
ANNUAL FINANCIAL REPORT LAWRENCE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



ANNUAL FINANCIAL REPORT
LAWRENCE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF COUNTY AUDIT
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This financial report is available at www.tn.gov/comptroller

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Audit Highlights

Annual Financial Report
Lawrence County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2011.

Results

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

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

Findings and Best Practices

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

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The Ambulance Service Department did not issue prenumbered receipts.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Expenditures exceeded appropriations.

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.

OFFICE OF SHERIFF

- ◆ Some receipts were not issued at the time of collection, and some collections were not deposited within three days.

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be considered by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Lawrence County.

- Lawrence County should adopt a central system of accounting, budgeting, and purchasing for all departments.
- Lawrence County should establish an Audit Committee.

INTRODUCTORY SECTION

Lawrence County Officials
June 30, 2011

Officials

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

Board of County Commissioners

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

Board of Education

Jerry Campbell, Chairman	Jack Bryant
Kevin Caruso	Michael Kilburn
Robertta Brazier	Nicky Hartsfield
Jerry Brewer	Brenda Jacobs
Duke Snider	

FINANCIAL SECTION



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

December 7, 2011

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, 2011, 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 two percent of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lawrence County Emergency Communications District, is based on the report of 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, 2011, 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 December 7, 2011, 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.A., Lawrence County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 68 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lawrence County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements,

budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

BASIC FINANCIAL STATEMENTS

Exhibit A

Lawrence County, Tennessee
Statement of Net Assets
June 30, 2011

	Primary Governmental Activities	Component Units	
		Lawrence County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 94,105	\$ 1,100	\$ 305,564
Equity in Pooled Cash and Investments	7,917,309	8,471,229	0
Inventories	0	146,192	0
Accounts Receivable	2,988,778	1,232	64,229
Allowance for Uncollectibles	(854,902)	0	0
Due from Other Governments	793,308	2,022,253	0
Property Taxes Receivable	10,677,388	6,116,257	0
Allowance for Uncollectible Property Taxes	(289,071)	(165,586)	0
Prepaid Items	0	0	22,701
Notes Receivable	117,862	0	0
Deferred Charges - Debt Issuance Costs	470,720	0	1,970
Capital Assets:			
Assets Not Depreciated:			
Land	1,009,453	676,454	0
Construction in Progress	0	56,967	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	21,563,973	39,543,231	473,936
Infrastructure	36,640,164	0	0
Other Capital Assets	2,652,831	3,753,308	207,327
Total Assets	<u>\$ 83,781,918</u>	<u>\$ 60,622,637</u>	<u>\$ 1,075,727</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 485,266	\$ 5,127	\$ 7,601
Accrued Liabilities	0	0	46,329
Payroll Deductions Payable	1,640	1,594,392	0
Retainage Payable	0	1,463	0
Accrued Interest Payable	325,024	0	0
Deferred Revenue - Current Property Taxes	10,006,283	5,731,833	0
Noncurrent Liabilities:			
Due Within One Year	5,077,033	53,776	42,009
Due in More Than One Year (net of deferred amount on refunding and unamortized discounts on debt)	47,075,743	4,666,844	333,101
Total Liabilities	<u>\$ 62,970,989</u>	<u>\$ 12,053,435</u>	<u>\$ 429,040</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 35,851,892	\$ 0	\$ 400,153
Invested in Capital Assets	0	44,029,960	0
Restricted for:			
General Government	4,462	0	0
Administration of Justice	278,478	0	0
Public Safety	153,860	0	0
Public Health and Welfare	93,674	0	0
Social, Cultural, and Recreational Services	75,799	0	0
Highway/Public Works	660,933	0	0
Capital Projects	40,321	0	0
Instruction	0	154,336	0
Operation of Non-Instructional Services	0	663,185	0
Unrestricted	(16,348,490)	3,721,721	246,534
Total Net Assets	<u>\$ 20,810,929</u>	<u>\$ 48,569,202</u>	<u>\$ 646,687</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, 2011

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Primary Government Total	Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Lawrence County School Department	Emergency Communi- cations District
Primary Government:							
Governmental Activities:							
General Government	\$ 1,529,565	\$ 253,278	\$ 15,164	\$ (1,261,123)	\$ 0	\$ 0	0
Finance	1,343,601	966,109	0	(377,492)	0	0	0
Administration of Justice	1,242,627	783,276	9,000	(450,351)	0	0	0
Public Safety	6,068,484	771,190	170,633	(5,126,661)	0	0	0
Public Health and Welfare	4,184,368	3,376,238	312,241	(450,889)	0	0	0
Social, Cultural, and Recreational Services	368,338	7,174	101,821	(259,343)	0	0	0
Agriculture and Natural Resources	155,345	0	0	(155,345)	0	0	0
Other Operations	614,971	0	0	(614,971)	0	0	0
Highways/Public Works	7,107,424	27,991	2,770,298	(3,979,086)	0	0	0
Interest on Long-term Debt	1,950,213	0	0	(1,950,213)	0	0	0
Other Debt Service	105,996	0	550,000	444,004	0	0	0
Total Primary Government	\$ 24,670,932	\$ 6,185,256	\$ 3,929,157	\$ (14,181,470)	\$ 375,049	\$ 0	\$ 0
Component Units:							
Lawrence County School Department	\$ 55,657,515	\$ 1,368,923	\$ 8,228,035	0	\$ 0	\$ (46,060,557)	\$ 0
Emergency Communications District	1,264,597	600,159	595,832	0	0	0	(68,606)
Total Component Units	\$ 56,922,112	\$ 1,969,082	\$ 8,823,867	0	\$ 0	\$ (46,060,557)	\$ (68,606)

(Continued)

Exhibit B

Lawrence County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary		Emergency
					Governmental Activities	Lawrence County School Department	Communi- cations District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes		\$ 8,082,584			\$ 5,795,388	\$ 0	0
Property Taxes Levied for Debt Service		2,063,863			0	0	0
Local Option Sales Tax		1,375,142			4,373,545	0	0
Hotel/Motel Tax		90,927			0	0	0
Wheel Tax		904,808			0	0	0
Litigation Tax - General		98,098			0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse		76,073			0	0	0
Business Tax		284,608			0	0	0
Mineral Severance Tax		54,978			0	0	0
Wholesale Beer Tax		110,616			0	0	0
Other Local Taxes		43,424			3,220	0	0
Grants and Contributions Not Restricted to Specific Programs		1,174,185			34,132,090	0	0
Unrestricted Investment Earnings		137,615			6,773	270	0
E-Rate Funding		0			48,771	0	0
Miscellaneous		39,367			29,018	0	0
Insurance Recovery		156,143			243,629	0	0
Loss on Disposal of Capital Assets		0			48,561	0	0
Total General Revenues		\$ 14,692,431			\$ 44,680,995	\$ 270	270
Change in Net Assets		\$ 510,961			\$ (1,379,562)	\$ (68,336)	(68,336)
Net Assets, July 1, 2010		20,299,968			49,948,764	715,023	715,023
Net Assets, June 30, 2011		20,810,929			48,569,202	646,687	646,687

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

Exhibit C-1

Lawrence County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 550	\$ 0	\$ 0	\$ 93,555	\$ 94,105
Equity in Pooled Cash and Investments	2,686,396	530,447	3,045,618	1,654,848	7,917,309
Accounts Receivable	1,479,153	0	649,141	860,484	2,988,778
Allowance for Uncollectibles	(364,153)	0	0	(490,749)	(854,902)
Due from Other Governments	242,198	374,507	168,709	7,894	793,308
Due from Other Funds	291	0	0	0	291
Property Taxes Receivable	6,976,558	1,532,484	2,168,346	0	10,677,388
Allowance for Uncollectible Property Taxes	(189,621)	(40,746)	(58,704)	0	(289,071)
Notes Receivable - Long-term	0	0	0	117,862	117,862
Total Assets	\$ 10,831,372	\$ 2,396,692	\$ 5,973,110	\$ 2,243,894	\$ 21,445,068
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 93,527	\$ 225,176	\$ 0	\$ 156,793	\$ 475,496
Payroll Deductions Payable	461	1,179	0	0	1,640
Due to Other Funds	0	0	0	291	291
Due to State of Tennessee	9,747	0	0	0	9,747
Due to Litigants, Heirs, and Others	0	0	0	23	23
Deferred Revenue - Current Property Taxes	6,535,232	1,438,992	2,032,059	0	10,006,283
Deferred Revenue - Delinquent Property Taxes	225,013	47,153	69,355	0	341,521
Other Deferred Revenues	833,526	177,397	88,984	324,340	1,424,247
Total Liabilities	\$ 7,697,506	\$ 1,889,897	\$ 2,190,398	\$ 481,447	\$ 12,259,248
<u>Fund Balances</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 75,799	\$ 75,799
Restricted:					
Restricted for General Government	4,462	0	0	0	4,462
Restricted for Administration of Justice	249,307	0	0	29,171	278,478
Restricted for Public Safety	7,759	0	0	148,026	155,785
Restricted for Public Health and Welfare	0	0	0	100,011	100,011
Restricted for Highways/Public Works	0	506,795	0	0	506,795
Restricted for Capital Projects	0	0	0	40,321	40,321
Committed:					
Committed for General Government	10,127	0	0	73,225	83,352
Committed for Finance	0	0	0	27,500	27,500
Committed for Public Safety	59,173	0	0	49,250	108,423
Committed for Public Health and Welfare	0	0	0	1,219,144	1,219,144
Committed for Debt Service	0	0	3,782,712	0	3,782,712
Assigned:					
Assigned for General Government	3,030	0	0	0	3,030
Assigned for Finance	85	0	0	0	85
Assigned for Administration of Justice	1,305	0	0	0	1,305
Assigned for Public Safety	\$ 13,298	\$ 0	\$ 0	\$ 0	\$ 13,298
Assigned for Public Health and Welfare	3,816	0	0	0	3,816
Assigned for Social, Cultural, and Recreational Services	120	0	0	0	120
Assigned for Agriculture and Natural Resources	135	0	0	0	135
Assigned for Other Operations	10,425	0	0	0	10,425
Unassigned	2,770,824	0	0	0	2,770,824
Total Fund Balances	\$ 3,133,866	\$ 506,795	\$ 3,782,712	\$ 1,762,447	\$ 9,185,820
Total Liabilities and Fund Balances	\$ 10,831,372	\$ 2,396,692	\$ 5,973,110	\$ 2,243,894	\$ 21,445,068

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, 2011

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)		\$ 9,185,820
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,009,453	
Add: buildings and improvements net of accumulated depreciation	21,563,973	
Add: infrastructure net of accumulated depreciation	36,640,164	
Add: other capital assets net of accumulated depreciation	<u>2,652,831</u>	61,866,421
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (2,064,000)	
Less: capital leases payable	(577,421)	
Less: bonds payable	(47,660,000)	
Add: deferred amount on refunding	21,909	
Add: deferred charges - debt issuance costs	470,720	
Add: deferred charges - discount on debt issues	74,723	
Less: compensated absences payable	(618,426)	
Less: landfill postclosure care costs	(1,107,620)	
Less: other postemployment benefits liability	(221,941)	
Less: accrued interest on bonds, notes, and capital leases	<u>(325,024)</u>	(52,007,080)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,765,768</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 20,810,929</u>

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

Exhibit C-3

Lawrence County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 7,593,165	\$ 1,467,547	\$ 4,478,233	\$ 51,113	\$ 13,590,058
Licenses and Permits	36,979	0	0	0	36,979
Fines, Forfeitures, and Penalties	154,464	0	0	174,993	329,457
Charges for Current Services	1,931,243	14,400	0	1,601,526	3,547,169
Other Local Revenues	137,460	39,389	90,000	205,165	472,014
Fees Received from County Officials	1,064,577	0	0	0	1,064,577
State of Tennessee	988,246	2,362,742	647,209	51,919	4,050,116
Federal Government	134,269	688,588	0	161,574	984,431
Other Governments and Citizens Groups	95,941	30,667	550,000	0	676,608
Total Revenues	\$ 12,136,344	\$ 4,603,333	\$ 5,765,442	\$ 2,246,290	\$ 24,751,409
Expenditures					
Current:					
General Government	\$ 1,239,038	\$ 0	\$ 0	\$ 102,103	\$ 1,341,141
Finance	820,631	0	0	485,750	1,306,381
Administration of Justice	1,085,800	0	0	37,709	1,123,509
Public Safety	5,656,087	0	0	52,939	5,709,026
Public Health and Welfare	2,422,743	0	0	1,513,406	3,936,149
Social, Cultural, and Recreational Services	288,990	0	0	0	288,990
Agriculture and Natural Resources	155,116	0	0	0	155,116
Other Operations	1,046,324	0	0	2,680	1,049,004
Highways	0	4,878,182	0	0	4,878,182
Debt Service:					
Principal on Debt	136,243	172,427	4,145,000	0	4,453,670
Interest on Debt	15,114	16,764	1,959,060	0	1,990,938
Other Debt Service	0	300	77,271	0	77,571
Capital Projects	0	0	0	611,773	611,773
Total Expenditures	\$ 12,866,086	\$ 5,067,673	\$ 6,181,331	\$ 2,806,360	\$ 26,921,450
Excess (Deficiency) of Revenues Over Expenditures	\$ (729,742)	\$ (464,340)	\$ (415,889)	\$ (560,070)	\$ (2,170,041)
Other Financing Sources (Uses)					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 149,000	\$ 149,000
Insurance Recovery	156,143	0	0	0	156,143
Transfers In	32,480	0	0	10,740	43,220
Transfers Out	(10,740)	0	0	(32,480)	(43,220)
Total Other Financing Sources (Uses)	\$ 177,883	\$ 0	\$ 0	\$ 127,260	\$ 305,143
Net Change in Fund Balances	\$ (551,859)	\$ (464,340)	\$ (415,889)	\$ (432,810)	\$ (1,864,898)
Fund Balance, July 1, 2010	3,685,725	971,135	4,198,601	2,195,257	11,050,718
Fund Balance, June 30, 2011	\$ 3,133,866	\$ 506,795	\$ 3,782,712	\$ 1,762,447	\$ 9,185,820

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, 2011

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)		\$	(1,864,898)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	2,275,257	
Less: current-year depreciation expense		<u>(4,310,775)</u>	(2,035,518)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			(28,148)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2010	\$	(1,491,427)	
Add: deferred delinquent property taxes and other deferred June 30, 2011		<u>1,765,768</u>	274,341
(4) The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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: note proceeds	\$	(149,000)	
Less: change in deferred discount on debt issuance		(3,755)	
Less: change in deferred debt issuance costs		(21,227)	
Add: principal payments on bonds		3,390,000	
Add: principal payments on notes		755,000	
Add: principal payments on capital leases		308,670	
Less: change in deferred amount on refunding		<u>(3,443)</u>	4,276,245
(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	\$	40,725	
Change in compensated absences payable		(69,722)	
Change in other postemployment benefits liability		(77,147)	
Change in landfill postclosure care costs		<u>(4,917)</u>	(111,061)
Change in net assets of governmental activities (Exhibit B)			<u>\$ 510,961</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, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 914,379
Equity in Pooled Cash and Investments	68,435
Accounts Receivable	4,201
Due from Other Governments	<u>700,433</u>
Total Assets	<u>\$ 1,687,448</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 700,433
Due to Litigants, Heirs, and Others	915,610
Due to Joint Ventures	<u>71,405</u>
Total Liabilities	<u>\$ 1,687,448</u>

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

LAWRENCE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

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
233 West Gaines Street
Lawrenceburg, TN 38464-0691

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net 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, 2011.

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

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

Additionally, Lawrence County reports the following fund types:

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

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

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 funds:

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

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

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

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

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.

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

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

3. Inventories

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

4. Capital Assets

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

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

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

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

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

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

5. 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, 2011, Lawrence County had \$23,835,250 in outstanding debt for capital purposes for the discretely presented Lawrence County School Department. This debt is a liability of Lawrence County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Lawrence County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Budget Committee and the Board of Education are authorized bodies to make assignments.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

At June 30, 2011, the Lawrence County School Department reported the following significant encumbrances:

Funds	Description	Amount
Major Fund:		
General Purpose School	Buses	\$ 323,956
"	School books	543,000

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations in several major appropriation categories (the legal level of control) of the General Purpose School Fund:

<u>Major Category</u>	<u>Amount Overspent</u>
Instruction:	
Regular Instruction	\$ 13,925
Support Services:	
Attendance	1,064
Health Services	1,798
Regular Instruction Program	6,570
Special Education Program	1,651
Vocational Education Program	7,491
Adult Programs	10,129

<u>Major Category (Cont.)</u>	<u>Amount Overspent</u>
Support Services (Cont.):	
Fiscal Services	\$ 672
Maintenance of Plant	34,577
Central and Other	3,794
Operation of Non-Instructional Services:	
Community Services	14,092

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues.

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 Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2011.

B. Notes Receivable

Notes receivable in the Industrial/Economic Development Fund resulted from financing a project for the Lawrenceburg-Lawrence County Airport (Joint Venture). The amount of the note that is not expected to be collected within one year is \$117,862 and is offset by committed fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 985,453	\$ 24,000	\$ 0	\$ 1,009,453
Construction in Progress	13,861,541	711,692	14,573,233	0
Total Capital Assets Not Depreciated	\$ 14,846,994	\$ 735,692	\$ 14,573,233	\$ 1,009,453
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,082,551	\$ 14,697,733	\$ 0	\$ 24,780,284
Infrastructure	74,524,382	1,012,309	0	75,536,691
Other Capital Assets	9,182,562	402,756	74,158	9,511,160
Total Capital Assets Depreciated	\$ 93,789,495	\$ 16,112,798	\$ 74,158	\$ 109,828,135
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,765,123	\$ 451,188	\$ 0	\$ 3,216,311
Infrastructure	35,782,566	3,113,961	0	38,896,527
Other Capital Assets	6,158,713	745,626	46,010	6,858,329
Total Accumulated Depreciation	\$ 44,706,402	\$ 4,310,775	\$ 46,010	\$ 48,971,167
Total Capital Assets Depreciated, Net	\$ 49,083,093	\$ 11,802,023	\$ 28,148	\$ 60,856,968
Governmental Activities Capital Assets, Net	\$ 63,930,087	\$ 12,537,715	\$ 14,601,381	\$ 61,866,421

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

Governmental Activities:

General Government	\$ 169,415
Finance	10,729
Adminstration of Justice	16,035
Public Safety	547,102
Public Health and Welfare	144,702
Social, Cultural, and Recreational Services	51,456
Agriculture and Natural Resources	1,265
Other Operations	128
Highways	<u>3,369,943</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 4,310,775</u></u>

Discretely Presented Lawrence County School Department

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 676,454	\$ 0	\$ 0	\$ 676,454
Construction in Progress	<u>1,342,263</u>	<u>1,331,470</u>	<u>2,616,766</u>	<u>56,967</u>
Total Capital Assets Not Depreciated	<u>\$ 2,018,717</u>	<u>\$ 1,331,470</u>	<u>\$ 2,616,766</u>	<u>\$ 733,421</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 58,669,252	\$ 2,663,077	\$ 52,000	\$ 61,280,329
Other Capital Assets	<u>11,966,116</u>	<u>404,766</u>	<u>809,274</u>	<u>11,561,608</u>
Total Capital Assets Depreciated	<u>\$ 70,635,368</u>	<u>\$ 3,067,843</u>	<u>\$ 861,274</u>	<u>\$ 72,841,937</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 20,277,181	\$ 1,507,586	\$ 47,669	\$ 21,737,098
Other Capital Assets	<u>7,775,670</u>	<u>827,561</u>	<u>794,931</u>	<u>7,808,300</u>
Total Accumulated Depreciation	<u>\$ 28,052,851</u>	<u>\$ 2,335,147</u>	<u>\$ 842,600</u>	<u>\$ 29,545,398</u>
Total Capital Assets Depreciated, Net	<u>\$ 42,582,517</u>	<u>\$ 732,696</u>	<u>\$ 18,674</u>	<u>\$ 43,296,539</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 44,601,234</u></u>	<u><u>\$ 2,064,166</u></u>	<u><u>\$ 2,635,440</u></u>	<u><u>\$ 44,029,960</u></u>

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

Governmental Activities:

Instruction	\$ 1,365,750
Support Services	778,013
Operation of Non-Instructional Services	<u>191,384</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 2,335,147</u></u>

D. Construction Commitments

At June 30, 2011, the discretely presented Lawrence County School Department had uncompleted construction contracts of approximately \$174,649 in the Education Capital Projects Fund for renovations at various elementary schools. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 291

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 10,740
Nonmajor governmental fund	32,480	0
Total	<u>\$ 32,480</u>	<u>\$ 10,740</u>

Discretely Presented Lawrence County School Department

Transfer Out	Transfer In
	General Purpose School Fund
School Federal Projects Fund	\$ 20,611

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

F. Capital Leases

On July 30, 2009, Lawrence County entered into a two-year lease-purchase agreement for two compactors. The terms of the agreement require total lease payments of \$201,205 plus interest of 3.45 percent. Titles to the equipment transfer to Lawrence County at the end of the lease period. The lease payments are made from the Highway/Public Works Fund.

