
ANNUAL FINANCIAL REPORT

LAWRENCE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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ANNUAL FINANCIAL REPORT
LAWRENCE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
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NATHAN ABBOTT, CISA, CFE
State Auditors

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

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LAWRENCE COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		9-10
<u>INTRODUCTORY SECTION</u>		11
Lawrence County Officials		13
<u>FINANCIAL SECTION</u>		15
Independent Auditor's Report		17-19
BASIC FINANCIAL STATEMENTS:		21
Government-wide Financial Statements:		
Statement of Net Assets	A	23-24
Statement of Activities	B	25-26
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	27-28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	29
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	30-31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	32
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	33
Notes to the Financial Statements		35-74
REQUIRED SUPPLEMENTARY INFORMATION:		75
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	E-1	77-79
Highway/Public Works Fund	E-2	80
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Lawrence County School Department	E-3	81
Schedule of Funding Progress – Pension Plan – Discretely Presented Lawrence County Emergency Communications District	E-4	82

	Exhibit	Page(s)
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Lawrence County School Department	E-5	83
Notes to the Required Supplementary Information		85
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		87
Nonmajor Governmental Funds:		89-90
Combining Balance Sheet	F-1	91-92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	93-94
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	F-3	95
Public Library Fund	F-4	96
Solid Waste/Sanitation Fund	F-5	97
Industrial/Economic Development Fund	F-6	98
Drug Control Fund	F-7	99
Highway Capital Projects Fund	F-8	100
Homeland Security Capital Projects Fund	F-9	101
Major Governmental Funds:		103
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Debt Service Fund	G-1	105
General Capital Projects Fund	G-2	106
Fiduciary Funds:		107
Combining Statement of Fiduciary Assets and Liabilities	H-1	109
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	110
Component Unit:		
Discretely Presented Lawrence County School Department:		111
Statement of Activities	I-1	113
Balance Sheet – Governmental Funds	I-2	114
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	I-3	115
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	116
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	117
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	119

	Exhibit	Page(s)
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	120-122
School Federal Projects Fund	I-9	123
Central Cafeteria Fund	I-10	124
Extended School Program Fund	I-11	125
Miscellaneous Schedules:		127
Schedule of Changes in Long-term Notes and Bonds	J-1	129
Schedule of Long-term Debt Requirements by Year	J-2	130
Schedule of Notes Receivable	J-3	131
Schedule of Transfers – Primary Government and Discretely Presented Lawrence County School Department	J-4	132
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Lawrence County School Department	J-5	133
Schedule of Detailed Revenues – All Governmental Fund Types	J-6	134-145
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Lawrence County School Department	J-7	146-147
Schedule of Detailed Expenditures – All Governmental Fund Types	J-8	148-176
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Lawrence County School Department	J-9	177-190
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-10	191
 <u>SINGLE AUDIT SECTION</u>		 193
 Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		 195-197
Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		199-201
Schedule of Expenditures of Federal Awards and State Grants		203-204
Schedule of Audit Findings Not Corrected		205
Schedule of Findings and Questioned Costs		207-213
Auditee Reporting Responsibilities		215

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Audit Highlights
Annual Financial Report
Lawrence County, Tennessee
For the Year Ended June 30, 2009

Scope

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2009.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ Ambulance Service receivables were not billed timely, which resulted in a loss of county revenue.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Department had several budget deficiencies.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ Trial balances of execution docket cause balances were not prepared for Circuit, General Sessions, and Juvenile courts.
 - ◆ The office had accounting deficiencies in Circuit and Juvenile courts.
-

OFFICE OF REGISTER

- ◆ The office did not review software audit logs.
-

OFFICE OF SHERIFF

- ◆ Collections were not deposited within three days.

INTRODUCTORY SECTION

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Lawrence County Officials

June 30, 2009

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
Carla Burden, Purchasing Agent

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	Bill Burks
Ronald Benefield	
Delano Benefield	

Board of Education

Kay Dotson, Chairman	Jack Bryant
Kevin Caruso	Michael Kilburn
Roberta Brazier	Ron Freeman
Jerry Brewer	Brenda Jacobs
Ernie Hodge	

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FINANCIAL SECTION

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**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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INDEPENDENT AUDITOR'S REPORT

January 28, 2010

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, 2009, 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 Lawrence County Emergency Communications District, which represent approximately two percent of both 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, 2009, 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 January 28, 2010, 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., Lawrence County has adopted the provisions of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting by Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

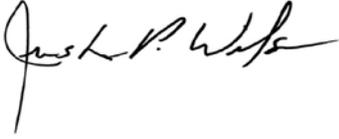
The management of Lawrence County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

The budgetary comparison, pension, and other postemployment benefits information on pages 77 through 85 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 and General Capital Projects funds, 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 and General Capital Projects funds, 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 black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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BASIC FINANCIAL STATEMENTS

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Exhibit A

Lawrence County, Tennessee
Statement of Net Assets
June 30, 2009

	Primary Governmental Activities	Component Units	
		Lawrence County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 591,893	\$ 139,314	\$ 205,191
Equity in Pooled Cash and Investments	11,841,054	7,358,897	0
Inventories	0	176,292	0
Accounts Receivable	2,289,489	3,454	93,749
Allowance for Uncollectibles	(787,513)	0	0
Due from Other Governments	876,254	1,484,564	0
Property Taxes Receivable	10,419,289	5,979,913	0
Allowance for Uncollectible Property Taxes	(219,845)	(127,749)	0
Prepaid Items	0	0	18,937
Notes Receivable	139,012	0	0
Deferred Charges - Debt Issuance Costs	419,477	0	2,626
Capital Assets:			
Assets Not Depreciated:			
Land	985,453	676,454	0
Construction in Progress	12,431,844	4,507,843	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	7,587,120	35,116,162	534,481
Infrastructure	40,841,738	0	0
Other Capital Assets	2,374,668	3,895,587	302,717
Total Assets	<u>\$ 89,789,933</u>	<u>\$ 59,210,731</u>	<u>\$ 1,157,701</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 277,814	\$ 27,904	\$ 7,601
Accrued Liabilities	0	0	14,820
Payroll Deductions Payable	0	1,423,336	0
Contracts Payable	319,320	0	0
Retainage Payable	477,986	258,047	0
Accrued Interest Payable	373,795	0	0
Due to State of Tennessee	22,665	0	0
Deferred Revenue - Current Property Taxes	9,672,036	5,541,271	0
Noncurrent Liabilities:			
Due Within One Year	4,648,016	45,043	38,580
Due in More Than One Year (net of unamortized discounts on debt)	52,497,221	3,301,811	321,368
Total Liabilities	<u>\$ 68,288,853</u>	<u>\$ 10,597,412</u>	<u>\$ 382,369</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Lawrence County School Department	Emergency Communica- tions District
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 36,499,152	\$ 0	\$ 479,876
Invested in Capital Assets	0	44,196,046	0
Restricted for:			
Solid Waste/Sanitation	420,015	0	0
Highway/Public Works	888,688	0	0
Debt Service	4,071,217	0	0
Industrial/Economic Development	209,647	0	0
Courthouse and Jail Maintenance	174,006	0	0
Alcohol and Drug Treatment	128,983	0	0
Food Service	0	885,257	0
Capital Projects	127,824	113,199	0
Federal Projects	0	166,840	0
Vocational Projects	0	94,940	0
Public Library	114,857	0	0
Library Endowment	75,799	0	0
Drug Control	56,201	0	0
Other Purposes	56,342	114,295	0
Unrestricted	(21,321,651)	3,042,742	295,456
Total Net Assets	<u>\$ 21,501,080</u>	<u>\$ 48,613,319</u>	<u>\$ 775,332</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, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Lawrence County		
					Governmental Total Activities	School Department	Emergency Communi- cations District	
Primary Government:								
Governmental Activities:								
General Government	\$ 1,068,915	\$ 327,932	\$ 18,900	\$ 650,815	\$ (71,268)	\$ 0	\$ 0	0
Finance	1,161,162	928,762	14,553	0	(217,847)	0	0	0
Administration of Justice	1,164,344	762,002	9,300	0	(393,042)	0	0	0
Public Safety	7,158,136	497,769	203,590	0	(6,456,777)	0	0	0
Public Health and Welfare	3,674,469	2,936,535	194,929	0	(543,005)	0	0	0
Social, Cultural, and Recreational Services	325,508	11,859	67,841	15,084	(230,724)	0	0	0
Agriculture and Natural Resources	170,666	0	12,814	0	(157,852)	0	0	0
Other Operations	693,217	0	0	15,000	(678,217)	0	0	0
Highways/Public Works	5,850,858	6,456	1,965,364	270,602	(3,608,436)	0	0	0
Interest on Long-term Debt	2,157,335	0	0	0	(2,157,335)	0	0	0
Other Debt Service	92,591	0	300,000	0	207,409	0	0	0
Total Primary Government	\$ 23,517,201	\$ 5,471,315	\$ 2,787,291	\$ 951,501	\$ (14,307,094)	\$ 0	\$ 0	0
Component Units:								
Lawrence County School Department	\$ 51,287,620	\$ 1,624,765	\$ 6,958,679	\$ 0	\$ 0	\$ (42,704,176)	\$ 0	0
Emergency Communications District	1,160,421	575,256	591,752	0	0	0	0	6,587
Total Component Units	\$ 52,448,041	\$ 2,200,021	\$ 7,550,431	\$ 0	\$ 0	\$ (42,704,176)	\$ 6,587	0

(Continued)

Exhibit B

Lawrence County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary		Component Units	
				Governmental Activities	Lawrence County School Department	Emergency Communi- cations District	
	Expenses	Contributions	Contributions	Total			
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				7,403,007	\$ 5,491,435	\$ 0	0
Property Taxes Levied for Debt Service				1,912,187	0	0	0
Local Option Sales Tax				1,372,129	4,403,848	0	0
Hotel/Motel Tax				82,082	0	0	0
Wheel Tax				891,008	0	0	0
Litigation Tax - General				97,279	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				76,012	0	0	0
Business Tax				261,843	0	0	0
Mineral Severance Tax				118,488	0	0	0
Wholesale Beer Tax				91,052	0	0	0
Other Local Taxes				45,235	5,085	0	0
Grants and Contributions Not Restricted to Specific Programs				1,133,623	31,387,180	0	0
Unrestricted Investment Earnings				672,433	10,466	676	676
Rental Income				0	19,600	0	0
E-Rate Funding				0	51,543	0	0
Miscellaneous				16,808	14,365	0	0
Insurance Recoveries				8,982	0	0	0
Total General Revenues				\$ 14,182,168	\$ 41,383,522	\$ 676	676
Change in Net Assets				\$ (124,926)	\$ (1,320,654)	\$ 7,263	7,263
Net Assets, July 1, 2008				21,626,006	49,933,973	768,069	768,069
Net Assets, June 30, 2009				\$ 21,501,080	\$ 48,613,319	\$ 775,332	775,332

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

Lawrence County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2009

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other			
					Governmental	Funds		
\$	300	0	0	461,548	130,045	0	591,893	
Equity in Pooled Cash and Investments	3,131,227	466,155	4,072,434	2,327,096	1,844,142	0	11,841,054	
Accounts Receivable	1,471,926	0	91,983	0	725,580	0	2,289,489	
Allowance for Uncollectibles	(323,985)	0	0	0	(463,528)	0	(787,513)	
Due from Other Governments	220,922	400,745	172,838	0	81,749	0	876,254	
Due from Other Funds	29,767	0	0	0	1,234	0	31,001	
Property Taxes Receivable	6,860,835	1,440,676	2,117,778	0	0	0	10,419,289	
Allowance for Uncollectible Property Taxes	(144,170)	(30,786)	(44,889)	0	0	0	(219,845)	
Notes Receivable - Long-term	0	0	0	0	139,012	0	139,012	
Total Assets	\$ 11,246,822	\$ 2,276,790	\$ 6,410,144	\$ 2,788,644	\$ 2,458,234	\$ 0	\$ 25,180,634	

ASSETS

LIABILITIES AND FUND BALANCES

\$	74,394	45,066	500	0	157,854	0	277,814
Accounts Payable	0	0	0	319,320	0	0	319,320
Contracts Payable	0	0	0	477,986	0	0	477,986
Retainage Payable	1,234	0	0	0	29,767	31,001	477,986
Due to Other Funds	18,207	2,650	0	0	1,808	0	22,665
Due to State of Tennessee	6,372,462	1,334,942	1,964,632	0	0	0	9,672,036
Deferred Revenue - Current Property Taxes	311,655	67,853	98,009	0	0	0	477,517
Deferred Revenue - Delinquent Property Taxes	900,254	186,501	87,549	0	213,444	0	1,387,748
Total Liabilities	\$ 7,678,206	\$ 1,637,012	\$ 2,150,690	\$ 797,306	\$ 402,873	\$ 0	\$ 12,666,087
Fund Balances	0	0	0	1,501,146	0	0	1,501,146
Reserved for Encumbrances	128,983	0	0	0	0	0	128,983
Reserved for Alcohol and Drug Treatment	156,803	0	0	0	0	0	156,803
Reserved for Courthouse and Jail Maintenance	3,148	0	0	0	0	0	3,148
Reserved for Computer System - Register	6,891	0	0	0	0	0	6,891
Reserved for Automation Purposes - Circuit Court							

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway /	General Debt Service	General Capital Projects	Other		
		Public Works			Governmental Funds	Governmental Funds	
\$	7,136	0	0	0	0	0	7,136
	2,280	0	0	0	0	0	2,280
	5,932	0	0	0	0	0	5,932
	0	0	0	0	139,012	139,012	139,012
	0	0	0	0	1,118	1,118	1,118
	3,257,443	0	0	0	0	0	3,257,443
	0	639,778	0	0	1,761,405	2,401,183	2,401,183
	0	0	4,259,454	0	0	4,259,454	4,259,454
	0	0	0	490,192	78,027	568,219	568,219
	0	0	0	0	75,799	75,799	75,799
	<u>\$ 3,568,616</u>	<u>\$ 639,778</u>	<u>\$ 4,259,454</u>	<u>\$ 1,991,338</u>	<u>\$ 2,055,361</u>	<u>\$ 12,514,547</u>	
	<u>\$ 11,246,822</u>	<u>\$ 2,276,790</u>	<u>\$ 6,410,144</u>	<u>\$ 2,788,644</u>	<u>\$ 2,458,234</u>	<u>\$ 25,180,634</u>	

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)	
Reserved for Automation Purposes - General Sessions Court	
Reserved for Automation Purposes - Juvenile Court	
Reserved for Automation Purposes - Sheriff	
Reserved for Long-term Notes Receivable	
Reserved for Other General Purposes	
Unreserved, Reported In:	
General Fund	
Special Revenue Funds	
Debt Service Funds	
Capital Projects Funds	
Permanent Funds	
Total Fund Balances	

Total Liabilities and Fund Balances

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, 2009

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)		\$ 12,514,547
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 985,453	
Add: construction in progress	12,431,844	
Add: infrastructure net of accumulated depreciation	40,841,738	
Add: buildings and improvements net of accumulated depreciation	7,587,120	
Add: other capital assets net of accumulated depreciation	<u>2,374,668</u>	64,220,823
(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	\$ (3,540,000)	
Less: bonds payable	(52,105,000)	
Add: deferred charges - debt issuance costs	419,477	
Add: deferred charges - discount on debt issues	82,233	
Less: compensated absences payable	(466,391)	
Less: landfill postclosure care costs	(1,108,382)	
Less: other postemployment benefits liability	(7,697)	
Less: accrued interest on bonds and notes	<u>(373,795)</u>	(57,099,555)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,865,265</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 21,501,080</u>

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

Lawrence County, Tennessee
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2009

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other			
					Governmental Funds	Governmental Funds		
Revenues								
Local Taxes	\$ 7,032,959	\$ 1,465,302	\$ 4,425,911	\$ 0	\$ 0	\$ 11,240	\$ 12,935,412	
Licenses and Permits	42,618	0	0	0	0	0	42,618	
Fines, Forfeitures, and Penalties	156,701	0	0	0	0	177,935	334,636	
Charges for Current Services	1,507,376	0	0	0	0	1,629,785	3,137,161	
Other Local Revenues	688,176	9,506	90,000	2,096	0	115,709	905,487	
Fees Received from County Officials	997,169	0	0	0	0	0	997,169	
State of Tennessee	634,639	2,230,316	521,615	0	0	700,572	4,087,142	
Federal Government	35,333	0	0	0	0	153,746	189,079	
Other Governments and Citizens Groups	10,986	104,717	300,000	0	0	74,982	490,685	
Total Revenues	\$ 11,105,957	\$ 3,809,841	\$ 5,337,526	\$ 2,096	\$ 2,863,969	\$ 23,119,389		
Expenditures								
Current:								
General Government	\$ 1,076,882	\$ 0	\$ 0	\$ 0	\$ 0	\$ 158,262	\$ 1,235,144	
Finance	668,402	0	0	0	0	452,041	1,120,443	
Administration of Justice	1,087,543	0	0	0	0	24,388	1,111,931	
Public Safety	4,774,589	0	0	0	0	154,159	4,928,748	
Public Health and Welfare	1,733,116	0	0	0	0	1,634,348	3,367,464	
Social, Cultural, and Recreational Services	2,500	0	0	0	0	284,342	286,842	
Agriculture and Natural Resources	159,377	0	0	0	0	159,377	318,754	
Other Operations	765,689	0	0	0	0	19,501	785,190	
Highways	0	3,876,611	0	0	0	0	3,876,611	
Debt Service:								
Principal on Debt	0	0	3,775,000	0	0	0	3,775,000	
Interest on Debt	0	0	2,188,035	0	0	0	2,188,035	
Other Debt Service	0	0	73,078	0	0	0	73,078	
Capital Projects	0	0	0	9,586,466	0	994,067	10,580,533	
Total Expenditures	\$ 10,268,098	\$ 3,876,611	\$ 6,036,113	\$ 9,586,466	\$ 3,721,108	\$ 33,488,396		
Excess (Deficiency) of Revenues Over Expenditures	\$ 837,859	\$ (66,770)	\$ (698,587)	\$ (9,584,370)	\$ (857,139)	\$ (10,369,007)		

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,482	\$ 11,482
Transfers In	0	0	70,000	0	0	287,540	357,540
Transfers Out	(287,540)	(70,000)	0	0	0	0	(357,540)
Total Other Financing Sources (Uses)	<u>\$ (287,540)</u>	<u>\$ (70,000)</u>	<u>\$ 70,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 299,022</u>	<u>\$ 11,482</u>
Net Change in Fund Balances	\$ 550,319	\$ (136,770)	\$ (628,587)	\$ (9,584,370)	\$ (558,117)	\$ (10,357,525)	\$ (10,357,525)
Fund Balance, July 1, 2008	3,018,297	776,548	4,888,041	11,575,708	2,613,478	22,872,072	22,872,072
Fund Balance, June 30, 2009	<u>\$ 3,568,616</u>	<u>\$ 639,778</u>	<u>\$ 4,259,454</u>	<u>\$ 1,991,338</u>	<u>\$ 2,055,361</u>	<u>\$ 12,514,547</u>	<u>\$ 12,514,547</u>

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, 2009

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)		\$ (10,357,525)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 10,227,213	
Less: current year depreciation expense	<u>(3,895,246)</u>	6,331,967
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		(7,368)
(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, 2009	\$ 1,865,265	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(1,616,445)</u>	248,820
(4) The issuance of long-term debt (e.g., bonds and notes) 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: change in deferred debt issuance costs	\$ (15,758)	
Less: change in deferred discount on debt issuance	(3,755)	
Add: principal payments on bonds	2,930,000	
Add: principal payments on notes	<u>845,000</u>	3,755,487
(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	\$ 30,700	
Change in compensated absences payable	(61,102)	
Change in landfill postclosure care costs	(58,208)	
Change in other postemployment benefits liability	<u>(7,697)</u>	<u>(96,307)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (124,926)</u>

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

Exhibit D

Lawrence County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,106,932
Equity in Pooled Cash and Investments	78,618
Accounts Receivable	3,227
Due from Other Governments	<u>663,816</u>
Total Assets	<u>\$ 1,852,593</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 663,816
Due to Litigants, Heirs, and Others	1,112,634
Due to Joint Ventures	<u>76,143</u>
Total Liabilities	<u>\$ 1,852,593</u>

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

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LAWRENCE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

The Lawrence County School Department operates the public school system in the county, and the voters of Lawrence County elect its board. The School Department is fiscally dependent on the county because it may not issue debt 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. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Lawrence County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Lawrence County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Lawrence County issues all debt for the discretely presented Lawrence County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2009.

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 is 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, local sales taxes received by the state to be forwarded to the various cities in Lawrence County, and judicial district drug grants and other revenues held for the multi-jurisdictional drug task force. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

Capital Projects Fund – The Education Capital Projects 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.

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; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Lawrence County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Lawrence County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit 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. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

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 primary government's General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held in outside bank accounts in the county's name as Cash (\$461,548) and by the county trustee as Equity in Pooled Cash and Investments (\$16,438) in the General Capital Projects Fund.

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 in outside bank accounts in the county's name as Cash (\$138,035) and by the county trustee as Equity in Pooled Cash and Investments (\$120,012) in the nonmajor governmental funds.

