,832	312,899	321,289	14,457
Other Student Support	798,253	(5,416)	123	792,960	893,966	925,915	132,955
Regular Instruction Program	1,059,013	(634)	551	1,058,930	1,045,701	1,077,242	18,312
Alternative Instruction Program	50,389	0	0	50,389	41,194	50,994	605
Special Education Program	260,716	(375)	0	260,341	259,138	262,992	2,651
Vocational Education Program	116,314	(200)	1,138	117,252	103,738	125,956	8,704
Adult Programs	74,303	0	0	74,303	1,000	80,953	6,650
Board of Education	693,941	0	0	693,941	696,208	716,208	22,267
Director of Schools	303,665	(11,054)	4,999	297,610	289,046	307,561	9,951

(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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 1,890,748	\$ (7,685)	\$ 0	\$ 1,883,063	\$ 1,860,938	\$ 1,883,843	\$ 780
Fiscal Services	234,177	0	1,751	235,928	229,925	246,415	10,487
Operation of Plant	3,007,196	(27)	0	3,007,169	3,068,884	3,092,430	85,261
Maintenance of Plant	629,024	(3,586)	62,990	688,428	567,924	759,330	70,902
Transportation	2,071,025	(11,025)	920	2,060,920	2,112,539	2,130,414	69,494
Central and Other	42,980	0	3,153	46,133	46,772	46,772	639
<u>Operation of Non-Instructional Services</u>							
Community Services	111,977	0	399	112,376	87,438	125,983	13,607
Early Childhood Education	715,804	(4,452)	22,650	734,002	0	810,572	76,570
<u>Capital Outlay</u>							
Regular Capital Outlay	361,830	(250,969)	0	110,861	277,939	168,329	57,468
<u>Principal on Debt</u>							
Education	301,770	0	0	301,770	302,000	302,000	230
Total Expenditures	\$ 37,654,676	\$ (343,537)	\$ 176,153	\$ 37,487,292	\$ 36,737,745	\$ 38,621,021	\$ 1,133,729
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 584,248	\$ 343,537	\$ (176,153)	\$ 751,632	\$ (373,128)	\$ (580,612)	\$ 1,332,244
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 8,000	\$ 0	\$ 0	\$ 8,000	\$ 8,000	\$ 8,000	\$ 0
Transfers Out	0	0	0	0	0	(2,866)	2,866
Total Other Financing Sources (Uses)	\$ 8,000	\$ 0	\$ 0	\$ 8,000	\$ 8,000	\$ 5,134	\$ 2,866
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2006	\$ 2,741,588	(343,537)	0	2,398,051	945,682	945,682	1,452,369
Fund Balance, June 30, 2007	\$ 3,333,836	\$ 0	\$ (176,153)	\$ 3,157,683	\$ 580,554	\$ 370,204	\$ 2,787,479

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,462,897	\$ 3,438,127	\$ 3,613,410	\$ (150,513)
Total Revenues	\$ 3,462,897	\$ 3,438,127	\$ 3,613,410	\$ (150,513)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,459,065	\$ 1,655,677	\$ 1,552,342	\$ 93,277
Special Education Program	1,200,094	1,188,900	1,200,094	0
Vocational Education Program	120,617	128,984	120,617	0
<u>Support Services</u>				
Attendance	17,515	17,800	17,800	285
Other Student Support	21,836	15,000	21,836	0
Regular Instruction Program	231,881	351,300	275,718	43,837
Special Education Program	267,574	270,856	267,574	0
Vocational Education Program	3,530	2,000	3,530	0
Fiscal Services	4,669	4,668	4,669	0
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	130,681	0	148,933	18,252
Total Expenditures	\$ 3,457,462	\$ 3,635,185	\$ 3,613,113	\$ 155,651
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,435	\$ (197,058)	\$ 297	\$ 5,138
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (8,000)	\$ (8,000)	\$ (8,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (8,000)	\$ (8,000)	\$ (8,000)	\$ 0
Net Change in Fund Balance	\$ (2,565)	\$ (205,058)	\$ (7,703)	\$ 5,138
Fund Balance, July 1, 2006	7,703	7,703	7,703	0
Fund Balance, June 30, 2007	\$ 5,138	\$ (197,355)	\$ 0	\$ 5,138

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, 2007

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,498,613	\$ 0	\$ 1,498,613	\$ 1,607,600	\$ 1,607,600	\$ (108,987)
Other Local Revenues	51,165	0	51,165	30,000	30,000	21,165
State of Tennessee	41,375	0	41,375	45,445	45,445	(4,070)
Federal Government	1,812,671	0	1,812,671	1,550,000	1,550,000	262,671
Total Revenues	<u>\$ 3,403,824</u>	<u>\$ 0</u>	<u>\$ 3,403,824</u>	<u>\$ 3,233,045</u>	<u>\$ 3,233,045</u>	<u>\$ 170,779</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,368,934	\$ 85,461	\$ 3,454,395	\$ 3,433,844	\$ 3,476,083	\$ 21,688
Total Expenditures	<u>\$ 3,368,934</u>	<u>\$ 85,461</u>	<u>\$ 3,454,395</u>	<u>\$ 3,433,844</u>	<u>\$ 3,476,083</u>	<u>\$ 21,688</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 34,890</u>	<u>\$ (85,461)</u>	<u>\$ (50,571)</u>	<u>\$ (200,799)</u>	<u>\$ (243,038)</u>	<u>\$ 192,467</u>
Net Change in Fund Balance	\$ 34,890	\$ (85,461)	\$ (50,571)	\$ (200,799)	\$ (243,038)	\$ 192,467
Fund Balance, July 1, 2006	<u>1,082,828</u>	<u>0</u>	<u>1,082,828</u>	<u>659,115</u>	<u>659,115</u>	<u>423,713</u>
Fund Balance, June 30, 2007	<u>\$ 1,117,718</u>	<u>\$ (85,461)</u>	<u>\$ 1,032,257</u>	<u>\$ 458,316</u>	<u>\$ 416,077</u>	<u>\$ 616,180</u>

Exhibit I-11

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lawrence County School Department
Extended School Program Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 122,084	\$ 119,400	\$ 138,700	\$ (16,616)
State of Tennessee	3,107	0	11,000	(7,893)
Total Revenues	<u>\$ 125,191</u>	<u>\$ 119,400</u>	<u>\$ 149,700</u>	<u>\$ (24,509)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Community Services	\$ 126,803	\$ 119,400	\$ 149,700	\$ 22,897
Total Expenditures	<u>\$ 126,803</u>	<u>\$ 119,400</u>	<u>\$ 149,700</u>	<u>\$ 22,897</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,612)	\$ 0	\$ 0	\$ (1,612)
Net Change in Fund Balance	\$ (1,612)	\$ 0	\$ 0	\$ (1,612)
Fund Balance, July 1, 2006	<u>17,106</u>	<u>0</u>	<u>0</u>	<u>17,106</u>
Fund Balance, June 30, 2007	<u>\$ 15,494</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,494</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Lawrence County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>PRIMARY GOVERNMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation, Series 2001A	\$ 4,575,000	3.8 %	9-1-01	9-1-13	\$ 3,290,000	\$ 0	\$ 355,000	\$ 2,935,000
General Obligation, Series 2002	1,850,000	1.55 to 4.125	6-1-02	6-1-14	1,320,000	0	145,000	1,175,000
Refunding Capital Outlay Note Series 2003	2,195,000	2.74	2-1-03	2-1-11	1,375,000	0	290,000	1,085,000
General Obligation, Series 2004	925,000	3.16	10-26-04	5-1-07	313,239	0	313,239	0
General Obligation, Series 2007	1,000,000	3.97	5-08-07	4-01-10	0	1,000,000	0	1,000,000
Total Notes Payable					<u>\$ 6,298,239</u>	<u>\$ 1,000,000</u>	<u>\$ 1,103,239</u>	<u>\$ 6,195,000</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding, Series 2000	8,300,000	5.05	12-1-00	12-1-10	\$ 1,185,000	\$ 0	\$ 215,000	\$ 970,000
Refunding, Series 2001	1,500,000	5.05	12-1-00	12-1-10	215,000	0	40,000	175,000
School Bond Series 2001	3,340,000	2.2 to 4.85	10-1-01	10-1-25	3,005,000	0	95,000	2,910,000
Refunding, Series 2003	8,100,000	3.04	1-1-03	8-1-13	5,975,000	0	760,000	5,215,000
School Refunding, Series 2003	8,820,000	3.33	4-29-03	5-1-16	7,705,000	0	570,000	7,135,000
School Refunding, Series 2004	3,375,000	2.599	4-13-04	4-1-16	2,870,000	0	260,000	2,610,000
School Bond Series 2004	8,000,000	3.60	8-12-04	9-1-19	7,580,000	0	430,000	7,150,000
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-1-25	7,745,000	0	40,000	7,705,000
General Obligation Bond, Series 2006	10,000,000	3.95	2-1-06	6-1-31	10,000,000	0	250,000	9,750,000
Total Bonds Payable					<u>\$ 46,280,000</u>	<u>\$ 0</u>	<u>\$ 2,660,000</u>	<u>\$ 43,620,000</u>
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
School Asbestos Abatement	32,770	0	2-14-1991	5-22-07	\$ 1,770	\$ 0	\$ 1,770	\$ 0
Total Notes Payable					<u>\$ 1,770</u>	<u>\$ 0</u>	<u>\$ 1,770</u>	<u>\$ 0</u>

Exhibit J-2

Lawrence County, Tennessee
Schedule of Bond and Interest Requirements by Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	\$ 2,835,000	\$ 1,558,447	\$ 4,393,447
2009	2,930,000	1,459,302	4,389,302
2010	3,020,000	1,356,753	4,376,753
2011	3,125,000	1,250,698	4,375,698
2012	3,240,000	1,142,590	4,382,590
2013	3,350,000	1,032,443	4,382,443
2014	2,740,000	929,479	3,669,479
2015	2,635,000	836,747	3,471,747
2016	2,725,000	743,368	3,468,368
2017	1,570,000	646,745	2,216,745
2018	1,630,000	585,804	2,215,804
2019	1,700,000	522,360	2,222,360
2020	1,770,000	456,105	2,226,105
2021	1,125,000	399,916	1,524,916
2022	1,175,000	354,181	1,529,181
2023	1,220,000	306,302	1,526,302
2024	1,275,000	256,464	1,531,464
2025	1,320,000	204,496	1,524,496
2026	1,380,000	150,474	1,530,474
2027	525,000	112,772	637,772
2028	545,000	92,035	637,035
2029	570,000	70,508	640,508
2030	595,000	47,992	642,992
2031	620,000	24,490	644,490
Total	<u>\$ 43,620,000</u>	<u>\$ 14,540,471</u>	<u>\$ 58,160,471</u>