On September 14, 2009, Lawrence County entered into a three-year lease-purchase agreement for three ambulances. The terms of the agreement require total lease payments of \$280,500 plus interest of 4.947 percent. Titles to the ambulances transfer to Lawrence County at the end of the lease period. The lease payments are made from the General Fund.

On October 26, 2009, Lawrence County entered into a two-year lease-purchase agreement for ten patrol cars. The terms of the agreement require total lease payments of \$220,206 plus interest of 3.95 percent. Titles

to the vehicles transfer to Lawrence County at the end of the lease period. The lease payments are made from the General Fund.

On April 1, 2010, Lawrence County entered into a four-year lease-purchase agreement for a grapple loader. The terms of the agreement require total lease payments of \$108,835 plus interest of 4.45 percent. Title to the equipment transfers to Lawrence County at the end of the lease period. The lease payments are made from the Highway/Public Works Fund.

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

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 677,040
Less: Accumulated Depreciation	(184,840)
Vehicles	500,706
Less: Accumulated Depreciation	<u>(195,815)</u>
Total Book Value	<u><u>\$ 797,091</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2012	\$ 305,611
2013	159,959
2014	84,864
2015	<u>65,700</u>
Total Minimum Lease Payments	\$ 616,134
Less: Amount Representing Interest	<u>(38,713)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 577,421</u></u>

G. 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, 2011, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2011, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-11</u>
General Obligation Bonds	3.6 to 4.28 %	\$ 34,410,000	\$ 29,745,000
General Obligation Bonds - Refunding	2.599 to 3.79	30,750,000	17,915,000
Capital Outlay Notes	1.55 to 4.125	6,574,000	2,064,000
Capital Leases	2.951 to 4.947	1,177,746	577,421

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2011, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 3,505,000	\$ 1,748,672	\$ 5,253,672
2013	3,630,000	1,629,576	5,259,576
2014	3,025,000	1,517,367	4,542,367
2015	2,925,000	1,415,446	4,340,446
2016	3,020,000	1,312,694	4,332,694
2017-2021	11,890,000	5,035,465	16,925,465
2022-2026	8,145,000	3,277,377	11,422,377
2027-2031	6,370,000	1,858,965	8,228,965
2032-2036	4,280,000	710,856	4,990,856
2037	870,000	36,050	906,050
Total	\$ 47,660,000	\$ 18,542,468	\$ 66,202,468

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 659,667	\$ 65,833	\$ 725,500
2013	684,667	41,922	726,589
2014	719,666	16,958	736,624
Total	\$ 2,064,000	\$ 124,713	\$ 2,188,713

There is \$3,782,712 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,138, based on the 2010 federal census. Debt per capita, including bonds, notes, and capital leases totaled \$1,201, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:	Capital Leases		
	Bonds	Notes	Leases
Balance, July 1, 2010	\$ 51,050,000	\$ 2,670,000	\$ 886,091
Additions	0	149,000	0
Deductions	(3,390,000)	(755,000)	(308,670)
Balance, June 30, 2011	\$ 47,660,000	\$ 2,064,000	\$ 577,421
Balance Due Within One Year	\$ 3,505,000	\$ 659,667	\$ 283,940

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2010	\$ 548,704	\$ 1,102,703	\$ 144,794
Additions	706,268	10,967	98,344
Deductions	(636,546)	(6,050)	(21,197)
Balance, June 30, 2011	<u>\$ 618,426</u>	<u>\$ 1,107,620</u>	<u>\$ 221,941</u>
Balance Due Within One Year	<u>\$ 618,426</u>	<u>\$ 10,000</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 52,249,408
Less: Due Within One Year	(5,077,033)
Less: Unamortized Discount on Debt	(74,723)
Less: Deferred Amount on Refunding	<u>(21,909)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 47,075,743</u>

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

Discretely Presented Lawrence County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Lawrence County School Department for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 52,851	\$ 4,015,832
Additions	64,812	1,424,542
Deductions	(63,887)	(773,530)
Balance, June 30, 2011	<u>\$ 53,776</u>	<u>\$ 4,666,844</u>
Balance Due Within One Year	<u>\$ 53,776</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 4,720,620
Less: Balance Due Within One Year	<u>(53,776)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,666,844</u>

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

H. On-Behalf Payments – Primary Government and Discretely Presented Lawrence County School Department

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Lawrence County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2011, were \$1,723. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

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, 2011, were \$220,839 and \$45,021, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Lawrence County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the Highway/Public Works Fund. These notes were necessary because funds were not available to meet operating expenses coming due before current tax collections. Short-term debt activity for the year ended June 30, 2011, was as follows:

	Balance 7-1-10	Issued	Paid	Balance 6-30-11
Tax Anticipation Notes	\$ 0	\$ 400,000	\$ (400,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

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

Lawrence County does not have a formal workers' compensation plan. The county is self-insured for risks associated with workers' compensation claims due to on-the-job injuries up to a limit of \$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

In prior years, the School Department participated 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 paid 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. On July 1, 2010, the School Department withdrew from TN-RMT and obtained commercial insurance coverage for these risks. Settled claims have not exceeded commercial insurance coverage.

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 Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Lawrence County and the Lawrence County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Subsequent Events

On August 19, 2011, the county's General Debt Service Fund issued a \$400,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

On November 1, 2011, the discretely presented Lawrence County School Department's General Purpose School Fund issued a \$450,000 tax anticipation note to the county's General Fund for temporary operating funds.

D. Contingent Liabilities

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

E. Changes in Administration

On August 31, 2010, Paul Rosson left the Office of County Executive and was succeeded by J. Mack Chandler, Cindy Benefield left the Office of Trustee and was succeeded by Kiley Weathers, and Kenny Taylor left the Office of Sheriff and was succeeded by Jimmy Brown.

F. 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 \$1,107,620 reported as postclosure care liability at June 30, 2011, represents amounts based on what it would cost to perform all postclosure care in 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

Lawrence County and the City of Lawrenceburg jointly operate the Lawrenceburg-Lawrence County Airport. A six-member board, including three appointees from the county and three from the city, governs the Lawrenceburg-Lawrence County Airport. Lawrence County has control over budgeting and financing the joint venture only to the extent of representation

by the three members appointed. Lawrence County contributed \$100,000 to the operations of the joint venture during the year ended June 30, 2011.

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 \$147,173 to the Lawrence County Joint Economic Development Board during the year ended June 30, 2011.

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

H. Jointly Governed Organization

Lawrence County, in conjunction with Giles and Maury counties, created the Tennessee Southern Railroad Authority (TSRA). The TSRA's board includes the Lawrence County Executive and county executive/mayor of Giles and Maury counties, a representative appointed by the respective County Commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Lawrence County did not appropriate any funds to the authority for the year ended June 30, 2011.

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

Funding Policy

General County Employees

Lawrence County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 9.88 percent of annual covered payroll. The contribution requirement of plan members is set by state statute.

The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Library Employees

Lawrence County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 2.41 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

General County Employees

For the year ended June 30, 2011, the county’s annual pension cost of \$1,318,429 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was nine years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$1,318,429	100%	\$0
6-30-10	1,106,831	100	0
6-30-09	1,086,470	100	0

Library Employees

For the year ended June 30, 2011, the county's annual pension cost of \$3,144 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 12 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-11	\$ 3,144	100%	\$0
6-30-10	12,385	100	0
6-30-09	12,927	100	0

Funded Status and Funding Progress

General County Employees

As of July 1, 2009, the most recent actuarial valuation date, the plan was 81.9 percent funded. The actuarial accrued liability for benefits was \$33 million, and the actuarial value of assets was \$27 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$6 million. 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 49.87 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the

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

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.

Library Employees

As of July 1, 2009, the most recent actuarial valuation date, the plan was 96.59 percent funded. The actuarial accrued liability for benefits was \$1 million, and the actuarial value of assets was \$1 million, resulting in an unfunded actuarial accrued liability (UAAL) of zero. The covered payroll (annual payroll of active employees covered by the plan) was zero, and the ratio of the UAAL to the covered payroll was 16.88 percent.

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

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. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009, were \$2,148,270, \$1,487,423, and \$1,495,725, respectively, equal to the required contributions for each year.

2. Deferred Compensation

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

J. Other Postemployment Benefits (OPEB)

Plan Description

Lawrence County and the Lawrence County 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. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. 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 \$49 to \$423 per month. Lawrence County and the School Department recognized expenditures of \$21,197 and \$773,530, respectively, for postemployment health care during the year ended June 30, 2011.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
	<u>Plan</u>	<u>Plan</u>
ARC	\$ 1,415,000	\$ 98,000
Interest on the NPO	180,712	6,516
Adjustment to the ARC	(171,170)	(6,172)
Annual OPEB cost	\$ 1,424,542	\$ 98,344
Amount of contribution	(773,530)	(21,197)
Increase/decrease in NPO	\$ 651,012	\$ 77,147
Net OPEB obligation, 7-1-10	<u>4,015,832</u>	<u>144,794</u>
Net OPEB obligation, 6-30-11	<u>\$ 4,666,844</u>	<u>\$ 221,941</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	\$ 2,177,995	25 %	\$ 3,301,811
6-30-10	"	1,404,846	49	4,015,832
6-30-11	"	1,424,542	54	4,666,844
6-30-09	Local Government Group	94,000	27	68,986
6-30-10	"	94,164	19	144,794
6-30-11	"	98,344	22	221,941

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:
(dollars in thousands)

	Local Education Group Plan	Local Government Group Plan
	<u>Plan</u>	<u>Plan</u>
Actuarial valuation date	7-1-10	7-1-10
Actuarial accrued liability (AAL)	\$ 13,554	\$ 704
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 13,554	\$ 704
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 29,229	\$ 7,018
UAAL as a % of covered payroll	46	10

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

Actuarial Methods and Assumptions

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

In the July 1, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. 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.

K. Office of Central Accounting and Budgeting

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

L. Purchasing Laws

Office of Central Purchasing

Purchasing procedures for the Office of County Executive office and the Highway Department are governed by the County Purchasing Law of 1957,

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

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

1. Reporting Entity

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

2. Basis of Accounting

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

The district 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 7-1-10	Additions	Balance 6-30-11
Communications Equipment	\$ 508,168	\$ 0	\$ 508,168
Building	400,000	0	400,000
Leasehold Improvements	274,014	0	274,014
Equipment and Furniture	35,480	0	35,480
	<u>\$ 1,217,662</u>	<u>\$ 0</u>	<u>\$ 1,217,662</u>
Less Accumulated Depreciation	<u>(458,643)</u>		<u>(536,399)</u>
Utility Plant - Net	<u>\$ 759,019</u>		<u>\$ 681,263</u>

Accumulated depreciation consists of communications equipment (\$42,896), furniture and equipment (\$4,800), building (\$13,333), and leaseholds (\$16,727). All assets are being depreciated.

D. Long-term Debt

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

	Balance 7-1-10	Retirements	Balance 6-30-11
Series 2005	\$ 321,368	\$ (40,258)	\$ 281,110

Future maturities of note principal and interest are as follows:

Year Ending June 30	Principal	Interest
2012	\$ 42,009	\$ 12,228
2013	43,837	10,400
2014	45,744	8,493
2015	47,734	6,503
2016	49,810	4,427
2017	51,976	2,261
Total	<u>\$ 281,110</u>	<u>\$ 44,312</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 *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the district participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan.

Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

The district requires employees to contribute five percent of their earned compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 8.79 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, 2011, the district’s annual pension cost of \$47,445 to TCRS was equal to the required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent per year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected post-retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of equities over a ten-year period. The district’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was seven years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$47,445	100%	\$0
6-30-10	42,505	100	0
6-30-09	44,025	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 74.04 percent funded. The actuarial accrued liability for benefits was \$800,000, and the actuarial value of assets was \$600,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$200,000. The covered payroll (annual payroll of active employees covered by the plan) was \$500,000, and the ratio of the UAAL to the covered payroll was 39.94 percent.

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

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:

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

J. Other Postemployment Benefits (OPEB)

Plan Description

The district participates in the state-administered Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-701, *Tennessee Code Annotated (TCA)*. 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.

Annual OPEB Cost and Net OPEB Obligation

ARC	\$ 10,000
Interest on the NPO	3,150
Adjustment to the ARC	<u>(3,150)</u>
Annual OPEB cost	\$ 10,000
Amount of contribution	<u>0</u>
Increase/decrease in NPO	\$ 10,000
Net OPEB obligation, 7-1-10	<u>84,000</u>
 Net OPEB obligation, 6-30-11	 <u><u>\$ 94,000</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Medicare Supplement	\$ 10,000	0%	\$ 84,000
6-30-11	"	10,000	0	94,000

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

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing 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, 2009, actuarial valuation the annual healthcare cost trend for the Medicare Supplement was one percent for fiscal year 2011. The trend will rise to ten percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 7,593,165	\$ 0	\$ 7,593,165	\$ 7,329,705	\$ 7,487,178	\$ 105,987
Licenses and Permits	36,979	0	36,979	35,613	35,613	1,366
Fines, Forfeitures, and Penalties	154,464	0	154,464	148,638	155,009	(545)
Charges for Current Services	1,931,243	0	1,931,243	1,721,340	1,746,004	185,239
Other Local Revenues	137,460	0	137,460	123,292	123,292	14,168
Fees Received from County Officials	1,064,577	0	1,064,577	976,296	1,020,280	44,297
State of Tennessee	988,246	0	988,246	1,149,551	1,134,783	(146,537)
Federal Government	134,269	0	134,269	0	102,014	32,255
Other Governments and Citizens Groups	95,941	0	95,941	102,341	103,287	(7,346)
Total Revenues	\$ 12,136,344	\$ 0	\$ 12,136,344	\$ 11,586,776	\$ 11,907,460	\$ 228,884
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 115,069	\$ 0	\$ 115,069	\$ 94,266	\$ 117,979	\$ 2,910
County Mayor/Executive	169,714	0	169,714	176,324	179,558	9,844
County Attorney	7,919	0	7,919	7,167	7,919	0
Election Commission	327,571	0	327,571	285,644	332,345	4,774
Register of Deeds	78,137	0	78,137	61,835	82,908	4,771
County Buildings	491,721	3,646	495,367	438,763	504,889	9,522
Preservation of Records	48,907	0	48,907	51,099	51,499	2,592
<u>Finance</u>						
Accounting and Budgeting	177,569	0	177,569	142,133	178,592	1,023
Purchasing	98,859	26	98,885	89,338	103,105	4,220
Property Assessor's Office	305,340	46	305,386	317,666	310,161	4,775
County Trustee's Office	53,737	0	53,737	64,658	65,608	11,871

(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)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
County Clerk's Office	\$ 96,683	\$ 14	\$ 96,697	\$ 104,245	\$ 104,525	\$ 7,828
Data Processing	88,443	0	88,443	88,735	90,235	1,792
<u>Administration of Justice</u>						
Circuit Court	464,659	1,032	465,691	465,096	478,337	12,646
General Sessions Court	314,089	272	314,361	325,594	336,888	22,527
Chancery Court	238,413	0	238,413	263,353	263,353	24,940
Juvenile Court	50,398	0	50,398	51,698	51,698	1,300
District Attorney General	0	0	0	32,000	0	0
Other Administration of Justice	12,913	0	12,913	0	12,913	0
Courtroom Security	1,200	0	1,200	6,000	6,000	4,800
Victims Assistance Programs	4,128	0	4,128	4,100	4,500	372
<u>Public Safety</u>						
Sheriff's Department	2,714,003	5,373	2,719,376	2,753,228	2,742,085	22,709
Jail	2,324,531	100	2,324,631	2,003,515	2,330,622	5,991
Workhouse	29,412	45	29,457	40,201	29,461	4
Work Release Program	5,785	950	6,735	7,850	8,850	2,115
Fire Prevention and Control	2,000	0	2,000	2,000	2,000	0
Civil Defense	10,018	6,875	16,893	23,438	23,438	6,545
Rescue Squad	258,500	0	258,500	258,500	258,500	0
Other Emergency Management	285,000	0	285,000	285,000	285,000	0
County Coroner/Medical Examiner	15,315	0	15,315	12,390	15,335	20
Other Public Safety	11,523	0	11,523	12,000	12,000	477
<u>Public Health and Welfare</u>						
Local Health Center	114,633	50	114,683	150,136	121,358	6,675

(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)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Ambulance/Emergency Medical Services	\$ 1,993,143	\$ 3,766	\$ 1,996,909	\$ 1,857,915	\$ 2,015,203	\$ 18,294
Other Local Health Services	2,000	0	2,000	2,000	2,000	0
Regional Mental Health Center	10,000	0	10,000	10,000	10,000	0
Appropriation to State	219,612	0	219,612	229,062	229,063	9,451
Aid to Dependent Children	7,994	0	7,994	8,000	8,000	6
Other Public Health and Welfare	75,361	0	75,361	50,117	75,361	0
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	1,500	0	1,500	1,500	1,500	0
Libraries	276,191	119	276,310	283,134	291,535	15,225
Other Social, Cultural, and Recreational	11,299	0	11,299	11,400	11,299	0
<u>Agriculture and Natural Resources</u>						
Agriculture Extension Service	114,557	135	114,692	114,842	117,833	3,141
Soil Conservation	38,059	0	38,059	45,500	45,500	7,441
Other Agriculture and Natural Resources	2,500	0	2,500	0	2,500	0
<u>Other Operations</u>						
Tourism	43,248	0	43,248	22,000	43,391	143
Industrial Development	147,173	0	147,173	147,173	147,173	0
Housing and Urban Development	29	0	29	0	29	0
Airport	100,000	0	100,000	100,000	100,000	0
Veterans' Services	101,185	75	101,260	97,717	105,126	3,866
Other Charges	652,966	9,690	662,656	516,731	696,086	33,430
Employee Benefits	1,723	0	1,723	0	1,723	0
<u>Principal on Debt</u>						
General Government	136,243	0	136,243	0	136,243	0

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
Interest on Debt	\$ 15,114 \$	0 \$	15,114 \$	0 \$	15,114 \$	0
General Government	\$ 12,866,086 \$	32,214 \$	12,898,300 \$	12,115,063 \$	13,166,340 \$	268,040
Total Expenditures	\$ (729,742) \$	(32,214) \$	(761,956) \$	(528,287) \$	(1,258,880) \$	496,924
Excess (Deficiency) of Revenues Over Expenditures						
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 156,143 \$	0 \$	156,143 \$	0 \$	155,362 \$	781
Transfers In	32,480	0	32,480	0	32,480	0
Transfers Out	(10,740)	0	(10,740)	0	(10,740)	0
Total Other Financing Sources (Uses)	\$ 177,883 \$	0 \$	177,883 \$	0 \$	177,102 \$	781
Net Change in Fund Balance	\$ (551,859) \$	(32,214) \$	(584,073) \$	(528,287) \$	(1,081,778) \$	497,705
Fund Balance, July 1, 2010	3,685,725	0	3,685,725	3,474,164	3,474,164	211,561
Fund Balance, June 30, 2011	\$ 3,133,866 \$	(32,214) \$	3,101,652 \$	2,945,877 \$	2,392,386 \$	709,266