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, other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

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, 2009, Lawrence County had \$25,495,000 in outstanding debt for capital purposes for the discretely presented Lawrence County School Department. This debt is a liability of Lawrence

County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Lawrence County has incurred a liability significantly decreasing its unrestricted net 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, 2009:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Technology for Jail/Sheriff's Department	\$ 18,347
Clean-up Lawrence County Program	8,909
Veteran's Service Transportation	8,820
Archives	377
General Capital Projects:	
Health Department	52,824
Other Capital Projects:	
Homeland Security	75,000
General Purpose School:	
Capital Outlay	765,846
Knowledge Bowl	1,373
Materials Center	425
Childcare	3,165

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

A. 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), the Constitutional Officers - Fees Fund (special revenue fund), and the Endowment Fund (permanent 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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The

difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the General Purpose School Fund:

<u>Major Category</u>	<u>Amount Overspent</u>
Instruction	
Alternative Instruction Program	\$ 68,065
Adult Education Program	4,624
Support Services	
Attendance	1,362
Other Student Support	105,171
Alternative Instruction Program	5,746
Office of the Principal	105,204
Operation of Non-Instructional Services	
Community Services	6,987
Early Childhood Education	12,585

Additionally, General Purpose School Fund expenditures exceeded appropriations in 25 personal services accounts ranging from \$62 to \$101,726.

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by greater than anticipated revenues in the General Purpose School Fund.

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; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state 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, 2009.

B. Notes Receivable

The Industrial/Economic Development Fund had a long-term note receivable of \$139,012 on June 30, 2009, from financing a project for the

Lawrenceburg-Lawrence County Airport (Joint Venture) and is presented on the balance sheet with a reservation of fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 985,453	\$ 0	\$ 0	\$ 985,453
Construction in Progress	5,792,596	8,891,759	2,252,511	12,431,844
Total Capital Assets Not Depreciated	\$ 6,778,049	\$ 8,891,759	\$ 2,252,511	\$ 13,417,297
Capital Assets Depreciated:				
Buildings and Improvements	\$ 7,806,254	\$ 2,265,482	\$ 0	\$ 10,071,736
Infrastructure	72,600,905	1,018,858	0	73,619,763
Other Capital Assets	7,668,883	318,709	125,510	7,862,082
Total Capital Assets Depreciated	\$ 88,076,042	\$ 3,603,049	\$ 125,510	\$ 91,553,581
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,230,037	\$ 254,579	\$ 0	\$ 2,484,616
Infrastructure	29,807,039	2,970,986	0	32,778,025
Other Capital Assets	4,920,791	669,681	103,058	5,487,414
Total Accumulated Depreciation	\$ 36,957,867	\$ 3,895,246	\$ 103,058	\$ 40,750,055
Total Capital Assets Depreciated, Net	\$ 51,118,175	\$ (292,197)	\$ 22,452	\$ 50,803,526
Governmental Activities Capital Assets, Net	\$ 57,896,224	\$ 8,599,562	\$ 2,274,963	\$ 64,220,823

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

Governmental Activities:

General Government	\$	112,327
Finance		28,878
Administration of Justice		18,430
Public Safety		478,125
Public Health and Welfare		124,261
Social, Cultural, and Recreational Services		38,126
Agriculture and Natural Resources		1,264
Other Operations		128
Highways		<u>3,093,707</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>3,895,246</u>

Discretely Presented Lawrence County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets Not Depreciated:			
Land	\$ 676,454	\$ 0	\$ 676,454
Construction in Progress	<u>3,813,534</u>	<u>694,309</u>	<u>4,507,843</u>
Total Capital Assets Not Depreciated	<u>\$ 4,489,988</u>	<u>\$ 694,309</u>	<u>\$ 5,184,297</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 53,890,940	\$ 146,550	\$ 54,037,490
Other Capital Assets	<u>10,227,678</u>	<u>804,232</u>	<u>11,031,910</u>
Total Capital Assets Depreciated	<u>\$ 64,118,618</u>	<u>\$ 950,782</u>	<u>\$ 65,069,400</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 17,671,674	\$ 1,249,654	\$ 18,921,328
Other Capital Assets	<u>6,285,974</u>	<u>850,349</u>	<u>7,136,323</u>
Total Accumulated Depreciation	<u>\$ 23,957,648</u>	<u>\$ 2,100,003</u>	<u>\$ 26,057,651</u>

Governmental Activities (Cont.):

	Balance 7-1-08	Increases	Balance 6-30-09
Total Capital Assets Depreciated, Net	\$ 40,160,970	\$ (1,149,221)	\$ 39,011,749
Governmental Activities Capital Assets, Net	\$ 44,650,958	\$ (454,912)	\$ 44,196,046

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

Governmental Activities:

Instruction	\$ 1,091,746
Support Services	801,157
Operation of Non-Instructional Services	<u>207,100</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,100,003</u>

D. Construction Commitments

At June 30, 2009, Lawrence County had uncompleted construction contracts of approximately \$1,501,146 in the General Capital Projects Fund for construction of the county jail. Funding has been received for these future expenditures.

At June 30, 2009, the discretely presented Lawrence County School Department had uncompleted construction contracts of approximately \$46,518 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, 2009, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 29,767
Nonmajor governmental	General	1,234

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.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 287,540
Highway/Public Works Fund	70,000	0
Total	\$ 70,000	\$ 287,540

Discretely Presented Lawrence County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 26,006

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.

The county made a one-time transfer of \$75,000 from the General Fund to the Homeland Security Capital Projects Fund to provide operating funds for the administration of homeland security grants.

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 30 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, 2009, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2009, are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-09</u>
General Obligation Bonds	2.2 to 4.85 %	\$ 35,590,000	\$ 32,445,000
General Obligation Bonds - Refunding	2.599 to 5.05	37,850,000	19,660,000
Capital Outlay Notes	1.55 to 4.125	6,425,000	3,055,000
Capital Outlay Notes - Refunding	2.74	2,195,000	485,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2009, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 3,305,000	\$ 1,941,949	\$ 5,246,949
2011	3,420,000	1,824,493	5,244,493
2012	3,540,000	1,704,585	5,244,585
2013	3,665,000	1,582,438	5,247,438
2014	3,065,000	1,466,874	4,531,874
2015-2019	12,065,000	5,818,199	17,883,199
2020-2024	8,790,000	3,841,143	12,631,143
2025-2029	7,090,000	2,202,185	9,292,185
2030-2034	4,670,000	1,029,764	5,699,764
2035-2037	2,495,000	209,900	2,704,900
Total	\$ 52,105,000	\$ 21,621,530	\$ 73,726,530

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 870,000	\$ 123,354	\$ 993,354
2011	755,000	93,295	848,295
2012	610,000	65,833	675,833
2013	635,000	41,922	676,922
2014	670,000	16,958	686,958
Total	\$ 3,540,000	\$ 341,362	\$ 3,881,362

There is \$4,259,454 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,305, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$1,394, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:	Bonds		Notes		Compensated Absences	
Balance, July 1, 2008	\$ 55,035,000	\$ 4,385,000	\$		\$	405,289
Additions		0		0		576,442
Deductions	(2,930,000)		(845,000)			(515,340)
Balance, June 30, 2009	\$ 52,105,000	\$ 3,540,000	\$	\$	\$	466,391
Balance Due Within One Year	\$ 3,305,000	\$ 870,000	\$	\$	\$	466,391

	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2008	\$ 1,050,174	\$ 0
Additions	64,833	32,711
Deductions	(6,625)	(25,014)
Balance, June 30, 2009	<u>\$ 1,108,382</u>	<u>\$ 7,697</u>
Balance Due Within One Year	<u>\$ 6,625</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 57,227,470
Less: Due Within One Year	(4,648,016)
Less: Unamortized Discount on Debt	<u>(82,233)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 52,497,221</u>

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

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, 2009, the following outstanding bonds are considered defeased:

	<u>Amount</u>
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, 2009, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2008	\$ 42,566	\$ 1,660,366
Additions	55,922	2,177,995
Deductions	(53,445)	(536,550)
Balance, June 30, 2009	<u>\$ 45,043</u>	<u>\$ 3,301,811</u>
Balance Due Within One Year	<u>\$ 45,043</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 3,346,854
Less: Balance Due Within One Year	<u>(45,043)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,301,811</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lawrence County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2009, were \$133,115 and \$41,473, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Lawrence County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General and Highway/Public Works funds. 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, 2009, was as follows:

	Balance 7-1-08	Issued	Paid	Balance 6-30-09
Tax Anticipation Notes	\$ 0	\$ 850,000	\$ (850,000)	\$ 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 \$100,000 for each insured event.

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

Lawrence County does not have a formal workers' compensation plan. The county is self-insured for risks associated with workers' compensation claims due to on-the-job injuries up to a limit of \$25,000 per claim and has purchased an occupational accident commercial insurance policy to cover claims over \$25,000 per occurrence and up to \$2,000,000 per accident. This policy does not limit the county's liability should occupational-related lawsuits be filed. Each county department pays a prorated share of the commercial insurance policy premiums, as well as an amount equal to the specific medical claims and wages for employees of their respective departments, from their appropriate funds. Settled claims have not exceeded the county's coverage in any of the past three fiscal years.

Lawrence County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial

Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Lawrence County School Department

The School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Lawrence County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Lawrence County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of

Lawrence County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Lawrence County could have endowment investments in subsequent years.

C. Subsequent Events

On July 30, 2009, the county entered into a two-year lease-purchase agreement totaling \$201,205 with BancorpSouth Equipment Finance to purchase heavy equipment for the Highway Department.

On September 1, 2009, the county entered into a three-year lease-purchase agreement totaling \$280,500 with Republic First National Corporation to purchase three ambulances for the Ambulance Service.

On September 9, 2009, the county's General Debt Service Fund issued a \$450,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

On October 26, 2009, the county entered into a three-year lease-purchase agreement totaling \$220,210 with Mears Motor Leasing to purchase ten patrol cars for the Sheriff's Department.

D. Contingent Liabilities

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

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Lawrence County closed its sanitary landfill in 2001. The \$1,108,382 reported as postclosure care liability at June 30, 2009, represents amounts based on what it would cost to perform all postclosure care in 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

Lawrence County and the City of Lawrenceburg jointly operate the Lawrenceburg-Lawrence County Airport. A six-member board, including three appointees from the county and three from the city, governs the Lawrenceburg-Lawrence County Airport. Lawrence County has control over budgeting and financing the joint venture only to the extent of representation by the three members appointed. Lawrence County contributed \$60,000 to the operations of the joint venture during the year ended June 30, 2009.

The Lawrence County Joint Economic Development Board is a joint venture between Lawrence County, the City of Loretto, and the City of Lawrenceburg. The board comprises the county executive, the mayors of the cities of Loretto and Lawrenceburg, and 11 additional members representing county and city governments, private citizens, industry, and business. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Lawrence County contributed \$160,000 to the Lawrence County Joint Economic Development Board during the year ended June 30, 2009.

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

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

G. Jointly Governed Organization

Lawrence County, in conjunction with Giles and Maury counties, created the Tennessee Southern Railroad Authority (TSRA). The TSRA's board includes the Lawrence County Executive and county 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, 2009.

H. Retirement Commitments

Employees

Plan Description

General Employees

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

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

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 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, 2009, was 8.94 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, 2009, was 10.3 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 Employees

For the year ended June 30, 2009, Lawrence County's annual pension cost of \$1,086,470 to TCRS was equal to the county's required and actual

contributions. The required contribution was determined as part of the July 1, 2007, 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 postretirement 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, 2007, was 11 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	\$1,086,470	100%	\$0
6-30-08	1,071,720	100	0
6-30-07	1,049,041	100	0

Public Library Employees

For the year ended June 30, 2009, Lawrence County's annual pension cost of \$12,927 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, 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 postretirement 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, 2007, was 14 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	\$12,927	100%	\$0
6-30-08	16,576	100	0
6-30-07	16,194	100	0

Funded Status and Funding Progress

General Employees

As of July 1, 2007, the most recent actuarial valuation date, the plan was 84.35 percent funded. The actuarial accrued liability for benefits was \$29.78 million, and the actuarial value of assets was \$25.12 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.66 million. The covered payroll (annual payroll of active employees covered by the plan) was \$11.65 million, and the ratio of the UAAL to the covered payroll was 40 percent.

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

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

Public Library Employees

As of July 1, 2007, the most recent actuarial valuation date, the plan was 98.89 percent funded. The actuarial accrued liability for benefits was \$.44 million, and the actuarial value of assets was \$.44 million, resulting in an unfunded actuarial accrued liability (UAAL) of zero. The covered payroll (annual payroll of active employees covered by the plan) was \$.12 million, and the ratio of the UAAL to the covered payroll was 4.07 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan

assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

School Teachers

Plan Description

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

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

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, 2009, was 6.42 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, 2009, 2008, and 2007, were \$1,495,725, \$1,415,792, and \$1,340,430, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select, ranging from \$46 to \$539 per month. Lawrence County and the School Department recognized expenditures of \$25,014 and \$536,550, respectively, for postemployment health care during the year ended June 30, 2009.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
	<u>Plan</u>	<u>Plan</u>
ARC	\$ 2,176,000	\$ 32,711
Interest on the NPO	74,716	0
Adjustment to the ARC	<u>(72,721)</u>	<u>0</u>
Annual OPEB cost	\$ 2,177,995	\$ 32,711
Amount of contribution	<u>(536,550)</u>	<u>(25,014)</u>
Increase/decrease in NPO	\$ 1,641,445	\$ 7,697
Net OPEB obligation, 7-1-08	<u>1,660,366</u>	<u>0</u>
 Net OPEB obligation, 6-30-09	 <u>\$ 3,301,811</u>	 <u>\$ 7,697</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group*	\$ 2,152,000	23	% \$ 1,660,366
6-30-09	"	2,177,995	25	3,301,811
6-30-09	Local Government Group**	32,711	76	7,697

* Data only available for two years.

** Data only available for one year.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	Local Education Group Plan	Local Government Group Plan
	<u>Plan</u>	<u>Plan</u>
Actuarial valuation date	7-1-07	7-1-07
Actuarial accrued liability (AAL)	\$ 18,465,000	\$ 233,248
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 18,465,000	\$ 233,248
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 28,108,000	\$ 7,274,000
UAAL as a % of covered payroll	66%	3%

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

Actuarial Methods and Assumptions

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

In the July 1, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

J. 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 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 \$10,000 for the Offices of County Executive and Road Superintendent. The County Commission requires three quotes for purchases estimated to be between \$5,000 and \$10,000.

Office of Director of Schools

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

bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

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 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 7-1-08	Additions	Balance 6-30-09
Communications Equipment	\$ 470,015	\$ 38,153	\$ 508,168
Building	400,000	0	400,000
Leasehold Improvements	274,014	0	274,014
Equipment and Furniture	35,480	0	35,480
	<u>\$ 1,179,509</u>	<u>\$ 38,153</u>	<u>\$ 1,217,662</u>
Less Accumulated Depreciation	<u>(303,432)</u>		<u>(380,464)</u>
Utility Plant - Net	<u>\$ 876,077</u>		<u>\$ 837,198</u>

Accumulated depreciation consists of communications equipment (\$220,823), furniture and equipment (\$20,108), building (\$66,666), and leaseholds (\$72,867). All assets are being depreciated.

D. Long-term Debt

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

	Balance 7-1-08	Retirements	Balance 6-30-09
Series 2005	\$ 396,920	\$ (36,972)	\$ 359,948

Future maturities of note principal and interest are as follows:

Year Ending June 30	Principal	Interest
2010	\$ 38,580	\$ 15,657
2011	40,258	13,979
2012	42,009	12,228
2013	43,837	10,400
2014	45,744	8,493
2015-2017	<u>149,520</u>	<u>13,191</u>
Total	<u>\$ 359,948</u>	<u>\$ 73,948</u>

The building of the district is pledged as collateral on the 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 www.tn.gov/treasury/tcrs.

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, 2009, was 8.46 percent of annual covered payroll. The contribution requirements of plan members are set by state statute. Contribution requirements for the district are established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, the district’s annual pension cost of \$44,025 to TCRS was equal to the required and actual contributions. The required contribution was determined as part of the July 1, 2007, 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 as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was nine years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
6-30-09	\$	44,025	100%	\$	0
6-30-08		42,786	100		0
6-30-07		42,677	100		0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 75.2 percent funded. The actuarial accrued liability for benefits was \$610,000, and the actuarial value of assets was \$460,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$150,000. The covered payroll (annual payroll of active employees covered by the plan) was \$473,000, and the ratio of the UAAL to the covered payroll was 32.14 percent.

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

The annual required contribution was calculated using the aggregate cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded

status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

G. Liability for Compensated Absences

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

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

H. Commitments and Contingencies

Federal and State Grants

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

I. Budgets and Budgetary Accounting

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

- a. Formal budgets are adopted and approved by board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles.
- b. The board approves total budget appropriations. The manager is authorized to transfer budget amounts between line items within each department; however, any revisions that alter the total appropriations of any fund must be approved by the board.
- c. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 7,032,959	\$ 0	\$ 7,032,959	\$ 6,851,644	\$ 6,991,793	\$ 41,166
Licenses and Permits	42,618	0	42,618	33,302	35,781	6,837
Fines, Forfeitures, and Penalties	156,701	0	156,701	142,692	156,182	519
Charges for Current Services	1,507,376	0	1,507,376	1,380,999	1,400,923	106,453
Other Local Revenues	688,176	0	688,176	607,411	645,547	42,629
Fees Received from County Officials	997,169	0	997,169	950,423	963,549	33,620
State of Tennessee	634,639	0	634,639	678,024	614,545	20,094
Federal Government	35,333	0	35,333	0	103,880	(68,547)
Other Governments and Citizens Groups	10,986	0	10,986	5,200	9,686	1,300
<u>Total Revenues</u>	<u>\$ 11,105,957</u>	<u>\$ 0</u>	<u>\$ 11,105,957</u>	<u>\$ 10,649,695</u>	<u>\$ 10,921,886</u>	<u>\$ 184,071</u>
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 98,795	\$ 0	\$ 98,795	\$ 101,233	\$ 107,684	\$ 8,889
County Mayor/Executive	172,123	0	172,123	171,717	174,766	2,643
County Attorney	7,150	0	7,150	7,176	7,226	76
Election Commission	267,638	0	267,638	232,891	282,165	14,527
Register of Deeds	64,422	0	64,422	83,262	85,669	21,247
Codes Compliance	21,708	0	21,708	35,400	35,400	13,692
County Buildings	399,070	0	399,070	461,293	428,782	29,712
Preservation of Records	45,976	0	45,976	68,812	53,112	7,136
<u>Finance</u>						
Accounting and Budgeting	141,851	0	141,851	144,212	148,100	6,249
Purchasing	86,152	0	86,152	89,518	87,897	1,745
Property Assessor's Office	288,131	0	288,131	298,206	298,207	10,076

(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 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
County Trustee's Office	\$ 47,632	\$ 0	\$ 47,632	\$ 50,498	\$ 50,498	\$ 2,866
County Clerk's Office	75,790	0	75,790	85,143	85,143	9,353
Data Processing	28,846	0	28,846	0	33,126	4,280
<u>Administration of Justice</u>						
Circuit Court	437,535	0	437,535	449,635	449,635	12,100
General Sessions Court	315,584	0	315,584	326,378	328,118	12,534
Chancery Court	251,433	0	251,433	253,840	257,041	5,608
Juvenile Court	46,115	0	46,115	78,672	81,672	35,557
District Attorney General	29,925	0	29,925	45,000	42,000	12,075
Courtroom Security	2,400	0	2,400	9,000	9,000	6,600
Victims Assistance Programs	4,551	0	4,551	5,000	5,000	449
<u>Public Safety</u>						
Sheriff's Department	2,494,902	(50)	2,494,852	2,543,328	2,543,330	48,478
Jail	1,666,417	0	1,666,417	1,918,826	1,939,341	272,924
Workhouse	49,695	0	49,695	49,732	49,732	37
Work Release Program	3,766	(436)	3,330	7,400	7,400	4,070
Fire Prevention and Control	2,000	0	2,000	2,000	2,000	0
Civil Defense	4,170	0	4,170	5,000	5,000	830
Rescue Squad	245,500	0	245,500	245,500	245,500	0
Other Emergency Management	284,930	0	284,930	285,000	285,000	70
County Coroner/Medical Examiner	11,691	0	11,691	11,594	11,691	0
Other Public Safety	11,518	0	11,518	64,180	64,180	52,662
<u>Public Health and Welfare</u>						
Local Health Center	100,007	0	100,007	105,563	107,063	7,056