Exhibit J-3

Lawrence County, Tennessee
Schedule of Notes Receivable
June 30, 2007

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

Exhibit J-4

Lawrence County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
General	Public Library	Funds for operations	\$ 212,540
Highway/Public Works	General Debt Service	Funds for debt retirement	110,000
General Debt Service	General	Funds for operations	692,843
Solid Waste/Sanitation	General	Funds for operations	<u>14,339</u>
Total Transfers Primary Government			<u>\$ 1,029,722</u>
<u>Discretely Presented Lawrence County School Department</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 8,000</u>
Total Transfers Discretely Presented Lawrence County School Department			<u>\$ 8,000</u>

Exhibit J-5

Lawrence County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive:				
Ametra Bailey (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	\$ 13,374	\$ 50,000	State Automobile Insurance Company
Paul Rosson (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	57,679	50,000	"
Road Superintendent	Section 8-24-102, <u>TCA</u>	63,876	100,000	"
Director of Schools:				
Larry Davis (7-1-06 through 6-10-07)	State Board of Education and Lawrence County Board of Education	91,397 (1)	150,000	(3)
Dr. Bill Heath (6-11-07 through 6-30-07)	State Board of Education and Lawrence County Board of Education	8,382 (2)	150,000	(3)
Trustee	Section 8-24-102, <u>TCA</u>	58,069	1,559,000	State Automobile Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	58,069	10,000	"
Director of Accounts and Budgets	County Commission	32,953	25,000	Auto-Owners Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	58,069	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk:				
Leon Clanton (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	10,943	50,000	State Automobile Insurance Company
Debbie J. Riddle (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	47,126	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>	58,069	50,000	"
Register	Section 8-24-102, <u>TCA</u>	58,069	25,000	"
Sheriff:				
William Dorning (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	13,159 (4)	25,000	"
Kenneth Taylor (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	55,030 (5)	25,000	"
Employee Blanket Bond				
Public Employee Dishonesty			100,000	Local Government Insurance Pool
School Employee Blanket Bond			150,000	Tennessee Risk Management Trust

- (1) Includes accrued vacation leave of \$6,934.
- (2) Includes moving expenses of \$3,000.
- (3) Covered under School Employee Blanket Bond.
- (4) Includes law enforcement training supplement of \$519.
- (5) Includes law enforcement training supplement of \$600.

Exhibit J-6

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2007

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 5,700,748	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	152,346	0	0	0	0	0	0
Trustee's Collections - Bankruptcy	69,058	0	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	41,152	0	0	0	0	0	0
Interest and Penalty	42,485	0	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,290	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	283,608	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,207	0	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	90,662	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	0
Litigation Tax - General	107,132	0	0	0	0	0	0
Litigation Tax - Special Purpose	20,326	10,358	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	2,750	0	0	0	0	0	0
Business Tax	259,216	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	0	0
Wholesale Beer Tax	72,765	0	0	0	0	0	0
Interstate Telecommunications Tax	4,317	0	0	0	0	0	0
Total Local Taxes	\$ 6,850,062	\$ 10,358	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 1,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	29,186	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	2,019	0	0	0	0	0	0
Total Licenses and Permits	\$ 32,905	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 6,959	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	10,454	0	0	0	0	0	0
Drug Control Fines	7,322	0	0	0	0	11,165	0
Drug Court Fees	1,396	0	0	0	0	0	0
Jail Fees	19,850	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	1,637
Judicial Commissioner Fees	130	0	0	0	0	0	0
DUI Treatment Fines	2,056	0	0	0	0	0	0
Data Entry Fee - Circuit Court	810	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	24,114	0	0	0	0	0	0
Officers Costs	43,042	0	0	0	0	0	0
Game and Fish Fines	1,209	0	0	0	0	0	0
Drug Control Fines	1,852	0	0	0	0	38,809	0
Drug Court Fees	13,707	0	0	0	0	0	0
Jail Fees	4,010	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	6,937
DUI Treatment Fines	10,630	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,113	0	0	0	0	0	0
<u>Juvenile Court</u>							
Officers Costs	2,796	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	320	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	5,700	0	0	0	0	0	0
Data Entry Fee - Chancery Court	1,754	0	0	0	0	0	0
Courtroom Security Fee	0	88	0	0	0	0	0
<u>Other Courts - In-county</u>							
District Attorney General Fees	0	0	0	0	0	0	25,745
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	43,082	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	36,388	0
Total Fines, Forfeitures, and Penalties	\$ 164,224	\$ 88	\$ 0	\$ 0	\$ 0	\$ 129,444	\$ 34,319

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 437,080	\$ 0	\$ 0	\$ 0
Residential Waste Collection Charge	0	0	0	709,532	0	0	0
Tipping Fees	0	0	0	1,344	0	0	0
Solid Waste Disposal Fees	0	0	0	132,081	0	0	0
Patient Charges	1,109,143	0	0	0	0	0	0
Past Due Collections - Ambulance	61,895	0	0	0	0	0	0
Service Charges	3,387	0	0	0	0	0	0
<u>Fees</u>							
Copy Fees	495	0	5,001	0	0	0	0
Library Fees	0	0	4,852	0	0	0	0
Telephone Commissions	453	0	0	0	0	0	0
Vending Machine Collections	445	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	293	0	0	0	0	0	0
Data Processing Fee - Register	16,734	0	0	0	0	0	0
Data Processing Fee - Sheriff	5,181	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,000	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	2,632	0	0	0	0	0	0
Total Charges for Current Services	\$ 1,201,658	\$ 0	\$ 9,853	\$ 1,280,037	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 562,868	\$ 0	\$ 1,609	\$ 95,420	\$ 0	\$ 0	\$ 0
Lease/Rentals	3,216	0	5,400	0	0	0	0
Sale of Materials and Supplies	239	0	0	0	0	0	0
Commissary Sales	275	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	154,697	0	0	0
Miscellaneous Refunds	7,019	0	326	444	0	0	4,291
<u>Nonrecurring Items</u>							
Sale of Equipment	698	0	0	0	0	0	0
Damages Recovered from Individuals	100	0	0	0	0	0	0
Contributions & Gifts	363	0	3,896	0	0	0	0
Total Other Local Revenues	\$ 574,778	\$ 0	\$ 11,231	\$ 250,561	\$ 0	\$ 0	\$ 4,291

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 118,037	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Register	50,700	0	0	0	0	0	0
Trustee	383,295	0	0	0	0	0	0
<u>Fees-In-Lieu of Salary</u>							
Circuit Court Clerk	113,387	0	0	0	0	0	0
General Sessions Court Clerk	193,932	0	0	0	0	0	0
Clerk and Master	142,364	0	0	0	0	0	0
Juvenile Court Clerk	30,983	0	0	0	0	0	0
Sheriff	10,369	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,043,067	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	14,282	0	0	0	0	0	0
Solid Waste Grants	0	0	0	39,999	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	45,592	0	0	0	0	0	0
Other Public Safety Grants	40,243	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	214,797	0	0	0	0	0	0
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0	0
Litter Program	50,328	0	0	0	0	0	0
<u>Other State Revenues</u>							
Beer Tax	18,753	0	0	0	0	0	0
Alcoholic Beverage Tax	60,347	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0
Board of Jurors	336	0	0	0	0	0	0
Contracted Prisoner Boarding	33,635	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues (Cont.)</u>							
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0	0
Other State Grants	302,461	0	4,009	0	0	0	0
Other State Revenues	25	0	0	0	0	0	0
Total State of Tennessee	\$ 806,179	\$ 0	\$ 4,009	\$ 39,999	\$ 0	\$ 0	0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	24,700	\$ 0	0
Disaster Relief	0	0	0	0	0	0	0
Homeland Security Grants	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Asset Forfeiture Funds	0	0	0	0	0	13,099	0
Other Direct Federal Revenue	51,099	0	0	0	0	0	552
Total Federal Government	\$ 51,099	\$ 0	\$ 0	\$ 0	24,700	\$ 13,099	\$ 552
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	4,617	0	67,341	0	0	0	0
<u>Citizens Groups</u>							
Donations	0	0	8,039	0	0	4,620	0
<u>Other</u>							
Other	0	0	1,854	0	0	0	0
Total Other Governments and Citizens Groups	\$ 4,617	\$ 0	\$ 77,234	\$ 0	\$ 0	\$ 4,620	\$ 0
Total	\$ 10,728,589	\$ 10,446	\$ 102,327	\$ 1,570,597	\$ 24,700	\$ 147,163	\$ 39,162

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds			Total
	Constitu- tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Other Capital Projects	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 1,241,594	\$ 1,793,491	\$ 0	\$ 0	\$ 0	\$ 8,735,833
Trustee's Collections - Prior Year	0	34,433	49,229	0	0	0	236,008
Trustee's Collections - Bankruptcy	0	15,037	21,720	0	0	0	105,815
Circuit/Clerk & Master Collections - Prior Years	0	13,265	19,175	0	0	0	73,592
Interest and Penalty	0	9,253	13,363	0	0	0	65,101
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	2,290
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	283,608
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	1,207
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	1,335,189	0	0	0	1,335,189
Hotel/Motel Tax	0	0	0	0	0	0	90,662
Wheel Tax	0	0	884,168	0	0	0	884,168
Litigation Tax - General	0	0	0	0	0	0	107,132
Litigation Tax - Special Purpose	0	0	0	0	0	0	30,684
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	75,007	0	0	0	75,007
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	0	2,750
Business Tax	0	0	0	0	0	0	259,216
Mineral Severance Tax	0	102,925	0	0	0	0	102,925
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	179,832	0	0	0	179,832
Wholesale Beer Tax	0	0	0	0	0	0	72,765
Interstate Telecommunications Tax	0	0	0	0	0	0	4,317
Total Local Taxes	\$ 0	\$ 1,416,507	\$ 4,371,174	\$ 0	\$ 0	\$ 0	\$ 12,648,101
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,700
Cable TV Franchise	0	0	0	0	0	0	29,186
<u>Permits</u>							
Beer Permits	0	0	0	0	0	0	2,019
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,905