Exhibit E-2

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,467,547	\$ 0	\$ 1,467,547	\$ 1,475,859	\$ 1,482,073	\$ (14,526)
Charges for Current Services	14,400	0	14,400	1,500	15,900	(1,500)
Other Local Revenues	39,389	0	39,389	2,500	40,139	(750)
State of Tennessee	2,362,742	0	2,362,742	2,396,626	2,299,175	63,567
Federal Government	688,588	0	688,588	261,675	683,588	5,000
Other Governments and Citizens Groups	30,667	0	30,667	0	30,667	0
Total Revenues	\$ 4,603,333	\$ 0	\$ 4,603,333	\$ 4,138,160	\$ 4,551,542	\$ 51,791
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 198,813	\$ 0	\$ 198,813	\$ 244,713	\$ 244,713	\$ 45,900
Highway and Bridge Maintenance	3,059,785	0	3,059,785	2,417,845	3,060,005	220
Operation and Maintenance of Equipment	698,570	6,108	704,678	785,261	724,288	19,610
Other Charges	83,600	0	83,600	87,408	87,408	3,808
Capital Outlay	837,414	0	837,414	1,276,557	980,253	142,839
<u>Principal on Debt</u>						
Highways and Streets	172,427	0	172,427	0	172,427	0
Interest on Debt						
Highways and Streets	16,764	0	16,764	0	16,764	0
Other Debt Service						
Highways and Streets	300	0	300	0	300	0
Total Expenditures	\$ 5,067,673	\$ 6,108	\$ 5,073,781	\$ 4,811,784	\$ 5,286,158	\$ 212,377
Excess (Deficiency) of Revenues Over Expenditures	\$ (464,340)	\$ (6,108)	\$ (470,448)	\$ (673,624)	\$ (734,616)	\$ 264,168
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,507	\$ (1,507)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,507	\$ (1,507)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (464,340)	\$ (6,108)	\$ (470,448)	\$ (673,624)	\$ (733,109)	\$ 262,661
	971,135	0	971,135	961,617	961,617	9,518
Fund Balance, June 30, 2011	\$ 506,795	\$ (6,108)	\$ 500,687	\$ 287,993	\$ 228,508	\$ 272,179

Exhibit E-3

Lawrence County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Lawrence County School Department
June 30, 2011

(Dollar amounts in thousands)

Plan Description	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
General Employees	7-1-09	\$ 26,929	\$ 32,882	\$ 5,953	81.9	\$ 11,935	49.87
"	7-1-07	25,125	29,788	4,663	84.35	11,657	40
Library Employees	7-1-09	503	521	18	96.59	105	16.88
"	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 year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit E-4

Lawrence County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Lawrence County Emergency Communications District
June 30, 2011

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 461	\$ 613	\$ 152	75.2	% \$ 473	32.14 %
7-1-09	598	808	210	74.04	525	39.94

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 year of the 2007, actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit E-5

Lawrence County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government, Discretely Presented Lawrence County School Department,
and Discretely Presented Lawrence County Emergency Communications District
June 30, 2011

(Dollar amounts in thousands)

Plans	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)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-07	\$ 0	\$ 233	\$ 233	0	\$ 7,274	3 %
"	7-1-09	0	670	670	0	7,274	9
"	7-1-10	0	704	704	0	7,018	10
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	18,465	18,465	0	28,108	66
"	7-1-09	0	13,415	13,415	0	28,108	48
"	7-1-10	0	13,554	13,554	0	29,229	46
<u>DISCRETELY PRESENTED LAWRENCE COUNTY EMERGENCY COMMUNICATIONS DISTRICT</u>							
Medicare Supplement*	7-1-09	0	74	74	0	505	15

* Data only available for one year.

LAWRENCE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

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.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

Permanent Fund

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

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

Exhibit F-1

Lawrence County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

Special Revenue Funds

	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Total
\$	0	525	0	0	0	93,030	93,555
	31,105	1,072,571	114,863	114,829	29,171	0	1,362,539
	1,052	844,903	0	6,811	0	7,718	860,484
	0	(490,749)	0	0	0	0	(490,749)
	0	7,894	0	0	0	0	7,894
	0	0	117,862	0	0	0	117,862
\$	32,157	1,435,144	232,725	121,640	29,171	100,748	1,951,585

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Due to Other Funds
 Due to Litigants, Heirs, and Others
 Other Deferred Revenues

Total Liabilities

Fund Balances

Nonspendable:
 Endowments
 Restricted:
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Capital Projects
 Committed:
 Committed for General Government

(Continued)

Exhibit F-1

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

		Special Revenue Funds							
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Total		
\$	0	0	0	0	0	27,500	27,500	\$	
	0	0	0	0	0	0	0		
	0	986,419	232,725	0	0	0	1,219,144		
\$	29,587	986,419	232,725	118,439	29,171	100,725	1,497,066	\$	
\$	32,157	1,435,144	232,725	121,640	29,171	100,748	1,951,585	\$	

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)
Committed (Cont.):
Committed for Finance
Committed for Public Safety
Committed for Public Health and Welfare
Total Fund Balances
Total Liabilities and Fund Balances

(Continued)

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

	Capital Projects Funds			Permanent Fund		Total Nonmajor Governmental Funds
	General Projects	Other Capital Projects	Total	Endowment		
\$	0	0	0	0	0	93,555
Equity in Pooled Cash and Investments	155,368	61,142	216,510	75,799		1,654,848
Accounts Receivable	0	0	0	0		860,484
Allowance for Uncollectibles	0	0	0	0		(490,749)
Due from Other Governments	0	0	0	0		7,894
Notes Receivable - Long-term	0	0	0	0		117,862
Total Assets	\$ 155,368	\$ 61,142	\$ 216,510	\$ 75,799	\$	2,243,894

ASSETS

Cash	0
Equity in Pooled Cash and Investments	1,654,848
Accounts Receivable	860,484
Allowance for Uncollectibles	(490,749)
Due from Other Governments	7,894
Notes Receivable - Long-term	117,862
Total Assets	2,243,894

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>						
Accounts Payable	15,036	11,892	26,928	0	0	156,793
Due to Other Funds	0	0	0	0	0	291
Due to Litigants, Heirs, and Others	0	0	0	0	0	23
Other Deferred Revenues	0	0	0	0	0	324,340
Total Liabilities	\$ 15,036	\$ 11,892	\$ 26,928	\$ 0	\$ 0	481,447
<u>Fund Balances</u>						
Nonspendable:						
Endowments	0	0	0	75,799	0	75,799
Restricted:						
Restricted for Administration of Justice	0	0	0	0	0	29,171
Restricted for Public Safety	0	0	0	0	0	148,026
Restricted for Public Health and Welfare	100,011	0	100,011	0	0	100,011
Restricted for Capital Projects	40,321	0	40,321	0	0	40,321
Committed:						
Committed for General Government	0	0	0	0	0	73,225

(Continued)

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

	Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
	General Capital Projects	Other Capital Projects	Total	Endowment	
\$	0	0	0	0	27,500
	0	49,250	49,250	0	49,250
	0	0	0	0	1,219,144
<u>\$</u>	<u>140,332</u>	<u>49,250</u>	<u>189,582</u>	<u>75,799</u>	<u>1,762,447</u>
\$	155,368	61,142	216,510	75,799	2,243,894

LIABILITIES AND FUND BALANCES (Cont.)

<u>Fund Balances (Cont.)</u>
Committed (Cont.):
Committed for Finance
Committed for Public Safety
Committed for Public Health and Welfare
Total Fund Balances
Total Liabilities and Fund Balances

Exhibit F-2

Lawrence County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Special Revenue Funds							Total
	Courthouse and Jail Maintenance	Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General	Constitu- tional Officers - Fees		
Revenues								
Local Taxes	\$ 11,113	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 51,113
Fines, Forfeitures, and Penalties	674	0	0	142,416	31,903	0	0	174,993
Charges for Current Services	0	1,045,526	0	0	0	556,000	0	1,601,526
Other Local Revenues	0	204,335	0	0	0	0	0	204,335
State of Tennessee	0	47,451	0	4,468	0	0	0	51,919
Federal Government	0	0	0	0	0	0	0	0
Total Revenues	\$ 11,787	\$ 1,297,312	\$ 40,000	\$ 146,884	\$ 31,903	\$ 556,000	\$ 0	\$ 2,083,886
Expenditures								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 102,103	\$ 0	\$ 102,103
Finance	0	0	0	0	0	485,750	0	485,750
Administration of Justice	0	0	0	0	37,709	0	0	37,709
Public Safety	0	0	0	52,939	0	0	0	52,939
Public Health and Welfare	0	1,513,406	0	0	0	0	0	1,513,406
Other Operations	2,680	0	0	0	0	0	0	2,680
Capital Projects	0	0	99,703	0	0	0	0	99,703
Total Expenditures	\$ 2,680	\$ 1,513,406	\$ 99,703	\$ 52,939	\$ 37,709	\$ 587,853	\$ 0	\$ 2,294,290
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,107	\$ (216,094)	\$ (59,703)	\$ 93,945	\$ (5,806)	\$ (31,853)	\$ (210,404)	
Other Financing Sources (Uses)								
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	10,740	0	0	0	0	0	10,740
Transfers Out	0	(32,480)	0	0	0	0	0	(32,480)
Total Other Financing Sources (Uses)	\$ 0	\$ (21,740)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (21,740)
Net Change in Fund Balances Fund Balance, July 1, 2010	\$ 9,107	\$ (237,834)	\$ (59,703)	\$ 93,945	\$ (5,806)	\$ (31,853)	\$ (232,144)	
	20,480	1,224,253	292,428	24,494	34,977	132,578	1,729,210	
Fund Balance, June 30, 2011	\$ 29,587	\$ 986,419	\$ 232,725	\$ 118,439	\$ 29,171	\$ 100,725	\$ 1,497,066	

(Continued)

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

	Capital Projects Funds			Permanent Fund		Total Nonmajor Governmental Funds
	General Capital Projects	Other Capital Projects	Total	Endowment	Fund	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 51,113
Fines, Forfeitures, and Penalties	0	0	0	0	0	174,993
Charges for Current Services	0	0	0	0	0	1,601,526
Other Local Revenues	830	0	830	0	0	205,165
State of Tennessee	0	0	0	0	0	51,919
Federal Government	45,000	116,574	161,574	0	0	161,574
Total Revenues	\$ 45,830	\$ 116,574	\$ 162,404	\$ 0	\$ 0	\$ 2,246,290
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 102,103
Finance	0	0	0	0	0	485,750
Administration of Justice	0	0	0	0	0	37,709
Public Safety	0	0	0	0	0	52,939
Public Health and Welfare	0	0	0	0	0	1,513,406
Other Operations	0	0	0	0	0	2,680
Capital Projects	369,746	142,324	512,070	0	0	611,773
Total Expenditures	\$ 369,746	\$ 142,324	\$ 512,070	\$ 0	\$ 0	\$ 2,806,360
Excess (Deficiency) of Revenues Over Expenditures	\$ (323,916)	\$ (25,750)	\$ (349,666)	\$ 0	\$ 0	\$ (560,070)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 149,000	\$ 0	\$ 149,000	\$ 0	\$ 0	\$ 149,000
Transfers In	0	0	0	0	0	10,740
Transfers Out	0	0	0	0	0	(32,480)
Total Other Financing Sources (Uses)	\$ 149,000	\$ 0	\$ 149,000	\$ 0	\$ 0	\$ 127,260
Net Change in Fund Balances	\$ (174,916)	\$ (25,750)	\$ (200,666)	\$ 0	\$ 0	\$ (432,810)
Fund Balance, July 1, 2010	315,248	75,000	390,248	75,799	75,799	2,195,257
Fund Balance, June 30, 2011	\$ 140,332	\$ 49,250	\$ 189,582	\$ 75,799	\$ 75,799	\$ 1,762,447

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 11,113	\$ 10,200	\$ 10,200	\$ 913
Fines, Forfeitures, and Penalties	674	725	725	(51)
Total Revenues	<u>\$ 11,787</u>	<u>\$ 10,925</u>	<u>\$ 10,925</u>	<u>\$ 862</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 2,680	\$ 9,650	\$ 9,650	\$ 6,970
Total Expenditures	<u>\$ 2,680</u>	<u>\$ 9,650</u>	<u>\$ 9,650</u>	<u>\$ 6,970</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 9,107</u>	<u>\$ 1,275</u>	<u>\$ 1,275</u>	<u>\$ 7,832</u>
Net Change in Fund Balance	\$ 9,107	\$ 1,275	\$ 1,275	\$ 7,832
Fund Balance, July 1, 2010	<u>20,480</u>	<u>19,561</u>	<u>19,561</u>	<u>919</u>
Fund Balance, June 30, 2011	<u><u>\$ 29,587</u></u>	<u><u>\$ 20,836</u></u>	<u><u>\$ 20,836</u></u>	<u><u>\$ 8,751</u></u>

Exhibit F-4

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,045,526	\$ 0	\$ 1,045,526	\$ 1,222,000	\$ 1,222,000	\$ (176,474)
Other Local Revenues	204,335	0	204,335	225,000	225,000	(20,665)
State of Tennessee	47,451	0	47,451	40,000	40,000	7,451
Total Revenues	\$ 1,297,312	\$ 0	\$ 1,297,312	\$ 1,487,000	\$ 1,487,000	\$ (189,688)
<u>Expenditures</u>						
Public Health and Welfare						
Landfill Operation and Maintenance	\$ 1,513,406	\$ 2,718	\$ 1,516,124	\$ 1,620,216	\$ 1,603,141	\$ 87,017
Total Expenditures	\$ 1,513,406	\$ 2,718	\$ 1,516,124	\$ 1,620,216	\$ 1,603,141	\$ 87,017
Excess (Deficiency) of Revenues Over Expenditures	\$ (216,094)	\$ (2,718)	\$ (218,812)	\$ (133,216)	\$ (116,141)	\$ (102,671)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 10,740	\$ 0	\$ 10,740	\$ 0	\$ 10,740	\$ 0
Transfers Out	(32,480)	0	(32,480)	0	(32,480)	0
Total Other Financing Sources (Uses)	\$ (21,740)	\$ 0	\$ (21,740)	\$ 0	\$ (21,740)	\$ 0
Net Change in Fund Balance	\$ (237,834)	\$ (2,718)	\$ (240,552)	\$ (133,216)	\$ (137,881)	\$ (102,671)
Fund Balance, July 1, 2010	1,224,253	0	1,224,253	1,233,564	1,233,564	(9,311)
Fund Balance, June 30, 2011	\$ 986,419	\$ (2,718)	\$ 983,701	\$ 1,100,348	\$ 1,095,683	\$ (111,982)

Exhibit F-5

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 40,000	\$ 40,000	\$ 40,000	\$ 0
Federal Government	0	500,000	0	0
Total Revenues	<u>\$ 40,000</u>	<u>\$ 540,000</u>	<u>\$ 40,000</u>	<u>\$ 0</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 16,025	\$ 16,025	\$ 16,025	\$ 0
Public Utility Projects	83,678	642,500	87,677	3,999
Total Expenditures	<u>\$ 99,703</u>	<u>\$ 658,525</u>	<u>\$ 103,702</u>	<u>\$ 3,999</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (59,703)</u>	<u>\$ (118,525)</u>	<u>\$ (63,702)</u>	<u>\$ 3,999</u>
Net Change in Fund Balance	\$ (59,703)	\$ (118,525)	\$ (63,702)	\$ 3,999
Fund Balance, July 1, 2010	<u>292,428</u>	<u>164,064</u>	<u>164,064</u>	<u>128,364</u>
Fund Balance, June 30, 2011	<u><u>\$ 232,725</u></u>	<u><u>\$ 45,539</u></u>	<u><u>\$ 100,362</u></u>	<u><u>\$ 132,363</u></u>

Exhibit F-6

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 142,416	0 \$	142,416 \$	68,000 \$	96,665 \$	45,751
State of Tennessee	4,468	0	4,468	0	4,468	0
Total Revenues	\$ 146,884	0 \$	146,884 \$	68,000 \$	101,133 \$	45,751
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 52,939	831 \$	53,770 \$	68,000 \$	79,000 \$	25,230
Total Expenditures	\$ 52,939	831 \$	53,770 \$	68,000 \$	79,000 \$	25,230
Excess (Deficiency) of Revenues Over Expenditures	\$ 93,945	(831) \$	93,114 \$	0 \$	22,133 \$	70,981
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 93,945	(831) \$	93,114 \$	0 \$	22,133 \$	70,981
	24,494	0	24,494	20,989	20,989	3,505
Fund Balance, June 30, 2011	\$ 118,439	(831) \$	117,608 \$	20,989 \$	43,122 \$	74,486

Exhibit F-7

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, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 830 \$	0 \$	830 \$	500 \$	152 \$	678
Federal Government	45,000	0	45,000	0	45,000	0
Total Revenues	\$ 45,830 \$	0 \$	45,830 \$	500 \$	45,152 \$	678
<u>Expenditures</u>						
<u>Capital Projects</u>						
General Administration Projects	\$ 182,235 \$	178 \$	182,413 \$	54,180 \$	284,385 \$	101,972
Public Safety Projects	187,511	0	187,511	207,121	197,421	9,910
Total Expenditures	\$ 369,746 \$	178 \$	369,924 \$	261,301 \$	481,806 \$	111,882
Excess (Deficiency) of Revenues Over Expenditures	\$ (323,916) \$	(178) \$	(324,094) \$	(260,801) \$	(436,654) \$	112,560
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 149,000 \$	0 \$	149,000 \$	0 \$	149,000 \$	0
Total Other Financing Sources (Uses)	\$ 149,000 \$	0 \$	149,000 \$	0 \$	149,000 \$	0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (174,916) \$	(178) \$	(175,094) \$	(260,801) \$	(287,654) \$	112,560
	315,248	0	315,248	315,247	315,247	1
Fund Balance, June 30, 2011	\$ 140,332 \$	(178) \$	140,154 \$	54,446 \$	27,593 \$	112,561

Exhibit F-8

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 116,574 \$	0 \$	116,574 \$	372,138 \$	391,557 \$	(274,983)
Total Revenues	\$ 116,574 \$	0 \$	116,574 \$	372,138 \$	391,557 \$	(274,983)
<u>Expenditures</u>						
<u>Capital Projects</u>						
Public Safety Projects	\$ 142,324 \$	1,826 \$	144,150 \$	316,119 \$	335,538 \$	191,388
Total Expenditures	\$ 142,324 \$	1,826 \$	144,150 \$	316,119 \$	335,538 \$	191,388
Excess (Deficiency) of Revenues Over Expenditures	\$ (25,750) \$	(1,826) \$	(27,576) \$	56,019 \$	56,019 \$	(83,595)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (25,750) \$	(1,826) \$	(27,576) \$	56,019 \$	56,019 \$	(83,595)
	75,000	0	75,000	18,981	18,981	56,019
Fund Balance, June 30, 2011	\$ 49,250 \$	(1,826) \$	47,424 \$	75,000 \$	75,000 \$	(27,576)