(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 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive I (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Ambulance/Emergency Medical Services	\$ 1,431,492	\$ 0	\$ 1,431,492	\$ 1,513,694	\$ 1,532,851	\$ 101,359
Regional Mental Health Center	10,000	0	10,000	10,000	10,000	0
Appropriation to State	148,364	0	148,364	196,900	196,900	48,536
Aid to Dependent Children	8,000	0	8,000	8,000	8,000	0
Other Public Health and Welfare	35,253	(1,378)	33,875	35,253	35,253	1,378
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	2,500	0	2,500	0	2,500	0
<u>Agriculture and Natural Resources</u>						
Agriculture Extension Service	106,406	0	106,406	111,099	111,099	4,693
Soil Conservation	39,792	0	39,792	44,575	44,575	4,783
Other Agriculture and Natural Resources	13,179	0	13,179	9,000	14,179	1,000
<u>Other Operations</u>						
Tourism	34,700	0	34,700	40,500	42,700	8,000
Industrial Development	160,000	0	160,000	160,000	160,000	0
Airport	60,000	0	60,000	60,000	60,000	0
Veterans' Services	83,915	0	83,915	86,569	86,569	2,654
Other Charges	427,074	0	427,074	449,148	444,584	17,510
Total Expenditures	\$ 10,268,098	\$ (1,864)	\$ 10,266,234	\$ 10,959,747	\$ 11,059,688	\$ 793,454
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 837,859	\$ 1,864	\$ 839,723	\$ (310,052)	\$ (137,802)	\$ 977,525
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (287,540)	\$ 0	\$ (287,540)	\$ (212,540)	\$ (287,540)	\$ 0
Total Other Financing Sources (Uses)	\$ (287,540)	\$ 0	\$ (287,540)	\$ (212,540)	\$ (287,540)	\$ 0
Net Change in Fund Balance	\$ 550,319	\$ 1,864	\$ 552,183	\$ (522,592)	\$ (425,342)	\$ 977,525
Fund Balance, July 1, 2008	3,018,297	(1,864)	3,016,433	2,824,663	2,824,663	191,770
Fund Balance, June 30, 2009	\$ 3,568,616	\$ 0	\$ 3,568,616	\$ 2,302,071	\$ 2,399,321	\$ 1,169,295

Exhibit E-2

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,465,302	\$ 1,413,759	\$ 1,418,637	\$ 46,665
Charges for Current Services	0	1,500	1,500	(1,500)
Other Local Revenues	9,506	2,500	27,941	(18,435)
State of Tennessee	2,230,316	2,386,079	2,331,145	(100,829)
Other Governments and Citizens Groups	104,717	0	104,717	0
Total Revenues	<u>\$ 3,809,841</u>	<u>\$ 3,803,838</u>	<u>\$ 3,883,940</u>	<u>\$ (74,099)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 184,783	\$ 244,249	\$ 240,572	\$ 55,789
Highway and Bridge Maintenance	2,281,737	2,289,583	2,443,971	162,234
Operation and Maintenance of Equipment	585,082	780,967	764,435	179,353
Other Charges	72,369	82,158	82,417	10,048
Capital Outlay	752,640	815,000	755,786	3,146
Total Expenditures	<u>\$ 3,876,611</u>	<u>\$ 4,211,957</u>	<u>\$ 4,287,181</u>	<u>\$ 410,570</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (66,770)</u>	<u>\$ (408,119)</u>	<u>\$ (403,241)</u>	<u>\$ 336,471</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (70,000)	\$ (70,000)	\$ (70,000)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (70,000)</u>	<u>\$ (70,000)</u>	<u>\$ (70,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (136,770)	\$ (478,119)	\$ (473,241)	\$ 336,471
Fund Balance, July 1, 2008	<u>776,548</u>	<u>764,991</u>	<u>764,991</u>	<u>11,557</u>
Fund Balance, June 30, 2009	<u>\$ 639,778</u>	<u>\$ 286,872</u>	<u>\$ 291,750</u>	<u>\$ 348,028</u>

Exhibit E-3

Lawrence County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Lawrence County School Department
June 30, 2009

(Dollar amounts in thousands)

Plan Description	Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
General Employees	6-30-09	7-1-07	\$ 25,125	\$ 29,788	4,663	84.35 %	\$ 11,657	40 %
"	6-30-08	7-1-07	25,125	29,788	4,663	84.35	11,657	40
Public Library Employees	6-30-09	7-1-07	444	449	5	98.89	123	4.07
"	6-30-08	7-1-07	444	449	5	98.89	123	4.07

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, data is only presented for two years.

Exhibit E-4

Lawrence County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Lawrence County Emergency Communications District
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	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)
6-30-09	7-1-07	\$ 461	\$ 613	\$ 152	75.20 %	\$ 476	32.14 %
6-30-08	7-1-07	461	613	152	75.20	476	32.14

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, data is only presented for two years.

Exhibit E-5

Lawrence County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Lawrence County School Department
June 30, 2009

(Dollar amounts in thousands)

Plans	Fiscal Year Ended	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	
								Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)
<u>PRIMARY GOVERNMENT</u>									
Local Government Group*	6-30-09	7-1-07	\$ 0	\$ 233	\$ 233	0	\$ 7,274	3	%
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>									
Local Education Group**	6-30-08	7-1-07	0	18,465	18,465	0	24,808	74	
"	6-30-09	7-1-07	0	18,465	18,465	0	28,108	66	

* Data only available for one year.

** Data only available for two years.

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LAWRENCE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, 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.

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

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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 and 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.

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.

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

Exhibit F-1

Lawrence County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Due to Other Funds
 Due to State of Tennessee
 Other Deferred Revenues
 Total Liabilities

Fund Balances

Reserved for Long-term Notes Receivable
 Reserved for Other General Purposes
 Unreserved
 Total Fund Balances

Total Liabilities and Fund Balances

	Special Revenue Funds						District Attorney General
	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control		
\$	0	150	525	0	0	0	0
	16,141	118,868	1,385,260	132,194	53,503		30,955
	1,062	0	717,035	0	6,062		0
	0	0	(463,528)	0	0		0
	0	0	20,090	15,000	0		0
	0	0	1,234	0	0		0
	0	0	0	139,012	0		0
\$	17,203	119,018	1,660,616	286,206	59,565		30,955

\$	0	3,910	73,967	76,559	3,364		0
	0	0	29,767	0	0		0
	0	251	1,557	0	0		0
	0	0	213,444	0	0		0
\$	0	4,161	318,735	76,559	3,364		0
\$	0	0	0	139,012	0		0
	0	1,118	0	0	0		0
	17,203	113,739	1,341,881	70,635	56,201		30,955
\$	17,203	114,857	1,341,881	209,647	56,201		30,955
\$	17,203	119,018	1,660,616	286,206	59,565		30,955

(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
	Constitutional Officers - Fees	Total	Highway Capital Projects	Homeland Security Capital Projects		Total	Endowment	
				Projects	Projects			
\$ 129,370	\$ 130,045	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 130,045
0	1,736,921	3,027	28,395	31,422	75,799	75,799	0	1,844,142
1,421	725,580	0	0	0	0	0	0	725,580
0	(463,528)	0	0	0	0	0	0	(463,528)
0	35,090	0	46,659	46,659	0	0	0	81,749
0	1,234	0	0	0	0	0	0	1,234
0	139,012	0	0	0	0	0	0	139,012
\$ 130,791	\$ 2,304,354	\$ 3,027	\$ 75,054	\$ 78,081	\$ 75,799	\$ 75,799	\$ 0	\$ 2,458,234

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
Due to Other Funds
Due to State of Tennessee
Other Deferred Revenues
Total Liabilities

Fund Balances

Reserved for Long-term Notes Receivable
Reserved for Other General Purposes
Unreserved
Total Fund Balances

Total Liabilities and Fund Balances

\$ 0	\$ 157,800	\$ 0	\$ 54	\$ 54	\$ 0	\$ 0	\$ 0	\$ 157,854
0	29,767	0	0	0	0	0	0	29,767
0	1,808	0	0	0	0	0	0	1,808
0	213,444	0	0	0	0	0	0	213,444
\$ 0	\$ 402,819	\$ 0	\$ 54	\$ 54	\$ 0	\$ 0	\$ 0	\$ 402,873
\$ 0	\$ 139,012	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 139,012
0	1,118	0	0	0	0	0	0	1,118
130,791	1,761,405	3,027	75,000	78,027	75,799	75,799	0	1,915,231
\$ 130,791	\$ 1,901,535	\$ 3,027	\$ 75,000	\$ 78,027	\$ 75,799	\$ 75,799	\$ 0	\$ 2,055,361
\$ 130,791	\$ 2,304,354	\$ 3,027	\$ 75,054	\$ 78,081	\$ 75,799	\$ 75,799	\$ 0	\$ 2,458,234

Lawrence County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2009

	Special Revenue Funds						District Attorney General
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Revenues</u>							
Local Taxes	\$ 11,240	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	569	0	0	0	141,032	0	36,334
Charges for Current Services	0	10,959	1,014,908	40	0	0	0
Other Local Revenues	0	4,109	104,967	0	6,290	0	343
State of Tennessee	0	500	43,262	650,815	5,995	0	0
Federal Government	0	0	0	15,000	0	0	0
Other Governments and Citizens Groups	0	74,982	0	0	0	0	0
Total Revenues	\$ 11,809	\$ 90,550	\$ 1,163,137	\$ 665,855	\$ 153,317	\$ 0	\$ 36,677
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	0	0	0	0	0
Administration of Justice	0	0	0	0	0	0	24,331
Public Safety	0	0	0	0	154,159	0	0
Public Health and Welfare	0	0	1,634,348	0	0	0	0
Social, Cultural, and Recreational Services	0	284,342	0	0	0	0	0
Other Operations	19,501	0	0	0	0	0	0
Capital Projects	0	0	0	820,737	0	0	0
Total Expenditures	\$ 19,501	\$ 284,342	\$ 1,634,348	\$ 820,737	\$ 154,159	\$ 0	\$ 24,331
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,692)	\$ (193,792)	\$ (471,211)	\$ (154,882)	\$ (842)	\$ 0	\$ 12,346
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 11,482	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	212,540	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 224,022	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ (7,692)	\$ 30,230	\$ (471,211)	\$ (154,882)	\$ (842)	\$ 0	\$ 12,346
Fund Balance, July 1, 2008	24,895	84,627	1,813,092	364,529	57,043	0	18,609
Fund Balance, June 30, 2009	\$ 17,203	\$ 114,857	\$ 1,341,881	\$ 209,647	\$ 56,201	\$ 0	\$ 30,955

(Continued)

Exhibit F-2

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

	Special Revenue Funds			Capital Projects Funds			Permanent Fund	
	(Cont.)			Homeland			Fund	
	Constitutional Officers - Fees	Total		Highway Capital Projects	Security Capital Projects	Total	Endowment	Total Nonmajor Governmental Funds
Revenues								
Local Taxes	\$ 0	\$ 11,240	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,240
Fines, Forfeitures, and Penalties	0	177,935	0	0	0	0	0	177,935
Charges for Current Services	603,878	1,629,785	0	0	0	0	0	1,629,785
Other Local Revenues	0	115,709	0	0	0	0	0	115,709
State of Tennessee	0	700,572	0	0	0	0	0	700,572
Federal Government	0	15,000	0	138,746	138,746	0	0	153,746
Other Governments and Citizens Groups	0	74,982	0	0	0	0	0	74,982
Total Revenues	\$ 603,878	\$ 2,725,223	\$ 0	\$ 138,746	\$ 138,746	\$ 138,746	\$ 0	\$ 2,863,969
Expenditures								
Current:								
General Government	\$ 158,262	\$ 158,262	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 158,262
Finance	452,041	452,041	0	0	0	0	0	452,041
Administration of Justice	57	24,388	0	0	0	0	0	24,388
Public Safety	0	154,159	0	0	0	0	0	154,159
Public Health and Welfare	0	1,634,348	0	0	0	0	0	1,634,348
Social, Cultural, and Recreational Services	0	284,342	0	0	0	0	0	284,342
Other Operations	0	19,501	0	0	0	0	0	19,501
Capital Projects	0	820,737	34,584	138,746	138,746	173,330	0	994,067
Total Expenditures	\$ 610,360	\$ 3,547,778	\$ 34,584	\$ 138,746	\$ 138,746	\$ 173,330	\$ 0	\$ 3,721,108
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,482)	\$ (822,555)	\$ (34,584)	\$ 0	\$ (34,584)	\$ 0	\$ 0	\$ (857,139)
Other Financing Sources (Uses)								
Insurance Recovery	\$ 0	\$ 11,482	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,482
Transfers In	0	212,540	0	75,000	75,000	75,000	0	287,540
Total Other Financing Sources (Uses)	\$ 0	\$ 224,022	\$ 0	\$ 75,000	\$ 75,000	\$ 75,000	\$ 0	\$ 299,022
Net Change in Fund Balances	\$ (6,482)	\$ (598,533)	\$ (34,584)	\$ 75,000	\$ 75,000	\$ 40,416	\$ 0	\$ (558,117)
Fund Balance, July 1, 2008	137,273	2,500,068	37,611	0	37,611	75,799	75,799	2,613,478
Fund Balance, June 30, 2009	\$ 130,791	\$ 1,901,535	\$ 3,027	\$ 75,000	\$ 78,027	\$ 75,799	\$ 75,799	\$ 2,055,361

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 11,240	\$ 11,500	\$ 10,260	\$ 980
Fines, Forfeitures, and Penalties	569	150	487	82
Total Revenues	\$ 11,809	\$ 11,650	\$ 10,747	\$ 1,062
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 19,501	\$ 16,350	\$ 28,446	\$ 8,945
Total Expenditures	\$ 19,501	\$ 16,350	\$ 28,446	\$ 8,945
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,692)	\$ (4,700)	\$ (17,699)	\$ 10,007
Net Change in Fund Balance	\$ (7,692)	\$ (4,700)	\$ (17,699)	\$ 10,007
Fund Balance, July 1, 2008	24,895	24,286	24,286	609
Fund Balance, June 30, 2009	\$ 17,203	\$ 19,586	\$ 6,587	\$ 10,616

Exhibit F-4

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 10,959	\$ 8,500	\$ 10,788	\$ 171
Other Local Revenues	4,109	3,100	4,109	0
State of Tennessee	500	0	500	0
Other Governments and Citizens Groups	74,982	73,541	75,050	(68)
Total Revenues	<u>\$ 90,550</u>	<u>\$ 85,141</u>	<u>\$ 90,447</u>	<u>\$ 103</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 284,342	\$ 323,202	\$ 325,005	\$ 40,663
Total Expenditures	<u>\$ 284,342</u>	<u>\$ 323,202</u>	<u>\$ 325,005</u>	<u>\$ 40,663</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (193,792)</u>	<u>\$ (238,061)</u>	<u>\$ (234,558)</u>	<u>\$ 40,766</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 11,482	\$ 0	\$ 11,482	\$ 0
Transfers In	212,540	212,540	212,540	0
Total Other Financing Sources (Uses)	<u>\$ 224,022</u>	<u>\$ 212,540</u>	<u>\$ 224,022</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 30,230	\$ (25,521)	\$ (10,536)	\$ 40,766
Fund Balance, July 1, 2008	<u>84,627</u>	<u>85,710</u>	<u>85,710</u>	<u>(1,083)</u>
Fund Balance, June 30, 2009	<u>\$ 114,857</u>	<u>\$ 60,189</u>	<u>\$ 75,174</u>	<u>\$ 39,683</u>

Exhibit F-5

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,014,908	\$ 1,335,750	\$ 1,370,449	\$ (355,541)
Other Local Revenues	104,967	245,000	245,000	(140,033)
State of Tennessee	43,262	40,000	40,000	3,262
Total Revenues	<u>\$ 1,163,137</u>	<u>\$ 1,620,750</u>	<u>\$ 1,655,449</u>	<u>\$ (492,312)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Landfill Operation and Maintenance	\$ 1,634,348	\$ 1,803,782	\$ 1,813,007	\$ 178,659
Total Expenditures	<u>\$ 1,634,348</u>	<u>\$ 1,803,782</u>	<u>\$ 1,813,007</u>	<u>\$ 178,659</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (471,211)</u>	<u>\$ (183,032)</u>	<u>\$ (157,558)</u>	<u>\$ (313,653)</u>
Net Change in Fund Balance	\$ (471,211)	\$ (183,032)	\$ (157,558)	\$ (313,653)
Fund Balance, July 1, 2008	1,813,092	1,669,825	1,669,825	143,267
Fund Balance, June 30, 2009	<u>\$ 1,341,881</u>	<u>\$ 1,486,793</u>	<u>\$ 1,512,267</u>	<u>\$ (170,386)</u>

Exhibit F-6

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 40	\$ 0	\$ 40	\$ 0
State of Tennessee	650,815	0	750,000	(99,185)
Federal Government	15,000	0	0	15,000
Total Revenues	<u>\$ 665,855</u>	<u>\$ 0</u>	<u>\$ 750,040</u>	<u>\$ (84,185)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 262	\$ 0	\$ 343	\$ 81
Public Safety Projects	18,110	0	18,110	0
Public Utility Projects	151,550	138,781	167,580	16,030
Other General Government Projects	650,815	0	750,000	99,185
Total Expenditures	<u>\$ 820,737</u>	<u>\$ 138,781</u>	<u>\$ 936,033</u>	<u>\$ 115,296</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (154,882)</u>	<u>\$ (138,781)</u>	<u>\$ (185,993)</u>	<u>\$ 31,111</u>
Net Change in Fund Balance	\$ (154,882)	\$ (138,781)	\$ (185,993)	\$ 31,111
Fund Balance, July 1, 2008	<u>364,529</u>	<u>216,704</u>	<u>216,704</u>	<u>147,825</u>
Fund Balance, June 30, 2009	<u>\$ 209,647</u>	<u>\$ 77,923</u>	<u>\$ 30,711</u>	<u>\$ 178,936</u>

Exhibit F-7

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 141,032	\$ 72,500	\$ 131,970	\$ 9,062
Other Local Revenues	6,290	0	6,290	0
State of Tennessee	5,995	0	5,995	0
Federal Government	0	45,000	0	0
Total Revenues	<u>\$ 153,317</u>	<u>\$ 117,500</u>	<u>\$ 144,255</u>	<u>\$ 9,062</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 154,159	\$ 118,545	\$ 184,088	\$ 29,929
Total Expenditures	<u>\$ 154,159</u>	<u>\$ 118,545</u>	<u>\$ 184,088</u>	<u>\$ 29,929</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (842)</u>	<u>\$ (1,045)</u>	<u>\$ (39,833)</u>	<u>\$ 38,991</u>
Net Change in Fund Balance	\$ (842)	\$ (1,045)	\$ (39,833)	\$ 38,991
Fund Balance, July 1, 2008	<u>57,043</u>	<u>53,681</u>	<u>53,681</u>	<u>3,362</u>
Fund Balance, June 30, 2009	<u><u>\$ 56,201</u></u>	<u><u>\$ 52,636</u></u>	<u><u>\$ 13,848</u></u>	<u><u>\$ 42,353</u></u>

Exhibit F-8

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>						
<u>Capital Projects</u>						
Highway and Street Capital Projects	\$ 34,584	(8,000)	\$ 26,584	\$ 29,292	\$ 29,292	\$ 2,708
Total Expenditures	\$ 34,584	(8,000)	\$ 26,584	\$ 29,292	\$ 29,292	\$ 2,708
Excess (Deficiency) of Revenues Over Expenditures	\$ (34,584)	8,000	\$ (26,584)	\$ (29,292)	\$ (29,292)	\$ 2,708
Net Change in Fund Balance	\$ (34,584)	8,000	\$ (26,584)	\$ (29,292)	\$ (29,292)	\$ 2,708
Fund Balance, July 1, 2008	37,611	(8,000)	29,611	29,292	29,292	319
Fund Balance, June 30, 2009	\$ 3,027	\$ 0	\$ 3,027	\$ 0	\$ 0	\$ 3,027

Exhibit F-9

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Homeland Security Capital Projects Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 138,746	\$ 243,268	\$ 168,268	\$ (29,522)
Total Revenues	\$ 138,746	\$ 243,268	\$ 168,268	\$ (29,522)
<u>Expenditures</u>				
<u>Capital Projects</u>				
Public Safety Projects	\$ 138,746	\$ 302,586	\$ 302,586	\$ 163,840
Total Expenditures	\$ 138,746	\$ 302,586	\$ 302,586	\$ 163,840
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (59,318)	\$ (134,318)	\$ 134,318
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 75,000	\$ 0	\$ 75,000	\$ 0
Total Other Financing Sources (Uses)	\$ 75,000	\$ 0	\$ 75,000	\$ 0
Net Change in Fund Balance	\$ 75,000	\$ (59,318)	\$ (59,318)	\$ 134,318
Fund Balance, July 1, 2008	0	59,318	59,318	(59,318)
Fund Balance, June 30, 2009	\$ 75,000	\$ 0	\$ 0	\$ 75,000

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Major Governmental Funds

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.