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds			Total
	Constitu- tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,959
Officers Costs	0	0	0	0	0	0	10,454
Drug Control Fines	0	0	0	0	0	0	18,487
Drug Court Fees	0	0	0	0	0	0	1,396
Jail Fees	0	0	0	0	0	0	19,850
District Attorney General Fees	0	0	0	0	0	0	1,637
Judicial Commissioner Fees	0	0	0	0	0	0	130
DUI Treatment Fines	0	0	0	0	0	0	2,056
Data Entry Fee - Circuit Court	0	0	0	0	0	0	810
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	24,114
Officers Costs	0	0	0	0	0	0	43,042
Game and Fish Fines	0	0	0	0	0	0	1,209
Drug Control Fines	0	0	0	0	0	0	40,661
Drug Court Fees	0	0	0	0	0	0	13,707
Jail Fees	0	0	0	0	0	0	4,010
District Attorney General Fees	0	0	0	0	0	0	6,937
DUI Treatment Fines	0	0	0	0	0	0	10,630
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	6,113
<u>Juvenile Court</u>							
Officers Costs	0	0	0	0	0	0	2,796
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	320
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	5,700
Data Entry Fee - Chancery Court	0	0	0	0	0	0	1,754
Courtroom Security Fee	0	0	0	0	0	0	88
<u>Other Courts - In-county</u>							
District Attorney General Fees	0	0	0	0	0	0	25,745
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	43,082
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	36,388
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	328,075

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds			Total
	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Other Capital Projects	
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	437,080
Residential Waste Collection Charge	0	0	0	0	0	0	709,532
Tipping Fees	0	0	0	0	0	0	1,344
Solid Waste Disposal Fees	0	0	0	0	0	0	132,081
Patient Charges	0	0	0	0	0	0	1,109,143
Past Due Collections - Ambulance	0	0	0	0	0	0	61,895
Service Charges	0	0	0	0	0	0	3,387
<u>Fees</u>							
Copy Fees	0	0	0	0	0	0	5,496
Library Fees	0	0	0	0	0	0	4,852
Telephone Commissions	0	0	0	0	0	0	453
Vending Machine Collections	0	0	0	0	0	0	445
Constitutional Officers' Fees and Commissions	597,091	0	0	0	0	0	597,384
Data Processing Fee - Register	0	0	0	0	0	0	16,734
Data Processing Fee - Sheriff	0	0	0	0	0	0	5,181
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	1,000
<u>Other Charges for Services</u>							
Other Charges for Services	0	0	0	0	0	0	2,632
Total Charges for Current Services	\$ 597,091	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,088,639
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 692,842	\$ 0	\$ 0	\$ 0	1,352,739
Lease/Rentals	0	0	90,000	0	0	0	98,616
Sale of Materials and Supplies	0	18,478	0	0	0	0	18,717
Commissary Sales	0	0	0	0	0	0	275
Sale of Recycled Materials	0	0	0	0	0	0	154,697
Miscellaneous Refunds	0	0	0	0	0	0	12,080
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	698
Damages Recovered from Individuals	0	0	0	0	0	0	100
Contributions & Gifts	0	0	0	0	0	0	4,259
Total Other Local Revenues	\$ 0	\$ 18,478	\$ 782,842	\$ 0	\$ 0	\$ 0	1,642,181

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds			Total
	Constitu- tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Other Capital Projects	
Fees Received from County Officials							
<u>Excess Fees</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	118,037
Register	0	0	0	0	0	0	50,700
Trustee	0	0	0	0	0	0	383,295
<u>Fees-In-Lieu of Salary</u>							
Circuit Court Clerk	0	0	0	0	0	0	113,387
General Sessions Court Clerk	0	0	0	0	0	0	193,932
Clerk and Master	0	0	0	0	0	0	142,364
Juvenile Court Clerk	0	0	0	0	0	0	30,983
Sheriff	0	0	0	0	0	0	10,369
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,043,067
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
State Reappraisal Grant	0	0	0	0	0	0	14,282
Solid Waste Grants	0	0	0	0	0	0	39,999
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	45,592
Other Public Safety Grants	0	0	0	0	0	0	40,243
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	214,797
<u>Public Works Grants</u>							
Bridge Program	0	127,427	0	0	0	0	127,427
State Aid Program	0	192,913	0	0	0	0	192,913
Litter Program	0	0	0	0	0	0	50,328
<u>Other State Revenues</u>							
Beer Tax	0	0	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	0	0	60,347
State Revenue Sharing - T.V.A.	0	0	409,342	0	0	0	409,342
Board of Jurors	0	0	0	0	0	0	336
Contracted Prisoner Boarding	0	0	0	0	0	0	33,635
Gasoline and Motor Fuel Tax	0	2,013,772	0	0	0	0	2,013,772

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds			Total
	Constitu- tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues (Cont.)</u>							
Petroleum Special Tax	\$ 0	\$ 32,118	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,118
Registrar's Salary Supplement	0	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	0	306,470
Other State Revenues	0	0	0	49,500	0	0	49,525
Total State of Tennessee	\$ 0	\$ 2,366,230	\$ 409,342	\$ 49,500	\$ 0	\$ 0	\$ 3,675,259
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 69,306	\$ 0	\$ 94,006
Disaster Relief	0	32,434	0	0	0	0	32,434
Homeland Security Grants	0	0	0	0	0	265,518	265,518
<u>Direct Federal Revenue</u>							
Asset Forfeiture Funds	0	0	0	0	0	0	13,099
Other Direct Federal Revenue	0	0	0	0	0	0	51,651
Total Federal Government	\$ 0	\$ 32,434	\$ 0	\$ 0	\$ 69,306	\$ 265,518	\$ 456,708
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Paving and Maintenance	\$ 0	\$ 15,971	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,971
Contributions	0	0	300,000	0	0	0	371,958
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	12,659
<u>Other</u>							
Other	0	0	0	0	0	0	1,854
Total Other Governments and Citizens Groups	\$ 0	\$ 15,971	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 402,442
Total	\$ 597,091	\$ 3,849,620	\$ 5,863,358	\$ 49,500	\$ 69,306	\$ 265,518	\$ 23,317,377

Exhibit J-7

Lawrence County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2007

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,149,984	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,149,984
Trustee's Collections - Prior Year	144,884	0	0	0	0	144,884
Trustee's Collections - Bankruptcy	62,375	0	0	0	0	62,375
Circuit/Clerk & Master Collections - Prior Years	39,852	0	0	0	0	39,852
Interest and Penalty	35,551	0	0	0	0	35,551
<u>County Local Option Taxes</u>						
Local Option Sales Tax	4,247,367	0	0	0	0	4,247,367
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	6,725	0	0	0	0	6,725
Total Local Taxes	\$ 9,686,738	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,686,738
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,914	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,914
Total Licenses and Permits	\$ 1,914	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,914
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	\$ 18,708	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,708
Tuition - Other	0	0	0	122,084	0	122,084
Lunch Payments - Children	0	0	790,755	0	0	790,755
Lunch Payments - Adults	0	0	163,254	0	0	163,254
Income from Breakfast	0	0	117,582	0	0	117,582
A la carte Sales	0	0	418,108	0	0	418,108
Contract for Instructional Services with Other LEAs	4,590	0	0	0	0	4,590
Receipts from Individual Schools	64,178	0	8,024	0	0	72,202
Community Service Fees - Children	28,988	0	0	0	0	28,988
<u>Other Charges for Services</u>						
Other Charges for Services	1,063	0	890	0	0	1,953
Total Charges for Current Services	\$ 117,527	\$ 0	\$ 1,498,613	\$ 122,084	\$ 0	\$ 1,738,224
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 51,165	\$ 0	\$ 0	\$ 51,165
Lease/Rentals	33,600	0	0	0	0	33,600

(Continued)

Exhibit J-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Materials and Supplies	\$ 602	\$ 0	\$ 0	\$ 0	\$ 0	602
Refund of Telecommunication & Internet Fees (E-Rate)	45,086	0	0	0	0	45,086
<u>Nonrecurring Items</u>						
Damages Recovered from Individuals	2,975	0	0	0	0	2,975
Contributions and Gifts	31,696	0	0	0	0	31,696
<u>Other Local Revenues</u>						
Other Local Revenues	1,500	0	0	0	0	1,500
Total Other Local Revenues	\$ 115,459	\$ 0	\$ 51,165	\$ 0	\$ 0	\$ 166,624
<u>State of Tennessee</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 26,002,328	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,002,328
Early Childhood Education	737,678	0	0	0	0	737,678
School Food Service	0	0	41,375	0	0	41,375
Driver Education	17,280	0	0	0	0	17,280
Other State Education Funds	337,849	0	0	0	0	337,849
Career Ladder Program	392,430	0	0	0	0	392,430
Career Ladder - Extended Contract	146,175	0	0	0	0	146,175
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	200,000	0	0	0	0	200,000
Other State Grants	50,893	0	0	0	0	50,893
Other State Revenues	180,746	0	0	3,107	0	183,853
Total State of Tennessee	\$ 28,065,379	\$ 0	\$ 41,375	\$ 3,107	\$ 0	\$ 28,109,861
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,325,843	\$ 0	\$ 0	\$ 1,325,843
Breakfast	0	0	486,828	0	0	486,828
Adult Education State Grant Program	152,022	0	0	0	0	152,022
Vocational Education - Basic Grants to States	0	145,984	0	0	0	145,984
Other Vocational	2,961	0	0	0	0	2,961
Title I Grants to Local Education Agencies	0	1,419,846	0	0	0	1,419,846
Innovative Education Program Strategies	0	8,450	0	0	0	8,450
Special Education - Grants to States	0	1,428,092	0	0	0	1,428,092
Special Education Preschool Grants	0	47,576	0	0	0	47,576

(Continued)

Exhibit J-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Eisenhower Professional Development State Grants	\$ 0	\$ 380,456	\$ 0	\$ 0	\$ 0	\$ 380,456
Other Federal through State	85,252	32,493	0	0	0	117,745
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	11,672	0	0	0	0	11,672
Total Federal Government	\$ 251,907	\$ 3,462,897	\$ 1,812,671	\$ 0	\$ 0	\$ 5,527,475
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 495,506	\$ 495,506
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 495,506	\$ 495,506
Total	\$ 38,238,924	\$ 3,462,897	\$ 3,403,824	\$ 125,191	\$ 495,506	\$ 45,726,342

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2007

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	43,719	
Audit Services		16,587	
Dues and Memberships		7,616	
Fiscal Agent Charges		15,000	
Travel		6,319	
Office Supplies		43	
Other Supplies and Materials		123	
Other Charges		<u>19,705</u>	
Total County Commission			\$ 109,112

County Mayor/Executive

County Official/Administrative Officer	\$	71,053	
Secretary(ies)		51,912	
Longevity Pay		625	
Overtime Pay		1,948	
Data Processing Services		292	
Dues and Memberships		1,500	
Legal Notices, Recording, and Court Costs		397	
Maintenance Agreements		780	
Travel		4,784	
Office Supplies		2,028	
Other Supplies and Materials		142	
Other Charges		114	
Data Processing Equipment		<u>979</u>	
Total County Mayor/Executive			136,554

County Attorney

County Official/Administrative Officer	\$	<u>6,000</u>	
Total County Attorney			6,000