Major Governmental Fund

Debt Service Fund

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

Exhibit G-1

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,478,233	\$ 4,430,947	\$ 4,461,793	\$ 16,440
Other Local Revenues	90,000	90,000	90,000	0
State of Tennessee	647,209	523,691	647,209	0
Other Governments and Citizens Groups	550,000	300,000	300,000	250,000
Total Revenues	<u>\$ 5,765,442</u>	<u>\$ 5,344,638</u>	<u>\$ 5,499,002</u>	<u>\$ 266,440</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,755,400	\$ 2,005,000	\$ 1,755,400	\$ 0
Highways and Streets	414,600	175,000	414,600	0
Education	1,975,000	1,965,000	1,975,000	0
<u>Interest on Debt</u>				
General Government	971,860	1,247,665	971,862	2
Highways and Streets	101,877	4,795	101,877	0
Education	885,323	706,600	885,323	0
<u>Other Debt Service</u>				
General Government	76,671	79,000	79,000	2,329
Highways and Streets	0	1,000	1,000	1,000
Education	600	1,000	1,000	400
Total Expenditures	<u>\$ 6,181,331</u>	<u>\$ 6,185,060</u>	<u>\$ 6,185,062</u>	<u>\$ 3,731</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (415,889)</u>	<u>\$ (840,422)</u>	<u>\$ (686,060)</u>	<u>\$ 270,171</u>
Net Change in Fund Balance	\$ (415,889)	\$ (840,422)	\$ (686,060)	\$ 270,171
Fund Balance, July 1, 2010	4,198,601	4,008,305	4,008,305	190,296
Fund Balance, June 30, 2011	<u>\$ 3,782,712</u>	<u>\$ 3,167,883</u>	<u>\$ 3,322,245</u>	<u>\$ 460,467</u>

Fiduciary Funds

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

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

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

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

Exhibit H-1

Lawrence County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

	Agency Funds			Total
	Cities - Sales Tax	Judicial District Drug	Constitu- tional Officers - Agency	
<u>ASSETS</u>				
Cash	\$ 0	\$ 1,788	\$ 912,591	\$ 914,379
Equity in Pooled Cash and Investments	0	68,435	0	68,435
Accounts Receivable	0	3,193	1,008	4,201
Due from Other Governments	700,433	0	0	700,433
Total Assets	<u>\$ 700,433</u>	<u>\$ 73,416</u>	<u>\$ 913,599</u>	<u>\$ 1,687,448</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 700,433	\$ 0	\$ 0	\$ 700,433
Due to Litigants, Heirs, and Others	0	2,011	913,599	915,610
Due to Joint Ventures	0	71,405	0	71,405
Total Liabilities	<u>\$ 700,433</u>	<u>\$ 73,416</u>	<u>\$ 913,599</u>	<u>\$ 1,687,448</u>

Exhibit H-2

Lawrence County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,965,855	\$ 3,965,855	\$ 0
Due from Other Governments	688,757	700,433	688,757	700,433
Total Assets	\$ 688,757	\$ 4,666,288	\$ 4,654,612	\$ 700,433
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 688,757	\$ 4,666,288	\$ 4,654,612	\$ 700,433
Total Liabilities	\$ 688,757	\$ 4,666,288	\$ 4,654,612	\$ 700,433
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 2,375	\$ 1,788	\$ 2,375	\$ 1,788
Equity in Pooled Cash and Investments	71,803	68,435	71,803	68,435
Accounts Receivable	7,899	3,193	7,899	3,193
Total Assets	\$ 82,077	\$ 73,416	\$ 82,077	\$ 73,416
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,451	\$ 2,011	\$ 1,451	\$ 2,011
Due to Joint Ventures	80,626	71,405	80,626	71,405
Total Liabilities	\$ 82,077	\$ 73,416	\$ 82,077	\$ 73,416
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,252,824	\$ 912,951	\$ 1,252,824	\$ 912,951
Accounts Receivable	0	1,008	0	1,008
Total Assets	\$ 1,252,824	\$ 913,959	\$ 1,252,824	\$ 913,959
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,252,824	\$ 913,599	\$ 1,252,824	\$ 913,599
Total Liabilities	\$ 1,252,824	\$ 913,599	\$ 1,252,824	\$ 913,599
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,255,199	\$ 914,739	\$ 1,255,199	\$ 914,739
Equity in Pooled Cash and Investments	71,803	4,034,290	4,037,658	68,435
Accounts Receivable	7,899	4,201	7,899	4,201
Due from Other Governments	688,757	700,433	688,757	700,433
Total Assets	\$ 2,023,658	\$ 5,653,663	\$ 5,989,513	\$ 1,687,808
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 688,757	\$ 4,666,288	\$ 4,654,612	\$ 700,433
Due to Litigants, Heirs, and Others	1,254,275	915,610	1,254,275	915,610
Due to Joint Ventures	80,626	71,405	80,626	71,405
Total Liabilities	\$ 2,023,658	\$ 5,653,303	\$ 5,989,513	\$ 1,687,448

Lawrence County School Department

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

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

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

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

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

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

Exhibit I-1

Lawrence County, Tennessee
Statement of Activities
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions		Total Governmental Activities	
Governmental Activities:					
Instruction	\$ 32,972,275	\$ 5,540,169	\$ 125,261	\$	\$ (27,306,845)
Support Services	17,297,012	150,325	78,450		(17,068,237)
Operation of Non-Instructional Services	5,388,228	2,537,541	1,165,212		(1,685,475)
Total Governmental Activities	\$ 55,657,515	\$ 8,228,035	\$ 1,368,923	\$	\$ (46,060,557)

General Revenues:					
Taxes:				\$	5,795,388
Property Taxes Levied for General Purposes					4,373,545
Local Option Sales Tax					3,220
Other Local Taxes					34,132,090
Grants and Contributions Not Restricted to Specific Programs					6,773
Unrestricted Investment Earnings					48,771
E-Rate Funding					29,018
Miscellaneous					243,629
Insurance Recovery					48,561
Gain on Disposal of Capital Assets					
Total General Revenues				\$	44,680,995
Change in Net Assets				\$	(1,379,562)
Net Assets, July 1, 2010					49,948,764
Net Assets, June 30, 2011				\$	48,569,202

Exhibit I-2

Lawrence County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Lawrence County School Department
 June 30, 2011

	Major Funds		Nonmajor	Total
	General	School	Funds	
	Purpose	Federal	Other	
	School	Projects	Governmental	Governmental
			Funds	Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,100	\$ 1,100
Equity in Pooled Cash and Investments	7,277,418	87,224	1,106,587	8,471,229
Inventories	0	0	146,192	146,192
Accounts Receivable	0	0	1,232	1,232
Due from Other Governments	1,900,492	92,357	29,404	2,022,253
Property Taxes Receivable	6,116,257	0	0	6,116,257
Allowance for Uncollectible Property Taxes	(165,586)	0	0	(165,586)
Total Assets	\$ 15,128,581	\$ 179,581	\$ 1,284,515	\$ 16,592,677
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 5,127	\$ 0	\$ 0	\$ 5,127
Payroll Deductions Payable	1,362,111	176,254	56,027	1,594,392
Retainage Payable	0	0	1,463	1,463
Deferred Revenue - Current Property Taxes	5,731,833	0	0	5,731,833
Deferred Revenue - Delinquent Property Taxes	195,631	0	0	195,631
Other Deferred Revenues	361,165	0	0	361,165
Total Liabilities	\$ 7,655,867	\$ 176,254	\$ 57,490	\$ 7,889,611
<u>Fund Balances</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 146,192	\$ 146,192
Restricted:				
Restricted for Instruction	151,009	3,327	0	154,336
Restricted for Operation of Non-Instructional Services	0	0	516,993	516,993
Committed:				
Committed for Operation of Non-Instructional Services	0	0	19,944	19,944
Committed for Capital Outlay	0	0	543,896	543,896
Assigned:				
Assigned for Instruction	619,904	0	0	619,904
Assigned for Support Services	419,850	0	0	419,850
Assigned for Operation of Non-Instructional Services	662	0	0	662
Assigned for Capital Outlay	565,600	0	0	565,600
Assigned for Other Purposes	3,902	0	0	3,902
Unassigned	5,711,787	0	0	5,711,787
Total Fund Balances	\$ 7,472,714	\$ 3,327	\$ 1,227,025	\$ 8,703,066
Total Liabilities and Fund Balances	\$ 15,128,581	\$ 179,581	\$ 1,284,515	\$ 16,592,677

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, 2011

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)		\$ 8,703,066
(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	56,967	
Add: buildings and improvements net of accumulated depreciation	39,543,231	
Add: other capital assets net of accumulated depreciation	<u>3,753,308</u>	44,029,960
(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	\$ (53,776)	
Less: other postemployment benefits liability	<u>(4,666,844)</u>	(4,720,620)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>556,796</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 48,569,202</u></u>

Exhibit I-4

Lawrence County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2011

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 10,239,733	\$ 0	\$ 0	\$ 10,239,733
Licenses and Permits	1,591	0	0	1,591
Charges for Current Services	97,495	0	1,271,428	1,368,923
Other Local Revenues	129,645	0	6,773	136,418
State of Tennessee	33,974,536	0	42,213	34,016,749
Federal Government	247,467	5,592,633	2,497,619	8,337,719
Total Revenues	<u>\$ 44,690,467</u>	<u>\$ 5,592,633</u>	<u>\$ 3,818,033</u>	<u>\$ 54,101,133</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 26,374,919	\$ 4,295,954	\$ 0	\$ 30,670,873
Support Services	15,092,287	1,254,869	0	16,347,156
Operation of Non-Instructional Services	1,183,526	18,068	3,975,963	5,177,557
Capital Outlay	570,779	0	0	570,779
Debt Service:				
Other Debt Service	550,000	0	0	550,000
Capital Projects	0	0	1,136,613	1,136,613
Total Expenditures	<u>\$ 43,771,511</u>	<u>\$ 5,568,891</u>	<u>\$ 5,112,576</u>	<u>\$ 54,452,978</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 918,956</u>	<u>\$ 23,742</u>	<u>\$ (1,294,543)</u>	<u>\$ (351,845)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 263,074	\$ 0	\$ 0	\$ 263,074
Transfers In	20,611	0	0	20,611
Transfers Out	0	(20,611)	0	(20,611)
Total Other Financing Sources (Uses)	<u>\$ 283,685</u>	<u>\$ (20,611)</u>	<u>\$ 0</u>	<u>\$ 263,074</u>
Net Change in Fund Balances	\$ 1,202,641	\$ 3,131	\$ (1,294,543)	\$ (88,771)
Fund Balance, July 1, 2010	<u>6,270,073</u>	<u>196</u>	<u>2,521,568</u>	<u>8,791,837</u>
Fund Balance, June 30, 2011	<u>\$ 7,472,714</u>	<u>\$ 3,327</u>	<u>\$ 1,227,025</u>	<u>\$ 8,703,066</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, 2011

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)		\$	(88,771)
(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	\$	1,782,547	
Less: current-year depreciation expense		<u>(2,335,147)</u>	(552,600)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			(18,674)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2010	\$	(624,376)	
Add: deferred delinquent property taxes and other deferred June 30, 2011		<u>556,796</u>	(67,580)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	(925)	
Change in other postemployment benefits liability		<u>(651,012)</u>	<u>(651,937)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (1,379,562)</u>

Lawrence County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Lawrence County School Department
June 30, 2011

	Special Revenue Funds			Capital Projects		Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	Total	Education Capital Projects	Fund	
\$	1,100	0	1,100	0	0	1,100
	542,366	18,862	561,228	545,359		1,106,587
	146,192	0	146,192	0		146,192
	150	1,082	1,232	0		1,232
	29,404	0	29,404	0		29,404
\$	719,212	19,944	739,156	545,359		1,284,515

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Payroll Deductions Payable
 Retainage Payable
 Total Liabilities

Fund Balances

Nonspendable:
 Inventory
 Restricted:
 Restricted for Operation of Non-Instructional Services
 Committed:
 Committed for Operation of Non-Instructional Services
 Committed for Capital Outlay
 Total Fund Balances

Total Liabilities and Fund Balances

\$	56,027	0	56,027	0	0	56,027
	0	0	0	1,463		1,463
\$	56,027	0	56,027	1,463		57,490
\$	146,192	0	146,192	0		146,192
	516,993	0	516,993	0		516,993
	0	19,944	19,944	0		19,944
	0	0	0	543,896		543,896
\$	663,185	19,944	683,129	543,896		1,227,025
\$	719,212	19,944	739,156	545,359		1,284,515

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, 2011

	Special Revenue Funds			Capital Projects		Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	Total	Fund		
				Education Capital Projects		
<u>Revenues</u>						
Charges for Current Services	\$ 1,155,102	\$ 116,326	\$ 1,271,428	\$ 0	\$ 0	\$ 1,271,428
Other Local Revenues	6,773	0	6,773	0	0	6,773
State of Tennessee	39,922	2,291	42,213	0	0	42,213
Federal Government	2,497,619	0	2,497,619	0	0	2,497,619
Total Revenues	\$ 3,699,416	\$ 118,617	\$ 3,818,033	\$ 0	\$ 0	\$ 3,818,033
<u>Expenditures</u>						
Current:						
Operation of Non-Instructional Services	\$ 3,851,715	\$ 124,248	\$ 3,975,963	\$ 0	\$ 0	\$ 3,975,963
Capital Projects	0	0	0	1,136,613	1,136,613	1,136,613
Total Expenditures	\$ 3,851,715	\$ 124,248	\$ 3,975,963	\$ 1,136,613	\$ 1,136,613	\$ 5,112,576
Excess (Deficiency) of Revenues Over Expenditures	\$ (152,299)	\$ (5,631)	\$ (157,930)	\$ (1,136,613)	\$ (1,136,613)	\$ (1,294,543)
Net Change in Fund Balances	\$ (152,299)	\$ (5,631)	\$ (157,930)	\$ (1,136,613)	\$ (1,136,613)	\$ (1,294,543)
Fund Balance, July 1, 2010	815,484	25,575	841,059	1,680,509	1,680,509	2,521,568
Fund Balance, June 30, 2011	\$ 663,185	\$ 19,944	\$ 683,129	\$ 543,896	\$ 543,896	\$ 1,227,025

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, 2011

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2010	Encumbrances 6/30/2011			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 10,239,733	\$ 0	\$ 0	\$ 0	10,239,733	\$ 9,820,737	\$ 9,839,001	\$ 400,732
Licenses and Permits	1,591	0	0	0	1,591	1,000	1,000	591
Charges for Current Services	97,495	0	0	0	97,495	85,000	85,000	12,495
Other Local Revenues	129,645	0	0	0	129,645	5,000	60,797	68,848
State of Tennessee	33,974,536	0	0	0	33,974,536	31,842,935	33,942,916	31,620
Federal Government	247,467	0	0	0	247,467	0	264,130	(16,663)
Total Revenues	\$ 44,690,467	\$ 0	\$ 0	\$ 0	44,690,467	\$ 41,754,672	\$ 44,192,844	\$ 497,623
<u>Expenditures</u>								
<u>Instruction</u>								
Regular Instruction Program	\$ 21,270,317	\$ (6,410)	\$ 726,240	\$ 21,990,147	\$ 21,458,235	\$ 21,976,222	\$ (13,925)	\$ 35,977
Alternative Instruction Program	197,073	(536)	3,597	200,134	110,101	236,111	11,386	30,605
Special Education Program	2,484,485	0	0	2,484,485	2,612,249	2,495,871	89,982	16,033
Vocational Education Program	2,350,224	(3,406)	100	2,346,918	2,263,328	2,377,523	103,605	(1,064)
Adult Education Program	72,820	(423)	1,552	73,949	4,527	89,982	(1,798)	5,028
<u>Support Services</u>								
Attendance	104,669	0	0	104,669	99,339	103,605	(6,570)	5,625
Health Services	420,895	0	121	421,016	360,783	419,218	(1,651)	(7,491)
Other Student Support	1,103,379	(70)	3,868	1,107,177	983,403	1,112,205	130,069	(10,129)
Regular Instruction Program	1,207,854	0	938	1,208,792	1,239,316	1,202,222	34,000	5,625
Alternative Instruction Program	28,375	0	0	28,375	30,000	34,000	247,628	(1,651)
Special Education Program	260,602	0	0	260,602	247,628	258,951	130,069	(7,491)
Vocational Education Program	137,560	0	0	137,560	124,569	130,069	97,677	(10,129)
Adult Programs	107,806	0	0	107,806	2,400	97,677		

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Other Programs	\$ 265,860	\$ 0	\$ 0	265,860	\$ 0	\$ 265,860	\$ 0
Board of Education	889,313	(814)	2,260	890,759	902,799	922,799	32,040
Director of Schools	316,265	(833)	3,306	318,738	325,047	324,655	5,917
Office of the Principal	2,641,896	(96)	835	2,642,635	2,535,026	2,660,377	17,742
Fiscal Services	217,039	(50)	0	216,989	203,167	216,317	(672)
Operation of Plant	3,443,993	(72,997)	79,849	3,450,845	3,372,133	3,559,911	109,066
Maintenance of Plant	1,258,887	(68,357)	4,803	1,195,333	859,533	1,160,756	(34,577)
Transportation	2,548,142	(270,937)	325,510	2,602,715	2,656,612	2,702,641	99,926
Central and Other	139,752	(856)	60	138,956	140,162	135,162	(3,794)
<u>Operation of Non-Instructional Services</u>							
Food Service	22,976	0	0	22,976	0	22,976	0
Community Services	98,580	(150)	662	99,092	85,000	85,000	(14,092)
Early Childhood Education	1,061,970	(23,906)	13,577	1,051,641	0	1,064,772	13,131
<u>Capital Outlay</u>							
Regular Capital Outlay	570,779	(225,631)	500	345,648	355,652	359,728	14,080
<u>Principal on Debt</u>							
Education	0	0	0	0	300,000	0	0
<u>Other Debt Service</u>							
Education	550,000	0	0	550,000	0	550,000	0
Total Expenditures	\$ 43,771,511	\$(675,472)	\$ 1,167,778	\$ 44,263,817	\$ 41,271,009	\$ 44,564,610	\$ 300,793
Excess (Deficiency) of Revenues Over Expenditures	\$ 918,956	\$ 675,472	\$(1,167,778)	\$ 426,650	\$ 483,663	\$(371,766)	\$ 798,416

(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:		Add: 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2010	Encumbrances 6/30/2011			Original	Final	
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 263,074	\$ 0	\$ 0	\$ 0	\$ 263,074	\$ 0	\$ 0	\$ 263,074
Transfers In	20,611	0	0	0	20,611	26,684	26,684	(6,073)
Transfers Out	0	0	0	0	0	0	(1,636)	1,636
Total Other Financing Sources (Uses)	\$ 283,685	\$ 0	\$ 0	\$ 0	\$ 283,685	\$ 26,684	\$ 25,048	\$ 258,637
Net Change in Fund Balance	\$ 1,202,641	\$ 675,472	\$ (1,167,778)	\$ 0	\$ 710,335	\$ 510,347	\$ (346,718)	\$ 1,057,053
Fund Balance, July 1, 2010	6,270,073	(675,472)	0	0	5,594,601	5,508,779	55,087,790	(49,493,189)
Fund Balance, June 30, 2011	\$ 7,472,714	\$ 0	\$ (1,167,778)	\$ 0	\$ 6,304,936	\$ 6,019,126	\$ 54,741,072	\$ (48,436,136)