Capital Projects Fund

The General Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

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Exhibit G-2

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 2,096	\$ 0	\$ 0	\$ 2,096	\$ 0	\$ 711	\$ 1,385
Total Revenues	\$ 2,096	\$ 0	\$ 0	\$ 2,096	\$ 0	\$ 711	\$ 1,385
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 777,919	\$ (588,131)	\$ 0	\$ 189,788	\$ 11,945,124	\$ 224,816	\$ 35,028
Public Safety Projects	8,805,455	(10,247,004)	1,501,146	59,597	0	11,792,475	11,732,878
Public Health and Welfare Projects	3,092	(3,092)	0	0	0	0	0
Total Expenditures	\$ 9,586,466	\$ (10,838,227)	\$ 1,501,146	\$ 249,385	\$ 11,945,124	\$ 12,017,291	\$ 11,767,906
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,584,370)	\$ 10,838,227	\$ (1,501,146)	\$ (247,289)	\$ (11,945,124)	\$ (12,016,580)	\$ 11,769,291
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (9,584,370)	\$ 10,838,227	\$ (1,501,146)	\$ (247,289)	\$ (11,945,124)	\$ (12,016,580)	\$ 11,769,291
	11,575,708	(10,838,227)	0	737,481	12,383,999	12,383,999	(11,646,518)
Fund Balance, June 30, 2009	\$ 1,991,338	\$ 0	\$ (1,501,146)	\$ 490,192	\$ 438,875	\$ 367,419	\$ 122,773

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Fiduciary Funds

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

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

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

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

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Lawrence County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	Agency Funds				Total
	Cities - Sales Tax	Judicial District Drug	Constitu- tional Officers - Agency		
Cash	\$ 0	\$ 4,671	\$ 1,102,261	\$ 1,106,932	
Equity in Pooled Cash and Investments	0	78,618	0	78,618	
Accounts Receivable	0	0	3,227	3,227	
Due from Other Governments	663,816	0	0	663,816	
Total Assets	\$ 663,816	\$ 83,289	\$ 1,105,488	\$ 1,852,593	
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 663,816	\$ 0	\$ 0	663,816	
Due to Litigants, Heirs, and Others	0	7,146	1,105,488	1,112,634	
Due to Joint Ventures	0	76,143	0	76,143	
Total Liabilities	\$ 663,816	\$ 83,289	\$ 1,105,488	\$ 1,852,593	

ASSETS

LIABILITIES

Exhibit H-2

Lawrence County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,031,490	\$ 4,031,490	\$ 0
Due from Other Governments	702,973	663,816	702,973	663,816
Total Assets	\$ 702,973	\$ 4,695,306	\$ 4,734,463	\$ 663,816
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 702,973	\$ 4,695,306	\$ 4,734,463	\$ 663,816
Total Liabilities	\$ 702,973	\$ 4,695,306	\$ 4,734,463	\$ 663,816
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 4,747	\$ 4,671	\$ 4,747	\$ 4,671
Equity in Pooled Cash and Investments	54,510	78,618	54,510	78,618
Total Assets	\$ 59,257	\$ 83,289	\$ 59,257	\$ 83,289
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 4,878	\$ 7,146	\$ 4,878	\$ 7,146
Due to Joint Ventures	54,379	76,143	54,379	76,143
Total Liabilities	\$ 59,257	\$ 83,289	\$ 59,257	\$ 83,289
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,429,568	\$ 6,419,437	\$ 6,746,744	\$ 1,102,261
Accounts Receivable	3,049	3,227	3,049	3,227
Total Assets	\$ 1,432,617	\$ 6,422,664	\$ 6,749,793	\$ 1,105,488
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,432,617	\$ 6,422,664	\$ 6,749,793	\$ 1,105,488
Total Liabilities	\$ 1,432,617	\$ 6,422,664	\$ 6,749,793	\$ 1,105,488
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,434,315	\$ 6,424,108	\$ 6,751,491	\$ 1,106,932
Equity in Pooled Cash and Investments	54,510	4,110,108	4,086,000	78,618
Accounts Receivable	3,049	3,227	3,049	3,227
Due from Other Governments	702,973	663,816	702,973	663,816
Total Assets	\$ 2,194,847	\$ 11,201,259	\$ 11,543,513	\$ 1,852,593
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 702,973	\$ 4,695,306	\$ 4,734,463	\$ 663,816
Due to Litigants, Heirs, and Others	1,437,495	6,429,810	6,754,671	1,112,634
Due to Joint Ventures	54,379	76,143	54,379	76,143
Total Liabilities	\$ 2,194,847	\$ 11,201,259	\$ 11,543,513	\$ 1,852,593

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.

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Exhibit I-1

Lawrence County, Tennessee
Statement of Activities
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2009

Functions/Programs	Program Revenues		Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental Activities:						
Instruction	\$ 31,554,632	\$ 189,626	\$ 4,154,893	\$ (27,210,113)		
Support Services	14,423,840	67,308	422,970	(13,933,562)		
Operation of Non-Instructional Services	5,309,148	1,367,831	2,380,816	(1,560,501)		
Total Governmental Activities	\$ 51,287,620	\$ 1,624,765	\$ 6,958,679	\$ (42,704,176)		
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 5,491,435		
Local Option Sales Tax				4,403,848		
Other Local Taxes				5,085		
Grants and Contributions Not Restricted to Specific Programs				31,387,180		
Unrestricted Investment Earnings				10,466		
Rental Income				19,600		
E-Rate Funding				51,543		
Miscellaneous				14,365		
Total General Revenues				\$ 41,383,522		
Change in Net Assets				\$ (1,320,654)		
Net Assets, July 1, 2008				49,933,973		
Net Assets, June 30, 2009				\$ 48,613,319		

Exhibit I-2

Lawrence County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Lawrence County School Department
June 30, 2009

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 79	\$ 139,235	\$ 139,314
Equity in Pooled Cash and Investments	6,316,202	1,042,695	7,358,897
Inventories	0	176,292	176,292
Accounts Receivable	2,179	1,275	3,454
Due from Other Governments	1,222,283	262,281	1,484,564
Property Taxes Receivable	5,979,913	0	5,979,913
Allowance for Uncollectible Property Taxes	(127,749)	0	(127,749)
Total Assets	<u>\$ 13,392,907</u>	<u>\$ 1,621,778</u>	<u>\$ 15,014,685</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 16,214	\$ 11,690	\$ 27,904
Payroll Deductions Payable	1,262,323	161,013	1,423,336
Retainage Payable	0	258,047	258,047
Deferred Revenue - Current Property Taxes	5,541,271	0	5,541,271
Deferred Revenue - Delinquent Property Taxes	281,462	0	281,462
Other Deferred Revenues	370,000	0	370,000
Total Liabilities	<u>\$ 7,471,270</u>	<u>\$ 430,750</u>	<u>\$ 7,902,020</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 276,664	\$ 207,910	\$ 484,574
Reserved for Vocational Projects	94,940	0	94,940
Other Local Education Reserves	10,657	0	10,657
Reserved for Career Ladder - Extended Contract	45,606	0	45,606
Reserved for Career Ladder Program	32,300	0	32,300
Other Federal Reserves	0	5,729	5,729
Unreserved, Reported In:			
General Fund	5,461,470	0	5,461,470
Special Revenue Funds	0	910,708	910,708
Capital Projects Funds	0	66,681	66,681
Total Fund Balances	<u>\$ 5,921,637</u>	<u>\$ 1,191,028</u>	<u>\$ 7,112,665</u>
Total Liabilities and Fund Balances	<u>\$ 13,392,907</u>	<u>\$ 1,621,778</u>	<u>\$ 15,014,685</u>

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, 2009

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)		\$ 7,112,665
(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	4,507,843	
Add: buildings and improvements net of accumulated depreciation	35,116,162	
Add: other capital assets net of accumulated depreciation	<u>3,895,587</u>	44,196,046
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (45,043)	
Less: other postemployment benefits liability	<u>(3,301,811)</u>	(3,346,854)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>651,462</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 48,613,319</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, 2009

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 10,004,998	\$ 0	\$ 10,004,998
Licenses and Permits	1,197	0	1,197
Charges for Current Services	116,096	1,508,669	1,624,765
Other Local Revenues	87,359	10,466	97,825
State of Tennessee	32,067,944	45,757	32,113,701
Federal Government	178,334	5,846,775	6,025,109
Total Revenues	<u>\$ 42,455,928</u>	<u>\$ 7,411,667</u>	<u>\$ 49,867,595</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 26,201,911	\$ 3,044,461	\$ 29,246,372
Support Services	13,124,358	549,727	13,674,085
Operation of Non-Instructional Services	1,186,397	3,647,332	4,833,729
Capital Outlay	393,348	0	393,348
Debt Service:			
Other Debt Service	300,000	0	300,000
Capital Projects	0	461,726	461,726
Total Expenditures	<u>\$ 41,206,014</u>	<u>\$ 7,703,246</u>	<u>\$ 48,909,260</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,249,914</u>	<u>\$ (291,579)</u>	<u>\$ 958,335</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 26,006	\$ 0	\$ 26,006
Transfers Out	0	(26,006)	(26,006)
Total Other Financing Sources (Uses)	<u>\$ 26,006</u>	<u>\$ (26,006)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,275,920	\$ (317,585)	\$ 958,335
Fund Balance, July 1, 2008	4,645,717	1,508,613	6,154,330
Fund Balance, June 30, 2009	<u>\$ 5,921,637</u>	<u>\$ 1,191,028</u>	<u>\$ 7,112,665</u>

Exhibit I-5

Lawrence County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2009

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)		\$ 958,335
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,645,091	
Less: current year depreciation expense	<u>(2,100,003)</u>	(454,912)
(2) 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, 2009	\$ 651,462	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(831,617)</u>	(180,155)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (2,477)	
Change in other postemployment benefits liability	<u>(1,641,445)</u>	<u>(1,643,922)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,320,654)</u>

Lawrence County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Lawrence County School Department
June 30, 2009

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects		
\$	0	1,200	0	1,200	138,035		139,235
	25,631	759,396	24,457	809,484	233,211		1,042,695
	0	176,292	0	176,292	0		176,292
	0	0	1,275	1,275	0		1,275
	250,541	11,740	0	262,281	0		262,281
\$	276,172	948,628	25,732	1,250,532	371,246		1,621,778

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Inventories
 Accounts Receivable
 Due from Other Governments

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Payroll Deductions Payable
 Retainage Payable

Total Liabilities

Fund Balances

Reserved for Encumbrances
 Other Federal Reserves
 Unreserved

Total Fund Balances

Total Liabilities and Fund Balances

\$	0	11,690	0	11,690	0		11,690
	109,332	51,681	0	161,013	0		161,013
	0	0	0	0	258,047		258,047
\$	109,332	63,371	0	172,703	258,047		430,750
\$	161,111	0	281	161,392	46,518		207,910
	5,729	0	0	5,729	0		5,729
	0	885,257	25,451	910,708	66,681		977,389
\$	166,840	885,257	25,732	1,077,829	113,199		1,191,028
\$	276,172	948,628	25,732	1,250,532	371,246		1,621,778

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, 2009

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects		
<u>Revenues</u>							
Charges for Current Services	\$ 0	\$ 1,347,693	\$ 160,976	\$ 1,508,669	\$ 0	\$ 0	\$ 1,508,669
Other Local Revenues	0	10,466	0	10,466	0	0	10,466
State of Tennessee	0	40,540	5,217	45,757	0	0	45,757
Federal Government	3,786,025	2,060,750	0	5,846,775	0	0	5,846,775
Total Revenues	\$ 3,786,025	\$ 3,459,449	\$ 166,193	\$ 7,411,667	\$ 0	\$ 0	\$ 7,411,667
<u>Expenditures</u>							
Current:							
Instruction	\$ 3,044,461	\$ 0	\$ 0	\$ 3,044,461	\$ 0	\$ 0	\$ 3,044,461
Support Services	549,727	0	0	549,727	0	0	549,727
Operation of Non-Instructional Services	0	3,481,387	165,945	3,647,332	0	0	3,647,332
Capital Projects	0	0	0	0	461,726	0	461,726
Total Expenditures	\$ 3,594,188	\$ 3,481,387	\$ 165,945	\$ 7,241,520	\$ 461,726	\$ 0	\$ 7,703,246
Excess (Deficiency) of Revenues Over Expenditures	\$ 191,837	\$ (21,938)	\$ 248	\$ 170,147	\$ (461,726)	\$ 0	\$ (291,579)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (26,006)	\$ 0	\$ 0	\$ (26,006)	\$ 0	\$ 0	\$ (26,006)
Total Other Financing Sources (Uses)	\$ (26,006)	\$ 0	\$ 0	\$ (26,006)	\$ 0	\$ 0	\$ (26,006)
Net Change in Fund Balances	\$ 165,831	\$ (21,938)	\$ 248	\$ 144,141	\$ (461,726)	\$ 0	\$ (317,585)
Fund Balance, July 1, 2008	1,009	907,195	25,484	933,688	574,925	0	1,508,613
Fund Balance, June 30, 2009	\$ 166,840	\$ 885,257	\$ 25,732	\$ 1,077,829	\$ 113,199	\$ 0	\$ 1,191,028

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,004,998	\$ 0	\$ 0	\$ 10,004,998	\$ 9,642,668	\$ 9,642,668	\$ 362,330
Licenses and Permits	1,197	0	0	1,197	0	0	1,197
Charges for Current Services	116,096	0	0	116,096	103,000	94,000	22,096
Other Local Revenues	87,359	0	0	87,359	27,000	27,000	60,359
State of Tennessee	32,067,944	0	0	32,067,944	31,434,318	31,819,079	248,865
Federal Government	178,334	0	0	178,334	0	184,822	(6,488)
Total Revenues	\$ 42,455,928	\$ 0	\$ 0	\$ 42,455,928	\$ 41,206,986	\$ 41,767,569	\$ 688,359

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 21,284,300	(6,239)	24,239	\$ 21,302,300	\$ 21,866,269	\$ 21,529,557	\$ 227,257
Alternative Instruction Program	212,266	(30,429)	3,152	184,989	121,739	116,924	(68,065)
Special Education Program	2,429,349	0	0	2,429,349	2,486,210	2,499,556	70,207
Vocational Education Program	2,206,055	(3,780)	558	2,202,833	2,268,961	2,244,004	41,171
Student Body Education Program	0	0	0	0	0	8,520	8,520
Adult Education Program	69,941	0	0	69,941	5,000	65,317	(4,624)
<u>Support Services</u>							
Attendance	99,286	0	0	99,286	94,982	97,924	(1,362)
Health Services	321,189	0	300	321,489	336,241	354,151	32,662
Other Student Support	1,027,539	(2,534)	0	1,025,005	938,608	919,834	(105,171)
Regular Instruction Program	1,200,474	(42,486)	508	1,158,496	1,180,565	1,167,038	8,542
Alternative Instruction Program	23,739	0	0	23,739	47,492	17,993	(5,746)
Special Education Program	218,212	0	0	218,212	247,981	248,666	30,454
Vocational Education Program	107,953	0	0	107,953	122,602	123,244	15,291

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 102,721	\$ 0	\$ 0	\$ 102,721	\$ 1,000	\$ 105,402	\$ 2,681
Other Programs	174,588	0	0	174,588	0	174,588	0
Board of Education	775,217	0	38	775,255	808,836	815,836	40,581
Director of Schools	291,040	(62)	2,347	293,325	298,870	303,170	9,845
Office of the Principal	2,328,295	0	599	2,328,894	2,298,451	2,223,690	(105,204)
Fiscal Services	201,496	0	0	201,496	201,692	209,534	8,038
Operation of Plant	3,223,722	(150)	2,848	3,226,420	3,309,124	3,293,125	66,705
Maintenance of Plant	628,259	(24,717)	11,563	615,105	613,895	632,774	17,669
Transportation	2,305,366	(2,155)	40,006	2,343,217	2,566,703	2,562,245	219,028
Central and Other	95,262	0	0	95,262	108,254	108,254	12,992
<u>Operation of Non-Instructional Services</u>							
Community Services	92,122	0	0	92,122	118,135	85,135	(6,987)
Early Childhood Education	1,094,275	(75,410)	20,017	1,038,882	1,026,296	1,026,297	(12,585)
<u>Capital Outlay</u>							
Regular Capital Outlay	393,348	(216,316)	170,489	347,521	413,142	1,112,934	765,413
Principal on Debt	0	0	0	0	300,000	0	0
Other Debt Service							
Education	300,000	0	0	300,000	0	300,000	0
Total Expenditures	\$ 41,206,014	\$ (404,278)	\$ 276,664	\$ 41,078,400	\$ 41,781,048	\$ 42,345,712	\$ 1,267,312
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,249,914	\$ 404,278	\$ (276,664)	\$ 1,377,528	\$ (574,062)	\$ (578,143)	\$ 1,955,671

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 26,006	\$ 0	\$ 0	\$ 26,006	\$ 26,006	\$ 26,006	\$ 0
Transfers Out	0	0	0	0	(13,939)	0	0
Total Other Financing Sources (Uses)	\$ 26,006	\$ 0	\$ 0	\$ 26,006	\$ 12,067	\$ 26,006	\$ 0
Net Change in Fund Balance	\$ 1,275,920	\$ 404,278	\$ (276,664)	\$ 1,403,534	\$ (561,995)	\$ (552,137)	\$ 1,955,671
Fund Balance, July 1, 2008	4,645,717	(404,278)	0	4,241,439	4,295,354	4,295,354	(53,915)
Fund Balance, June 30, 2009	\$ 5,921,637	\$ 0	\$ (276,664)	\$ 5,644,973	\$ 3,733,359	\$ 3,743,217	\$ 1,901,756

Exhibit I-9

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lawrence County School Department
School Federal Projects Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 3,786,025	0	\$ 3,786,025	\$ 4,309,225	\$ 4,378,584	\$ (592,559)
Total Revenues	\$ 3,786,025	0	\$ 3,786,025	\$ 4,309,225	\$ 4,378,584	\$ (592,559)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,729,917	0	\$ 1,729,917	\$ 1,746,662	\$ 1,791,035	\$ 61,118
Alternative Instruction Program	19,335	0	19,335	20,535	20,535	1,200
Special Education Program	1,190,591	15,685	1,206,276	1,221,956	1,291,315	85,039
Vocational Education Program	104,618	0	104,618	103,785	104,985	367
<u>Support Services</u>						
Other Student Support	85,913	0	85,913	203,599	202,399	116,486
Regular Instruction Program	214,676	0	214,676	405,450	353,633	138,957
Special Education Program	234,884	15,018	249,902	417,099	417,099	167,197
Transportation	14,254	130,408	144,662	164,133	164,133	19,471
Total Expenditures	\$ 3,594,188	161,111	\$ 3,755,299	\$ 4,283,219	\$ 4,345,134	\$ 589,835
Excess (Deficiency) of Revenues Over Expenditures	\$ 191,837	(161,111)	\$ 30,726	\$ 26,006	\$ 33,450	\$ (2,724)
<u>Other Financing Sources (Uses)</u>						
Transfers In	0	0	0	50,837	0	0
Transfers Out	(26,006)	0	(26,006)	(76,843)	(33,450)	7,444
Total Other Financing Sources (Uses)	\$ (26,006)	0	\$ (26,006)	\$ (26,006)	\$ (33,450)	\$ 7,444
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 165,831	(161,111)	\$ 4,720	\$ 0	\$ 0	\$ 4,720
	1,009	0	1,009	0	0	1,009
Fund Balance, June 30, 2009	\$ 166,840	(161,111)	\$ 5,729	\$ 0	\$ 0	\$ 5,729

Exhibit I-10

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lawrence County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,347,693	\$ 1,533,000	\$ 1,533,000	\$ (185,307)
Other Local Revenues	10,466	53,000	53,000	(42,534)
State of Tennessee	40,540	41,415	41,415	(875)
Federal Government	2,060,750	1,858,370	1,858,370	202,380
Total Revenues	<u>\$ 3,459,449</u>	<u>\$ 3,485,785</u>	<u>\$ 3,485,785</u>	<u>\$ (26,336)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 3,481,387	\$ 3,779,252	\$ 3,779,252	\$ 297,865
Total Expenditures	<u>\$ 3,481,387</u>	<u>\$ 3,779,252</u>	<u>\$ 3,779,252</u>	<u>\$ 297,865</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (21,938)</u>	<u>\$ (293,467)</u>	<u>\$ (293,467)</u>	<u>\$ 271,529</u>
Net Change in Fund Balance	\$ (21,938)	\$ (293,467)	\$ (293,467)	\$ 271,529
Fund Balance, July 1, 2008	907,195	753,276	753,276	153,919
Fund Balance, June 30, 2009	<u>\$ 885,257</u>	<u>\$ 459,809</u>	<u>\$ 459,809</u>	<u>\$ 425,448</u>

Exhibit I-11

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lawrence County School Department
Extended School Program Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 160,976	\$ 0	\$ 0	\$ 160,976	\$ 168,000	\$ 175,350	\$ (14,374)
State of Tennessee	5,217	0	0	5,217	4,800	4,800	417
Total Revenues	\$ 166,193	\$ 0	\$ 0	\$ 166,193	\$ 172,800	\$ 180,150	\$ (13,957)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 165,945	\$ (471)	\$ 281	\$ 165,755	\$ 172,800	\$ 180,150	\$ 14,395
Total Expenditures	\$ 165,945	\$ (471)	\$ 281	\$ 165,755	\$ 172,800	\$ 180,150	\$ 14,395
Excess (Deficiency) of Revenues Over Expenditures	\$ 248	\$ 471	\$ (281)	\$ 438	\$ 0	\$ 0	\$ 438
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 248	\$ 471	\$ (281)	\$ 438	\$ 0	\$ 0	\$ 438
	\$ 25,484	\$ (471)	\$ 0	\$ 25,013	\$ 25,013	\$ 25,013	\$ 0
Fund Balance, June 30, 2009	\$ 25,732	\$ 0	\$ (281)	\$ 25,451	\$ 25,013	\$ 25,013	\$ 438