Election Commission

County Official/Administrative Officer	\$	52,262	
Deputy(ies)		42,660	
Overtime Pay		5,039	
Election Workers		46,095	
In-Service Training		1,160	
Contracts with Private Agencies		27,910	
Data Processing Services		3,686	
Legal Notices, Recording, and Court Costs		5,034	
Maintenance Agreements		290	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Maintenance & Repair Services - Buildings	\$	25	
Postal Charges		22	
Printing, Stationery, and Forms		3,687	
Rentals		50	
Travel		4,609	
Disposal Fees		20	
Office Supplies		1,972	
Utilities		3,714	
Other Supplies and Materials		118	
Other Charges		18	
Office Equipment		796	
Voting Machines		294,700	
Total Election Commission			\$ 493,867

Register of Deeds

Dues and Memberships	\$	578	
Operating Lease Payments		17,997	
Maintenance Agreements		558	
Printing, Stationery, and Forms		2,012	
Travel		1,403	
Office Supplies		4,434	
Other Supplies and Materials		210	
Furniture and Fixtures		2,072	
Office Equipment		4,497	
Total Register of Deeds			33,761

County Buildings

Supervisor/Director	\$	24,345	
Custodial Personnel		57,155	
Longevity Pay		650	
Communication		61,206	
Laundry Service		68	
Operating Lease Payments		490	
Legal Notices, Recording, and Court Costs		85	
Maintenance Agreements		28,373	
Maintenance & Repair Services - Buildings		22,084	
Maintenance & Repair Services - Equipment		97	
Maintenance & Repair Services - Vehicles		537	
Pest Control		4,796	
Postal Charges		37	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Disposal Fees	\$	1,068	
Other Contracted Services		492	
Custodial Supplies		7,510	
Uniforms		3,322	
Utilities		153,610	
Other Supplies and Materials		167	
Other Equipment		229	
Total County Buildings			\$ 366,321

Preservation of Records

Supervisor/Director	\$	25,971	
Clerical Personnel		19,542	
Longevity Pay		850	
Overtime Pay		569	
Advertising		57	
Communication		1,203	
Contracts with Private Agencies		5,400	
Dues and Memberships		40	
Maintenance Agreements		695	
Maintenance & Repair Services - Buildings		117	
Travel		166	
Office Supplies		430	
Other Supplies and Materials		1,285	
Furniture and Fixtures		196	
Office Equipment		100	
Total Preservation of Records			56,621

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	32,953	
Accountants/Bookkeepers		47,159	
Overtime Pay		16,167	
In-Service Training		613	
Data Processing Services		4,831	
Maintenance Agreements		660	
Maintenance & Repair Services - Office Equipment		229	
Printing, Stationery, and Forms		1,221	
Travel		1,246	
Disposal Fees		100	
Office Supplies		2,053	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Other Supplies and Materials	\$	312	
Other Charges		694	
Data Processing Equipment		539	
Total Accounting and Budgeting			\$ 108,777

Purchasing

County Official/Administrative Officer	\$	22,361	
Purchasing Personnel		26,159	
Longevity Pay		1,150	
Overtime Pay		425	
In-Service Training		563	
Data Processing Services		4,287	
Postal Charges		33,053	
Printing, Stationery, and Forms		117	
Travel		938	
Office Supplies		783	
Other Supplies and Materials		1,352	
Other Charges		487	
Data Processing Equipment		2,475	
Total Purchasing			94,150

Property Assessor's Office

County Official/Administrative Officer	\$	58,069	
Deputy(ies)		99,108	
Part-time Personnel		2,062	
Longevity Pay		1,050	
Other Salaries & Wages		28,101	
Board and Committee Members Fees		1,118	
In-Service Training		476	
Data Processing Services		15,493	
Dues and Memberships		1,612	
Legal Notices, Recording, and Court Costs		39	
Maintenance Agreements		780	
Maintenance & Repair Services - Office Equipment		34	
Maintenance & Repair Services - Vehicles		321	
Postal Charges		694	
Printing, Stationery, and Forms		322	
Travel		1,678	
Gasoline		1,208	
Office Supplies		2,243	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Other Supplies and Materials	\$	38	
Motor Vehicles		2,000	
Total Property Assessor's Office			\$ 216,446

County Trustee's Office

Data Processing Services	\$	5,948	
Dues and Memberships		853	
Maintenance & Repair Services - Equipment		491	
Printing, Stationery, and Forms		6,153	
Office Supplies		813	
Other Supplies and Materials		26	
Other Charges		158	
Data Processing Equipment		216	
Office Equipment		7,822	
Total County Trustee's Office			22,480

County Clerk's Office

Data Processing Services	\$	15,334	
Dues and Memberships		160	
Legal Notices, Recording, and Court Costs		118	
Printing, Stationery, and Forms		2,949	
Travel		3,728	
Other Contracted Services		795	
Office Supplies		4,160	
Other Supplies and Materials		138	
Office Equipment		6,147	
Total County Clerk's Office			33,529

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	58,069	
Deputy(ies)		213,426	
Longevity Pay		3,150	
Overtime Pay		590	
Jury and Witness Fees		10,689	
In-Service Training		596	
Communication		60	
Data Processing Services		9,436	
Dues and Memberships		543	
Legal Notices, Recording, and Court Costs		412	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Maintenance Agreements	\$	1,575	
Maintenance & Repair Services - Office Equipment		91	
Printing, Stationery, and Forms		5,744	
Travel		880	
Office Supplies		5,322	
Other Supplies and Materials		236	
Other Charges		486	
Office Equipment		638	
Total Circuit Court			\$ 311,943

General Sessions Court

Judge(s)	\$	121,539	
Deputy(ies)		51,942	
Guards		45,019	
Part-time Personnel		5,236	
Longevity Pay		2,100	
Overtime Pay		2,783	
In-Service Training		100	
Communication		55	
Contracts with Private Agencies		52,028	
Dues and Memberships		461	
Printing, Stationery, and Forms		1,137	
Travel		2,782	
Other Contracted Services		74	
Office Supplies		1,465	
Other Supplies and Materials		650	
Other Charges		352	
Office Equipment		580	
Total General Sessions Court			288,303

Chancery Court

County Official/Administrative Officer	\$	58,069	
Deputy(ies)		99,318	
Part-time Personnel		3,718	
Longevity Pay		2,200	
Overtime Pay		490	
In-Service Training		25	
Data Processing Services		6,133	
Dues and Memberships		623	
Maintenance Agreements		780	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Printing, Stationery, and Forms	\$	2,427	
Travel		200	
Office Supplies		4,242	
Other Supplies and Materials		250	
Data Processing Equipment		4,956	
Total Chancery Court			\$ 183,431

Juvenile Court

Youth Service Officer(s)	\$	9,000	
Salary Supplements		18,200	
Other Contracted Services		132	
Total Juvenile Court			27,332

District Attorney General

Other Contracted Services	\$	42,665	
Total District Attorney General			42,665

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,070	
Supervisor/Director		55,233	
Deputy(ies)		933,126	
Investigator(s)		141,996	
Captain(s)		50,308	
Lieutenant(s)		34,613	
Sergeant(s)		218,022	
Secretary(ies)		112,059	
Part-time Personnel		12,665	
Longevity Pay		11,700	
Overtime Pay		39,805	
Other Salaries & Wages		37,752	
In-Service Training		54,056	
Communication		1,260	
Data Processing Services		1,680	
Dues and Memberships		1,875	
Operating Lease Payments		4,000	
Legal Notices, Recording, and Court Costs		19	
Maintenance Agreements		16,716	
Maintenance & Repair Services - Buildings		2,405	
Maintenance & Repair Services - Equipment		15	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance & Repair Services - Vehicles	\$	41,386	
Postal Charges		83	
Printing, Stationery, and Forms		2,687	
Tow-in Services		405	
Travel		12,081	
Other Contracted Services		1,829	
Custodial Supplies		3,290	
Food Supplies		71	
Gasoline		127,333	
Law Enforcement Supplies		6,238	
Office Supplies		8,551	
Tires and Tubes		10,215	
Uniforms		17,627	
Other Supplies and Materials		4,573	
Medical Claims		13	
Liability Claims		2,500	
Other Charges		1,696	
Data Processing Equipment		2,495	
Furniture and Fixtures		222	
Law Enforcement Equipment		14,593	
Motor Vehicles		61,525	
Total Sheriff's Department			\$ 2,115,788

Jail

Supervisor/Director	\$	37,177
Guards		258,235
Clerical Personnel		7,246
Part-time Personnel		4,311
Longevity Pay		1,150
Overtime Pay		1,401
In-Service Training		3,088
Communication		1,122
Contracts with Private Agencies		1,200,127
Maintenance & Repair Services - Buildings		120
Maintenance & Repair Services - Equipment		991
Travel		1,826
Other Contracted Services		4,676
Custodial Supplies		6,792
Drugs and Medical Supplies		34,101
Food Supplies		44,068

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Law Enforcement Supplies	\$	641	
Office Supplies		2,037	
Uniforms		3,791	
Utilities		1,872	
Other Supplies and Materials		5,754	
Medical Claims		92,436	
Food Service Equipment		62	
Total Jail			\$ 1,713,024

Workhouse

Accountants/Bookkeepers	\$	3,000	
Guards		8,136	
Gasoline		2,616	
Other Supplies and Materials		15,562	
Other Charges		10,536	
Total Workhouse			39,850

Work Release Program

Maintenance & Repair Services - Equipment	\$	10	
Maintenance & Repair Services - Vehicles		975	
Food Supplies		238	
Other Supplies and Materials		557	
Maintenance Equipment		1,185	
Other Equipment		205	
Total Work Release Program			3,170

Fire Prevention and Control

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

Civil Defense

Matching Share	\$	126	
Other Supplies and Materials		6,129	
Total Civil Defense			6,255

Rescue Squad

Contributions	\$	245,500	
Total Rescue Squad			245,500

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Contributions	\$ 284,832	
Total Other Emergency Management		\$ 284,832

County Coroner/Medical Examiner

Other Contracted Services	\$ 6,500	
Total County Coroner/Medical Examiner		6,500

Other Public Safety

Other Supplies and Materials	\$ 5,652	
Total Other Public Safety		5,652

Public Health and Welfare

Local Health Center

Secretary(ies)	\$ 38,241	
Longevity Pay	300	
Communication	2,175	
Dues and Memberships	100	
Janitorial Services	9,600	
Maintenance & Repair Services - Buildings	405	
Maintenance & Repair Services - Equipment	152	
Maintenance & Repair Services - Office Equipment	390	
Printing, Stationery, and Forms	56	
Travel	84	
Disposal Fees	1,038	
Food Supplies	509	
Office Supplies	421	
Utilities	23,887	
Other Supplies and Materials	668	
Other Charges	30	
Total Local Health Center		78,056