Exhibit I-9

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lawrence County School Department
School Federal Projects Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,592,633	\$ 5,399,208	\$ 6,120,513	\$ (527,880)
Total Revenues	\$ 5,592,633	\$ 5,399,208	\$ 6,120,513	\$ (527,880)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,605,316	\$ 2,080,310	\$ 2,675,010	\$ 69,694
Alternative Instruction Program	85,692	87,344	87,344	1,652
Special Education Program	1,516,291	1,578,052	1,717,621	201,330
Vocational Education Program	88,655	82,521	88,655	0
<u>Support Services</u>				
Health Services	14,095	0	18,486	4,391
Other Student Support	325,927	332,798	331,975	6,048
Regular Instruction Program	421,450	672,367	653,282	231,832
Special Education Program	384,918	439,542	401,622	16,704
Transportation	108,479	101,939	110,116	1,637
<u>Operation of Non-Instructional Services</u>				
Food Service	18,068	0	18,068	0
Total Expenditures	\$ 5,568,891	\$ 5,374,873	\$ 6,102,179	\$ 533,288
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,742	\$ 24,335	\$ 18,334	\$ 5,408
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 111,359	\$ 0	\$ 0
Transfers Out	(20,611)	(131,970)	(20,611)	0
Total Other Financing Sources (Uses)	\$ (20,611)	\$ (20,611)	\$ (20,611)	\$ 0
Net Change in Fund Balance	\$ 3,131	\$ 3,724	\$ (2,277)	\$ 5,408
Fund Balance, July 1, 2010	196	2,679	2,679	(2,483)
Fund Balance, June 30, 2011	\$ 3,327	\$ 6,403	\$ 402	\$ 2,925

Exhibit I-10

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lawrence County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,155,102	\$ 0	\$ 1,155,102	\$ 1,441,000	\$ 1,441,000	\$ (285,898)
Other Local Revenues	6,773	0	6,773	9,000	9,000	(2,227)
State of Tennessee	39,922	0	39,922	40,540	40,540	(618)
Federal Government	2,497,619	0	2,497,619	2,124,850	2,361,750	135,869
Total Revenues	\$ 3,699,416	\$ 0	\$ 3,699,416	\$ 3,615,390	\$ 3,852,290	\$ (152,874)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,851,715	(63,713)	\$ 3,788,002	\$ 3,959,447	\$ 4,196,347	\$ 408,345
Total Expenditures	\$ 3,851,715	(63,713)	\$ 3,788,002	\$ 3,959,447	\$ 4,196,347	\$ 408,345
Excess (Deficiency) of Revenues Over Expenditures	\$ (152,299)	\$ 63,713	\$ (88,586)	\$ (344,057)	\$ (344,057)	\$ 255,471
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (152,299)	\$ 63,713	\$ (88,586)	\$ (344,057)	\$ (344,057)	\$ 255,471
	815,484	(63,713)	751,771	579,832	579,832	171,939
Fund Balance, June 30, 2011	\$ 663,185	\$ 0	\$ 663,185	\$ 235,775	\$ 235,775	\$ 427,410

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, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 116,326	0 \$	116,326 \$	153,000 \$	153,000 \$	(36,674)
State of Tennessee	2,291	0	2,291	7,500	7,500	(5,209)
Total Revenues	\$ 118,617	0 \$	118,617 \$	160,500 \$	160,500 \$	(41,883)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Community Services	\$ 124,248	423 \$	124,671 \$	160,500 \$	160,500 \$	35,829
Total Expenditures	\$ 124,248	423 \$	124,671 \$	160,500 \$	160,500 \$	35,829
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,631)	(423) \$	(6,054) \$	0 \$	0 \$	(6,054)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (5,631)	(423) \$	(6,054) \$	0 \$	0 \$	(6,054)
	25,575	0	25,575	25,575	25,575	0
Fund Balance, June 30, 2011	\$ 19,944	(423) \$	19,521 \$	25,575 \$	25,575 \$	(6,054)

MISCELLANEOUS SCHEDULES

Exhibit J-1

Lawrence County, Tennessee
 Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
 For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Matured During Period	Outstanding 6-30-11
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	\$ 1,785,000	0	\$ 415,000	\$ 1,370,000
General Obligation, Series 2002	1,850,000	1.55 to 4.125	6-1-02	6-1-14	710,000	0	165,000	545,000
Refunding Capital Outlay Note Series 2003	2,195,000	2.74	2-1-03	1-6-11	175,000	0	175,000	0
General Obligation Capital Outlay Note Series 2011	149,000	1.99	3-16-11	3-16-14	0	149,000	0	149,000
Total Notes Payable					\$ 2,670,000	\$ 149,000	\$ 755,000	\$ 2,064,000
CAPITAL LEASES PAYABLE								
<u>Payable through General Fund</u>								
Ambulances	280,500	4.947	9-14-09	8-1-12	\$ 205,405	0	\$ 65,668	\$ 139,737
Patrol Cars for Sheriff's Department	220,206	3.95	10-26-09	10-26-11	143,946	0	70,575	73,371
Total Payable through General Fund					\$ 349,351	0	\$ 136,243	\$ 213,108
<u>Payable through Highway/Public Works Fund</u>								
Highway Equipment - Compactors	201,205	3.45	7-30-09	8-5-11	\$ 131,813	0	\$ 64,771	\$ 67,042
Highway Equipment - Truck/Grapple Loader	108,835	4.45	4-1-10	4-1-14	68,835	0	16,059	52,776
Highway Equipment - Backhoe	53,361	5.25	7-1-09	9-16-10	34,791	0	34,791	0
Road Reclaimer for Highway Department	367,000	2.951	6-1-10	6-15-15	301,301	0	56,806	244,495
Total Payable through Highway/Public Works Fund					\$ 536,740	0	\$ 172,427	\$ 364,313
Total Capital Leases Payable					\$ 886,091	0	\$ 308,670	\$ 577,421
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Refunding, Series 2000	8,300,000	5.05	12-1-00	11-23-10	\$ 260,000	0	\$ 260,000	\$ 0
Refunding, Series 2001	1,500,000	5.05	12-1-00	11-23-10	45,000	0	45,000	0
Refunding, Series 2003	8,100,000	3.04	1-1-03	8-1-13	2,815,000	0	845,000	1,970,000
School Refunding, Series 2003	8,820,000	3.33	4-29-03	5-1-16	4,990,000	0	765,000	4,225,000
School Refunding, Series 2004	3,375,000	2.599	4-13-04	5-1-16	1,800,000	0	285,000	1,515,000
School Bond, Series 2004	8,000,000	3.6	8-12-04	9-1-19	5,790,000	0	485,000	5,305,000
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-1-25	7,575,000	0	45,000	7,530,000
General Obligation, Series 2006	10,000,000	3.95	2-1-06	6-1-31	8,950,000	0	285,000	8,665,000
General Obligation, Series 2007	10,000,000	4	12-4-07	6-1-37	9,805,000	0	200,000	9,605,000
General Obligation, Series 2008	4,250,000	4.28	3-18-08	3-1-37	4,160,000	0	95,000	4,065,000
School Refunding, Series 2010	2,700,000	3.7	1-13-10	10-1-34	2,700,000	0	25,000	2,675,000
School Improvement, Series 2010	2,160,000	3.7	1-13-10	10-1-34	2,160,000	0	55,000	2,105,000
Total Bonds Payable					\$ 51,050,000	0	\$ 3,390,000	\$ 47,660,000

Exhibit J-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2012	\$ 659,667	\$ 65,833	\$ 725,500
2013	684,667	41,922	726,589
2014	719,666	16,958	736,624
Total	\$ 2,064,000	\$ 124,713	\$ 2,188,713

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2012	\$ 283,940	\$ 21,671	\$ 305,611
2013	149,331	10,628	159,959
2014	80,334	4,530	84,864
2015	63,816	1,884	65,700
Total	\$ 577,421	\$ 38,713	\$ 616,134

Year Ending June 30	Bonds		Total
	Principal	Interest	
2012	\$ 3,505,000	\$ 1,748,672	\$ 5,253,672
2013	3,630,000	1,629,576	5,259,576
2014	3,025,000	1,517,367	4,542,367
2015	2,925,000	1,415,446	4,340,446
2016	3,020,000	1,312,694	4,332,694
2017	2,690,000	1,193,948	3,883,948
2018	2,780,000	1,097,871	3,877,871
2019	2,895,000	998,248	3,893,248
2020	2,080,000	906,908	2,986,908
2021	1,445,000	838,490	2,283,490
2022	1,505,000	780,200	2,285,200
2023	1,565,000	719,216	2,284,216
2024	1,625,000	657,572	2,282,572
2025	1,690,000	593,585	2,283,585
2026	1,760,000	526,804	2,286,804
2027	1,165,000	469,975	1,634,975
2028	1,215,000	423,219	1,638,219
2029	1,270,000	374,172	1,644,172
2030	1,330,000	322,733	1,652,733
2031	1,390,000	268,866	1,658,866
2032	805,000	212,203	1,017,203
2033	840,000	178,515	1,018,515
2034	880,000	143,363	1,023,363
2035	925,000	106,325	1,031,325
2036	830,000	70,450	900,450
2037	870,000	36,050	906,050
Total	\$ 47,660,000	\$ 18,542,468	\$ 66,202,468

Lawrence County, Tennessee
Schedule of Notes Receivable
June 30, 2011

Exhibit J-3

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-11
<u>Industrial/Economic Development Fund</u> Airport Renovation	Lawrenceburg-Lawrence County Airport	\$ 150,000	5-18-07	Various	0%	\$ <u>117,862</u>
Total Notes Receivable						\$ <u><u>117,862</u></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, 2011

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Solid Waste/Sanitation	Operations	\$ 10,740
Solid Waste/Sanitation	General	"	32,480
Total Transfers Primary Government			<u>\$ 43,220</u>
<u>DISCRETELY PRESENTED LAWRENCE</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 20,611
Total Transfers Discretely Presented Lawrence County School Department			<u>\$ 20,611</u>

Lawrence County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive:				
Paul Rosson (7-1-10 through 8-31-10)	Section 8-24-102, TCA	\$ 15,638	\$ 50,000	Auto-Owners Insurance Company
J. Mack Chandler (9-1-10 through 6-30-11)	Section 8-24-102, TCA	64,157	50,000	"
Road Superintendent	Section 8-24-102, TCA	70,350	100,000	"
Director of Schools	State Board of Education and County Board of Education	109,436 (1)	150,000	(5)
Trustee:				
Cindy Benefield (7-1-10 through 8-31-10)	Section 8-24-102, TCA	12,791	1,559,000	Auto-Owners Insurance Company
Kiley Weathers (9-1-10 through 6-30-11)	Section 8-24-102, TCA	52,475	1,630,400	"
Assessor of Property	Section 8-24-102, TCA	63,954 (2)	10,000	"
Director of Accounts and Budgets	County Commission	60,756 (3)	25,000	"
County Clerk	Section 8-24-102, TCA	63,954	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	63,954	50,000	"
Clerk and Master	Section 8-24-102, TCA	63,954	50,000	"
Register	Section 8-24-102, TCA	63,954	25,000	"
Sheriff:				
Kenny Taylor (7-1-10 through 8-31-10)	Section 8-24-102, TCA	14,773 (4)	25,000	"
Jimmy Brown (9-1-10 through 6-30-11)	Section 8-24-102, TCA	60,899	25,000	"
Purchasing Agent	County Commission	39,140	25,000	"
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Departments			50,000	Netherland Insurance Company

(1) Includes a chief executive officer training supplement of \$1,000, accrued vacation leave of \$5,041, and a cell phone allowance of \$600.
(2) Does not include \$1,000 for a salary supplement.
(3) Does not include \$500 received for longevity pay.
(4) Does not include \$1,357 received directly from a short-term disability insurance carrier.
(5) Covered under School Department's Public Employee Dishonesty Bond.

Exhibit J-6

Lawrence County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2011

	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Special Revenue Funds				District Attorney General
				Industrial / Economic Development	Drug Control			
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 6,224,393	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	296,089	0	0	0	0	0	0	0
Trustee's Collections - Bankruptcy	3,190	0	0	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	121,273	0	0	0	0	0	0	0
Interest and Penalty	52,693	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	4,580	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	312,534	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,853	0	0	0	0	0	0	0
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	0	0	0	0
Hotel/Motel Tax	90,927	0	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	0	0
Litigation Tax - General	98,098	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	27,874	11,113	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	2,347	0	0	0	0	0	0	0
Business Tax	284,608	0	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	0	0	0	0	0
Wholesale Beer Tax	70,616	0	0	40,000	0	0	0	0
Interstate Telecommunications Tax	2,090	0	0	0	0	0	0	0
<u>Total Local Taxes</u>	\$ 7,593,165	\$ 11,113	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 0	0
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Marriage Licenses	\$ 1,762	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	32,185	0	0	0	0	0	0	0
<u>Permits</u>								
Beer Permits	3,032	0	0	0	0	0	0	0
<u>Total Licenses and Permits</u>	\$ 36,979	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	General	Special Revenue Funds					District Attorney General
		Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 15,013	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	15,361	0	0	0	0	0	0
Drug Control Fines	632	0	0	0	35,646	0	0
Jail Fees	18,826	0	0	0	0	0	0
Judicial Commissioner Fees	208	0	0	0	0	0	0
DUI Treatment Fines	4,026	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,238	0	0	0	0	0	0
Courtroom Security Fee	0	668	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	16,446	0	0	0	0	0	0
Officers Costs	55,118	0	0	0	0	0	0
Game and Fish Fines	470	0	0	0	0	0	0
Drug Control Fines	1,674	0	0	0	15,368	0	0
Jail Fees	2,772	0	0	0	0	0	0
DUI Treatment Fines	9,375	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,047	0	0	0	0	0	0
Courtroom Security Fee	0	2	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	48	0	0	0	0	0	0
Officers Costs	1,946	0	0	0	0	0	0
Jail Fees	95	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	522	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	2,175	0	0	0	0	0	0
Data Entry Fee - Chancery Court	2,472	0	0	0	0	0	0
Courtroom Security Fee	0	4	0	0	0	0	0
Other Courts - In-county							
District Attorney General Fees	0	0	0	0	0	0	31,903
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	18,380	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 73,022	\$ 0
<u>Proceeds from Confiscated Property</u>	\$ 154,464	\$ 674	\$ 0	\$ 0	\$ 142,416	\$ 31,903
<u>Total Fines, Forfeitures, and Penalties</u>						
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 387,876	\$ 0	\$ 0	\$ 0
Residential Waste Collection Charge	0	0	605,299	0	0	0
Tipping Fees	0	0	640	0	0	0
Solid Waste Disposal Fees	0	0	51,691	0	0	0
Patient Charges	1,827,480	0	0	0	0	0
Past Due Collections - Ambulance	1,390	0	0	0	0	0
Work Release Charges for Board	27,580	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	0
Service Charges	1,582	0	20	0	0	0
<u>Fees</u>						
Copy Fees	2,790	0	0	0	0	0
Library Fees	4,384	0	0	0	0	0
Telephone Commissions	43,904	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	11,414	0	0	0	0	0
Data Processing Fee - Sheriff	2,826	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,700	0	0	0	0	0
Data Processing Fee - County Clerk	3,636	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	1,557	0	0	0	0	0
<u>Total Charges for Current Services</u>	\$ 1,931,243	\$ 674	\$ 1,045,526	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 121,777	\$ 0	\$ 15,008	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Lease/Rentals	\$ 250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Materials and Supplies	341	0	0	0	0	0
Sale of Recycled Materials	0	0	189,327	0	0	0
Miscellaneous Refunds	3,964	0	0	0	0	0
Expenditure Credits	85	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	9,267	0	0	0	0	0
Damages Recovered from Individuals	228	0	0	0	0	0
Contributions and Gifts	250	0	0	0	0	0
Performance Bond Forfeitures	950	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	348	0	0	0	0	0
<u>Total Other Local Revenues</u>	\$ 137,460	\$ 0	\$ 204,335	\$ 0	\$ 0	\$ 0
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 81,093	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	389,733	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>						
Circuit Court Clerk	139,991	0	0	0	0	0
General Sessions Court Clerk	190,313	0	0	0	0	0
Clerk and Master	157,067	0	0	0	0	0
Juvenile Court Clerk	39,470	0	0	0	0	0
Register	45,484	0	0	0	0	0
Sheriff	21,426	0	0	0	0	0
<u>Total Fees Received from County Officials</u>	\$ 1,064,577	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	General	Special Revenue Funds						District Attorney General
		Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control			
State of Tennessee (Cont.)								
General Government Grants (Cont.)								
Solid Waste Grants	\$ 0	\$ 0	\$ 47,451	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
On-Behalf Contributions for OPEB	1,723	0	0	0	0	0	0	0
Public Safety Grants								
Law Enforcement Training Programs	22,800	0	0	0	0	0	0	0
Health and Welfare Grants								
Health Department Programs	197,999	0	0	0	0	0	0	0
Public Works Grants								
Bridge Program	0	0	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0	0	0
Litter Program	25,623	0	0	0	0	0	0	0
Other State Revenues								
Income Tax	54,369	0	0	0	0	0	0	0
Beer Tax	18,724	0	0	0	0	0	0	0
Alcoholic Beverage Tax	71,254	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0
Contracted Prisoner Boarding	569,065	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0
Other State Grants	2,500	0	0	0	0	0	0	0
Other State Revenues	25	0	0	0	0	4,468	0	0
Total State of Tennessee	\$ 988,246	\$ 0	\$ 47,451	\$ 0	\$ 0	\$ 4,468	\$ 0	\$ 0
Federal Government								
Federal Through State								
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0	0	0	0
Other Federal through State	120,391	0	0	0	0	0	0	0
Direct Federal Revenue								
Other Direct Federal Revenue	13,878	0	0	0	0	0	0	0
Total Federal Government	\$ 134,269	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	83,287	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	9,231	0	0	0	0	0	0
Other	3,423	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 95,941	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 12,136,344	\$ 11,787	\$ 1,297,312	\$ 40,000	\$ 146,884	\$ 31,903	

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	1,304,396	1,918,604	0	0	0	9,447,393
Trustee's Collections - Prior Year	0	62,100	91,359	0	0	0	449,548
Trustee's Collections - Bankruptcy	0	668	983	0	0	0	4,841
Circuit/Clerk & Master Collections - Prior Years	0	28,779	42,330	0	0	0	192,382
Interest and Penalty	0	11,028	16,222	0	0	0	79,943
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	4,580
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	312,534
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	1,853
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	1,377,703	0	0	0	1,377,703
Hotel/Motel Tax	0	0	0	0	0	0	90,927
Wheel Tax	0	0	904,808	0	0	0	904,808
Litigation Tax - General	0	0	0	0	0	0	98,098
Litigation Tax - Special Purpose	0	0	0	0	0	0	38,987
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	76,073	0	0	0	76,073
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	0	2,347
Business Tax	0	0	0	0	0	0	284,608
Mineral Severance Tax	0	60,576	0	0	0	0	60,576
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	50,151	0	0	0	50,151
Wholesale Beer Tax	0	0	0	0	0	0	110,616
Interstate Telecommunications Tax	0	0	0	0	0	0	2,090
Total Local Taxes	\$ 0	1,467,547	4,478,233	0	0	0	13,590,058
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	0	0	0	0	0	0	1,762
Cable TV Franchise	0	0	0	0	0	0	32,185
<u>Permits</u>							
Beer Permits	0	0	0	0	0	0	3,032
Total Licenses and Permits	\$ 0	0	0	0	0	0	36,979

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		General Capital Projects	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	15,013
Officers Costs	0	0	0	0	0	0	0	15,361
Drug Control Fines	0	0	0	0	0	0	0	36,278
Jail Fees	0	0	0	0	0	0	0	18,826
Judicial Commissioner Fees	0	0	0	0	0	0	0	208
DUI Treatment Fines	0	0	0	0	0	0	0	4,026
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	1,238
Courtroom Security Fee	0	0	0	0	0	0	0	668
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	16,446
Officers Costs	0	0	0	0	0	0	0	55,118
Game and Fish Fines	0	0	0	0	0	0	0	470
Drug Control Fines	0	0	0	0	0	0	0	17,042
Jail Fees	0	0	0	0	0	0	0	2,772
DUI Treatment Fines	0	0	0	0	0	0	0	9,375
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	6,047
Courtroom Security Fee	0	0	0	0	0	0	0	2
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	48
Officers Costs	0	0	0	0	0	0	0	1,946
Jail Fees	0	0	0	0	0	0	0	95
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	522
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	0	2,175
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	2,472
Courtroom Security Fee	0	0	0	0	0	0	0	4
<u>Other Courts - In-county</u>								
District Attorney General Fees	0	0	0	0	0	0	0	31,903
<u>Judicial District Drug Program</u>								
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	18,380