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MISCELLANEOUS SCHEDULES

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Exhibit J-1

Lawrence County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Paid and/or Matured During Period	Outstanding 6-30-09
NOTES PAYABLE							
<u>Payable through General Debt Service Fund</u>							
General Obligation, Series 2001A	\$ 4,575,000	3.8 %	9-1-01	9-1-13	\$ 2,570,000	\$ 385,000	\$ 2,185,000
General Obligation, Series 2002	1,850,000	1.55 to 4.125	6-1-02	6-1-14	1,025,000	155,000	870,000
Refunding Capital Outlay Note Series 2003	2,195,000	2.74	2-1-03	2-1-11	790,000	305,000	485,000
Total Notes Payable					\$ 4,385,000	\$ 845,000	\$ 3,540,000
BONDS PAYABLE							
<u>Payable through General Debt Service Fund</u>							
Refunding, Series 2000	8,300,000	5.05	12-1-00	12-1-10	\$ 745,000	\$ 235,000	\$ 510,000
Refunding, Series 2001	1,500,000	5.05	12-1-00	12-1-10	135,000	45,000	90,000
School Bond Series 2001	3,340,000	2.2 to 4.85	10-1-01	10-1-25	2,815,000	100,000	2,715,000
Refunding, Series 2003	8,100,000	3.04	1-1-03	8-1-13	4,435,000	800,000	3,635,000
School Refunding, Series 2003	8,820,000	3.33	4-29-03	5-1-16	6,445,000	715,000	5,730,000
School Refunding, Series 2004	3,375,000	2.599	4-13-04	5-1-16	2,345,000	270,000	2,075,000
School Bond Series 2004	8,000,000	3.6	8-12-04	9-1-19	6,710,000	455,000	6,255,000
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-1-25	7,665,000	45,000	7,620,000
General Obligation Bond, Series 2006	10,000,000	3.95	2-1-06	6-1-31	9,490,000	265,000	9,225,000
General Obligation Bond, Series 2007	10,000,000	4	12-4-07	6-1-37	10,000,000	0	10,000,000
General Obligation Bond, Series 2008	4,250,000	4.28	3-18-08	3-1-37	4,250,000	0	4,250,000
Total Bonds Payable					\$ 55,035,000	\$ 2,930,000	\$ 52,105,000

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	\$ 870,000	\$ 123,354	\$ 993,354
2011	755,000	93,295	848,295
2012	610,000	65,833	675,833
2013	635,000	41,922	676,922
2014	670,000	16,958	686,958
Total	<u>\$ 3,540,000</u>	<u>\$ 341,362</u>	<u>\$ 3,881,362</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 3,305,000	\$ 1,941,949	\$ 5,246,949
2011	3,420,000	1,824,493	5,244,493
2012	3,540,000	1,704,585	5,244,585
2013	3,665,000	1,582,438	5,247,438
2014	3,065,000	1,466,874	4,531,874
2015	2,970,000	1,361,142	4,331,142
2016	3,070,000	1,254,363	4,324,363
2017	1,930,000	1,143,940	3,073,940
2018	2,005,000	1,068,599	3,073,599
2019	2,090,000	990,155	3,080,155
2020	2,180,000	906,800	3,086,800
2021	1,550,000	832,649	2,382,649
2022	1,620,000	768,288	2,388,288
2023	1,685,000	700,922	2,385,922
2024	1,755,000	632,484	2,387,484
2025	1,825,000	561,316	2,386,316
2026	1,905,000	486,944	2,391,944
2027	1,070,000	428,087	1,498,087
2028	1,120,000	385,310	1,505,310
2029	1,170,000	340,528	1,510,528
2030	1,225,000	293,574	1,518,574
2031	1,280,000	244,410	1,524,410
2032	690,000	192,740	882,740
2033	720,000	164,340	884,340
2034	755,000	134,700	889,700
2035	795,000	103,400	898,400
2036	830,000	70,450	900,450
2037	870,000	36,050	906,050
Total	<u>\$ 52,105,000</u>	<u>\$ 21,621,530</u>	<u>\$ 73,726,530</u>

Exhibit J-3

Lawrence County, Tennessee
Schedule of Notes Receivable
June 30, 2009

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-09</u>
<u>Industrial/Economic Development Fund</u> Airport Renovation	Lawrenceburg-Lawrence County Airport	\$ 150,000	5-18-07	Variable	0%	\$ 139,012
Total Notes Receivable						<u>\$ 139,012</u>

Exhibit J-4

Lawrence County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2009

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 212,540
General	Homeland Security Capital Projects	Operations	75,000
Highway/Public Works	General Debt Service	Debt payments	70,000
Total Transfers Primary Government			<u>\$ 357,540</u>
<u>DISCRETELY PRESENTED LAWRENCE</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 26,006
Total Transfers Discretely Presented Lawrence County School Department			<u>\$ 26,006</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, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <u>TCA</u>	\$ 78,191	\$ 50,000	Auto-Owners Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	70,350	100,000	"
Director of Schools	State Board of Education and County Board of Education	92,433 (1)	150,000	(4)
Trustee	Section 8-24-102, <u>TCA</u>	63,954	1,559,000	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	63,954	10,000	"
Director of Accounts and Budgets	County Commission	50,000 (2)	25,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	63,954	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <u>TCA</u>	63,954	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>	63,954	50,000	"
Register	Section 8-24-102, <u>TCA</u>	63,954	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	73,867 (3)	25,000	"
Purchasing Agent	County Commission	38,000 (5)	25,000	"
<u>Employee Blanket Bonds</u>				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Departments			150,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training supplement of \$1,000 and accrued vacation leave of \$3,305.

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

(3) Does not include longevity pay of \$400. Includes \$10,000 salary paid from the Solid Waste/Sanitation Fund.

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

(5) Covered under School Department's Public Employee Dishonesty Bond.

(6) Includes \$7,600 salary paid from the Solid Waste/Sanitation Fund.

Lawrence County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2009

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 5,848,329	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	205,478	0	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	72,584	0	0	0	0	0	0
Interest and Penalty	41,967	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	295,720	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	2,630	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	82,082	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	0
Litigation Tax - General	97,279	0	0	0	0	0	0
Litigation Tax - Special Purpose	28,312	11,240	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	2,419	0	0	0	0	0	0
Business Tax	261,843	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	91,052	0	0	0	0	0	0
Interstate Telecommunications Tax	3,264	0	0	0	0	0	0
<u>Total Local Taxes</u>	<u>\$ 7,032,959</u>	<u>\$ 11,240</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 1,416	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	38,914	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	2,288	0	0	0	0	0	0
<u>Total Licenses and Permits</u>	<u>\$ 42,618</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

(Continued)

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

	General	Courthouse and Jail Maintenance	Special Revenue Funds					Drug Control
			Public Library	Solid Waste/ Sanitation	Industrial/ Economic Development			
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 10,254	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	11,402	0	0	0	0	0	0	0
Drug Control Fines	399	0	0	0	0	0	0	20,748
Jail Fees	23,209	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
Judicial Commissioner Fees	473	0	0	0	0	0	0	0
DUI Treatment Fines	2,470	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,195	0	0	0	0	0	0	0
Courtroom Security Fee	0	563	0	0	0	0	0	0
<u>Criminal Court</u>								
Drug Control Fines	0	0	0	0	0	0	0	231
District Attorney General Fees	0	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	16,907	0	0	0	0	0	0	0
Officers Costs	53,706	0	0	0	0	0	0	0
Game and Fish Fines	432	0	0	0	0	0	0	0
Drug Control Fines	1,330	0	0	0	0	0	0	30,867
Jail Fees	3,257	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
DUI Treatment Fines	8,084	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,039	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	2	0	0	0	0	0	0	0
Officers Costs	2,370	0	0	0	0	0	0	0
Game and Fish Fines	5	0	0	0	0	0	0	0
Jail Fees	24	0	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	424	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	2,209	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	2,298	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
Chancery Court (Cont.)							
Courtroom Security Fee	\$ 0	\$ 6	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Courts - In-county	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0
Judicial District Drug Program	0	0	0	0	0	0	27,754
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0
Proceeds from Confiscated Property	10,212	0	0	0	0	0	61,432
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 156,701	\$ 569	\$ 0	\$ 0	\$ 0	\$ 0	\$ 141,032

Charges for Current Services

<u>General Service Charges</u>	
Commercial and Industrial Waste Collection Charge	\$ 0
Residential Waste Collection Charge	0
Tipping Fees	0
Solid Waste Disposal Fees	0
Patient Charges	1,443,267
Past Due Collections - Ambulance	850
Work Release Charges for Board	16,420
Other General Service Charges	604
Service Charges	3,724
<u>Fees</u>	
Copy Fees	534
Library Fees	0
Telephone Commissions	18,346
Constitutional Officers' Fees and Commissions	0
Data Processing Fee - Register	14,008
Data Processing Fee - Sheriff	2,624
Sexual Offender Registration Fees - Sheriff	2,345
Data Processing Fee - County Clerk	3,003

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
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges</u>						
TBI Criminal Background Fees	\$ 15	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Charges for Services	1,636	0	0	0	0	0
Total Charges for Current Services	\$ 1,507,376	\$ 0	\$ 10,959	\$ 1,014,908	\$ 40	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 656,284	\$ 0	\$ 2,684	\$ 11,369	\$ 0	\$ 0
Lease/Rentals	950	0	900	0	0	0
Sale of Materials and Supplies	327	0	0	0	0	0
Commissary Sales	293	0	0	0	0	0
Sale of Recycled Materials	23,218	0	0	93,577	0	0
Miscellaneous Refunds	5,819	0	0	21	0	0
Expenditure Credits	630	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	655	0	0	0	0	6,290
Contributions and Gifts	0	0	525	0	0	0
Total Other Local Revenues	\$ 688,176	\$ 0	\$ 4,109	\$ 104,967	\$ 0	\$ 6,290
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 90,116	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Register	1,000	0	0	0	0	0
Trustee	381,095	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>						
Circuit Court Clerk	124,676	0	0	0	0	0
General Sessions Court Clerk	187,460	0	0	0	0	0
Clerk and Master	150,947	0	0	0	0	0
Juvenile Court Clerk	35,870	0	0	0	0	0
Sheriff	26,005	0	0	0	0	0
Total Fees Received from County Officials	\$ 997,169	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	14,553	0	0	0	0	0	0
Solid Waste Grants	0	0	0	43,262	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	23,400	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	109,269	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	42,398	0	0	0	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	0	650,815	0	0
<u>Other State Revenues</u>							
Income Tax	63,589	0	0	0	0	0	0
Beer Tax	18,701	0	0	0	0	0	0
Alcoholic Beverage Tax	66,239	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0
Board of Jurors	116	0	0	0	0	0	0
Contracted Prisoner Boarding	255,360	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	14,912	0	0	0	0	0	0
Other State Grants	12,814	0	500	0	0	0	0
Other State Revenues	3,988	0	0	0	0	0	5,995
Total State of Tennessee	\$ 634,639	\$ 0	\$ 500	\$ 43,262	\$ 650,815	\$ 0	\$ 5,995
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,000	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0	0	0
Other Federal through State	33,733	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control	
<u>Federal Government (Cont.)</u>							
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	\$ 1,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 35,333	\$ 0	\$ 0	\$ 0	\$ 15,000	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	67,341	0	0	0	0
Citizens Groups							
Donations	10,986	0	4,919	0	0	0	0
Other	0	0	2,722	0	0	0	0
Total Other Governments and Citizens Groups	\$ 10,986	\$ 0	\$ 74,982	\$ 0	\$ 0	\$ 0	\$ 0
<u>Total</u>	\$ 11,105,957	\$ 11,809	\$ 90,550	\$ 1,163,137	\$ 665,855	\$ 153,317	\$ 0

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Homeland Security Projects			
\$	0	0	1,267,101	1,826,788	0	0	0	8,942,218	
County Property Taxes	0	0	51,195	77,435	0	0	0	334,108	
Current Property Tax	0	0	15,804	22,826	0	0	0	111,214	
Trustee's Collections - Prior Year	0	0	9,138	13,197	0	0	0	64,302	
Circuit/Clerk & Master Collections - Prior Years	0	0	0	0	0	0	0	295,720	
Interest and Penalty	0	0	0	0	0	0	0	2,630	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	0	1,371,367	
Payments in-Lieu-of Taxes - Other	0	0	0	1,371,367	0	0	0	82,082	
County Local Option Taxes	0	0	0	891,008	0	0	0	891,008	
Local Option Sales Tax	0	0	0	0	0	0	0	97,279	
Hotel/Motel Tax	0	0	0	0	0	0	0	39,552	
Wheel Tax	0	0	0	0	0	0	0	76,012	
Litigation Tax - General	0	0	0	76,012	0	0	0	2,419	
Litigation Tax - Special Purpose	0	0	0	0	0	0	0	261,843	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	122,064	
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	0	0	147,278	
Business Tax	0	0	0	0	0	0	0	91,052	
Mineral Severance Tax	0	0	122,064	0	0	0	0	3,264	
Statutory Local Taxes	0	0	0	147,278	0	0	0	147,278	
Bank Excise Tax	0	0	0	0	0	0	0	91,052	
Wholesale Beer Tax	0	0	0	0	0	0	0	3,264	
Interstate Telecommunications Tax	0	0	0	0	0	0	0	0	
Total Local Taxes	\$ 0	\$ 0	\$ 1,465,302	\$ 4,425,911	\$ 0	\$ 0	\$ 0	\$ 12,935,412	
\$	0	0	0	0	0	0	0	1,416	
Licenses and Permits	0	0	0	0	0	0	0	38,914	
Licenses	0	0	0	0	0	0	0	0	
Marriage Licenses	0	0	0	0	0	0	0	0	
Cable TV Franchise	0	0	0	0	0	0	0	0	
Permits	0	0	0	0	0	0	0	2,288	
Beer Permits	0	0	0	0	0	0	0	42,618	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,618	

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	District Attorney General	Constitutional Officers - Fees		Highway / Public Works	General Debt Service	General Capital Projects	Homeland Security Projects		
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	0	0	0	0	0	0	0	0	10,254
Officers Costs	0	0	0	0	0	0	0	0	11,402
Drug Control Fines	0	0	0	0	0	0	0	0	21,147
Jail Fees	0	0	0	0	0	0	0	0	23,209
District Attorney General Fees	1,989	0	0	0	0	0	0	0	1,989
Judicial Commissioner Fees	0	0	0	0	0	0	0	0	473
DUI Treatment Fines	0	0	0	0	0	0	0	0	2,470
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	1,195
Courtroom Security Fee	0	0	0	0	0	0	0	0	563
<u>Criminal Court</u>									
Drug Control Fines	0	0	0	0	0	0	0	0	231
District Attorney General Fees	524	0	0	0	0	0	0	0	524
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	0	16,907
Officers Costs	0	0	0	0	0	0	0	0	53,706
Game and Fish Fines	0	0	0	0	0	0	0	0	432
Drug Control Fines	0	0	0	0	0	0	0	0	32,197
Jail Fees	0	0	0	0	0	0	0	0	3,257
District Attorney General Fees	8,460	0	0	0	0	0	0	0	8,460
DUI Treatment Fines	0	0	0	0	0	0	0	0	8,084
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	6,039
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	0	2
Officers Costs	0	0	0	0	0	0	0	0	2,370
Game and Fish Fines	0	0	0	0	0	0	0	0	5
Jail Fees	0	0	0	0	0	0	0	0	24
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	0	424
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	0	2,209
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	2,298

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Homeland Security Projects				
					General Capital Projects	General Capital Projects	General Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Chancery Court (Cont.)</u>									
Courtroom Security Fee									6
<u>Other Courts - In-county</u>									
District Attorney General Fees	25,411	0	0	0	0	0	0	0	25,411
<u>Judicial District Drug Program</u>									
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	0	27,754
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0	61,432
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	0	10,212
Total Fines, Forfeitures, and Penalties	\$ 36,334	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 334,636
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Commercial and Industrial Waste Collection Charge	0	0	0	0	0	0	0	0	379,214
Residential Waste Collection Charge	0	0	0	0	0	0	0	0	519,546
Tipping Fees	0	0	0	0	0	0	0	0	987
Solid Waste Disposal Fees	0	0	0	0	0	0	0	0	115,161
Patient Charges	0	0	0	0	0	0	0	0	1,443,267
Past Due Collections - Ambulance	0	0	0	0	0	0	0	0	850
Work Release Charges for Board	0	0	0	0	0	0	0	0	16,420
Other General Service Charges	0	0	0	0	0	0	0	0	644
Service Charges	0	0	0	0	0	0	0	0	3,724
<u>Fees</u>									
Copy Fees	0	0	0	0	0	0	0	0	6,167
Library Fees	0	0	0	0	0	0	0	0	5,326
Telephone Commissions	0	0	0	0	0	0	0	0	18,346
Constitutional Officers' Fees and Commissions	0	603,878	0	0	0	0	0	0	603,878
Data Processing Fee - Register	0	0	0	0	0	0	0	0	14,008
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	2,624
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	2,345
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	0	3,003

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Homeland Security Projects			
Charges for Current Services (Cont.)									
<u>Education Charges</u>									
TBI Criminal Background Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15
<u>Other Charges for Services</u>									
Other Charges for Services	0	0	0	0	0	0	0	0	1,636
Total Charges for Current Services	\$ 0	\$ 603,878	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,137,461
Other Local Revenues									
<u>Recurring Items</u>									
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,096	\$ 0	\$ 0	\$ 0	\$ 672,433
Lease/Rentals	0	0	0	90,000	0	0	0	0	91,850
Sale of Materials and Supplies	0	0	0	0	0	0	0	0	327
Commissary Sales	0	0	0	0	0	0	0	0	293
Sale of Recycled Materials	0	0	6,456	0	0	0	0	0	123,251
Miscellaneous Refunds	343	0	0	0	0	0	0	0	6,183
Expenditure Credits	0	0	0	0	0	0	0	0	630
<u>Nonrecurring Items</u>									
Sale of Equipment	0	0	3,050	0	0	0	0	0	9,995
Contributions and Gifts	0	0	0	0	0	0	0	0	525
Total Other Local Revenues	\$ 343	\$ 0	\$ 9,506	\$ 90,000	\$ 2,096	\$ 0	\$ 0	\$ 0	\$ 905,487
<u>Fees Received from County Officials</u>									
<u>Excess Fees</u>									
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,116
Register	0	0	0	0	0	0	0	0	1,000
Trustee	0	0	0	0	0	0	0	0	381,095
<u>Fees in-Lieu-of Salary</u>									
Circuit Court Clerk	0	0	0	0	0	0	0	0	124,676
General Sessions Court Clerk	0	0	0	0	0	0	0	0	187,460
Clerk and Master	0	0	0	0	0	0	0	0	150,947
Juvenile Court Clerk	0	0	0	0	0	0	0	0	35,870
Sheriff	0	0	0	0	0	0	0	0	26,005
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 997,169

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Homeland Security Projects			
						Security	Projects		
State of Tennessee									
<u>General Government Grants</u>									
Juvenile Services Program	0	0	0	0	0	0	0	0	9,300
State Reappraisal Grant	0	0	0	0	0	0	0	0	14,553
Solid Waste Grants	0	0	0	0	0	0	0	0	43,262
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	23,400
Health and Welfare Grants	0	0	0	0	0	0	0	0	109,269
<u>Health Department Programs</u>									
Public Works Grants	0	0	270,602	0	0	0	0	0	270,602
State Aid Program	0	0	0	0	0	0	0	0	42,398
Litter Program	0	0	0	0	0	0	0	0	650,815
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0	0	0	63,589
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	18,701
Beer Tax	0	0	0	0	0	0	0	0	66,239
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	521,615
State Revenue Sharing - T.V.A.	0	0	0	521,615	0	0	0	0	116
Board of Jurors	0	0	0	0	0	0	0	0	255,360
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	1,927,549
Gasoline and Motor Fuel Tax	0	0	1,927,549	0	0	0	0	0	32,065
Petroleum Special Tax	0	0	32,065	0	0	0	0	0	14,912
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	13,314
Other State Grants	0	0	0	0	0	0	0	0	10,083
Other State Revenues	0	0	100	0	0	0	0	0	0
Total State of Tennessee	0	0	2,230,316	521,615	0	0	0	0	4,087,142
<u>Federal Government</u>									
<u>Federal Through State</u>									
Community Development	0	0	0	0	0	0	0	0	15,000
Homeland Security Grants	0	0	0	0	0	0	138,746	0	138,746
Other Federal through State	0	0	0	0	0	0	0	0	33,733

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Highway/ Public Works	Debt Service Fund		Capital Projects Funds			Total
	District Attorney General	Constituti- onal Officers - Fees	General		General Debt Service	General Capital Projects	Homeland Security Capital Projects			
\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,600
\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	138,746 \$	0 \$	189,079
\$	0 \$	0 \$	0 \$	104,717 \$	0 \$	0 \$	0 \$	0 \$	0 \$	104,717
	0	0	0	0	300,000	0	0	0	0	367,341
	0	0	0	0	0	0	0	0	0	15,905
	0	0	0	0	0	0	0	0	0	2,722
\$	0 \$	0 \$	0 \$	104,717 \$	300,000 \$	0 \$	0 \$	0 \$	0 \$	490,685
\$	36,677 \$	603,878 \$	3,809,841 \$	5,337,526 \$	2,096 \$	138,746 \$	23,119,389			

Federal Government (Cont.)