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$ 39,720
Medical Personnel	582,994
Secretary(ies)	49,564
Part-time Personnel	20,822
Longevity Pay	6,900
Overtime Pay	325,636
In-Service Training	1,958
Communication	13,404

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Data Processing Services	\$	1,080	
Dues and Memberships		1,302	
Laundry Service		2,274	
Licenses		1,386	
Maintenance Agreements		380	
Maintenance & Repair Services - Buildings		1,093	
Maintenance & Repair Services - Equipment		1,993	
Maintenance & Repair Services - Office Equipment		871	
Maintenance & Repair Services - Vehicles		31,757	
Medical and Dental Services		3,500	
Postal Charges		16	
Printing, Stationery, and Forms		4,358	
Tow-in Services		461	
Travel		1,155	
Disposal Fees		288	
Other Contracted Services		4,829	
Custodial Supplies		5,664	
Drugs and Medical Supplies		70,585	
Gasoline		49,502	
Office Supplies		1,242	
Tires and Tubes		5,301	
Uniforms		11,684	
Utilities		12,631	
Other Supplies and Materials		2,933	
Liability Insurance		10,010	
Vehicle and Equipment Insurance		16,845	
Other Charges		10,642	
Motor Vehicles		57,615	
Office Equipment		1,566	
Other Equipment		1,143	
Total Ambulance/Emergency Medical Services			\$ 1,355,104

Regional Mental Health Center

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

Appropriation to State

Other Salaries & Wages	\$	188,533	
Contracts with Government Agencies		30,000	
Travel		9,759	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State (Cont.)

Other Charges	\$ 2,376	
Total Appropriation to State		\$ 230,668

Aid to Dependent Children

Contracts with Government Agencies	\$ 7,928	
Total Aid to Dependent Children		7,928

Other Public Health and Welfare

Dues and Memberships	\$ 8,600	
Other Contracted Services	25,849	
Total Other Public Health and Welfare		34,449

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 14,000	
Total Senior Citizens Assistance		14,000

Other Social, Cultural, and Recreational

Contributions	\$ 94,500	
Other Charges	2,412	
Total Other Social, Cultural, and Recreational		96,912

Agriculture & Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 83,009	
Board and Committee Members Fees	125	
Communication	1,820	
Data Processing Services	876	
Maintenance & Repair Services - Office Equipment	540	
Maintenance & Repair Services - Vehicles	296	
Travel	608	
Disposal Fees	100	
Gasoline	887	
Instructional Supplies and Materials	2,000	
Office Supplies	76	
Other Supplies and Materials	639	
Total Agriculture Extension Service		90,976

Soil Conservation

Salary Supplements	\$ 24,781	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Soil Conservation (Cont.)

Longevity Pay	\$	300	
Dues and Memberships		1,065	
Postal Charges		85	
Printing, Stationery, and Forms		100	
Travel		2,883	
Office Supplies		100	
Other Charges		630	
Total Soil Conservation			\$ 29,944

Other Agriculture & Natural Resources

Advertising	\$	1,876	
Maintenance & Repair Services - Buildings		260	
Total Other Agriculture & Natural Resources			2,136

Other Operations

Tourism

Contributions	\$	59,595	
Dues and Memberships		500	
Other Contracted Services		12,800	
Other Charges		2,000	
Total Tourism			74,895

Industrial Development

Contributions	\$	97,237	
Total Industrial Development			97,237

Airport

Contributions	\$	60,000	
Total Airport			60,000

Veterans' Services

Supervisor/Director	\$	28,731	
Secretary(ies)		23,688	
Overtime Pay		3,144	
Data Processing Services		538	
Dues and Memberships		25	
Maintenance Agreements		346	
Printing, Stationery, and Forms		76	
Travel		1,933	
Disposal Fees		100	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Office Supplies	\$	250	
Other Supplies and Materials		2,859	
Office Equipment		1,664	
Total Veterans' Services			\$ 63,354

Other Charges

Data Processing Services	\$	405	
Legal Services		27,289	
Legal Notices, Recording, and Court Costs		3,739	
Building and Contents Insurance		44,996	
Liability Insurance		101,850	
Premiums on Corporate Surety Bonds		12,230	
Trustee's Commission		151,327	
Vehicle and Equipment Insurance		19,184	
Workers' Compensation Insurance		45,618	
Liability Claims		4,722	
Other Self-Insured Claims		32,715	
Other Charges		27,882	
Other Capital Outlay		12,133	
Total Other Charges			484,090

Employee Benefits

Social Security	\$	351,569	
State Retirement		446,346	
Medical Insurance		535,946	
Unemployment Compensation		14,320	
Other Charges		2,800	
Total Employee Benefits			1,350,981

Total General Fund \$ 11,034,593

Courthouse & Jail Maintenance Fund

Other Operations

Other Charges

Maintenance & Repair Services - Buildings	\$	4,159	
Maintenance & Repair Services - Equipment		110	
Trustee's Commission		104	
Total Other Charges			\$ 4,373

Total Courthouse & Jail Maintenance Fund 4,373

(Continued)

Exhibit J-8

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

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Supervisor/Director	\$	38,649	
Deputy(ies)		24,781	
Librarians		56,503	
Part-time Personnel		26,300	
Longevity Pay		3,400	
Social Security		11,037	
State Retirement		16,194	
Medical Insurance		23,207	
Unemployment Compensation		683	
Communication		1,283	
Data Processing Services		1,078	
Dues and Memberships		320	
Janitorial Services		6,100	
Maintenance Agreements		1,870	
Maintenance & Repair Services - Buildings		5,669	
Postal Charges		2,471	
Printing, Stationery, and Forms		212	
Disposal Fees		100	
Custodial Supplies		797	
Riprap		4,167	
Instructional Supplies and Materials		24	
Library Books/Media		19,392	
Office Supplies		3,811	
Periodicals		2,619	
Utilities		21,048	
Building and Contents Insurance		8,051	
Liability Insurance		1,518	
Refunds		61	
Trustee's Commission		169	
Workers' Compensation Insurance		579	
Data Processing Equipment		3,983	
Office Equipment		795	
Total Libraries			\$ 286,871
Total Public Library Fund			\$ 286,871

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

County Official/Administrative Officer	\$	10,000
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(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance (Cont.)

Deputy(ies)	\$	2,500
Salary Supplements		8,469
Laborers		157,655
Secretary(ies)		38,250
Clerical Personnel		11,480
Part-time Personnel		64,058
Longevity Pay		650
Overtime Pay		8,463
In-Service Training		450
Social Security		20,864
State Retirement		15,713
Medical Insurance		39,882
Unemployment Compensation		4,068
Communication		3,239
Contracts with Private Agencies		842,436
Data Processing Services		2,054
Dues and Memberships		165
Engineering Services		5,800
Legal Notices, Recording, and Court Costs		606
Licenses		31
Maintenance Agreements		324
Maintenance & Repair Services - Buildings		10,499
Maintenance & Repair Services - Equipment		4,746
Maintenance & Repair Services - Office Equipment		206
Maintenance & Repair Services - Vehicles		3,668
Postal Charges		8,497
Printing, Stationery, and Forms		2,292
Travel		1,674
Brokerage Fees - Recyclables		68,422
Other Contracted Services		1,860
Crushed Stone		15,971
Custodial Supplies		1,270
Diesel Fuel		3,032
Food Supplies		1,730
Garage Supplies		13,296
Gasoline		5,794
Lubricants		58
Office Supplies		874
Propane Gas		2,619
Small Tools		394

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance (Cont.)

Tires and Tubes	\$	1,487	
Uniforms		1,984	
Utilities		23,486	
Wire		3,078	
Other Supplies and Materials		11,657	
Building and Contents Insurance		3,442	
Liability Insurance		1,602	
Refunds		10,005	
Trustee's Commission		13,498	
Vehicle and Equipment Insurance		446	
Workers' Compensation Insurance		6,976	
Other Charges		1,703	
Motor Vehicles		3,500	
Office Equipment		1,120	
Solid Waste Equipment		16,750	
Other Equipment		30,692	
Total Landfill Operation and Maintenance			\$ 1,515,485
Total Solid Waste/Sanitation Fund			\$ 1,515,485

Industrial/Economic Development Fund

Capital Projects

General Administration Projects

Contributions	\$	495,506	
Underwriter's Discount		1,500	
Other Debt Issuance Charges		3,000	
Total General Administration Projects			\$ 500,006

Public Utility Projects

Contracts with Private Agencies	\$	71,091	
Contributions		51,861	
Legal Notices, Recording, and Court Costs		622	
Total Public Utility Projects			123,574

Total Industrial/Economic Development Fund 623,580

Drug Control Fund

Public Safety

Drug Enforcement

In-Service Training	\$	500	
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(Continued)

Exhibit J-8

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Communication	\$	8,238	
Data Processing Services		2,499	
Confidential Drug Enforcement Payments		15,000	
Dues and Memberships		35	
Legal Notices, Recording, and Court Costs		205	
Maintenance & Repair Services - Buildings		890	
Maintenance & Repair Services - Equipment		6,828	
Maintenance & Repair Services - Vehicles		15,110	
Travel		1,117	
Veterinary Services		2,026	
Animal Food and Supplies		103	
Custodial Supplies		868	
Food Supplies		779	
Gasoline		260	
Law Enforcement Supplies		4,482	
Office Supplies		6,321	
Tires and Tubes		202	
Uniforms		12,570	
Other Supplies and Materials		1,053	
Trustee's Commission		1,501	
Other Charges		9,838	
Data Processing Equipment		10,528	
Furniture and Fixtures		1,365	
Law Enforcement Equipment		19,082	
Motor Vehicles		27,739	
Other Equipment		845	
Total Drug Enforcement			\$ 149,984

Total Drug Control Fund \$ 149,984

District Attorney General Fund

Administration of Justice

District Attorney General

Secretary(ies)	\$	34,871	
Dues and Memberships		315	
Travel		1,782	
Periodicals		861	
Trustee's Commission		343	
In Service/Staff Development		5,410	
Other Charges		4,833	
Total District Attorney General			\$ 48,415

Total District Attorney General Fund 48,415

(Continued)

Exhibit J-8

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 165,855	
Total Register of Deeds		\$ 165,855

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 172,282	
Total County Trustee's Office		172,282

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 256,414	
Total County Clerk's Office		256,414

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 2,175	
Total Chancery Court		2,175

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 179	
Total Sheriff's Department		<u>179</u>