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works		General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	73,022
Proceeds from Confiscated Property	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	329,457
Total Fines, Forfeitures, and Penalties	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	387,876
Residential Waste Collection Charge	0	0	0	0	0	605,299
Tipping Fees	0	0	0	0	0	640
Solid Waste Disposal Fees	0	0	0	0	0	51,691
Patient Charges	0	0	0	0	0	1,827,480
Past Due Collections - Ambulance	0	0	0	0	0	1,390
Work Release Charges for Board	0	0	0	0	0	27,580
Other General Service Charges	0	14,400	0	0	0	14,400
Service Charges	0	0	0	0	0	1,602
<u>Fees</u>						
Copy Fees	0	0	0	0	0	2,790
Library Fees	0	0	0	0	0	4,384
Telephone Commissions	0	0	0	0	0	43,904
Constitutional Officers' Fees and Commissions	556,000	0	0	0	0	556,000
Data Processing Fee - Register	0	0	0	0	0	11,414
Data Processing Fee - Sheriff	0	0	0	0	0	2,826
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	2,700
Data Processing Fee - County Clerk	0	0	0	0	0	3,636
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	0	0	0	1,557
Total Charges for Current Services	\$ 556,000 \$	14,400 \$	0 \$	0 \$	0 \$	3,547,169
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0 \$	0 \$	0 \$	830 \$	0 \$	137,615

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works		General Debt Service	General Capital Projects	
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Lease/Rentals	\$ 0	\$ 0	90,000	\$ 0	\$ 0	90,250
Sale of Materials and Supplies	0	259	0	0	0	600
Sale of Recycled Materials	0	13,332	0	0	0	202,659
Miscellaneous Refunds	0	1,941	0	0	0	5,905
Expenditure Credits	0	0	0	0	0	85
<u>Nonrecurring Items</u>						
Sale of Equipment	0	23,585	0	0	0	32,852
Damages Recovered from Individuals	0	272	0	0	0	500
Contributions and Gifts	0	0	0	0	0	250
Performance Bond Forfeitures	0	0	0	0	0	950
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	348
<u>Total Other Local Revenues</u>	<u>\$ 0</u>	<u>\$ 39,389</u>	<u>\$ 90,000</u>	<u>\$ 830</u>	<u>\$ 0</u>	<u>\$ 472,014</u>
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	0	\$ 0	\$ 0	81,093
Trustee	0	0	0	0	0	389,733
<u>Fees in-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	139,991
General Sessions Court Clerk	0	0	0	0	0	190,313
Clerk and Master	0	0	0	0	0	157,067
Juvenile Court Clerk	0	0	0	0	0	39,470
Register	0	0	0	0	0	45,484
Sheriff	0	0	0	0	0	21,426
<u>Total Fees Received from County Officials</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,064,577</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>	\$ 0	\$ 0	0	\$ 0	\$ 0	9,000
Juvenile Services Program						

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		General Capital Projects	Other Capital Projects		
<u>State of Tennessee (Cont.)</u>								
<u>General Government Grants (Cont.)</u>								
Solid Waste Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	47,451
On-Behalf Contributions for OPEB	0	0	0	0	0	0	0	1,723
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	0	0	0	0	0	0	0	22,800
Health and Welfare Grants	0	0	0	0	0	0	0	197,999
<u>Health Department Programs</u>								
<u>Public Works Grants</u>								
Bridge Program	0	135,832	0	0	0	0	0	135,832
State Aid Program	0	194,217	0	0	0	0	0	194,217
Litter Program	0	0	0	0	0	0	0	25,623
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	0	54,369
Beer Tax	0	0	0	0	0	0	0	18,724
Alcoholic Beverage Tax	0	0	0	0	0	0	0	71,254
State Revenue Sharing - T.V.A.	0	0	647,209	0	0	0	0	647,209
Contracted Prisoner Boarding	0	0	0	0	0	0	0	569,065
Gasoline and Motor Fuel Tax	0	2,000,628	0	0	0	0	0	2,000,628
Petroleum Special Tax	0	32,065	0	0	0	0	0	32,065
Registrar's Salary Supplement	0	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	0	2,500
Other State Revenues	0	0	0	0	0	0	0	4,493
Total State of Tennessee	\$ 0	\$ 2,362,742	\$ 647,209	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,050,116
<u>Federal Government</u>								
<u>Federal Through State</u>								
Disaster Relief	\$ 0	430,512	0	0	0	0	0	430,512
Homeland Security Grants	0	0	0	0	0	116,574	0	116,574
Other Federal through State	0	0	0	45,000	0	0	0	165,391
<u>Direct Federal Revenue</u>								
Other Direct Federal Revenue	0	258,076	0	0	0	0	0	271,954
Total Federal Government	\$ 0	\$ 688,588	\$ 0	\$ 45,000	\$ 116,574	\$ 0	\$ 0	\$ 984,431

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works		General Debt Service	General Capital Projects	Other Capital Projects	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Paving and Maintenance	\$ 0	\$ 30,667	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,667
Contributions	0	0	550,000	0	0	0	633,287
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	9,231
<u>Other</u>							
Other	0	0	0	0	0	0	3,423
Total Other Governments and Citizens Groups	\$ 0	\$ 30,667	\$ 550,000	\$ 0	\$ 0	\$ 0	\$ 676,608
Total	\$ 556,000	\$ 4,603,333	\$ 5,765,442	\$ 45,830	\$ 116,574	\$ 0	\$ 24,751,409

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, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,452,869	\$ 0	\$ 0	\$ 0	5,452,869
Trustee's Collections - Prior Year	216,643	0	0	0	216,643
Trustee's Collections - Bankruptcy	2,774	0	0	0	2,774
Circuit/Clerk & Master Collections - Prior Years	93,222	0	0	0	93,222
Interest and Penalty	45,758	0	0	0	45,758
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,425,247	0	0	0	4,425,247
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	3,220	0	0	0	3,220
Total Local Taxes	\$ 10,239,733	\$ 0	\$ 0	\$ 0	\$ 10,239,733
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,591	\$ 0	\$ 0	\$ 0	1,591
Total Licenses and Permits	\$ 1,591	\$ 0	\$ 0	\$ 0	\$ 1,591
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 8,935	\$ 0	\$ 0	\$ 0	8,935
Tuition - Other	0	0	0	116,326	116,326
Lunch Payments - Children	0	0	635,218	0	635,218
Lunch Payments - Adults	0	0	153,671	0	153,671
Income from Breakfast	0	0	107,615	0	107,615
A la carte Sales	0	0	253,048	0	253,048
Receipts from Individual Schools	73,100	0	5,350	0	78,450
Community Service Fees - Children	15,460	0	0	0	15,460
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	200	0	200
Total Charges for Current Services	\$ 97,495	\$ 0	\$ 1,155,102	\$ 116,326	\$ 1,368,923
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 6,773	\$ 0	6,773
Sale of Materials and Supplies	472	0	0	0	472
Refund of Telecommunication & Internet Fees (E-Rate)	48,771	0	0	0	48,771
Miscellaneous Refunds	6,110	0	0	0	6,110
<u>Nonrecurring Items</u>					
Sale of Equipment	63,903	0	0	0	63,903
Damages Recovered from Individuals	5,009	0	0	0	5,009
Contributions and Gifts	4,066	0	0	0	4,066
<u>Other Local Revenues</u>					
Other Local Revenues	1,314	0	0	0	1,314
Total Other Local Revenues	\$ 129,645	\$ 0	\$ 6,773	\$ 0	\$ 136,418
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 265,860	\$ 0	\$ 0	\$ 0	265,860
<u>State Education Funds</u>					
Basic Education Program	28,293,821	0	0	0	28,293,821
Basic Education Program - ARRA	3,250,115	0	0	0	3,250,115
Early Childhood Education	1,064,772	0	0	0	1,064,772
School Food Service	0	0	39,922	0	39,922
Driver Education	24,047	0	0	0	24,047
Other State Education Funds	200,180	0	0	0	200,180
Coordinated School Health - ARRA	100,000	0	0	0	100,000
Internet Connectivity - ARRA	20,168	0	0	0	20,168
Family Resource Centers - ARRA	33,300	0	0	0	33,300
Statewide Student Management System (SSMS) - ARRA	17,133	0	0	0	17,133
Career Ladder Program	270,384	0	0	0	270,384
Career Ladder - Extended Contract - ARRA	107,554	0	0	0	107,554

(Continued)

Exhibit J-7

Lawrence County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented 0 (Cont.)

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	200,000	0	0	0	200,000
Safe Schools - ARRA	37,817	0	0	0	37,817
Other State Revenues	89,385	0	0	2,291	91,676
Total State of Tennessee	\$ 33,974,536	\$ 0	\$ 39,922	\$ 2,291	\$ 34,016,749
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,628,138	\$ 0	\$ 1,628,138
USDA - Commodities	0	0	236,900	0	236,900
Breakfast	0	0	610,629	0	610,629
USDA - Other	0	0	21,952	0	21,952
Adult Education State Grant Program	127,627	0	0	0	127,627
Vocational Education - Basic Grants to States	0	118,027	0	0	118,027
Title I Grants to Local Education Agencies	0	2,116,637	0	0	2,116,637
Special Education - Grants to States	0	2,044,663	0	0	2,044,663
Special Education Preschool Grants	0	41,367	0	0	41,367
English Language Acquisition Grants	2,710	0	0	0	2,710
Rural Education	0	76,342	0	0	76,342
Eisenhower Professional Development State Grants	0	348,920	0	0	348,920
Race to the Top - ARRA	0	270,566	0	0	270,566
Other Federal through State	117,130	576,111	0	0	693,241
Total Federal Government	\$ 247,467	\$ 5,592,633	\$ 2,497,619	\$ 0	\$ 8,337,719
Total	\$ 44,690,467	\$ 5,592,633	\$ 3,699,416	\$ 118,617	\$ 54,101,133

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	44,595	
In-Service Training		700	
Social Security		2,764	
State Retirement		3,338	
Life Insurance		1	
Disability Insurance		2	
Unemployment Compensation		3	
Employer Medicare		646	
Advertising		689	
Audit Services		21,953	
Dues and Memberships		8,679	
Postal Charges		681	
Travel		28,715	
Office Supplies		370	
Other Supplies and Materials		22	
Other Charges		1,911	
Total County Commission			\$ 115,069

County Mayor/Executive

County Official/Administrative Officer	\$	79,795
Secretary(ies)		50,957
Overtime Pay		1,030
In-Service Training		600
Social Security		8,064
State Retirement		11,771
Employee and Dependent Insurance		60
Life Insurance		92
Medical Insurance		5,722
Dental Insurance		354
Disability Insurance		435
Unemployment Compensation		321
Employer Medicare		1,886
Dues and Memberships		1,981
Legal Notices, Recording, and Court Costs		22
Maintenance Agreements		780
Pest Control		176
Postal Charges		108
Printing, Stationery, and Forms		262
Travel		2,850
Office Supplies		663

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Periodicals	\$	35	
Workers' Compensation Insurance		1,184	
Other Charges		311	
Data Processing Equipment		255	
Total County Mayor/Executive			\$ 169,714

County Attorney

County Official/Administrative Officer	\$	6,000	
Social Security		372	
State Retirement		593	
Unemployment Compensation		72	
Employer Medicare		87	
Dues and Memberships		100	
Travel		640	
Workers' Compensation Insurance		55	
Total County Attorney			7,919

Election Commission

County Official/Administrative Officer	\$	57,559	
Deputy(ies)		51,347	
Longevity Pay		550	
Overtime Pay		1,006	
Election Commission		3,469	
Election Workers		58,915	
In-Service Training		1,950	
Social Security		6,141	
State Retirement		10,912	
Employee and Dependent Insurance		360	
Life Insurance		67	
Medical Insurance		11,444	
Dental Insurance		232	
Disability Insurance		261	
Unemployment Compensation		216	
Employer Medicare		1,436	
Communication		180	
Contracts with Private Agencies		50,345	
Data Processing Services		370	
Dues and Memberships		210	
Legal Services		24,511	
Legal Notices, Recording, and Court Costs		3,055	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Maintenance Agreements	\$	16,200	
Pest Control		264	
Postal Charges		3,017	
Printing, Stationery, and Forms		4,776	
Rentals		1,775	
Travel		4,491	
Disposal Fees		100	
Office Supplies		1,703	
Utilities		3,818	
Other Supplies and Materials		160	
Workers' Compensation Insurance		966	
Data Processing Equipment		967	
Office Equipment		4,798	
Total Election Commission			\$ 327,571

Register of Deeds

County Official/Administrative Officer	\$	14,759	
Deputy(ies)		12,279	
Social Security		1,583	
State Retirement		12,081	
Medical Insurance		18,125	
Unemployment Compensation		216	
Employer Medicare		370	
Data Processing Services		815	
Dues and Memberships		637	
Operating Lease Payments		11,205	
Maintenance Agreements		1,140	
Pest Control		176	
Postal Charges		519	
Printing, Stationery, and Forms		208	
Travel		969	
Office Supplies		1,759	
Other Supplies and Materials		17	
Workers' Compensation Insurance		1,279	
Total Register of Deeds			78,137

County Buildings

Supervisor/Director	\$	26,116
Custodial Personnel		61,029
Part-time Personnel		5,591

(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.)

Longevity Pay	\$	1,600	
Overtime Pay		3,404	
Social Security		5,748	
State Retirement		9,105	
Medical Insurance		22,888	
Unemployment Compensation		499	
Employer Medicare		1,344	
Communication		44,561	
Maintenance Agreements		30,051	
Maintenance and Repair Services - Buildings		111,054	
Maintenance and Repair Services - Equipment		401	
Maintenance and Repair Services - Vehicles		1,143	
Pest Control		1,112	
Postal Charges		138	
Disposal Fees		842	
Other Contracted Services		207	
Custodial Supplies		10,988	
Food Supplies		5,817	
Gasoline		4,861	
Office Supplies		43	
Uniforms		100	
Utilities		139,659	
Other Supplies and Materials		1,520	
Workers' Compensation Insurance		781	
Other Self-Insured Claims		165	
Other Equipment		954	
Total County Buildings			\$ 491,721

Preservation of Records

Supervisor/Director	\$	27,780
Longevity Pay		750
Social Security		1,199
State Retirement		2,819
Medical Insurance		5,722
Unemployment Compensation		108
Employer Medicare		280
Communication		1,754
Contracts with Private Agencies		300
Dues and Memberships		20
Maintenance Agreements		360

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Pest Control	\$	520	
Office Supplies		335	
Utilities		6,370	
Other Supplies and Materials		344	
Workers' Compensation Insurance		246	
Total Preservation of Records			\$ 48,907

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	60,756	
Accountants/Bookkeepers		55,560	
Longevity Pay		1,500	
In-Service Training		1,100	
Social Security		6,554	
State Retirement		11,640	
Medical Insurance		17,166	
Unemployment Compensation		324	
Employer Medicare		1,533	
Communication		781	
Data Processing Services		3,210	
Maintenance Agreements		1,114	
Pest Control		132	
Postal Charges		180	
Printing, Stationery, and Forms		1,014	
Travel		3,139	
Disposal Fees		100	
Office Supplies		2,810	
Utilities		6,443	
Other Supplies and Materials		311	
Workers' Compensation Insurance		948	
Other Charges		153	
Office Equipment		1,101	
Total Accounting and Budgeting			177,569

Purchasing

County Official/Administrative Officer	\$	39,140	
Purchasing Personnel		27,780	
Longevity Pay		750	
In-Service Training		600	
Social Security		4,090	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

State Retirement	\$	6,686	
Employee and Dependent Insurance		60	
Life Insurance		11	
Medical Insurance		10,496	
Disability Insurance		22	
Unemployment Compensation		216	
Employer Medicare		956	
Data Processing Services		3,210	
Pest Control		132	
Postal Charges		2,446	
Printing, Stationery, and Forms		573	
Travel		147	
Office Supplies		578	
Workers' Compensation Insurance		592	
Other Charges		335	
Data Processing Equipment		39	
Total Purchasing			\$ 98,859

Property Assessor's Office

County Official/Administrative Officer	\$	63,954
Deputy(ies)		106,417
Longevity Pay		2,350
Other Salaries and Wages		29,974
Board and Committee Members Fees		1,431
In-Service Training		440
Social Security		12,329
State Retirement		20,026
Employee and Dependent Insurance		351
Life Insurance		67
Medical Insurance		27,089
Dental Insurance		232
Unemployment Compensation		557
Employer Medicare		2,883
Data Processing Services		17,190
Dues and Memberships		2,075
Maintenance Agreements		5,575
Maintenance and Repair Services - Office Equipment		158
Maintenance and Repair Services - Vehicles		1,480
Pest Control		176
Postal Charges		1,342

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Printing, Stationery, and Forms	\$	201	
Travel		2,793	
Gasoline		2,237	
Office Supplies		2,194	
Other Supplies and Materials		29	
Workers' Compensation Insurance		1,790	
Total Property Assessor's Office			\$ 305,340

County Trustee's Office

State Retirement	\$	17,233	
Employee and Dependent Insurance		1,048	
Life Insurance		196	
Medical Insurance		8,601	
Dental Insurance		678	
Disability Insurance		762	
Unemployment Compensation		535	
Data Processing Services		4,500	
Dues and Memberships		512	
Postal Charges		6,670	
Printing, Stationery, and Forms		7,853	
Office Supplies		989	
Other Supplies and Materials		17	
Workers' Compensation Insurance		2,108	
Other Charges		86	
Data Processing Equipment		1,949	
Total County Trustee's Office			53,737

County Clerk's Office

State Retirement	\$	27,282	
Employee and Dependent Insurance		1,440	
Life Insurance		268	
Medical Insurance		28,610	
Dental Insurance		232	
Disability Insurance		500	
Unemployment Compensation		861	
Communication		466	
Data Processing Services		13,885	
Dues and Memberships		962	
Legal Notices, Recording, and Court Costs		275	
Maintenance Agreements		790	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Pest Control	\$	352	
Postal Charges		7,742	
Printing, Stationery, and Forms		3,751	
Travel		3,936	
Office Supplies		2,720	
Other Supplies and Materials		186	
Workers' Compensation Insurance		2,425	
Total County Clerk's Office			\$ 96,683

Data Processing

Supervisor/Director	\$	66,950	
Social Security		4,049	
State Retirement		6,615	
Medical Insurance		5,722	
Unemployment Compensation		108	
Employer Medicare		947	
Dues and Memberships		50	
Pest Control		151	
Travel		1,500	
Office Supplies		191	
Other Supplies and Materials		472	
Workers' Compensation Insurance		593	
Data Processing Equipment		1,095	
Total Data Processing			88,443

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		238,263	
Longevity Pay		4,350	
Jury and Witness Expense		12,611	
In-Service Training		1,062	
Social Security		17,929	
State Retirement		30,288	
Employee and Dependent Insurance		894	
Life Insurance		168	
Medical Insurance		41,316	
Dental Insurance		465	
Disability Insurance		643	
Unemployment Compensation		972	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Employer Medicare	\$	4,193	
Data Processing Services		9,722	
Dues and Memberships		782	
Legal Notices, Recording, and Court Costs		46	
Maintenance Agreements		3,796	
Maintenance and Repair Services - Office Equipment		88	
Pest Control		151	
Postal Charges		3,543	
Printing, Stationery, and Forms		6,929	
Travel		2,757	
Office Supplies		5,961	
Other Supplies and Materials		67	
Workers' Compensation Insurance		2,692	
Other Charges		117	
Data Processing Equipment		761	
Office Equipment		10,139	
Total Circuit Court			\$ 464,659

General Sessions Court

Judge(s)	\$	138,675
Deputy(ies)		55,546
Guards		46,374
Part-time Personnel		200
Longevity Pay		1,300
Overtime Pay		1,200
In-Service Training		480
Social Security		12,843
State Retirement		21,784
Medical Insurance		22,020
Unemployment Compensation		523
Employer Medicare		3,160
Dues and Memberships		265
Pest Control		151
Postal Charges		475
Printing, Stationery, and Forms		294
Travel		3,046
Office Supplies		631
Other Supplies and Materials		463
Workers' Compensation Insurance		2,067
Other Charges		64

(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.)