Direct Federal Revenue
 Other Direct Federal Revenue
 Total Federal Government

Other Governments and Citizens Groups

Other Governments
 Paving and Maintenance
 Contributions
 Citizens Groups
 Donations
 Other

Total Other Governments and Citizens Groups

Total

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, 2009

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,282,740	\$ 0	\$ 0	\$ 0	\$ 5,282,740
Trustee's Collections - Prior Year	166,719	0	0	0	166,719
Trustee's Collections - Bankruptcy	11,246	0	0	0	11,246
Circuit/Clerk & Master Collections - Prior Years	64,223	0	0	0	64,223
Interest and Penalty	47,075	0	0	0	47,075
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,427,910	0	0	0	4,427,910
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	5,085	0	0	0	5,085
Total Local Taxes	\$ 10,004,998	\$ 0	\$ 0	\$ 0	\$ 10,004,998
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,197	\$ 0	\$ 0	\$ 0	\$ 1,197
Total Licenses and Permits	\$ 1,197	\$ 0	\$ 0	\$ 0	\$ 1,197
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 28,650	\$ 0	\$ 0	\$ 0	\$ 28,650
Tuition - Other	0	0	0	160,976	160,976
Lunch Payments - Children	0	0	742,837	0	742,837
Lunch Payments - Adults	0	0	157,461	0	157,461
Income from Breakfast	0	0	117,726	0	117,726
A la carte Sales	0	0	324,172	0	324,172
Contract for Instructional Services with Other LEAs	4,906	0	0	0	4,906
Receipts from Individual Schools	57,760	0	4,642	0	62,402
Community Service Fees - Children	24,780	0	0	0	24,780
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	855	0	855
Total Charges for Current Services	\$ 116,096	\$ 0	\$ 1,347,693	\$ 160,976	\$ 1,624,765
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 10,466	\$ 0	\$ 10,466
Lease/Rentals	19,600	0	0	0	19,600
Sale of Materials and Supplies	768	0	0	0	768
Refund of Telecommunication & Internet Fees (E-Rate)	51,543	0	0	0	51,543
Miscellaneous Refunds	6,713	0	0	0	6,713
<u>Nonrecurring Items</u>					
Sale of Equipment	3,406	0	0	0	3,406
Damages Recovered from Individuals	1,807	0	0	0	1,807
Contributions and Gifts	1,851	0	0	0	1,851
<u>Other Local Revenues</u>					
Other Local Revenues	1,671	0	0	0	1,671
Total Other Local Revenues	\$ 87,359	\$ 0	\$ 10,466	\$ 0	\$ 97,825

(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	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 174,588	\$ 0	\$ 0	\$ 0	\$ 174,588
<u>State Education Funds</u>					
Basic Education Program	29,521,998	0	0	0	29,521,998
Early Childhood Education	1,040,235	0	0	0	1,040,235
School Food Service	0	0	40,540	0	40,540
Driver Education	7,869	0	0	0	7,869
Other State Education Funds	218,616	0	0	0	218,616
Career Ladder Program	344,128	0	0	0	344,128
Career Ladder - Extended Contract	127,200	0	0	0	127,200
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	200,000	0	0	0	200,000
Other State Grants	369,661	0	0	0	369,661
Other State Revenues	63,649	0	0	5,217	68,866
Total State of Tennessee	\$ 32,067,944	\$ 0	\$ 40,540	\$ 5,217	\$ 32,113,701
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,507,970	\$ 0	\$ 1,507,970
Breakfast	0	0	552,780	0	552,780
Adult Education State Grant Program	116,822	0	0	0	116,822
Vocational Education - Basic Grants to States	0	127,035	0	0	127,035
Title I Grants to Local Education Agencies	0	1,484,693	0	0	1,484,693
Innovative Education Program Strategies	0	2,853	0	0	2,853
Special Education - Grants to States	0	1,572,673	0	0	1,572,673
Special Education Preschool Grants	0	47,354	0	0	47,354
Safe and Drug-Free Schools - State Grants	0	25,225	0	0	25,225
Rural Education	0	127,988	0	0	127,988
Eisenhower Professional Development State Grants	0	374,254	0	0	374,254
Other Federal through State	50,462	23,950	0	0	74,412
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	11,050	0	0	0	11,050
Total Federal Government	\$ 178,334	\$ 3,786,025	\$ 2,060,750	\$ 0	\$ 6,025,109
Total	\$ 42,455,928	\$ 3,786,025	\$ 3,459,449	\$ 166,193	\$ 49,867,595

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	43,823	
Social Security		2,726	
State Retirement		2,588	
Employer Medicare		638	
Advertising		188	
Audit Services		28,217	
Dues and Memberships		9,281	
Postal Charges		569	
Travel		10,581	
Office Supplies		134	
Other Charges		50	
Total County Commission			\$ 98,795

County Mayor/Executive

County Official/Administrative Officer	\$	78,191	
Secretary(ies)		51,659	
Part-time Personnel		375	
Social Security		7,996	
State Retirement		11,609	
Employee and Dependent Insurance		320	
Life Insurance		134	
Medical Insurance		5,482	
Disability Insurance		522	
Unemployment Compensation		211	
Employer Medicare		1,870	
Data Processing Services		476	
Dues and Memberships		1,995	
Legal Notices, Recording, and Court Costs		170	
Maintenance Agreements		780	
Pest Control		76	
Postal Charges		366	
Travel		7,418	
Office Supplies		1,412	
Periodicals		55	
Workers' Compensation Insurance		283	
Other Charges		25	
Office Equipment		698	
Total County Mayor/Executive			172,123

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	6,000	
Social Security		372	
State Retirement		536	
Unemployment Compensation		72	
Employer Medicare		87	
Workers' Compensation Insurance		83	
Total County Attorney			\$ 7,150

Election Commission

County Official/Administrative Officer	\$	57,559	
Deputy(ies)		49,652	
Overtime Pay		432	
Election Commission		2,625	
Election Workers		46,318	
Social Security		5,954	
State Retirement		9,623	
Employee and Dependent Insurance		360	
Life Insurance		89	
Medical Insurance		10,964	
Dental Insurance		222	
Disability Insurance		239	
Unemployment Compensation		324	
Employer Medicare		1,392	
Communication		6	
Contracts with Private Agencies		49,200	
Data Processing Services		3,729	
Dues and Memberships		214	
Legal Notices, Recording, and Court Costs		3,100	
Maintenance Agreements		6,330	
Pest Control		264	
Postal Charges		1,314	
Printing, Stationery, and Forms		2,806	
Rentals		2,052	
Travel		7,070	
Disposal Fees		110	
Office Supplies		1,383	
Utilities		3,939	
Other Supplies and Materials		119	
Workers' Compensation Insurance		249	
Total Election Commission			267,638

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

State Retirement	\$	13,054	
Employee and Dependent Insurance		216	
Life Insurance		34	
Medical Insurance		19,599	
Dental Insurance		130	
Unemployment Compensation		284	
Contracts with Private Agencies		5,018	
Dues and Memberships		637	
Operating Lease Payments		14,454	
Maintenance Agreements		780	
Pest Control		76	
Postal Charges		1,116	
Printing, Stationery, and Forms		3,429	
Travel		368	
Office Supplies		2,474	
Workers' Compensation Insurance		346	
Office Equipment		2,407	
Total Register of Deeds			\$ 64,422

Codes Compliance

Other Supplies and Materials	\$	21,708	
Total Codes Compliance			21,708

County Buildings

Supervisor/Director	\$	24,964	
Custodial Personnel		60,266	
Longevity Pay		1,200	
Social Security		5,217	
State Retirement		7,864	
Employee and Dependent Insurance		116	
Life Insurance		17	
Medical Insurance		20,109	
Dental Insurance		80	
Unemployment Compensation		429	
Employer Medicare		1,220	
Communication		37,588	
Maintenance Agreements		10,451	
Maintenance and Repair Services - Buildings		31,023	
Maintenance and Repair Services - Equipment		981	
Maintenance and Repair Services - Vehicles		1,172	

(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.)

Pest Control	\$	1,712	
Postal Charges		524	
Travel		9	
Disposal Fees		914	
Other Contracted Services		207	
Custodial Supplies		9,655	
Gasoline		942	
Office Supplies		87	
Uniforms		3,210	
Utilities		172,694	
Other Supplies and Materials		3,113	
Workers' Compensation Insurance		2,106	
Other Equipment		1,200	
Total County Buildings			\$ 399,070

Preservation of Records

Supervisor/Director	\$	26,971	
Longevity Pay		650	
Social Security		1,101	
State Retirement		2,469	
Medical Insurance		5,439	
Unemployment Compensation		105	
Employer Medicare		258	
Communication		1,922	
Contracts with Private Agencies		975	
Dues and Memberships		40	
Maintenance Agreements		885	
Maintenance and Repair Services - Buildings		191	
Office Supplies		946	
Utilities		2,635	
Other Supplies and Materials		1,285	
Workers' Compensation Insurance		104	
Total Preservation of Records			45,976

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	40,000	
Accountants/Bookkeepers		45,851	
Longevity Pay		1,200	
In-Service Training		428	

(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.)

Social Security	\$	5,730	
State Retirement		9,400	
Medical Insurance		16,446	
Unemployment Compensation		306	
Employer Medicare		1,340	
Communication		1,002	
Data Processing Services		8,947	
Maintenance Agreements		790	
Pest Control		132	
Postal Charges		13	
Printing, Stationery, and Forms		871	
Travel		651	
Disposal Fees		100	
Office Supplies		1,936	
Utilities		6,298	
Other Supplies and Materials		126	
Workers' Compensation Insurance		249	
Other Charges		35	
Total Accounting and Budgeting			\$ 141,851

Purchasing

County Official/Administrative Officer	\$	30,400	
Purchasing Personnel		22,925	
Longevity Pay		750	
In-Service Training		100	
Social Security		3,955	
State Retirement		5,876	
Medical Insurance		10,964	
Dental Insurance		51	
Unemployment Compensation		213	
Employer Medicare		925	
Data Processing Services		3,939	
Pest Control		132	
Postal Charges		2,360	
Printing, Stationery, and Forms		316	
Travel		888	
Office Supplies		1,757	
Other Supplies and Materials		115	
Workers' Compensation Insurance		166	
Other Charges		320	
Total Purchasing			86,152

(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

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		102,368	
Longevity Pay		1,750	
Other Salaries and Wages		29,101	
Board and Committee Members Fees		1,361	
In-Service Training		335	
Social Security		11,933	
State Retirement		17,627	
Employee and Dependent Insurance		357	
Life Insurance		62	
Medical Insurance		27,410	
Dental Insurance		222	
Unemployment Compensation		525	
Employer Medicare		2,791	
Data Processing Services		11,639	
Dues and Memberships		1,665	
Legal Notices, Recording, and Court Costs		127	
Maintenance Agreements		4,294	
Maintenance and Repair Services - Vehicles		916	
Pest Control		76	
Postal Charges		1,448	
Printing, Stationery, and Forms		148	
Travel		2,965	
Gasoline		2,134	
Office Supplies		2,358	
Other Supplies and Materials		67	
Workers' Compensation Insurance		498	
Total Property Assessor's Office			\$ 288,131

County Trustee's Office

State Retirement	\$	15,133
Employee and Dependent Insurance		1,431
Life Insurance		246
Medical Insurance		5,482
Dental Insurance		912
Disability Insurance		909
Unemployment Compensation		417
Data Processing Services		4,792
Dues and Memberships		572
Pest Control		76

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Postal Charges	\$	7,884	
Printing, Stationery, and Forms		7,383	
Office Supplies		835	
Other Supplies and Materials		222	
Workers' Compensation Insurance		415	
Other Charges		32	
Data Processing Equipment		891	
Total County Trustee's Office			\$ 47,632

County Clerk's Office

State Retirement	\$	21,910	
Employee and Dependent Insurance		1,800	
Life Insurance		336	
Medical Insurance		17,377	
Dental Insurance		352	
Disability Insurance		763	
Unemployment Compensation		807	
Communication		612	
Data Processing Services		9,432	
Dues and Memberships		812	
Legal Notices, Recording, and Court Costs		130	
Pest Control		76	
Postal Charges		9,456	
Printing, Stationery, and Forms		4,196	
Travel		3,685	
Office Supplies		3,083	
Other Supplies and Materials		300	
Workers' Compensation Insurance		663	
Total County Clerk's Office			75,790

Data Processing

Supervisor/Director	\$	22,500	
Social Security		1,372	
Medical Insurance		1,397	
Unemployment Compensation		102	
Employer Medicare		321	
Office Supplies		20	
Workers' Compensation Insurance		14	
Data Processing Equipment		3,120	
Total Data Processing			28,846

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		231,323	
Longevity Pay		3,900	
Overtime Pay		4,964	
Jury and Witness Fees		10,177	
In-Service Training		820	
Social Security		17,814	
State Retirement		27,190	
Employee and Dependent Insurance		1,069	
Life Insurance		202	
Medical Insurance		38,373	
Dental Insurance		445	
Disability Insurance		763	
Unemployment Compensation		954	
Employer Medicare		4,166	
Data Processing Services		10,862	
Dues and Memberships		1,082	
Maintenance Agreements		1,855	
Maintenance and Repair Services - Office Equipment		88	
Pest Control		76	
Postal Charges		3,524	
Printing, Stationery, and Forms		5,872	
Travel		1,374	
Office Supplies		5,656	
Workers' Compensation Insurance		808	
Other Charges		224	
Total Circuit Court			\$ 437,535

General Sessions Court

Judge(s)	\$	133,598
Deputy(ies)		53,978
Guards		45,019
Part-time Personnel		2,816
Longevity Pay		2,300
Overtime Pay		2,168
In-Service Training		220
Social Security		12,549
State Retirement		21,995
Medical Insurance		27,366
Unemployment Compensation		438

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Employer Medicare	\$	3,105	
Data Processing Services		1,062	
Dues and Memberships		440	
Maintenance Agreements		340	
Pest Control		76	
Postal Charges		487	
Printing, Stationery, and Forms		495	
Travel		3,845	
Office Supplies		704	
Other Supplies and Materials		370	
Workers' Compensation Insurance		415	
Other Charges		58	
Furniture and Fixtures		1,740	
Total General Sessions Court			\$ 315,584

Chancery Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		103,318	
Part-time Personnel		15,802	
Longevity Pay		2,250	
Overtime Pay		391	
In-Service Training		300	
Social Security		11,289	
State Retirement		15,190	
Employee and Dependent Insurance		1,080	
Life Insurance		202	
Medical Insurance		10,964	
Dental Insurance		445	
Disability Insurance		778	
Unemployment Compensation		512	
Employer Medicare		2,640	
Data Processing Services		6,222	
Dues and Memberships		682	
Pest Control		76	
Postal Charges		8,250	
Printing, Stationery, and Forms		2,265	
Travel		273	
Office Supplies		3,784	
Other Supplies and Materials		268	
Workers' Compensation Insurance		498	
Total Chancery Court			251,433

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Deputy(ies)	\$	9,763	
Youth Service Officer(s)		8,964	
Salary Supplements		10,010	
Social Security		1,747	
State Retirement		1,451	
Employee and Dependent Insurance		30	
Life Insurance		35	
Medical Insurance		975	
Dental Insurance		130	
Disability Insurance		79	
Unemployment Compensation		108	
Employer Medicare		365	
Other Contracted Services		12,444	
Workers' Compensation Insurance		14	
Total Juvenile Court			\$ 46,115

District Attorney General

Other Contracted Services	\$	29,925	
Total District Attorney General			29,925

Courtroom Security

Permits	\$	2,400	
Total Courtroom Security			2,400

Victims Assistance Programs

Contracts with Private Agencies	\$	4,551	
Total Victims Assistance Programs			4,551

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	73,867	
Supervisor/Director		55,021	
Deputy(ies)		933,825	
Investigator(s)		154,900	
Captain(s)		47,585	
Lieutenant(s)		44,240	
Sergeant(s)		188,251	
Secretary(ies)		116,641	
Part-time Personnel		11,790	
Longevity Pay		12,100	

(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.)

Overtime Pay	\$	24,944
Other Salaries and Wages		2,335
In-Service Training		31,999
Social Security		102,676
State Retirement		143,899
Employee and Dependent Insurance		5,154
Life Insurance		951
Medical Insurance		170,826
Dental Insurance		1,792
Disability Insurance		3,273
Unemployment Compensation		5,059
Employer Medicare		24,013
Communication		4,150
Data Processing Services		2,958
Dues and Memberships		1,650
Evaluation and Testing		1,476
Operating Lease Payments		5,338
Legal Notices, Recording, and Court Costs		190
Maintenance Agreements		13,993
Maintenance and Repair Services - Equipment		639
Maintenance and Repair Services - Office Equipment		1,515
Maintenance and Repair Services - Vehicles		71,451
Pest Control		352
Postal Charges		1,659
Printing, Stationery, and Forms		2,756
Tow-in Services		618
Travel		9,417
Other Contracted Services		310
Custodial Supplies		6,815
Drugs and Medical Supplies		1,043
Food Supplies		192
Gasoline		113,225
Law Enforcement Supplies		7,087
Office Supplies		11,506
Tires and Tubes		2,162
Uniforms		21,187
Utilities		8,070
Other Supplies and Materials		2,077
Workers' Compensation Insurance		20,119
Liability Claims		500

(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.)

Other Self-Insured Claims	\$	1,855	
Other Charges		1,719	
Data Processing Equipment		363	
Law Enforcement Equipment		23,369	
Total Sheriff's Department			\$ 2,494,902

Jail

Lieutenant(s)	\$	39,661
Sergeant(s)		64,703
Medical Personnel		27,730
Guards		534,157
Clerical Personnel		7,246
Longevity Pay		1,050
Overtime Pay		3,454
In-Service Training		3,618
Social Security		40,603
State Retirement		43,979
Employee and Dependent Insurance		1,194
Life Insurance		133
Medical Insurance		120,216
Dental Insurance		81
Disability Insurance		313
Unemployment Compensation		4,034
Employer Medicare		9,496
Communication		375
Contracts with Private Agencies		235,429
Evaluation and Testing		4,807
Maintenance and Repair Services - Buildings		2,375
Maintenance and Repair Services - Equipment		1,804
Maintenance and Repair Services - Vehicles		83
Pest Control		461
Printing, Stationery, and Forms		1,090
Travel		3,137
Other Contracted Services		2,741
Custodial Supplies		26,341
Drugs and Medical Supplies		49,522
Food Supplies		195,404
Gasoline		78
Law Enforcement Supplies		758
Office Supplies		1,961

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Propane Gas	\$	1,642	
Uniforms		17,964	
Utilities		31,459	
Other Supplies and Materials		11,476	
Medical Claims		161,055	
Workers' Compensation Insurance		11,556	
Other Self-Insured Claims		130	
Other Charges		<u>3,101</u>	
Total Jail			\$ 1,666,417

Workhouse

Accountants/Bookkeepers	\$	4,000	
Guards		14,042	
Social Security		248	
Employer Medicare		58	
Food Supplies		7,758	
Gasoline		4,768	
Tires and Tubes		500	
Other Supplies and Materials		13,770	
Other Charges		<u>4,551</u>	
Total Workhouse			49,695

Work Release Program

Maintenance and Repair Services - Equipment	\$	356	
Maintenance and Repair Services - Vehicles		726	
Food Supplies		1,137	
Gasoline		99	
Lubricants		16	
Other Supplies and Materials		510	
Maintenance Equipment		<u>922</u>	
Total Work Release Program			3,766

Fire Prevention and Control

Contracts with Government Agencies	\$	<u>2,000</u>	
Total Fire Prevention and Control			2,000

Civil Defense

Matching Share	\$	1,373	
Other Contracted Services		2,547	
Other Supplies and Materials		<u>250</u>	
Total Civil Defense			4,170

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

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

Other Emergency Management

Contributions	\$ 284,930	
Total Other Emergency Management		284,930

County Coroner/Medical Examiner

Social Security	\$ 155	
Employer Medicare	36	
Medical and Dental Services	6,500	
Other Contracted Services	5,000	
Total County Coroner/Medical Examiner		11,691

Other Public Safety

Other Supplies and Materials	\$ 7,245	
Other Construction	4,273	
Total Other Public Safety		11,518

Public Health and Welfare

Local Health Center

Secretary(ies)	\$ 42,856
Longevity Pay	400
Social Security	2,593
State Retirement	3,867
Employee and Dependent Insurance	360
Life Insurance	67
Medical Insurance	5,482
Dental Insurance	222
Disability Insurance	335
Unemployment Compensation	216
Employer Medicare	607
Communication	1,062
Dues and Memberships	232
Janitorial Services	10,800
Legal Notices, Recording, and Court Costs	79
Maintenance Agreements	390
Maintenance and Repair Services - Buildings	1,210
Pest Control	538
Printing, Stationery, and Forms	56

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Disposal Fees	\$	1,064	
Food Supplies		184	
Utilities		27,221	
Workers' Compensation Insurance		166	
Total Local Health Center			\$ 100,007

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	41,706
Medical Personnel		539,227
Secretary(ies)		33,731
Part-time Personnel		19,341
Longevity Pay		5,613
Overtime Pay		269,862
In-Service Training		4,071
Social Security		54,559
State Retirement		76,985
Employee and Dependent Insurance		1,122
Life Insurance		205
Medical Insurance		98,585
Dental Insurance		667
Disability Insurance		929
Unemployment Compensation		2,547
Employer Medicare		12,760
Communication		3,098
Contracts with Private Agencies		200
Data Processing Services		7,500
Dues and Memberships		260
Laundry Service		1,150
Licenses		2,263
Maintenance Agreements		380
Maintenance and Repair Services - Buildings		730
Maintenance and Repair Services - Equipment		1,200
Maintenance and Repair Services - Office Equipment		424
Maintenance and Repair Services - Vehicles		47,599
Medical and Dental Services		3,500
Pest Control		370
Postal Charges		4,139
Printing, Stationery, and Forms		2,653
Tow-in Services		85
Travel		741

(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.)