Total Constitutional Officers - Fees Fund		\$ 596,905
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 63,876
Accountants/Bookkeepers	69,134
Longevity Pay	850
Communication	10,939
Data Processing Services	1,545
Dues and Memberships	4,261
Legal Notices, Recording, and Court Costs	461
Maintenance Agreements	558
Postal Charges	119
Printing, Stationery, and Forms	315
Travel	125
Disposal Fees	288
Custodial Supplies	484

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Office Supplies	\$	1,310	
Utilities		12,222	
Other Charges		3,250	
Office Equipment		3,615	
Total Administration			\$ 173,352

Highway and Bridge Maintenance

Foremen	\$	170,657	
Equipment Operators		267,703	
Equipment Operators - Light		129,521	
Truck Drivers		215,726	
Laborers		66,122	
Longevity Pay		16,150	
Rentals		14,500	
Other Contracted Services		1,200	
Asphalt		471,859	
Asphalt - Cold Mix		18,815	
Concrete		25,042	
Crushed Stone		208,232	
Pipe - Metal		127,007	
Road Signs		16,650	
Wood Products		5,384	
Gravel and Chert		4,785	
Other Charges		4,826	
Total Highway and Bridge Maintenance			1,764,179

Operation and Maintenance of Equipment

Mechanic(s)	\$	179,362	
Longevity Pay		3,100	
Maintenance & Repair Services - Equipment		162,763	
Diesel Fuel		149,642	
Gasoline		51,700	
Lubricants		7,212	
Tires and Tubes		48,554	
Uniforms		11,875	
Other Charges		10,089	
Total Operation and Maintenance of Equipment			624,297

Other Charges

Building and Contents Insurance	\$	4,446	
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(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Liability Insurance	\$	12,734	
Trustee's Commission		47,586	
Vehicle and Equipment Insurance		7,369	
Workers' Compensation Insurance		29,115	
Other Charges		<u>1,704</u>	
Total Other Charges	\$		102,954

Employee Benefits

Social Security	\$	87,954	
State Retirement		105,099	
Employee and Dependent Insurance		165,820	
Unemployment Compensation		<u>8,890</u>	
Total Employee Benefits			367,763

Capital Outlay

Engineering Services	\$	29,923	
Bridge Construction		129,094	
Highway Construction		245,776	
Other Construction		<u>312,813</u>	
Total Capital Outlay			<u>717,606</u>

Total Highway/Public Works Fund \$ 3,750,151

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,010,000	
Principal on Notes		<u>500,000</u>	
Total General Government	\$		1,510,000

Highways and Streets

Principal on Notes	\$	<u>603,239</u>	
Total Highways and Streets			603,239

Education

Principal on Bonds	\$	<u>1,650,000</u>	
Total Education			1,650,000

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 565,088	
Interest on Notes	<u>168,310</u>	
Total General Government		\$ 733,398

Highways and Streets

Interest on Notes	\$ <u>47,573</u>	
Total Highways and Streets		47,573

Education

Interest on Bonds	\$ <u>1,085,892</u>	
Total Education		1,085,892

Other Debt Service

General Government

Trustee's Commission	\$ 73,957	
Other Debt Service	<u>750</u>	
Total General Government		74,707

Education

Other Debt Service	\$ <u>1,500</u>	
Total Education		<u>1,500</u>

Total General Debt Service Fund \$ 5,706,309

General Capital Projects Fund

Capital Projects

General Administration Projects

Data Processing Services	\$ 1,377	
Building Construction	2,401,374	
Office Equipment	<u>9,947</u>	
Total General Administration Projects		\$ <u>2,412,698</u>

Total General Capital Projects Fund 2,412,698

HUD Grant Projects Fund

Capital Projects

Other General Government Projects

Contracts with Private Agencies	\$ <u>69,306</u>	
Total Other General Government Projects		\$ <u>69,306</u>

Total HUD Grant Projects Fund 69,306

(Continued)

Exhibit J-8

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

<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway & Street Capital Projects</u>			
Highway Construction	<u>\$ 1,058,252</u>		
Total Highway & Street Capital Projects		<u>\$ 1,058,252</u>	
Total Highway Capital Projects Fund			\$ 1,058,252
 <u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Charges	<u>\$ 270,242</u>		
Total Public Safety Projects		<u>\$ 270,242</u>	
Total Other Capital Projects Fund			<u>270,242</u>
Total Governmental Funds - Primary Government			<u>\$ 27,527,164</u>

Exhibit J-9

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,737,284	
Career Ladder Program	245,820	
Career Ladder Extended Contracts	52,620	
Homebound Teachers	12,690	
Educational Assistants	634,387	
Other Salaries and Wages	133,665	
Certified Substitute Teachers	28,798	
Non-certified Substitute Teachers	139,959	
Social Security	893,579	
State Retirement	919,004	
Medical Insurance	2,176,302	
Unemployment Compensation	5,857	
Employer Medicare	209,210	
Maintenance and Repair Services - Equipment	10,746	
Instructional Supplies and Materials	199,486	
Textbooks	374,086	
Other Supplies and Materials	113,294	
Other Charges	63	
Regular Instruction Equipment	39,037	
Total Regular Instruction Program		\$ 19,925,887

Alternative Instruction Program

Teachers	\$ 48,665	
Educational Assistants	12,460	
Non-certified Substitute Teachers	214	
Social Security	3,648	
State Retirement	4,107	
Medical Insurance	5,984	
Employer Medicare	853	
Other Supplies and Materials	18,580	
Other Equipment	16,155	
Total Alternative Instruction Program		110,666

Special Education Program

Teachers	\$ 1,255,158
Career Ladder Program	23,875
Career Ladder Extended Contracts	12,727
Homebound Teachers	58,600
Educational Assistants	126,655

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Speech Pathologist	\$	271,181	
Certified Substitute Teachers		1,794	
Non-certified Substitute Teachers		12,519	
Social Security		104,982	
State Retirement		109,554	
Medical Insurance		226,925	
Employer Medicare		24,552	
Other Contracted Services		9,864	
Instructional Supplies and Materials		15,159	
Total Special Education Program			\$ 2,253,545

Vocational Education Program

Teachers	\$	1,432,556	
Career Ladder Program		21,925	
Career Ladder Extended Contracts		3,682	
Certified Substitute Teachers		1,540	
Non-certified Substitute Teachers		22,737	
Social Security		87,077	
State Retirement		89,244	
Medical Insurance		247,405	
Employer Medicare		20,378	
Contracts with Other School Systems		47,166	
Maintenance and Repair Services - Equipment		2,244	
Other Contracted Services		9,276	
Instructional Supplies and Materials		52,615	
Textbooks		229	
Other Supplies and Materials		18,705	
Other Charges		977	
Vocational Instruction Equipment		23,529	
Total Vocational Education Program			2,081,285

Adult Education Program

Teachers	\$	128,252	
Other Salaries and Wages		1,400	
Social Security		8,016	
State Retirement		5,830	
Medical Insurance		4,697	
Employer Medicare		1,875	
Maintenance and Repair Services - Equipment		592	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Instructional Supplies and Materials	\$	12,244	
Other Supplies and Materials		6,904	
Total Adult Education Program			\$ 169,810

Support Services

Attendance

Supervisor/Director	\$	56,884	
Career Ladder Program		2,000	
Social Security		3,651	
State Retirement		3,610	
Medical Insurance		9,577	
Employer Medicare		854	
Other Contracted Services		6,950	
Total Attendance			83,526

Health Services

Medical Personnel	\$	213,424	
Social Security		12,578	
State Retirement		13,039	
Medical Insurance		55,054	
Employer Medicare		2,942	
Travel		49	
Other Contracted Services		1,201	
Drugs and Medical Supplies		6,695	
Other Supplies and Materials		464	
Other Charges		1,386	
Total Health Services			306,832

Other Student Support

Career Ladder Program	\$	5,000	
Guidance Personnel		547,114	
Career Ladder Extended Contracts		2,515	
Secretary(ies)		18,915	
Clerical Personnel		27,942	
Other Salaries and Wages		1,782	
Social Security		35,937	
State Retirement		35,844	
Medical Insurance		71,860	
Employer Medicare		8,405	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Evaluation and Testing	\$	21,794	
Travel		919	
Other Contracted Services		20,226	
Total Other Student Support			\$ 798,253

Regular Instruction Program

Supervisor/Director	\$	136,046	
Career Ladder Program		25,000	
Career Ladder Extended Contracts		10,856	
Librarians		567,138	
Instructional Computer Personnel		48,466	
Other Salaries and Wages		15,644	
Social Security		48,161	
State Retirement		49,234	
Medical Insurance		108,715	
Employer Medicare		11,264	
Maintenance and Repair Services - Equipment		1,000	
Travel		10,186	
Other Contracted Services		6,184	
Other Supplies and Materials		12,428	
In Service/Staff Development		4,906	
Other Charges		3,785	
Total Regular Instruction Program			1,059,013

Alternative Instruction Program

Other Salaries and Wages	\$	32,750	
Social Security		2,030	
State Retirement		2,969	
Medical Insurance		5,125	
Employer Medicare		475	
Maintenance and Repair Services - Equipment		449	
Postal Charges		650	
Travel		2,222	
In Service/Staff Development		3,719	
Total Alternative Instruction Program			50,389

Special Education Program

Supervisor/Director	\$	93,275
Career Ladder Program		6,000

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Psychological Personnel	\$	39,555	
Career Ladder Extended Contracts		4,000	
Clerical Personnel		20,776	
Other Salaries and Wages		34,407	
Social Security		12,264	
State Retirement		10,639	
Medical Insurance		21,697	
Employer Medicare		2,868	
Maintenance and Repair Services - Equipment		1,177	
Travel		4,753	
Other Contracted Services		5,737	
Other Supplies and Materials		1,224	
In Service/Staff Development		1,000	
Other Charges		1,344	
Total Special Education Program			\$ 260,716

Vocational Education Program

Supervisor/Director	\$	58,084	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Social Security		3,911	
State Retirement		3,867	
Medical Insurance		5,125	
Employer Medicare		915	
Travel		34,040	
In Service/Staff Development		5,372	
Total Vocational Education Program			116,314

Adult Programs

Supervisor/Director	\$	4,820	
Clerical Personnel		2,000	
Other Salaries and Wages		47,074	
Social Security		3,259	
State Retirement		4,744	
Medical Insurance		4,227	
Employer Medicare		762	
Travel		119	
Other Supplies and Materials		1,247	
In Service/Staff Development		6,051	
Total Adult Programs			74,303

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Secretary to Board	\$	2,400	
Board and Committee Members Fees		21,600	
Social Security		1,475	
State Retirement		834	
Medical Insurance		125,640	
Employer Medicare		345	
Audit Services		14,500	
Dues and Memberships		6,522	
Legal Services		18,833	
Travel		3,235	
Other Contracted Services		18,562	
Liability Insurance		44,331	
Trustee's Commission		226,602	
Workers' Compensation Insurance		206,062	
Other Charges		3,000	
Total Board of Education			\$ 693,941