Data Processing Equipment	\$	728	
Office Equipment		1,800	
Total General Sessions Court			\$ 314,089

Chancery Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		106,417	
Part-time Personnel		1,408	
Longevity Pay		2,550	
Social Security		10,518	
State Retirement		17,084	
Employee and Dependent Insurance		1,080	
Life Insurance		202	
Medical Insurance		11,444	
Dental Insurance		465	
Disability Insurance		783	
Unemployment Compensation		449	
Employer Medicare		2,460	
Data Processing Services		6,240	
Dues and Memberships		682	
Maintenance Agreements		780	
Pest Control		151	
Postal Charges		2,249	
Printing, Stationery, and Forms		2,107	
Travel		80	
Office Supplies		3,728	
Other Supplies and Materials		1,271	
Workers' Compensation Insurance		1,681	
Other Self-Insured Claims		630	
Total Chancery Court			238,413

Juvenile Court

Deputy(ies)	\$	27,677	
Youth Service Officer(s)		9,029	
Social Security		2,209	
State Retirement		3,627	
Medical Insurance		6,589	
Unemployment Compensation		124	
Employer Medicare		516	
Other Contracted Services		272	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Food Supplies	\$	73	
Workers' Compensation Insurance		282	
Total Juvenile Court			\$ 50,398

Other Administration of Justice

Law Enforcement Equipment	\$	12,913	
Total Other Administration of Justice			12,913

Courtroom Security

Permits	\$	1,200	
Total Courtroom Security			1,200

Victims Assistance Programs

Contracts with Private Agencies	\$	4,128	
Total Victims Assistance Programs			4,128

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	75,672	
Supervisor/Director		62,300	
Deputy(ies)		871,480	
Investigator(s)		158,953	
Captain(s)		53,922	
Lieutenant(s)		35,199	
Sergeant(s)		266,878	
Secretary(ies)		121,256	
Part-time Personnel		8,473	
Longevity Pay		13,271	
Overtime Pay		39,883	
Other Salaries and Wages		290	
In-Service Training		44,568	
Social Security		105,411	
State Retirement		159,622	
Employee and Dependent Insurance		4,429	
Life Insurance		770	
Medical Insurance		197,918	
Dental Insurance		1,900	
Disability Insurance		2,445	
Unemployment Compensation		5,365	
Employer Medicare		24,653	

(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.)

Communication	\$	794	
Contracts with Private Agencies		424	
Data Processing Services		5,001	
Dues and Memberships		2,295	
Evaluation and Testing		2,087	
Operating Lease Payments		3,846	
Legal Notices, Recording, and Court Costs		69	
Maintenance Agreements		7,744	
Maintenance and Repair Services - Buildings		1,030	
Maintenance and Repair Services - Office Equipment		105	
Maintenance and Repair Services - Vehicles		82,312	
Pest Control		427	
Postal Charges		1,814	
Printing, Stationery, and Forms		2,227	
Rentals		2,400	
Tow-in Services		1,455	
Travel		13,306	
Other Contracted Services		521	
Custodial Supplies		5,289	
Gasoline		142,226	
Law Enforcement Supplies		3,919	
Office Supplies		11,910	
Tires and Tubes		510	
Uniforms		20,953	
Utilities		9,175	
Other Supplies and Materials		1,904	
Workers' Compensation Insurance		13,068	
Liability Claims		2,305	
Other Self-Insured Claims		1,855	
Other Charges		1,328	
Data Processing Equipment		13,791	
Law Enforcement Equipment		24,490	
Motor Vehicles		55,984	
Other Equipment		22,781	
Total Sheriff's Department			\$ 2,714,003

Jail

Lieutenant(s)	\$	38,863
Sergeant(s)		123,046
Medical Personnel		116,887

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Guards	\$	722,528	
Longevity Pay		1,800	
Overtime Pay		29,723	
In-Service Training		7,845	
Social Security		61,011	
State Retirement		75,688	
Employee and Dependent Insurance		1,845	
Life Insurance		406	
Medical Insurance		167,861	
Dental Insurance		972	
Disability Insurance		1,444	
Unemployment Compensation		6,160	
Employer Medicare		14,269	
Communication		2,372	
Contracts with Private Agencies		456	
Evaluation and Testing		6,340	
Maintenance Agreements		5,620	
Maintenance and Repair Services - Buildings		12,047	
Maintenance and Repair Services - Equipment		3,042	
Pest Control		2,280	
Printing, Stationery, and Forms		1,213	
Travel		2,397	
Custodial Supplies		20,321	
Drugs and Medical Supplies		33,962	
Food Supplies		260,045	
Gasoline		139	
Law Enforcement Supplies		326	
Office Supplies		2,139	
Uniforms		20,126	
Utilities		191,852	
Other Supplies and Materials		46,358	
Medical Claims		331,897	
Workers' Compensation Insurance		7,449	
Other Self-Insured Claims		665	
Other Charges		98	
Data Processing Equipment		460	
Furniture and Fixtures		2,579	
Total Jail			\$ 2,324,531

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse

Accountants/Bookkeepers	\$	4,000	
Food Supplies		4,091	
Gasoline		1,264	
Other Supplies and Materials		13,431	
Other Charges		6,626	
Total Workhouse			\$ 29,412

Work Release Program

Maintenance and Repair Services - Equipment	\$	437	
Maintenance and Repair Services - Vehicles		975	
Food Supplies		2,865	
Gasoline		1,508	
Total Work Release Program			5,785

Fire Prevention and Control

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

Civil Defense

Maintenance and Repair Services - Equipment	\$	871	
Maintenance and Repair Services - Vehicles		1,057	
Gasoline		20	
Other Supplies and Materials		417	
Building Construction		7,420	
Other Equipment		233	
Total Civil Defense			10,018

Rescue Squad

Contributions	\$	258,500	
Total Rescue Squad			258,500

Other Emergency Management

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

County Coroner/Medical Examiner

Social Security	\$	465	
State Retirement		741	
Employer Medicare		109	
Medical and Dental Services		6,500	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Other Contracted Services	\$ 7,500	
Total County Coroner/Medical Examiner		\$ 15,315

Other Public Safety

Other Supplies and Materials	\$ 11,523	
Total Other Public Safety		11,523

Public Health and Welfare

Local Health Center

Secretary(ies)	\$ 43,305	
Longevity Pay	500	
Social Security	2,536	
State Retirement	4,328	
Employee and Dependent Insurance	180	
Life Insurance	34	
Medical Insurance	8,565	
Dental Insurance	111	
Disability Insurance	87	
Unemployment Compensation	216	
Employer Medicare	593	
Communication	2,161	
Dues and Memberships	200	
Janitorial Services	12,000	
Maintenance and Repair Services - Buildings	10,404	
Maintenance and Repair Services - Equipment	136	
Pest Control	538	
Disposal Fees	976	
Food Supplies	182	
Utilities	26,205	
Other Supplies and Materials	993	
Workers' Compensation Insurance	383	
Total Local Health Center		114,633

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$ 56,650
Medical Personnel	597,773
Secretary(ies)	27,780
Part-time Personnel	181,149
Longevity Pay	5,688
Overtime Pay	371,273

(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.)

In-Service Training	\$	3,805
Social Security		74,549
State Retirement		92,423
Employee and Dependent Insurance		924
Life Insurance		215
Medical Insurance		116,460
Dental Insurance		637
Disability Insurance		457
Unemployment Compensation		4,932
Employer Medicare		17,435
Communication		6,246
Contracts with Private Agencies		1,159
Dues and Memberships		720
Laundry Service		16
Licenses		3,508
Maintenance Agreements		4,580
Maintenance and Repair Services - Buildings		445
Maintenance and Repair Services - Equipment		770
Maintenance and Repair Services - Office Equipment		60
Maintenance and Repair Services - Vehicles		44,925
Medical and Dental Services		3,500
Pest Control		370
Postal Charges		4,985
Printing, Stationery, and Forms		572
Tow-in Services		1,130
Travel		1,635
Disposal Fees		1,343
Other Contracted Services		2,031
Custodial Supplies		2,236
Drugs and Medical Supplies		89,981
Food Supplies		995
Gasoline		81,217
Office Supplies		5,632
Tires and Tubes		6,312
Uniforms		8,113
Utilities		14,322
Other Supplies and Materials		1,451
Liability Insurance		9,124
Vehicle and Equipment Insurance		20,481
Workers' Compensation Insurance		9,225

(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.)

Other Self-Insured Claims	\$ 1,705	
Other Charges	1,042	
Data Processing Equipment	1,696	
Furniture and Fixtures	2,494	
Motor Vehicles	102,078	
Office Equipment	299	
Other Equipment	4,595	
Total Ambulance/Emergency Medical Services		\$ 1,993,143

Other Local Health Services

Contributions	\$ 2,000	
Total Other Local Health Services		2,000

Regional Mental Health Center

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

Appropriation to State

Other Salaries and Wages	\$ 147,315	
Social Security	8,798	
State Retirement	11,150	
Life Insurance	218	
Medical Insurance	6,670	
Dental Insurance	751	
Disability Insurance	825	
Unemployment Compensation	702	
Employer Medicare	2,058	
Contracts with Government Agencies	30,400	
Travel	5,364	
Other Charges	5,361	
Total Appropriation to State		219,612

Aid to Dependent Children

Contracts with Government Agencies	\$ 7,994	
Total Aid to Dependent Children		7,994

Other Public Health and Welfare

Dues and Memberships	\$ 9,117	
Other Contracted Services	66,244	
Total Other Public Health and Welfare		75,361

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

Supervisor/Director	\$ 39,808	
Deputy(ies)	27,584	
Librarians	60,047	
Part-time Personnel	24,446	
Longevity Pay	3,000	
Social Security	9,208	
State Retirement	3,144	
Employee and Dependent Insurance	360	
Life Insurance	67	
Medical Insurance	22,888	
Disability Insurance	226	
Unemployment Compensation	839	
Employer Medicare	2,153	
Advertising	42	
Communication	1,061	
Dues and Memberships	150	
Janitorial Services	5,000	
Maintenance Agreements	2,410	
Maintenance and Repair Services - Buildings	2,161	
Postal Charges	2,671	
Printing, Stationery, and Forms	1,064	
Travel	120	
Disposal Fees	100	
Other Contracted Services	45	
Custodial Supplies	759	
Instructional Supplies and Materials	3,860	
Library Books/Media	20,316	
Office Supplies	4,623	
Periodicals	3,869	
Utilities	23,111	
Refunds	7	
Workers' Compensation Insurance	1,356	
Other Charges	60	
Data Processing Equipment	9,636	
Total Libraries		276,191

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Contributions	\$ 11,299	
Total Other Social, Cultural, and Recreational		\$ 11,299

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 85,750	
Secretary(ies)	12,317	
Board and Committee Members Fees	225	
Social Security	764	
State Retirement	268	
Unemployment Compensation	148	
Employer Medicare	179	
Communication	1,972	
Maintenance Agreements	390	
Maintenance and Repair Services - Vehicles	77	
Pest Control	216	
Disposal Fees	500	
Gasoline	734	
Instructional Supplies and Materials	1,500	
Office Supplies	63	
Utilities	8,031	
Other Supplies and Materials	15	
Workers' Compensation Insurance	116	
Other Equipment	1,292	
Total Agriculture Extension Service		114,557

Soil Conservation

Salary Supplements	\$ 22,438	
Overtime Pay	1,570	
Other Salaries and Wages	2,031	
Social Security	1,570	
State Retirement	2,361	
Medical Insurance	4,300	
Unemployment Compensation	133	
Employer Medicare	367	
Dues and Memberships	265	
Postal Charges	183	
Travel	1,539	
Office Supplies	17	
Workers' Compensation Insurance	246	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Other Charges	\$ 1,039	
Total Soil Conservation		\$ 38,059

Other Agriculture and Natural Resources

Advertising	\$ 2,500	
Total Other Agriculture and Natural Resources		2,500

Other Operations

Tourism

Contributions	\$ 42,748	
Dues and Memberships	500	
Total Tourism		43,248

Industrial Development

Contributions	\$ 147,173	
Total Industrial Development		147,173

Housing and Urban Development

Legal Notices, Recording, and Court Costs	\$ 29	
Total Housing and Urban Development		29

Airport

Contributions	\$ 100,000	
Total Airport		100,000

Veterans' Services

Supervisor/Director	\$ 30,000
Secretary(ies)	25,428
Longevity Pay	300
Social Security	3,282
State Retirement	5,506
Employee and Dependent Insurance	360
Life Insurance	67
Medical Insurance	5,722
Dental Insurance	232
Disability Insurance	261
Unemployment Compensation	216
Employer Medicare	768
Communication	657
Contracts with Private Agencies	272

(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.)

Dues and Memberships	\$	25	
Maintenance Agreements		760	
Maintenance and Repair Services - Vehicles		4,786	
Pest Control		781	
Postal Charges		365	
Printing, Stationery, and Forms		190	
Travel		1,989	
Disposal Fees		500	
Gasoline		2,328	
Office Supplies		412	
Utilities		2,392	
Other Supplies and Materials		2,358	
Workers' Compensation Insurance		471	
Motor Vehicles		9,530	
Office Equipment		582	
Other Equipment		645	
Total Veterans' Services			\$ 101,185

Other Charges

Contracts with Private Agencies	\$	354	
Data Processing Services		3,821	
Legal Notices, Recording, and Court Costs		86	
Postal Charges		3,191	
Other Contracted Services		55,100	
Other Supplies and Materials		323	
Building and Contents Insurance		51,539	
Liability Insurance		75,310	
Premiums on Corporate Surety Bonds		11,189	
Trustee's Commission		167,425	
Vehicle and Equipment Insurance		36,213	
Liability Claims		3,000	
Other Self-Insured Claims		235,755	
Other Charges		9,660	
Total Other Charges			652,966

Employee Benefits

On-Behalf Payments to OPEB	\$	1,723	
Total Employee Benefits			1,723

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Capital Leases	\$ 136,243	
Total General Government		\$ 136,243

Interest on Debt

General Government

Interest on Capital Leases	\$ 15,114	
Total General Government		<u>15,114</u>

Total General Fund		\$ 12,866,086
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Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Maintenance and Repair Services - Buildings	\$ 2,510	
Maintenance and Repair Services - Equipment	60	
Trustee's Commission	<u>110</u>	
Total Other Charges		<u>\$ 2,680</u>

Total Courthouse and Jail Maintenance Fund		2,680
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Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Salary Supplements	\$ 39,030
Laborers	265,673
Secretary(ies)	39,712
Clerical Personnel	26,237
Part-time Personnel	20,187
Longevity Pay	2,350
Overtime Pay	2,693
In-Service Training	600
Social Security	21,003
State Retirement	30,875
Employee and Dependent Insurance	703
Life Insurance	116
Medical Insurance	58,962
Dental Insurance	688
Disability Insurance	779
Unemployment Compensation	4,389
Employer Medicare	5,113

(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.)

Communication	\$	2,707
Contracts with Private Agencies		753,914
Data Processing Services		1,200
Dues and Memberships		396
Engineering Services		3,150
Legal Notices, Recording, and Court Costs		338
Maintenance and Repair Services - Buildings		4,008
Maintenance and Repair Services - Equipment		17,149
Maintenance and Repair Services - Office Equipment		226
Maintenance and Repair Services - Vehicles		6,353
Pest Control		324
Postal Charges		12,653
Printing, Stationery, and Forms		1,506
Travel		7,185
Brokerage Fees - Recyclables		72,035
Permits		2,575
Other Contracted Services		845
Custodial Supplies		2,225
Diesel Fuel		12,181
Food Supplies		5,794
Garage Supplies		16,511
Gasoline		1,650
Lubricants		105
Office Supplies		2,010
Propane Gas		4,109
Small Tools		32
Uniforms		6,923
Utilities		26,521
Wire		4,693
Other Supplies and Materials		555
Building and Contents Insurance		1,555
Liability Insurance		1,080
Refunds		284
Trustee's Commission		11,376
Vehicle and Equipment Insurance		2,240
Workers' Compensation Insurance		3,103
Other Self-Insured Claims		535
Other Charges		541
Building Construction		209
Data Processing Equipment		2,242

(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.)

Furniture and Fixtures	\$	360	
Office Equipment		898	
Total Landfill Operation and Maintenance			\$ 1,513,406

Total Solid Waste/Sanitation Fund \$ 1,513,406

Industrial/Economic Development Fund

Capital Projects

General Administration Projects

Contributions	\$	16,025	
Total General Administration Projects			\$ 16,025

Public Utility Projects

Contracts with Private Agencies	\$	16,850	
Contributions		65,500	
Engineering Services		960	
Legal Notices, Recording, and Court Costs		63	
Trustee's Commission		305	
Total Public Utility Projects			83,678

Total Industrial/Economic Development Fund 99,703

Drug Control Fund

Public Safety

Drug Enforcement

In-Service Training	\$	1,950	
Communication		9,800	
Contracts with Private Agencies		4,942	
Confidential Drug Enforcement Payments		6,000	
Dues and Memberships		355	
Maintenance and Repair Services - Buildings		190	
Maintenance and Repair Services - Equipment		286	
Maintenance and Repair Services - Vehicles		2,009	
Travel		988	
Veterinary Services		803	
Animal Food and Supplies		28	
Food Supplies		370	
Law Enforcement Supplies		1,439	
Office Supplies		1,111	
Uniforms		4,374	

(Continued)

Exhibit J-8

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Other Supplies and Materials	\$	440	
Medical Claims		5,092	
Trustee's Commission		1,436	
Other Charges		7,733	
Law Enforcement Equipment		3,593	
Total Drug Enforcement			\$ 52,939

Total Drug Control Fund \$ 52,939

District Attorney General Fund

Administration of Justice

District Attorney General

Secretary(ies)	\$	30,564	
Dues and Memberships		345	
Travel		562	
Office Supplies		41	
Periodicals		257	
Trustee's Commission		319	
In Service/Staff Development		1,083	
Other Charges		1,058	
Office Equipment		3,480	
Total District Attorney General			\$ 37,709

Total District Attorney General Fund 37,709

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	102,103	
Total Register of Deeds			\$ 102,103

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	189,593	
Total County Trustee's Office			189,593

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	296,157	
Total County Clerk's Office			296,157

Total Constitutional Officers - Fees Fund 587,853

(Continued)

Exhibit J-8

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	70,350	
Accountants/Bookkeepers		60,717	
Longevity Pay		1,200	
Social Security		8,168	
State Retirement		13,068	
Employee and Dependent Insurance		1,020	
Life Insurance		191	
Medical Insurance		948	
Dental Insurance		657	
Unemployment Compensation		540	
Employer Medicare		1,910	
Communication		11,239	
Contracts with Private Agencies		2,523	
Dues and Memberships		4,261	
Legal Notices, Recording, and Court Costs		747	
Maintenance Agreements		528	
Postal Charges		110	
Printing, Stationery, and Forms		357	
Travel		597	
Disposal Fees		288	
Custodial Supplies		137	
Office Supplies		1,354	
Utilities		14,114	
Premiums on Corporate Surety Bonds		792	
Workers' Compensation Insurance		1,144	
Other Charges		1,604	
Office Equipment		249	
Total Administration			\$ 198,813

Highway and Bridge Maintenance

Foremen	\$	193,756
Equipment Operators		249,542
Equipment Operators - Light		206,326
Truck Drivers		256,544
Laborers		61,527
Longevity Pay		15,400
Overtime Pay		94
Social Security		58,654
State Retirement		93,422
Employee and Dependent Insurance		1,432

(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.)