Disposal Fees	\$	392	
Other Contracted Services		5,878	
Custodial Supplies		2,753	
Drugs and Medical Supplies		65,539	
Gasoline		43,821	
Office Supplies		1,588	
Tires and Tubes		5,549	
Uniforms		10,563	
Utilities		15,164	
Other Supplies and Materials		1,771	
Liability Insurance		8,821	
Vehicle and Equipment Insurance		15,544	
Workers' Compensation Insurance		15,503	
Other Self-Insured Claims		165	
Other Charges		239	
Total Ambulance/Emergency Medical Services			\$ 1,431,492

Regional Mental Health Center

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

Appropriation to State

Other Salaries and Wages	\$	112,400	
Contracts with Government Agencies		30,000	
Travel		4,187	
Other Charges		1,777	
Total Appropriation to State			148,364

Aid to Dependent Children

Contracts with Government Agencies	\$	8,000	
Total Aid to Dependent Children			8,000

Other Public Health and Welfare

Dues and Memberships	\$	9,117	
Other Contracted Services		26,136	
Total Other Public Health and Welfare			35,253

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	2,500	
Total Senior Citizens Assistance			2,500

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	77,907	
Secretary(ies)		12,120	
Board and Committee Members Fees		75	
Social Security		992	
State Retirement		243	
Unemployment Compensation		164	
Employer Medicare		232	
Communication		806	
Data Processing Services		984	
Dues and Memberships		320	
Maintenance Agreements		418	
Maintenance and Repair Services - Vehicles		46	
Pest Control		216	
Travel		445	
Disposal Fees		500	
Gasoline		402	
Instructional Supplies and Materials		2,000	
Utilities		8,271	
Other Supplies and Materials		71	
Workers' Compensation Insurance		194	
Total Agriculture Extension Service			\$ 106,406

Soil Conservation

Salary Supplements	\$	25,978	
Longevity Pay		400	
Overtime Pay		687	
Social Security		1,325	
State Retirement		1,307	
Medical Insurance		4,589	
Unemployment Compensation		108	
Employer Medicare		310	
Dues and Memberships		1,065	
Postal Charges		302	
Travel		2,343	
Office Supplies		641	
Workers' Compensation Insurance		83	
Other Charges		654	
Total Soil Conservation			39,792

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Other Agriculture and Natural Resources

Advertising	\$ 13,179	
Total Other Agriculture and Natural Resources		\$ 13,179

Other Operations

Tourism

Contributions	\$ 34,200	
Dues and Memberships	500	
Total Tourism		34,700

Industrial Development

Contributions	\$ 160,000	
Total Industrial Development		160,000

Airport

Contributions	\$ 60,000	
Total Airport		60,000

Veterans' Services

Supervisor/Director	\$ 26,971
Secretary(ies)	24,688
Social Security	3,065
State Retirement	4,618
Employee and Dependent Insurance	150
Life Insurance	67
Medical Insurance	5,482
Dental Insurance	222
Disability Insurance	261
Unemployment Compensation	213
Employer Medicare	717
Communication	924
Dues and Memberships	25
Maintenance Agreements	450
Maintenance and Repair Services - Vehicles	1,344
Pest Control	216
Postal Charges	390
Printing, Stationery, and Forms	148
Travel	1,583
Disposal Fees	500
Gasoline	2,702
Office Supplies	310

(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.)

Utilities	\$	2,622	
Other Supplies and Materials		2,386	
Workers' Compensation Insurance		166	
Office Equipment		3,695	
Total Veterans' Services			\$ 83,915

Other Charges

Contracts with Private Agencies	\$	25,018	
Data Processing Services		19,476	
Legal Services		20,985	
Legal Notices, Recording, and Court Costs		531	
Postal Charges		3,415	
Other Supplies and Materials		477	
Building and Contents Insurance		52,101	
Liability Insurance		90,339	
Trustee's Commission		156,656	
Vehicle and Equipment Insurance		17,170	
Liability Claims		2,500	
Other Self-Insured Claims		25,165	
Other Charges		9,600	
Other Capital Outlay		3,641	
Total Other Charges			\$ 427,074

Total General Fund \$ 10,268,098

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Architects	\$	7,106	
Maintenance and Repair Services - Buildings		2,288	
Trustee's Commission		108	
Other Equipment		9,999	
Total Other Charges			\$ 19,501

Total Courthouse and Jail Maintenance Fund 19,501

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Supervisor/Director	\$	38,649	
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(Continued)

Exhibit J-8

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Deputy(ies)	\$	26,781	
Librarians		57,656	
Part-time Personnel		25,573	
Longevity Pay		3,500	
Social Security		9,002	
State Retirement		12,927	
Medical Insurance		27,043	
Unemployment Compensation		767	
Employer Medicare		2,105	
Communication		59	
Data Processing Services		970	
Dues and Memberships		487	
Janitorial Services		6,100	
Maintenance Agreements		1,825	
Maintenance and Repair Services - Buildings		3,751	
Postal Charges		2,842	
Printing, Stationery, and Forms		378	
Travel		104	
Disposal Fees		100	
Other Contracted Services		45	
Custodial Supplies		868	
Instructional Supplies and Materials		1,416	
Library Books/Media		16,928	
Office Supplies		3,130	
Periodicals		4,363	
Utilities		23,242	
Other Supplies and Materials		25	
Building and Contents Insurance		5,415	
Liability Insurance		1,293	
Refunds		117	
Trustee's Commission		127	
Workers' Compensation Insurance		599	
Data Processing Equipment		1,595	
Office Equipment		4,560	
Total Libraries		<u>284,342</u>	\$ 284,342
Total Public Library Fund			\$ 284,342

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

County Official/Administrative Officer	\$	10,000
Deputy(ies)		19,737
Salary Supplements		39,760
Laborers		240,667
Secretary(ies)		42,498
Clerical Personnel		37,020
Part-time Personnel		16,711
Longevity Pay		1,200
Overtime Pay		4,280
In-Service Training		2,446
Social Security		20,914
State Retirement		24,456
Employee and Dependent Insurance		586
Life Insurance		92
Medical Insurance		58,309
Dental Insurance		519
Disability Insurance		578
Unemployment Compensation		4,574
Employer Medicare		4,891
Communication		2,145
Contracts with Private Agencies		818,773
Data Processing Services		1,405
Dues and Memberships		171
Engineering Services		5,550
Legal Services		10,000
Legal Notices, Recording, and Court Costs		724
Licenses		26
Maintenance and Repair Services - Buildings		4,997
Maintenance and Repair Services - Equipment		5,326
Maintenance and Repair Services - Office Equipment		625
Maintenance and Repair Services - Vehicles		5,707
Pest Control		324
Postal Charges		12,786
Printing, Stationery, and Forms		2,335
Travel		2,948
Brokerage Fees - Recyclables		69,913
Permits		1,075
Other Contracted Services		850
Crushed Stone		750
Custodial Supplies		2,051

(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.)

Diesel Fuel	\$	8,663	
Food Supplies		6,400	
Garage Supplies		22,469	
Gasoline		3,492	
Lubricants		236	
Office Supplies		2,973	
Propane Gas		4,928	
Small Tools		933	
Uniforms		3,630	
Utilities		47,208	
Wire		5,624	
Other Supplies and Materials		3,786	
Building and Contents Insurance		2,519	
Liability Insurance		1,362	
Refunds		1,098	
Trustee's Commission		13,323	
Vehicle and Equipment Insurance		981	
Workers' Compensation Insurance		8,313	
Other Self-Insured Claims		760	
Other Charges		109	
Building Construction		12,971	
Data Processing Equipment		1,615	
Furniture and Fixtures		1,410	
Office Equipment		1,826	
Total Landfill Operation and Maintenance			\$ 1,634,348
Total Solid Waste/Sanitation Fund			\$ 1,634,348

Industrial/Economic Development Fund

Capital Projects

General Administration Projects

Legal Notices, Recording, and Court Costs	\$	262	
Total General Administration Projects			\$ 262

Public Safety Projects

Contributions	\$	18,110	
Total Public Safety Projects			18,110

Public Utility Projects

Contracts with Private Agencies	\$	5,000	
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(Continued)

Exhibit J-8

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

Industrial/Economic Development Fund (Cont.)

Capital Projects (Cont.)

Public Utility Projects (Cont.)

Contributions	\$ 146,550	
Total Public Utility Projects		\$ 151,550

Other General Government Projects

Contributions	\$ 650,815	
Total Other General Government Projects		<u>650,815</u>

Total Industrial/Economic Development Fund		\$ 820,737
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Drug Control Fund

Public Safety

Drug Enforcement

In-Service Training	\$ 6,200	
Communication	4,822	
Contracts with Private Agencies	5,415	
Confidential Drug Enforcement Payments	30,000	
Dues and Memberships	380	
Maintenance and Repair Services - Buildings	760	
Maintenance and Repair Services - Equipment	439	
Maintenance and Repair Services - Vehicles	11,151	
Travel	6,310	
Veterinary Services	1,085	
Food Supplies	274	
Gasoline	548	
Law Enforcement Supplies	2,788	
Office Supplies	847	
Tires and Tubes	950	
Uniforms	6,293	
Other Supplies and Materials	379	
Trustee's Commission	1,447	
Other Charges	5,608	
Data Processing Equipment	2,407	
Law Enforcement Equipment	688	
Motor Vehicles	<u>65,368</u>	
Total Drug Enforcement		<u>\$ 154,159</u>

Total Drug Control Fund		154,159
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(Continued)

Exhibit J-8

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

District Attorney General Fund

Administration of Justice

District Attorney General

Secretary(ies)	\$	17,702	
Dues and Memberships		345	
Travel		792	
Office Supplies		328	
Periodicals		111	
Trustee's Commission		368	
In Service/Staff Development		1,274	
Other Charges		2,684	
Office Equipment		<u>727</u>	
Total District Attorney General			\$ <u>24,331</u>

Total District Attorney General Fund \$ 24,331

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	<u>158,262</u>	
Total Register of Deeds			\$ 158,262

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	<u>183,830</u>	
Total County Trustee's Office			183,830

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	<u>268,211</u>	
Total County Clerk's Office			268,211

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	<u>57</u>	
Total Chancery Court			<u>57</u>

Total Constitutional Officers - Fees Fund 610,360

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	70,350	
Accountants/Bookkeepers		56,630	

(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.)

Longevity Pay	\$	1,050	
Social Security		7,968	
State Retirement		11,301	
Employee and Dependent Insurance		1,080	
Life Insurance		202	
Dental Insurance		667	
Unemployment Compensation		588	
Employer Medicare		1,863	
Communication		10,250	
Contracts with Private Agencies		229	
Dues and Memberships		4,261	
Legal Notices, Recording, and Court Costs		423	
Maintenance Agreements		528	
Postal Charges		126	
Travel		231	
Disposal Fees		288	
Custodial Supplies		309	
Office Supplies		1,036	
Utilities		13,261	
Workers' Compensation Insurance		432	
Other Charges		992	
Office Equipment		718	
Total Administration			\$ 184,783

Highway and Bridge Maintenance

Foremen	\$	186,155
Equipment Operators		260,389
Equipment Operators - Light		161,315
Truck Drivers		243,290
Laborers		41,693
Longevity Pay		14,850
Social Security		54,601
State Retirement		78,463
Employee and Dependent Insurance		2,119
Life Insurance		398
Medical Insurance		138,593
Dental Insurance		1,204
Disability Insurance		1,615
Unemployment Compensation		8,102
Employer Medicare		12,770

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Rentals	\$	19,680	
Asphalt		577,407	
Asphalt - Cold Mix		26,068	
Concrete		27,013	
Crushed Stone		273,297	
Pipe - Metal		95,952	
Road Signs		25,130	
Wood Products		1,764	
Gravel and Chert		2,860	
Workers' Compensation Insurance		21,960	
Other Self-Insured Claims		130	
Other Charges		4,919	
Total Highway and Bridge Maintenance			\$ 2,281,737

Operation and Maintenance of Equipment

Mechanic(s)	\$	193,561	
Longevity Pay		3,600	
Social Security		11,858	
State Retirement		19,615	
Employee and Dependent Insurance		351	
Life Insurance		67	
Medical Insurance		27,410	
Disability Insurance		261	
Unemployment Compensation		1,610	
Employer Medicare		2,773	
Maintenance and Repair Services - Equipment		120,581	
Diesel Fuel		124,579	
Garage Supplies		3,131	
Gasoline		22,499	
Lubricants		11,965	
Tires and Tubes		26,124	
Workers' Compensation Insurance		4,514	
Other Charges		10,583	
Total Operation and Maintenance of Equipment			585,082

Other Charges

Building and Contents Insurance	\$	4,487	
Liability Insurance		10,850	
Trustee's Commission		47,432	
Vehicle and Equipment Insurance		7,849	

(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 Claims	\$ 500	
Other Charges	1,251	
Total Other Charges	<u>1,751</u>	\$ 72,369

Capital Outlay

Engineering Services	\$ 14,006	
Highway Construction	361,648	
Highway Equipment	74,249	
Other Construction	302,737	
Total Capital Outlay	<u>752,640</u>	<u>752,640</u>

Total Highway/Public Works Fund \$ 3,876,611

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,012,000	
Principal on Notes	540,000	
Total General Government	<u>1,552,000</u>	\$ 1,552,000

Highways and Streets

Principal on Bonds	\$ 53,000	
Principal on Notes	305,000	
Total Highways and Streets	<u>358,000</u>	358,000

Education

Principal on Bonds	\$ 1,865,000	
Total Education	<u>1,865,000</u>	1,865,000

Interest on Debt

General Government

Interest on Bonds	\$ 978,998	
Interest on Notes	130,637	
Total General Government	<u>1,109,635</u>	1,109,635

Highways and Streets

Interest on Bonds	\$ 74,971	
Interest on Notes	21,646	
Total Highways and Streets	<u>96,617</u>	96,617

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

Interest on Bonds	\$ 981,783	
Total Education		\$ 981,783

Other Debt Service

General Government

Trustee's Commission	\$ 69,330	
Other Debt Service	2,748	
Total General Government		72,078

Highways and Streets

Other Debt Service	\$ 500	
Total Highways and Streets		500

Education

Other Debt Service	\$ 500	
Total Education		500

Total General Debt Service Fund		\$ 6,036,113
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General Capital Projects Fund

Capital Projects

General Administration Projects

Architects	\$ 20,281	
Building Construction	567,850	
Communication Equipment	94,418	
Data Processing Equipment	18,177	
Furniture and Fixtures	3,420	
Office Equipment	3,819	
Other Equipment	29,237	
Other Capital Outlay	40,717	
Total General Administration Projects		\$ 777,919

Public Safety Projects

Architects	\$ 201,189	
Building Construction	8,586,782	
Data Processing Equipment	4,079	
Other Capital Outlay	13,405	
Total Public Safety Projects		8,805,455

(Continued)

Exhibit J-8

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Public Health and Welfare Projects</u>			
Architects	\$ 3,092		
Total Public Health and Welfare Projects	<u>3,092</u>	\$ 3,092	
Total General Capital Projects Fund			\$ 9,586,466
<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Building Construction	\$ 34,584		
Total Highway and Street Capital Projects	<u>34,584</u>	\$ 34,584	
Total Highway Capital Projects Fund			34,584
<u>Homeland Security Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Charges	\$ 138,746		
Total Public Safety Projects	<u>138,746</u>	\$ 138,746	
Total Homeland Security Capital Projects Fund			<u>138,746</u>
Total Governmental Funds - Primary Government			<u>\$ 33,488,396</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, 2009

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 14,585,900	
Career Ladder Program	205,160	
Career Ladder Extended Contracts	65,497	
Homebound Teachers	16,335	
Educational Assistants	697,987	
Certified Substitute Teachers	21,804	
Non-certified Substitute Teachers	150,339	
Social Security	930,280	
State Retirement	1,009,491	
Medical Insurance	2,358,071	
Unemployment Compensation	11,572	
Employer Medicare	218,612	
Maintenance and Repair Services - Equipment	611	
Instructional Supplies and Materials	208,068	
Textbooks	403,944	
Other Supplies and Materials	30,397	
Regular Instruction Equipment	370,232	
Total Regular Instruction Program		\$ 21,284,300

Alternative Instruction Program

Teachers	\$ 123,128	
Educational Assistants	12,732	
Certified Substitute Teachers	46	
Non-certified Substitute Teachers	1,012	
Social Security	8,122	
State Retirement	9,012	
Medical Insurance	13,540	
Employer Medicare	1,900	
Other Supplies and Materials	42,774	
Total Alternative Instruction Program		212,266

Special Education Program

Teachers	\$ 1,312,087	
Career Ladder Program	21,000	
Career Ladder Extended Contracts	14,007	
Homebound Teachers	44,490	
Educational Assistants	182,504	
Speech Pathologist	248,474	
Certified Substitute Teachers	1,909	

(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.)

Non-certified Substitute Teachers	\$	13,708	
Social Security		107,058	
State Retirement		118,524	
Medical Insurance		294,142	
Employer Medicare		25,395	
Contracts with Private Agencies		31,100	
Instructional Supplies and Materials		14,951	
Total Special Education Program			\$ 2,429,349

Vocational Education Program

Teachers	\$	1,480,095	
Career Ladder Program		18,000	
Career Ladder Extended Contracts		5,121	
Certified Substitute Teachers		276	
Non-certified Substitute Teachers		23,021	
Social Security		89,637	
State Retirement		95,974	
Medical Insurance		239,708	
Employer Medicare		20,964	
Contracts with Other School Systems		158,500	
Maintenance and Repair Services - Equipment		2,662	
Other Contracted Services		15,272	
Instructional Supplies and Materials		48,460	
Textbooks		5,475	
Other Supplies and Materials		252	
Other Charges		545	
Vocational Instruction Equipment		2,093	
Total Vocational Education Program			2,206,055

Adult Education Program

Teachers	\$	53,579	
Other Salaries and Wages		3,529	
Social Security		2,981	
State Retirement		3,056	
Employer Medicare		827	
Maintenance and Repair Services - Equipment		384	
Instructional Supplies and Materials		3,076	
Other Equipment		2,509	
Total Adult Education Program			69,941

(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

Attendance

Supervisor/Director	\$	59,340	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		6,000	
Social Security		4,058	
State Retirement		4,387	
Medical Insurance		12,286	
Employer Medicare		949	
Other Contracted Services		9,266	
Total Attendance			\$ 99,286

Health Services

Medical Personnel	\$	219,272	
Social Security		11,959	
State Retirement		10,746	
Medical Insurance		68,818	
Employer Medicare		2,814	
Travel		972	
Drugs and Medical Supplies		4,261	
Other Supplies and Materials		335	
Other Charges		2,012	
Total Health Services			321,189

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		644,599	
Social Workers		16,440	
Secretary(ies)		13,573	
Clerical Personnel		28,292	
Other Salaries and Wages		54,170	
Social Security		45,271	
State Retirement		47,098	
Medical Insurance		95,677	
Employer Medicare		10,588	
Evaluation and Testing		40,022	
Maintenance and Repair Services - Equipment		1,303	
Postal Charges		1,100	
Travel		5,412	
Other Contracted Services		3,413	
Other Supplies and Materials		10,070	

(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.)