Director of Schools

County Official/Administrative Officer	\$	99,779	
Secretary(ies)		72,709	
Social Security		10,592	
State Retirement		12,707	
Medical Insurance		17,888	
Employer Medicare		2,477	
Communication		58,303	
Dues and Memberships		2,005	
Maintenance and Repair Services - Equipment		4,140	
Postal Charges		6,029	
Travel		2,031	
Office Supplies		6,802	
Other Supplies and Materials		7,308	
Administration Equipment		895	
Total Director of Schools			303,665

Office of the Principal

Principals	\$	673,845	
Career Ladder Program		21,220	
Career Ladder Extended Contracts		14,742	
Assistant Principals		344,719	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Secretary(ies)	\$	419,520	
Social Security		88,434	
State Retirement		102,165	
Medical Insurance		183,388	
Employer Medicare		20,682	
Dues and Memberships		5,400	
Other Contracted Services		8,067	
Other Supplies and Materials		8,566	
Total Office of the Principal			\$ 1,890,748

Fiscal Services

Supervisor/Director	\$	45,874	
Accountants/Bookkeepers		103,106	
Other Salaries and Wages		20,776	
Social Security		10,217	
State Retirement		14,403	
Medical Insurance		26,052	
Employer Medicare		2,389	
Data Processing Services		7,202	
Maintenance and Repair Services - Equipment		984	
Travel		1,563	
Data Processing Supplies		1,611	
Total Fiscal Services			234,177

Operation of Plant

Custodial Personnel	\$	596,300	
Other Salaries and Wages		132,912	
Social Security		43,354	
State Retirement		62,903	
Medical Insurance		127,842	
Unemployment Compensation		1,066	
Employer Medicare		10,139	
Laundry Service		12,475	
Maintenance and Repair Services - Equipment		4,209	
Disposal Fees		35,448	
Other Contracted Services		65,335	
Custodial Supplies		83,596	
Electricity		1,141,813	
Natural Gas		324,040	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Water and Sewer	\$	201,282	
Other Supplies and Materials		6,758	
Boiler Insurance		6,920	
Building and Contents Insurance		126,072	
Plant Operation Equipment		24,732	
Total Operation of Plant			\$ 3,007,196

Maintenance of Plant

Supervisor/Director	\$	37,102	
Other Salaries and Wages		143,616	
Social Security		10,958	
State Retirement		16,380	
Medical Insurance		32,723	
Employer Medicare		2,563	
Laundry Service		2,274	
Maintenance and Repair Services - Buildings		35,917	
Maintenance and Repair Services - Equipment		63,855	
Maintenance and Repair Services - Vehicles		35	
Travel		602	
Other Contracted Services		57,195	
Other Supplies and Materials		186,673	
Other Charges		50	
Maintenance Equipment		5,000	
Plant Operation Equipment		34,081	
Total Maintenance of Plant			629,024

Transportation

Supervisor/Director	\$	42,706	
Mechanic(s)		149,589	
Bus Drivers		792,854	
Other Salaries and Wages		21,455	
Social Security		58,773	
State Retirement		80,345	
Medical Insurance		251,603	
Unemployment Compensation		760	
Employer Medicare		13,747	
Communication		3,922	
Laundry Service		2,486	
Maintenance and Repair Services - Vehicles		1,364	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Medical and Dental Services	\$	5,325	
Travel		7,004	
Other Contracted Services		18,852	
Diesel Fuel		243,975	
Equipment and Machinery Parts		98	
Gasoline		39,095	
Lubricants		7,564	
Tires and Tubes		41,292	
Vehicle Parts		75,909	
Other Supplies and Materials		4,247	
Vehicle and Equipment Insurance		38,924	
Other Charges		401	
Transportation Equipment		168,735	
Total Transportation			\$ 2,071,025

Central and Other

Other Salaries and Wages	\$	22,754	
Social Security		1,411	
State Retirement		2,062	
Medical Insurance		4,227	
Employer Medicare		330	
Other Supplies and Materials		11,446	
Data Processing Equipment		750	
Total Central and Other			42,980

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	86,126	
Social Security		5,280	
State Retirement		2,151	
Unemployment Compensation		238	
Employer Medicare		1,235	
Other Contracted Services		11,666	
Food Supplies		922	
Other Supplies and Materials		3,730	
In Service/Staff Development		280	
Other Charges		60	
Other Equipment		289	
Total Community Services			111,977

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Teachers	\$	326,270	
Educational Assistants		125,530	
Certified Substitute Teachers		604	
Non-certified Substitute Teachers		6,338	
Social Security		26,526	
State Retirement		29,013	
Medical Insurance		90,385	
Employer Medicare		6,204	
Maintenance and Repair Services - Equipment		1,158	
Postal Charges		400	
Travel		2,080	
Instructional Supplies and Materials		7,802	
Other Supplies and Materials		57,578	
In Service/Staff Development		1,152	
Other Charges		170	
Plant Operation Equipment		2,916	
Regular Instruction Equipment		31,678	
Total Early Childhood Education			\$ 715,804

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	59,293	
Social Security		3,437	
State Retirement		3,635	
Medical Insurance		7,859	
Employer Medicare		804	
Other Contracted Services		13,460	
Building Construction		30,552	
Building Improvements		242,790	
Total Regular Capital Outlay			361,830

Principal on Debt

Education

Principal on Notes	\$	1,770	
Debt Service Contribution to Primary Government		300,000	
Total Education			301,770

Total General Purpose School Fund \$ 37,654,676

(Continued)

Exhibit J-9

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	801,381	
Educational Assistants		163,523	
Certified Substitute Teachers		2,203	
Non-certified Substitute Teachers		6,864	
Social Security		57,821	
State Retirement		60,360	
Medical Insurance		154,898	
Employer Medicare		13,523	
Instructional Supplies and Materials		100,146	
Other Supplies and Materials		89,237	
Other Charges		2,566	
Regular Instruction Equipment		6,543	
Total Regular Instruction Program			\$ 1,459,065

Special Education Program

Teachers	\$	40,305	
Educational Assistants		711,394	
Certified Substitute Teachers		741	
Non-certified Substitute Teachers		10,316	
Social Security		45,931	
State Retirement		60,366	
Medical Insurance		118,120	
Employer Medicare		10,742	
Contracts with Other School Systems		19,100	
Contracts with Private Agencies		26,400	
Other Contracted Services		150,076	
Other Supplies and Materials		6,603	
Total Special Education Program			1,200,094

Vocational Education Program

Instructional Supplies and Materials	\$	716	
Other Supplies and Materials		24,073	
Other Charges		676	
Vocational Instruction Equipment		95,152	
Total Vocational Education Program			120,617

Support Services

Attendance

Social Workers	\$	15,394	
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(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Social Security	\$	954	
State Retirement		944	
Employer Medicare		223	
Total Attendance			\$ 17,515

Other Student Support

Travel	\$	21,836	
Total Other Student Support			21,836

Regular Instruction Program

Supervisor/Director	\$	58,084	
Other Salaries and Wages		60,845	
In-Service Training		3,068	
Social Security		7,543	
State Retirement		7,875	
Medical Insurance		13,700	
Employer Medicare		1,764	
Travel		4,498	
Other Supplies and Materials		3,238	
In Service/Staff Development		70,809	
Other Charges		457	
Total Regular Instruction Program			231,881

Special Education Program

Supervisor/Director	\$	9,639	
Psychological Personnel		46,363	
Assessment Personnel		43,633	
Clerical Personnel		21,226	
Other Salaries and Wages		21,983	
Social Security		8,226	
State Retirement		9,545	
Medical Insurance		34,699	
Employer Medicare		1,924	
Travel		3,679	
Other Contracted Services		43,312	
Other Supplies and Materials		19,228	
In Service/Staff Development		4,117	
Total Special Education Program			267,574

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

In Service/Staff Development	\$ 3,530	
Total Vocational Education Program		\$ 3,530

Fiscal Services

Other Salaries and Wages	\$ 4,000	
Social Security	248	
State Retirement	363	
Employer Medicare	58	
Total Fiscal Services		4,669

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$ 66,438	
Educational Assistants	25,170	
Non-certified Substitute Teachers	1,502	
Social Security	5,468	
State Retirement	6,354	
Medical Insurance	21,440	
Employer Medicare	1,279	
Instructional Supplies and Materials	238	
Other Supplies and Materials	2,315	
Other Charges	477	
Total Early Childhood Education		130,681

Total School Federal Projects Fund \$ 3,457,462

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 40,474
Accountants/Bookkeepers	28,172
Clerical Personnel	21,226
Cafeteria Personnel	1,181,279
Social Security	76,119
State Retirement	81,038
Medical Insurance	150,840
Unemployment Compensation	309
Employer Medicare	17,802
Maintenance and Repair Services - Equipment	68,405

(Continued)

Exhibit J-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Transportation - Other than Students	\$	26,208	
Travel		8,856	
Other Contracted Services		21,724	
Food Preparation Supplies		3,688	
Food Supplies		1,428,585	
Office Supplies		3,776	
Utilities		8,213	
Other Supplies and Materials		126,704	
In Service/Staff Development		6,120	
Other Charges		27	
Food Service Equipment		69,369	
Total Food Service			\$ 3,368,934

Total Central Cafeteria Fund \$ 3,368,934

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	101,312	
Social Security		6,281	
State Retirement		6,890	
Employer Medicare		1,469	
Other Supplies and Materials		8,425	
Other Charges		2,426	
Total Community Services			\$ 126,803

Total Extended School Program Fund 126,803

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Improvements	\$	1,810,567	
Regular Instruction Equipment		20,000	
Transportation Equipment		378,827	
Total Education Capital Projects			\$ 2,209,394

Total Education Capital Projects Fund 2,209,394

Total Governmental Funds - School Department \$ 46,817,269

Exhibit J-10

Lawrence County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2007

	Cities - Sales Tax Fund
	<hr/>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,904,373
Total Cash Receipts	<hr/> \$ 3,904,373 <hr/>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,865,326
Trustee's Commission	39,047
Total Cash Disbursements	<hr/> \$ 3,904,373 <hr/>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2006	<hr/> 0 <hr/>
Cash Balance, June 30, 2007	<hr/> <hr/> \$ 0 <hr/> <hr/>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

February 28, 2008

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

To the County Executive and Board of County Commissioners:

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, 2007, which collectively comprise Lawrence County's basic financial statements and have issued our report thereon dated February 28, 2008. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Lawrence County Emergency Communications District, a discretely presented component unit, as described in our report on Lawrence County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lawrence County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial

reporting. Accordingly, we do not express an opinion on the effectiveness of Lawrence County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, we did not identify any deficiencies in internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Lawrence County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 07.01, 07.02, and 07.03.