Other Charges	\$	6,511	
Other Equipment		<u>2,000</u>	
Total Other Student Support			\$ 1,027,539

Regular Instruction Program

Supervisor/Director	\$	188,435	
Career Ladder Program		21,400	
Career Ladder Extended Contracts		11,591	
Librarians		575,704	
Instructional Computer Personnel		50,612	
Other Salaries and Wages		28,220	
Social Security		52,209	
State Retirement		56,756	
Medical Insurance		128,552	
Employer Medicare		12,210	
Travel		16,875	
Other Contracted Services		42,208	
Other Supplies and Materials		7,583	
In Service/Staff Development		<u>8,119</u>	
Total Regular Instruction Program			1,200,474

Alternative Instruction Program

Postal Charges	\$	1,000	
Travel		1,463	
Other Contracted Services		15,400	
Other Supplies and Materials		145	
In Service/Staff Development		4,994	
Other Charges		<u>737</u>	
Total Alternative Instruction Program			23,739

Special Education Program

Supervisor/Director	\$	55,530	
Career Ladder Program		2,100	
Psychological Personnel		42,302	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		20,830	
Other Salaries and Wages		41,828	
Social Security		9,253	
State Retirement		8,295	

(Continued)

Exhibit J-9

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

<u>General Purpose School Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Special Education Program (Cont.)</u>		
Medical Insurance	\$	20,852
Employer Medicare		2,164
Travel		10,048
Other Supplies and Materials		1,193
In Service/Staff Development		584
Other Charges		1,233
Total Special Education Program		<u>218,212</u>
	\$	218,212
<u>Vocational Education Program</u>		
Supervisor/Director	\$	60,526
Career Ladder Program		3,000
Career Ladder Extended Contracts		2,000
Social Security		4,063
State Retirement		4,207
Medical Insurance		5,527
Employer Medicare		950
Travel		27,630
In Service/Staff Development		50
Total Vocational Education Program		<u>107,953</u>
		107,953
<u>Adult Programs</u>		
Supervisor/Director	\$	4,996
Clerical Personnel		2,000
Other Salaries and Wages		67,015
Social Security		4,453
State Retirement		6,474
Medical Insurance		9,201
Employer Medicare		1,041
Other Supplies and Materials		499
In Service/Staff Development		3,042
Other Equipment		4,000
Total Adult Programs		<u>102,721</u>
		102,721
<u>Other Programs</u>		
On-Behalf Payments to OPEB	\$	174,588
Total Other Programs		<u>174,588</u>
		174,588
<u>Board of Education</u>		
Secretary to Board	\$	2,400

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Board and Committee Members Fees	\$	21,600	
Social Security		1,364	
State Retirement		858	
Medical Insurance		190,783	
Employer Medicare		348	
Audit Services		14,500	
Dues and Memberships		13,312	
Legal Services		33,013	
Travel		2,493	
Other Contracted Services		5,770	
Other Supplies and Materials		13	
Liability Insurance		45,653	
Trustee's Commission		232,741	
Workers' Compensation Insurance		205,377	
Other Charges		4,992	
Total Board of Education			\$ 775,217

Director of Schools

County Official/Administrative Officer	\$	93,033	
Secretary(ies)		71,206	
Social Security		10,087	
State Retirement		12,339	
Medical Insurance		17,201	
Employer Medicare		2,359	
Communication		50,274	
Dues and Memberships		5,970	
Maintenance and Repair Services - Equipment		4,778	
Postal Charges		4,861	
Travel		5,498	
Office Supplies		6,975	
Other Supplies and Materials		6,309	
Other Charges		150	
Total Director of Schools			291,040

Office of the Principal

Principals	\$	671,322	
Career Ladder Program		24,000	
Career Ladder Extended Contracts		16,272	
Assistant Principals		649,684	

(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)	\$	426,753	
Social Security		108,045	
State Retirement		125,537	
Medical Insurance		248,543	
Employer Medicare		25,269	
Dues and Memberships		5,900	
Postal Charges		2,400	
Other Contracted Services		5,041	
Other Supplies and Materials		16,852	
Other Charges		2,677	
Total Office of the Principal			\$ 2,328,295

Fiscal Services

Supervisor/Director	\$	48,860	
Accountants/Bookkeepers		87,606	
Social Security		8,374	
State Retirement		12,200	
Medical Insurance		18,234	
Employer Medicare		1,958	
Data Processing Services		15,111	
Maintenance and Repair Services - Equipment		3,082	
Travel		1,028	
Data Processing Supplies		1,242	
Administration Equipment		3,801	
Total Fiscal Services			201,496

Operation of Plant

Custodial Personnel	\$	616,371	
Other Salaries and Wages		135,521	
Social Security		44,997	
State Retirement		62,181	
Medical Insurance		147,382	
Unemployment Compensation		1,156	
Employer Medicare		10,523	
Laundry Service		11,523	
Disposal Fees		35,288	
Other Contracted Services		65,118	
Coal		1,189	
Custodial Supplies		82,646	

(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.)

Electricity	\$	1,332,215	
Natural Gas		327,259	
Water and Sewer		207,253	
Other Supplies and Materials		2,925	
Boiler Insurance		7,126	
Building and Contents Insurance		130,834	
Plant Operation Equipment		<u>2,215</u>	
Total Operation of Plant	\$		3,223,722

Maintenance of Plant

Supervisor/Director	\$	36,275	
Other Salaries and Wages		145,335	
Social Security		10,932	
State Retirement		16,236	
Medical Insurance		34,052	
Employer Medicare		2,557	
Laundry Service		2,046	
Maintenance and Repair Services - Buildings		77,232	
Maintenance and Repair Services - Equipment		28,891	
Maintenance and Repair Services - Vehicles		452	
Travel		2,128	
Other Contracted Services		39,853	
Other Supplies and Materials		192,660	
Other Charges		314	
Administration Equipment		<u>39,296</u>	
Total Maintenance of Plant			628,259

Transportation

Supervisor/Director	\$	46,122	
Mechanic(s)		152,314	
Bus Drivers		799,337	
Clerical Personnel		21,580	
Social Security		60,011	
State Retirement		80,343	
Medical Insurance		273,345	
Employer Medicare		14,047	
Communication		4,303	
Laundry Service		2,280	
Maintenance and Repair Services - Equipment		88	

(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.)

Maintenance and Repair Services - Vehicles	\$	2,493	
Medical and Dental Services		7,511	
Travel		16,250	
Diesel Fuel		228,070	
Gasoline		26,447	
Lubricants		10,077	
Tires and Tubes		53,714	
Vehicle Parts		84,539	
Other Supplies and Materials		11,018	
Vehicle and Equipment Insurance		40,086	
Other Charges		177	
Transportation Equipment		<u>371,214</u>	
Total Transportation			\$ 2,305,366

Central and Other

Other Salaries and Wages	\$	29,535	
Social Security		1,831	
State Retirement		2,640	
Medical Insurance		4,559	
Employer Medicare		428	
Other Contracted Services		41,471	
Other Supplies and Materials		<u>14,798</u>	
Total Central and Other			95,262

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	70,424	
Social Security		4,280	
State Retirement		1,848	
Employer Medicare		1,001	
Other Contracted Services		11,050	
Food Supplies		718	
Other Supplies and Materials		1,383	
In Service/Staff Development		<u>1,418</u>	
Total Community Services			92,122

Early Childhood Education

Teachers	\$	489,131	
Educational Assistants		177,762	

(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 (Cont.)

Certified Substitute Teachers	\$	414	
Non-certified Substitute Teachers		10,327	
Social Security		39,974	
State Retirement		43,240	
Medical Insurance		123,550	
Employer Medicare		9,349	
Communication		1,460	
Maintenance and Repair Services - Equipment		721	
Postal Charges		600	
Travel		3,357	
Other Contracted Services		37,163	
Other Supplies and Materials		108,960	
Other Charges		24,897	
Regular Instruction Equipment		16,542	
Other Equipment		6,828	
Total Early Childhood Education			\$ 1,094,275

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	62,089	
Social Security		3,850	
State Retirement		3,986	
Medical Insurance		5,065	
Employer Medicare		900	
Other Contracted Services		9,125	
Building Improvements		308,333	
Total Regular Capital Outlay			393,348

Other Debt Service

Education

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

Total General Purpose School Fund \$ 41,206,014

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	994,148	
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(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Educational Assistants	\$	187,092	
Certified Substitute Teachers		3,013	
Non-certified Substitute Teachers		11,040	
Social Security		71,525	
State Retirement		76,952	
Medical Insurance		174,287	
Employer Medicare		16,731	
Other Contracted Services		2,000	
Instructional Supplies and Materials		11,130	
Other Supplies and Materials		67,058	
Other Charges		20,005	
Regular Instruction Equipment		94,936	
Total Regular Instruction Program			\$ 1,729,917

Alternative Instruction Program

Educational Assistants	\$	12,732	
Social Security		734	
State Retirement		1,138	
Medical Insurance		4,559	
Employer Medicare		172	
Total Alternative Instruction Program			19,335

Special Education Program

Teachers	\$	48,793	
Educational Assistants		701,336	
Certified Substitute Teachers		2,438	
Non-certified Substitute Teachers		19,642	
Social Security		45,822	
State Retirement		60,073	
Medical Insurance		119,236	
Employer Medicare		10,719	
Contracts with Other School Systems		19,700	
Contracts with Private Agencies		2,600	
Maintenance and Repair Services - Equipment		242	
Other Contracted Services		155,080	
Other Supplies and Materials		4,910	
Total Special Education Program			1,190,591

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Other Supplies and Materials	\$	17,654	
Other Charges		979	
Vocational Instruction Equipment		85,985	
Total Vocational Education Program			\$ 104,618

Support Services

Other Student Support

Social Workers	\$	49,054	
Social Security		3,041	
State Retirement		3,149	
Medical Insurance		5,065	
Employer Medicare		711	
Travel		15,749	
In Service/Staff Development		6,667	
Other Charges		2,477	
Total Other Student Support			85,913

Regular Instruction Program

Supervisor/Director	\$	60,526	
Other Salaries and Wages		17,632	
In-Service Training		14,461	
Social Security		5,313	
State Retirement		5,948	
Medical Insurance		9,247	
Employer Medicare		1,243	
Travel		1,892	
Other Supplies and Materials		4,361	
In Service/Staff Development		82,446	
Other Charges		11,607	
Total Regular Instruction Program			214,676

Special Education Program

Supervisor/Director	\$	4,996	
Psychological Personnel		50,337	
Assessment Personnel		46,689	
Clerical Personnel		21,580	
Social Security		7,001	
State Retirement		8,479	
Medical Insurance		23,052	

(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.)

Special Education Program (Cont.)

Employer Medicare	\$	1,637	
Travel		6,225	
Other Contracted Services		29,179	
Other Supplies and Materials		32,799	
In Service/Staff Development		2,910	
Total Special Education Program			\$ 234,884

Transportation

Other Salaries and Wages	\$	5,707	
Social Security		338	
State Retirement		510	
Medical Insurance		785	
Employer Medicare		79	
Contracts with Parents		6,835	
Total Transportation			14,254

Total School Federal Projects Fund \$ 3,594,188

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	43,189	
Accountants/Bookkeepers		28,586	
Clerical Personnel		22,046	
Cafeteria Personnel		1,206,537	
Social Security		77,768	
State Retirement		78,694	
Medical Insurance		174,490	
Unemployment Compensation		684	
Employer Medicare		18,157	
Maintenance and Repair Services - Equipment		45,927	
Transportation - Other than Students		29,858	
Travel		4,971	
Other Contracted Services		40,701	
Food Preparation Supplies		5,964	
Food Supplies		1,534,667	
Office Supplies		3,750	
Utilities		12,906	
Other Supplies and Materials		126,414	

(Continued)

Exhibit J-9

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
In Service/Staff Development	\$ 3,282	
Other Charges	1,920	
Food Service Equipment	20,876	
Total Food Service		\$ 3,481,387
Total Central Cafeteria Fund		\$ 3,481,387
<u>Extended School Program Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Community Services</u>		
Other Salaries and Wages	\$ 128,298	
Social Security	7,901	
State Retirement	8,934	
Employer Medicare	1,858	
Other Supplies and Materials	14,864	
Trustee's Commission	1,659	
In Service/Staff Development	431	
Other Charges	1,000	
Other Equipment	1,000	
Total Community Services		\$ 165,945
Total Extended School Program Fund		165,945
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Building Improvements	\$ 461,726	
Total Education Capital Projects		\$ 461,726
Total Education Capital Projects Fund		461,726
Total Governmental Funds - Lawrence County School Department		\$ 48,909,260

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, 2009

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 4,031,490
Total Cash Receipts	<u>\$ 4,031,490</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,991,175
Trustee's Commission	<u>40,315</u>
Total Cash Disbursements	<u>\$ 4,031,490</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2008	<u>0</u>
Cash Balance, June 30, 2009	<u><u>\$ 0</u></u>

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SINGLE AUDIT SECTION

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

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

January 28, 2010

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, 2009, which collectively comprise Lawrence County's basic financial statements and have issued our report thereon dated January 28, 2010. 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, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.01, 09.04, and 09.05.

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. However, of the significant deficiencies described above, we consider item 09.01 to be a material weakness.

Compliance and Other Matters

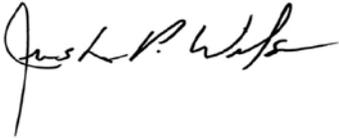
As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 09.02, 09.03, and 09.06.

We also noted certain matters that we reported to management of Lawrence County in separate communications.

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

This report is intended solely for the information and use of management, the county executive, director of schools, road 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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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

January 28, 2010

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, 2009. 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, 2009.

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

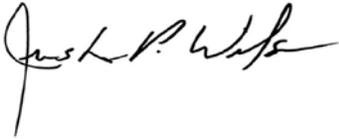
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2009, and have issued our report thereon dated January 28, 2010. 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 response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Lawrence County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the county executive, director of schools, road 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, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a prominent vertical line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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Lawrence County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

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:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 279,526 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	552,780
National School Lunch Program	10.555	N/A	<u>1,507,970 (3)</u>
Total U.S. Department of Agriculture			<u>\$ 2,340,276</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-09-27583-00	<u>\$ 15,000</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 15,000</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
WIA Youth Activities	17.259	(2)	<u>\$ 46,033</u>
Total U.S. Department of Labor			<u>\$ 46,033</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	Z-09-213482-00	\$ 116,822
Passed-through State Department of Education:			
Title I Grant to Local Educational Agencies	84.010	N/A	1,484,693
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,411,562
Special Education - Preschool Grants	84.173	N/A	47,500
Career and Technical Education - Basic Grants to States	84.048	N/A	127,035
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	23,341
State Grants for Innovative Programs	84.298	N/A	57,722
Education Technology State Grants	84.318	(2)	23,784
Rural Education	84.358	(2)	124,861
English Language Acquisition Grants	84.365	N/A	4,429
Improving Teacher Quality State Grants	84.367	N/A	<u>319,696</u>
Total U.S. Department of Education			<u>\$ 3,741,445</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Child Support Enforcement	93.563	GG-09-25251-00	<u>\$ 33,733</u>
Total U.S. Department of Health and Human Services			<u>\$ 33,733</u>
U.S. Department of Homeland Security:			
Direct Program:			
Emergency Food and Shelter National Board Program	97.024	N/A	\$ 11,050
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	GG-08-24219-00	<u>138,746</u>
Total U.S. Department of Homeland Security			<u>\$ 149,796</u>
Total Expenditures of Federal Awards			<u>\$ 6,326,283</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	Contract Number	Expenditures
<u>State Grants</u>			
Adult Education - State Department of Labor and Workforce Development	N/A	(4)	\$ 47,897
Coordinated School Health - State Department of Health	N/A	(2)	152,177
Early Childhood Education - State Department of Education	N/A	(2)	1,040,235
Family Resource Center - State Department of Education	N/A	(2)	49,685
Farmers Market Grant Program - State Department of Agriculture	N/A	(5)	12,814
Gates Library Computer Grants - Tennessee Secretary of State	N/A	Z-09-217842-00	500
Health Department Programs - State Department of Health	N/A	Z-09-213744-00	109,269
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(6)	9,300
Litter Grant - State Department of Transportation	N/A	Z-09-212768-00	42,398
Lottery for Education Afterschool Program - State Department of Education	N/A	(2)	80,902
Safe Schools Act 2003 - State Department of Education	N/A	(2)	39,000
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	14,553
FastTrack Industrial Development Program - State Department of Economic and Community Development	N/A	GG-08-24881-00	650,815
Waste Tire Grant - State Department of Environment and Conservation	N/A	(7)	<u>43,262</u>
Total State Grants			<u>\$ 2,292,807</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) - Total for CFDA No. 10.555 is \$1,787,496.
- (4) - Z-09-216879-00: \$8,956; Z-09-213482-00: \$38,941.
- (5) - Z-08-201323-00: \$3,353; Z-09-026677-00: \$9,461.
- (6) - Z-08-023315-00: \$300; Z-09-022874-00: \$9,000.
- (7) - Z-03-011325-00: \$3,062; Z-08-212962-02: \$40,200.

Lawrence County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

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, 2008, 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>
08.02	210	Circuit, General Sessions, and Juvenile courts did not prepare execution docket trial balances

OFFICE OF REGISTER

08.04	211	The office did not review software audit logs
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OFFICE OF SHERIFF

08.05(C)	211-212	Collections were not deposited within three days
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LAWRENCE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

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 significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Lawrence County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An 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. Title I Grants to Local Educational Agencies (CFDA No. 84.010), and Improving Teacher Quality State Grants (CFDA No. 84.367) 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 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 response of the director of accounts and budgets is paraphrased in this report.

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 09.01 **AMBULANCE SERVICE RECEIVABLES WERE NOT BILLED TIMELY**
(Internal Control – Material Weakness Under Government Auditing Standards)

The Ambulance Service had numerous charges for services that were not submitted to insurance companies for payment within the allowable billing period. Sound business practices dictate that requests for payments should be filed timely. These delays resulted in accounts receivable totaling \$249,259 being written-off. This loss of county revenue resulted from a lack of management oversight.

RECOMMENDATION

Management should ensure that Ambulance Service charges are billed timely.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

This finding has been corrected through the following actions:

The Ambulance Service has historically had operating deficiencies due to poor management. Additionally, management was not knowledgeable in the billing process or procedures. On July 20, 2009, the county executive appointed a new Ambulance Service director to aggressively address these issues. In addition to this management change, the county executive also charged the director of accounts and budgets with the responsibility of Ambulance Service billing in May 2009. This change combined various resources to allow for a more structured and efficient billing process. The director of accounts and budgets developed ambulance service billing policies and procedures, which the County Commission approved on January 26, 2010. These policies specifically address timely billing as well as other critical billing policies.

DIRECTOR OF SCHOOLS

FINDING 09.02 **THE SCHOOL DEPARTMENT HAD SEVERAL BUDGET DEFICIENCIES**

(Noncompliance Under Government Auditing Standards)

The original budget posted to the General Purpose School Fund varied from the budget that was submitted and approved by the Board of Education and the County Commission. Also, during the year, several budget amendments were posted to the General Purpose School Fund that had not been submitted to or approved by the Board of Education and the County Commission. Section 5-9-407, Tennessee Code Annotated (TCA), requires the approval of the Board of Education and the County Commission for budget amendments that affect a major category. The budget reflected in the financial statements of this report is the one that was approved by the Board of Education and the County Commission. Budget amendments that were not properly approved have not been recognized in the financial statements of this report. When these amendments were disallowed, expenditures exceeded appropriations approved by the Board of Education and the County Commission in the following major categories:

<u>Major Category</u>	<u>Amount Overspent</u>
Instruction	
Alternative Instruction Program	\$ 68,065
Adult Education Program	4,624
Support Services	
Attendance	1,362
Other Student Support	105,171
Alternative Instruction Program	5,746
Office of the Principal	105,204
Operation of Non-Instructional Services	
Community Services	6,987
Early Childhood Education	12,585

Additionally, General Purpose School Fund expenditures exceeded appropriations in 25 personal services accounts ranging from \$62 to \$101,726.

Section 5-9-401, TCA, states that “all funds ... including, but not limited to ... taxes, county aid funds, federal funds, and fines, which are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” Additionally, the budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

These deficiencies existed because management failed to: 1) properly record the original budget as approved by the Board of Education and the County Commission, 2) present subsequent budget amendments for approval by the Board of Education and the County

Commission, and 3) hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

The original budget approved by the Board of Education and County Commission should be accurately posted to the fund accounting records. Any subsequent budget amendments, which affect a major category (the legal level of control) should be submitted to and approved by the Board of Education and the County Commission. Expenditures should be held within appropriations approved by the Board of Education and the County Commission as required by state statute.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 09.03 **EXECUTION DOCKET TRIAL BALANCES WERE NOT PREPARED FOR CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS**
(Noncompliance Under Government Auditing Standards)

Trial balances of execution docket cause balances were not prepared for Circuit, General Sessions, and Juvenile courts as required by Section 18-2-103, Tennessee Code Annotated (TCA). Consequently, we were unable to reconcile cash journal accounts with cause balances. Furthermore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, TCA. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, TCA, further requires these funds to be reported and paid to the state Treasurer's Office. Circuit, General Sessions, and Juvenile courts had unidentified court funds of \$148,137, \$47,237, and \$1,531, respectively, at June 30, 2009. This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

FINDING 09.04 **THE OFFICE HAD ACCOUNTING DEFICIENCIES IN CIRCUIT AND JUVENILE COURTS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit of the Offices of Circuit and Juvenile Courts Clerk revealed the following accounting deficiencies. These deficiencies are the result of a failure by management to monitor internal controls designed to prevent or detect such deficiencies.

- A. During the year examined, the clerk did not properly post short-term investment account activity to the general ledgers in Circuit and Juvenile courts. In three instances, interest income earned by litigant accounts was posted to the incorrect court's general ledger. In another three instances, interest income totaling \$9,479 was not posted to the general ledger in Circuit Court. In another instance, interest income in the wrong amount was posted to the Juvenile Court. We confirmed the balances of the short-term investment accounts and have presented adjustments to the clerk. The clerk has approved and posted these adjustments to accurately present short-term investment accounts in the financial statements of this report.

- B. During December 2008, the clerk voided three outstanding checks that had erroneously been duplicated. However, no journal entry was ever posted to record this transaction. This resulted in the cash balance on the Circuit Court's general ledger being understated by \$64,480 at June 30, 2009. Subsequent to year end, the clerk properly posted the journal entry to correct this oversight.

RECOMMENDATION

Short-term investment account activity should be properly posted to the accounting records. Also, bank statements for these short-term investment accounts should be reconciled with the general ledger monthly. Journal entries necessary to correct accounting records should be posted timely.

OFFICE OF REGISTER

FINDING 09.05 **THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. This log provides the only audit trail of these changes and should be reviewed daily for inappropriate activity. During the prior-year audit, we advised management of the importance of these logs, and management began reviewing the logs. However, during the current period, this process was discontinued. When the importance of these logs was again brought to management's attention in April 2009, they resumed the review process.

RECOMMENDATION

Management should be consistent in their review of the software audit logs as a means of strengthening internal controls.

OFFICE OF SHERIFF

FINDING 09.06 **COLLECTIONS WERE NOT DEPOSITED WITHIN THREE DAYS**

(Noncompliance Under Government Auditing Standards)

In some instances, collections were not deposited to the office bank account within three days of collection as required by Section 5-8-207, Tennessee Code Annotated. This deficiency exists because the employee responsible for making the deposits advised us that he was unaware of this statute. The failure to deposit funds currently increases the risk of fraud and abuse.

RECOMMENDATION

All collections should be deposited to the office bank account within three days of collection as required by state statute.

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

There were no findings and questioned costs for federal awards.

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**LAWRENCE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009**

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