Lawrence County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Lawrence County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county executive, director of schools, highway superintendent, County Commission, Board of Education, others within Lawrence County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a horizontal flourish extending to the right.

John G. Morgan
Comptroller of the Treasury

JGM/rd



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

February 28, 2008

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

To the County Executive and Board of County Commissioners:

Compliance

We have audited the compliance of Lawrence County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lawrence County's management. Our responsibility is to express an opinion on Lawrence County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lawrence County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We

believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lawrence County's compliance with those requirements.

In our opinion, Lawrence County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Lawrence County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lawrence County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lawrence County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We noted no instances involving the internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

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, 2007, and have issued our report thereon dated February 28, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Lawrence County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Grants is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic

financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lawrence County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Lawrence County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county executive, director of schools, highway superintendent, County Commission, Board of Education, others within Lawrence County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "John G. Morgan". The signature is written in black ink and includes a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/rd

Lawrence County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2007

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture: Food Distribution (Noncash Assistance)	10.550	(2)	\$ 161,099
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	486,828
National School Lunch Program	10.555	(2)	1,325,843
Total U.S. Department of Agriculture			<u>\$ 1,973,770</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program	14.228	GG-07-20263-00	\$ 24,700
HOME Investment Partnerships Program	14.239	HM-03-47-001	69,306
Total U.S. Department of Housing and Urban Development			<u>\$ 94,006</u>
U.S. Department of Justice:			
Direct Program:			
Drug Court Discretionary Grant Program	16.585	N/A	\$ 46,577
Bulletproof Vest Partnership Program	16.607	N/A	3,922
Total U.S. Department of Justice			<u>\$ 50,499</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
WIA Youth Activities	17.259	03-10-999-102-98-82	\$ 34,360
WIA Dislocated Workers	17.260	(2)	15,000
Incentive Grants - WIA Section 503	17.267	Z-06-030908-00	5,750
Total U.S. Department of Labor			<u>\$ 55,110</u>
U.S. Department of Education:			
Direct Program:			
Hurricane Education Recovery Act Program	84.938	N/A	\$ 12,429
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(3)	134,663
Rehabilitation Services - Vocational Rehabilitation Grants	84.126	GG-07-12511-00	24,189
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,419,846
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,428,092
Special Education - Preschool Grants	84.173	N/A	47,576
Vocational Education - Basic Grants to States	84.048	N/A	170,630
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	28,406
State Grants for Innovative Programs	84.298	N/A	82,433
Education Technology State Grants	84.318	(2)	10,082
English Language Acquisition Grants	84.365	N/A	3,949
Improving Teacher Quality State Grants	84.367	N/A	303,043
Total U.S. Department of Education			<u>\$ 3,665,338</u>
U.S. Department of Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(4)	\$ 300,325
Total U.S. Department of Election Assistance Commission			<u>\$ 300,325</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Labor and Workforce Development:			
Temporary Assistance for Needy Families	93.558	Z-07-034237-00	\$ 30,118
Passed-through State Department of Health:			
Child Support Enforcement	93.563	(2)	40,243
Total U.S. Department of Health and Human Services			<u>\$ 70,361</u>

(Continued)

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

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Direct Program:			
Emergency Food and Shelter National Board Program	97.024	N/A	\$ 11,672
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	Z-03-017911-00	32,434
Homeland Security Grant Program	97.067	Z-05-025179-00	265,518
Total U.S. Department of Homeland Security			<u>\$ 309,624</u>
Total Expenditures of Federal Awards			<u>\$ 6,519,033</u>
<u>State Grants</u>		<u>Contract Number</u>	
Adult Education - State Department of Labor and Workforce Development	N/A	Z-07-033711-01	\$ 40,685
Early Childhood Education Lottery - State Department of Education	N/A	(2)	173,409
Early Childhood Education Expansion - State Department of Education	N/A	(2)	174,274
Early Childhood Education Pilot - State Department of Education	N/A	(2)	389,995
Family Resource Center - State Department of Education	N/A	(2)	33,296
Farmers Market Grant Program - State Department of Agriculture	N/A	Z-07-035490-00	2,136
Gates Foundation Staying Connected Grants - Tennessee Secretary of State	N/A	(2)	4,009
Health Department Programs - State Department of Health	N/A	Z-06-025984-01	14,129
Health Department Programs - State Department of Health	N/A	Z-07-031544-01	200,668
Juvenile Justice - State Commission on Children and Youth	N/A	Z-07-036552-00	9,000
Litter Grant - State Department of Transportation	N/A	Z-07-033818-00	35,661
Lottery for Education - After School Program - State Department of Education	N/A	019-07-2-023	68,936
Safe Schools Act - State Department of Education	N/A	(2)	58,962
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	14,282
Temporary Assistance for Needy Families - State Department of Workforce Development	N/A	Z-07-034237-01	16,217
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-03-011325-00	39,999
Total State Grants			<u>\$ 1,275,658</u>

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

- (1) - Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) - Information not available.
- (3) - Z-07-033711-00: \$122,054; (2) \$12,609.
- (4) - Z-07-037868-00: \$600; Z-07-037851-00: \$43,200; Z-06-032965-00: \$251,500; Z-07-037435-00: \$5,025.

Lawrence County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2007

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Lawrence County, Tennessee, for the year ended June 30, 2006, which have not been corrected.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
06.04	187	Circuit, general sessions, and juvenile courts did not prepare execution docket trial balances

LAWRENCE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on Lawrence County's financial statements is unqualified.
2. The audit of the financial statements of Lawrence County disclosed no significant deficiencies in internal control.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Lawrence County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555) and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Lawrence County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county executive and the director of accounts and budgets are paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 07.01 **CONTRIBUTIONS TO A NONPROFIT ORGANIZATION WERE NOT MADE IN COMPLIANCE WITH STATE STATUTE (Noncompliance Under Government Auditing Standards)**

The County Commission appropriated \$30,000 from prior-years business tax revenues remaining in the Industrial/Economic Development Fund as a contribution to Summertown High School. However, these funds were actually paid to First Farmers and Merchants Bank on a note owed by the Summertown Eagles Booster Club and guaranteed by eight individuals. Therefore, in effect, the county made a contribution to a nonprofit organization. Prior to disbursing the funds, a notice specifying the intended amount and purpose of the appropriation was not published in a newspaper of general circulation, and the nonprofit organization did not file a financial report with the county clerk as required by Section 5-9-109, Tennessee Code Annotated (TCA).

RECOMMENDATION

A notice of the county's intent to make an appropriation to a nonprofit organization should be published prior to the disbursement of funds specifying the intended amount and purpose of the appropriation as required by state statute. In addition, county officials should require all nonprofit organizations receiving county funds to file financial reports with the county clerk.

MANAGEMENTS' RESPONSE – COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

In the future all nonprofit contributions will be published in a newspaper of general circulation as required by TCA, Section 5-9-109, prior to the disbursement of funds.

FINDING 07.02 **INMATES PERFORMED WORK ON PRIVATE PROPERTY (Noncompliance Under Government Auditing Standards)**

A county inmate work crew was used to mow grass at various locations owned by the county, state, and some nonprofit organizations. Included in the list of properties mowed was a lot located at 1620 Springer Road in Lawrenceburg, which is privately owned. The use of inmate labor for private benefit is prohibited by Section 41-2-148, Tennessee Code Annotated.

RECOMMENDATION

Inmate labor should not be used in the upkeep of private property.

MANAGEMENTS' RESPONSE – COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

During the summer of 2007, a county-wide inmate worker program was established to maintain county-owned properties and other properties located throughout the county not being maintained. The Lawrence County Columbia State Community College property, owned by the Lawrence County Board of Education, is one of the properties maintained through the inmate lawn program. The college had previously mowed all surrounding grounds, which included the vacant lot adjacent to the campus. Upon the exit interview with auditors, it was learned that the adjacent property mowed was private property. This finding is acknowledged and, in the future, inmates will not mow the private property.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 07.03

CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS DID NOT PREPARE EXECUTION DOCKET TRIAL BALANCES

(Noncompliance Under Government Auditing Standards)

The circuit, general sessions, and juvenile courts clerk did not prepare trial balances of execution docket cause balances as required by Section 18-2-103, Tennessee Code Annotated (TCA). Consequently, we were unable to reconcile cash journal accounts with cause balances. Furthermore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, TCA. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, TCA, further requires these funds to be reported and paid to the state Treasurer's Office. Circuit, General Sessions, and Juvenile Courts had unidentified court funds of \$340,346, \$36,362, and \$2,060, respectively, at June 30, 2007.

RECOMMENDATION

The circuit, general sessions, and juvenile courts clerk should prepare and reconcile trial balances of execution docket cause balances with cash journal accounts as required by state statutes. To further comply with state statutes, the clerk should report and pay to the state Treasurer's Office any unclaimed funds held for more than one year.

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

There were no findings and questioned costs for federal awards.

LAWRENCE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2007

There were no audit findings relative to federal awards presented in the current year's Schedule of Findings and Questioned Costs. There were audit findings relative to federal awards presented in the prior year's Schedule of Findings and Questioned Costs.

Director of Accounts and Budgets – Summary Schedule of Prior Year Findings

FINDINGS 06.01 and 06.07

Contact Person: Teresa Purcell, Director of Accounts and Budgets

Corrective action planned: Lawrence County contracted with the South Central Tennessee Development District (SCTDD) to administer its Home Investment Partnership Program. The representative with SCTDD that was in charge of Lawrence County's Home Program stated that the debarment and suspension of contractors had always been verified on the HUD website where all debarred or suspended contractors are listed. SCTDD realizes that this policy is not sufficient and has since developed a certification form that contractors will sign stating that they have not been barred or suspended by the federal government. Management will enforce the use of this new form.

Lawrence County will develop an inspection and documentation program to monitor sub-recipients as required by federal regulations.

Lawrence County filed all reports as requested by the State Department of Homeland Security. In discussions with County Audit and the State Department of Homeland Security, there is apparent confusion as to what the federal and state reporting requirements are for recipients of Homeland Security Grants. However, in the future, Lawrence County will comply with all reporting provisions as specified in OMB Circular A-133.

Lawrence County inadvertently deposited Homeland Security Grant proceeds into an interest bearing account. Lawrence County has been advised by Val Perkins, ODP Program Specialist with the State of Tennessee, that all interest earned on the Homeland Security Grant for \$1,000,000 should be returned to the State of Tennessee. Lawrence County will await instructions as to what method will be utilized to return the funds and to whom the funds should be repaid.

Anticipated completion date: 2006-07

All findings presented above have been corrected.