Life Insurance	\$	269	
Medical Insurance		156,497	
Dental Insurance		925	
Disability Insurance		1,043	
Unemployment Compensation		8,632	
Employer Medicare		13,718	
Rentals		17,370	
Asphalt		1,133,959	
Asphalt - Cold Mix		53,133	
Concrete		5,065	
Crushed Stone		361,473	
Pipe - Metal		113,663	
Road Signs		43,567	
Wood Products		613	
Workers' Compensation Insurance		8,109	
Other Self-Insured Claims		130	
Other Charges		4,922	
Total Highway and Bridge Maintenance			\$ 3,059,785

Operation and Maintenance of Equipment

Mechanic(s)	\$	196,004	
Longevity Pay		2,550	
Social Security		11,929	
State Retirement		18,639	
Medical Insurance		34,332	
Unemployment Compensation		1,824	
Employer Medicare		2,790	
Maintenance and Repair Services - Equipment		134,863	
Diesel Fuel		169,031	
Garage Supplies		2,952	
Gasoline		63,916	
Lubricants		15,044	
Tires and Tubes		28,763	
Workers' Compensation Insurance		1,562	
Other Charges		14,371	
Total Operation and Maintenance of Equipment			698,570

Other Charges

Building and Contents Insurance	\$	1,195
Liability Insurance		13,417

(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.)

Trustee's Commission	\$ 49,131	
Vehicle and Equipment Insurance	17,547	
Liability Claims	500	
Other Charges	1,810	
Total Other Charges	<u>83,600</u>	\$ 83,600

Capital Outlay

Engineering Services	\$ 19,333	
Bridge Construction	135,832	
Highway Construction	253,602	
Highway Equipment	122,538	
Other Construction	306,109	
Total Capital Outlay	<u>837,414</u>	837,414

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$ 172,427	
Total Highways and Streets	<u>172,427</u>	172,427

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$ 16,764	
Total Highways and Streets	<u>16,764</u>	16,764

Other Debt Service

Highways and Streets

Other Debt Service	\$ 300	
Total Highways and Streets	<u>300</u>	300

Total Highway/Public Works Fund \$ 5,067,673

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,358,000	
Principal on Notes	397,400	
Total General Government	<u>1,755,400</u>	\$ 1,755,400

Highways and Streets

Principal on Bonds	\$ 57,000	
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(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Highways and Streets (Cont.)

Principal on Notes	\$ 357,600	
Total Highways and Streets		\$ 414,600

Education

Principal on Bonds	\$ 1,975,000	
Total Education		1,975,000

Interest on Debt

General Government

Interest on Bonds	\$ 909,736	
Interest on Notes	62,124	
Total General Government		971,860

Highways and Streets

Interest on Bonds	\$ 70,705	
Interest on Notes	31,172	
Total Highways and Streets		101,877

Education

Interest on Bonds	\$ 885,323	
Total Education		885,323

Other Debt Service

General Government

Trustee's Commission	\$ 72,671	
Other Debt Service	4,000	
Total General Government		76,671

Education

Other Debt Service	\$ 600	
Total Education		600

Total General Debt Service Fund		\$ 6,181,331
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General Capital Projects Fund

Capital Projects

General Administration Projects

Contracts with Private Agencies	\$ 10,500	
Rentals	36	
Food Supplies	22	

(Continued)

Exhibit J-8

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

General Administration Projects (Cont.)

Other Supplies and Materials	\$	106	
Other Debt Issuance Charges		500	
Building Construction		22,571	
Building Purchases		148,500	
Total General Administration Projects			\$ 182,235

Public Safety Projects

Architects	\$	10,556	
Building Construction		98,425	
Other Equipment		78,530	
Total Public Safety Projects			<u>187,511</u>

Total General Capital Projects Fund \$ 369,746

Other Capital Projects Fund

Capital Projects

Public Safety Projects

Other Charges	\$	142,324	
Total Public Safety Projects			<u>\$ 142,324</u>

Total Other Capital Projects Fund 142,324

Total Governmental Funds - Primary Government \$ 26,921,450

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, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 14,380,452	
Career Ladder Program	170,610	
Career Ladder Extended Contracts	102,085	
Homebound Teachers	18,605	
Educational Assistants	688,736	
Certified Substitute Teachers	35,241	
Non-certified Substitute Teachers	158,903	
Social Security	921,018	
State Retirement	875,109	
Medical Insurance	2,565,078	
Unemployment Compensation	20,842	
Employer Medicare	216,009	
Instructional Supplies and Materials	318,075	
Textbooks	412,677	
Other Supplies and Materials	13,329	
Other Charges	10,040	
Regular Instruction Equipment	363,508	
Total Regular Instruction Program		\$ 21,270,317

Alternative Instruction Program

Teachers	\$ 108,604	
Career Ladder Extended Contracts	909	
Educational Assistants	21,139	
Social Security	7,827	
State Retirement	11,974	
Medical Insurance	8,215	
Employer Medicare	1,831	
Other Contracted Services	18,000	
Other Supplies and Materials	18,574	
Total Alternative Instruction Program		197,073

Special Education Program

Teachers	\$ 1,288,273
Career Ladder Program	18,000
Career Ladder Extended Contracts	5,670
Homebound Teachers	19,172
Educational Assistants	256,573
Speech Pathologist	257,179
Certified Substitute Teachers	612

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$ 33,142	
Social Security	108,715	
State Retirement	164,127	
Medical Insurance	293,844	
Employer Medicare	25,878	
Instructional Supplies and Materials	13,300	
Total Special Education Program		\$ 2,484,485

Vocational Education Program

Teachers	\$ 1,547,174	
Career Ladder Program	12,890	
Career Ladder Extended Contracts	1,909	
Certified Substitute Teachers	1,377	
Non-certified Substitute Teachers	25,806	
Social Security	92,822	
State Retirement	140,390	
Medical Insurance	279,508	
Employer Medicare	21,873	
Contracts with Other School Systems	157,609	
Maintenance and Repair Services - Equipment	1,693	
Other Contracted Services	5,348	
Instructional Supplies and Materials	50,206	
Textbooks	4,364	
Other Supplies and Materials	795	
Other Charges	2,274	
Vocational Instruction Equipment	4,186	
Total Vocational Education Program		2,350,224

Adult Education Program

Teachers	\$ 49,785	
Other Salaries and Wages	6,271	
Social Security	2,701	
State Retirement	3,961	
Employer Medicare	813	
Instructional Supplies and Materials	7,255	
Other Supplies and Materials	2,034	
Total Adult Education Program		72,820

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	65,456	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,318	
Social Security		4,187	
State Retirement		6,405	
Medical Insurance		12,774	
Employer Medicare		979	
Travel		284	
Other Contracted Services		9,266	
Total Attendance			\$ 104,669

Health Services

Medical Personnel	\$	288,297	
Social Security		15,945	
State Retirement		23,010	
Medical Insurance		80,382	
Employer Medicare		3,729	
Travel		321	
Drugs and Medical Supplies		7,344	
Other Supplies and Materials		907	
Other Charges		960	
Total Health Services			420,895

Other Student Support

Career Ladder Program	\$	6,000	
Guidance Personnel		671,558	
Career Ladder Extended Contracts		636	
Social Workers		17,042	
Clerical Personnel		37,750	
Other Salaries and Wages		61,588	
Social Security		47,144	
State Retirement		71,114	
Medical Insurance		115,829	
Employer Medicare		11,026	
Evaluation and Testing		41,893	
Maintenance and Repair Services - Equipment		492	
Postal Charges		900	
Travel		3,263	
Other Contracted Services		3,485	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Supplies and Materials	\$ 3,376	
Other Charges	10,283	
Total Other Student Support	\$ 1,103,379	\$ 1,103,379

Regular Instruction Program

Supervisor/Director	\$ 165,092	
Career Ladder Program	17,495	
Career Ladder Extended Contracts	15,655	
Librarians	583,845	
Instructional Computer Personnel	56,655	
Other Salaries and Wages	30,216	
Social Security	51,881	
State Retirement	78,892	
Medical Insurance	130,138	
Employer Medicare	12,134	
Travel	13,752	
Other Supplies and Materials	32,070	
In Service/Staff Development	20,029	
Total Regular Instruction Program	1,207,854	1,207,854

Alternative Instruction Program

Postal Charges	\$ 1,195	
Travel	1,858	
Other Contracted Services	13,265	
Other Supplies and Materials	458	
In Service/Staff Development	10,614	
Other Charges	985	
Total Alternative Instruction Program	28,375	28,375

Special Education Program

Supervisor/Director	\$ 103,936	
Career Ladder Program	4,000	
Psychological Personnel	4,211	
Career Ladder Extended Contracts	4,106	
Assessment Personnel	53,087	
Clerical Personnel	26,516	
Social Security	11,324	
State Retirement	17,545	
Medical Insurance	25,679	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	2,649	
Travel		4,366	
Other Supplies and Materials		1,246	
In Service/Staff Development		1,937	
Total Special Education Program			\$ 260,602

Vocational Education Program

Supervisor/Director	\$	66,656	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Social Security		4,432	
State Retirement		6,485	
Medical Insurance		5,663	
Employer Medicare		1,036	
Travel		48,213	
In Service/Staff Development		75	
Total Vocational Education Program			137,560

Adult Programs

Supervisor/Director	\$	3,072	
Clerical Personnel		2,000	
Other Salaries and Wages		69,245	
Social Security		4,445	
State Retirement		7,317	
Medical Insurance		14,009	
Employer Medicare		1,040	
Other Supplies and Materials		1,588	
In Service/Staff Development		5,090	
Total Adult Programs			107,806

Other Programs

On-Behalf Payments to OPEB	\$	265,860	
Total Other Programs			265,860

Board of Education

Secretary to Board	\$	2,400	
Board and Committee Members Fees		21,600	
Social Security		1,339	
State Retirement		751	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Medical Insurance	\$	291,675	
Employer Medicare		348	
Audit Services		14,500	
Dues and Memberships		2,970	
Legal Services		50,325	
Travel		6,021	
Other Contracted Services		2,880	
Trustee's Commission		235,240	
Workers' Compensation Insurance		257,060	
Other Charges		2,204	
Total Board of Education			\$ 889,313

Director of Schools

County Official/Administrative Officer	\$	109,436	
Secretary(ies)		63,630	
Social Security		10,659	
State Retirement		16,191	
Medical Insurance		19,396	
Employer Medicare		2,493	
Communication		36,420	
Dues and Memberships		2,990	
Maintenance and Repair Services - Equipment		4,171	
Postal Charges		6,541	
Travel		5,641	
Office Supplies		8,892	
Other Supplies and Materials		14,559	
Other Charges		1,443	
Administration Equipment		13,803	
Total Director of Schools			316,265

Office of the Principal

Principals	\$	731,894	
Career Ladder Program		13,000	
Career Ladder Extended Contracts		2,666	
Assistant Principals		736,718	
Secretary(ies)		527,934	
Social Security		119,647	
State Retirement		183,680	
Medical Insurance		254,274	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Employer Medicare	\$	28,335	
Dues and Memberships		15,000	
Postal Charges		2,192	
Other Contracted Services		4,512	
Other Supplies and Materials		12,808	
In Service/Staff Development		6,079	
Other Charges		3,157	
Total Office of the Principal			\$ 2,641,896

Fiscal Services

Supervisor/Director	\$	55,708	
Accountants/Bookkeepers		103,619	
Social Security		9,782	
State Retirement		15,741	
Medical Insurance		15,014	
Employer Medicare		2,288	
Data Processing Services		10,429	
Travel		1,491	
Data Processing Supplies		2,917	
Other Supplies and Materials		50	
Total Fiscal Services			217,039

Operation of Plant

Custodial Personnel	\$	657,873	
Other Salaries and Wages		147,354	
Social Security		48,587	
State Retirement		72,531	
Medical Insurance		166,884	
Employer Medicare		11,363	
Laundry Service		10,407	
Maintenance and Repair Services - Equipment		40	
Travel		3	
Disposal Fees		35,223	
Other Contracted Services		59,231	
Custodial Supplies		84,177	
Electricity		1,472,821	
Natural Gas		250,828	
Water and Sewer		238,810	
Other Supplies and Materials		2,322	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Building and Contents Insurance	\$	137,211	
Other Charges		1,750	
Plant Operation Equipment		46,578	
Total Operation of Plant			\$ 3,443,993

Maintenance of Plant

Supervisor/Director	\$	44,042	
Other Salaries and Wages		274,516	
Social Security		19,838	
State Retirement		30,596	
Medical Insurance		40,902	
Employer Medicare		4,639	
Laundry Service		2,690	
Maintenance and Repair Services - Buildings		84,198	
Maintenance and Repair Services - Equipment		86,943	
Maintenance and Repair Services - Vehicles		663	
Travel		1,073	
Other Contracted Services		158,082	
Other Supplies and Materials		453,626	
Other Charges		2,387	
Administration Equipment		10,692	
Maintenance Equipment		44,000	
Total Maintenance of Plant			1,258,887

Transportation

Supervisor/Director	\$	54,238	
Mechanic(s)		182,799	
Bus Drivers		883,010	
Clerical Personnel		28,001	
Other Salaries and Wages		55,472	
Social Security		71,655	
State Retirement		97,980	
Medical Insurance		294,359	
Unemployment Compensation		3,699	
Employer Medicare		16,792	
Communication		8	
Laundry Service		1,921	
Maintenance and Repair Services - Equipment		1,421	
Maintenance and Repair Services - Vehicles		5,031	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Medical and Dental Services	\$	7,616	
Travel		10,711	
Other Contracted Services		31,332	
Diesel Fuel		305,377	
Gasoline		40,351	
Lubricants		7,228	
Tires and Tubes		37,349	
Vehicle Parts		81,857	
Other Supplies and Materials		18,996	
Vehicle and Equipment Insurance		47,498	
Other Charges		1,601	
Administration Equipment		24,099	
Transportation Equipment		237,741	
Total Transportation			\$ 2,548,142

Central and Other

Other Salaries and Wages	\$	33,883	
Social Security		2,061	
State Retirement		3,348	
Medical Insurance		5,156	
Employer Medicare		482	
Other Contracted Services		83,384	
Other Supplies and Materials		11,438	
Total Central and Other			139,752

Operation of Non-Instructional Services

Food Service

Accountants/Bookkeepers	\$	260	
Clerical Personnel		260	
Cafeteria Personnel		19,630	
Social Security		1,249	
State Retirement		1,285	
Employer Medicare		292	
Total Food Service			22,976

Community Services

Other Salaries and Wages	\$	87,437	
Social Security		5,335	
State Retirement		1,832	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Employer Medicare	\$	1,248	
Food Supplies		943	
Other Supplies and Materials		1,725	
In Service/Staff Development		60	
Total Community Services			\$ 98,580

Early Childhood Education

Supervisor/Director	\$	53,208	
Teachers		426,799	
Clerical Personnel		11,546	
Educational Assistants		178,414	
Certified Substitute Teachers		2,422	
Non-certified Substitute Teachers		15,184	
Social Security		40,722	
State Retirement		57,836	
Medical Insurance		128,483	
Employer Medicare		9,535	
Communication		3,182	
Maintenance and Repair Services - Buildings		62	
Maintenance and Repair Services - Equipment		2,066	
Travel		5,612	
Other Contracted Services		45,780	
Other Supplies and Materials		63,279	
In Service/Staff Development		2,969	
Other Charges		9,808	
Other Equipment		5,063	
Total Early Childhood Education			1,061,970

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	68,168	
Social Security		4,226	
State Retirement		6,169	
Medical Insurance		5,603	
Employer Medicare		988	
Other Contracted Services		12,700	
Building Construction		175,742	
Building Improvements		297,183	
Total Regular Capital Outlay			570,779

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 550,000	
Total Education		<u>\$ 550,000</u>

Total General Purpose School Fund		\$ 43,771,511
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School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,142,899	
Educational Assistants	185,621	
Certified Substitute Teachers	2,780	
Non-certified Substitute Teachers	13,719	
Social Security	80,088	
State Retirement	617,969	
Medical Insurance	225,745	
Employer Medicare	18,781	
Instructional Supplies and Materials	216,730	
Other Supplies and Materials	11,998	
Other Charges	15,719	
Regular Instruction Equipment	<u>73,267</u>	
Total Regular Instruction Program		\$ 2,605,316

Alternative Instruction Program

Teachers	\$ 46,527	
Educational Assistants	13,505	
Social Security	3,382	
State Retirement	5,536	
Medical Insurance	14,583	
Employer Medicare	791	
Instructional Supplies and Materials	385	
Other Supplies and Materials	<u>983</u>	
Total Alternative Instruction Program		85,692

Special Education Program

Teachers	\$ 42,473
Educational Assistants	829,419
Speech Pathologist	42,490
Certified Substitute Teachers	484
Non-certified Substitute Teachers	39,446

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	56,358	
State Retirement		83,547	
Medical Insurance		194,254	
Employer Medicare		13,196	
Contracts with Private Agencies		33,500	
Other Contracted Services		140,499	
Instructional Supplies and Materials		38,020	
Other Supplies and Materials		2,605	
Total Special Education Program			\$ 1,516,291

Vocational Education Program

Instructional Supplies and Materials	\$	4,632	
Other Supplies and Materials		14,029	
Other Charges		815	
Vocational Instruction Equipment		69,179	
Total Vocational Education Program			88,655

Support Services

Health Services

Medical Personnel	\$	9,723	
Social Security		603	
Medical Insurance		3,628	
Employer Medicare		141	
Total Health Services			14,095

Other Student Support

Social Workers	\$	49,986	
Other Salaries and Wages		147,593	
Social Security		11,937	
State Retirement		17,881	
Medical Insurance		30,779	
Employer Medicare		2,792	
Travel		25,972	
In Service/Staff Development		3,401	
Other Charges		35,586	
Total Other Student Support			325,927

Regular Instruction Program

Supervisor/Director	\$	73,582	
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(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Secretary(ies)	\$	22,733	
Other Salaries and Wages		18,261	
Social Security		6,236	
State Retirement		9,313	
Medical Insurance		5,663	
Employer Medicare		1,658	
Other Supplies and Materials		36,581	
In Service/Staff Development		246,864	
Other Charges		559	
Total Regular Instruction Program			\$ 421,450

Special Education Program

Psychological Personnel	\$	97,099	
Clerical Personnel		29,914	
Social Security		7,701	
State Retirement		12,143	
Medical Insurance		25,963	
Employer Medicare		1,801	
Maintenance and Repair Services - Equipment		829	
Travel		17,052	
Other Contracted Services		78,278	
Other Supplies and Materials		81,092	
In Service/Staff Development		10,820	
Other Equipment		22,226	
Total Special Education Program			384,918

Transportation

Other Salaries and Wages	\$	6,439	
Social Security		399	
Employer Medicare		93	
Contracts with Parents		3,371	
Transportation Equipment		98,177	
Total Transportation			108,479

Operation of Non-Instructional Services

Food Service

State Retirement	\$	18,068	
Total Food Service			18,068

Total School Federal Projects Fund \$ 5,568,891

(Continued)

Exhibit J-9

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	44,564	
Accountants/Bookkeepers		32,452	
Clerical Personnel		29,783	
Cafeteria Personnel		1,243,053	
Bonus Payments		2,750	
Social Security		81,199	
State Retirement		84,931	
Medical Insurance		208,564	
Unemployment Compensation		1,545	
Employer Medicare		18,993	
Maintenance and Repair Services - Equipment		64,818	
Transportation - Other than Students		26,704	
Travel		6,200	
Other Contracted Services		25,071	
Food Preparation Supplies		5,863	
Food Supplies		1,524,528	
Office Supplies		2,333	
Utilities		10,400	
USDA - Commodities		236,900	
Other Supplies and Materials		126,518	
In Service/Staff Development		4,327	
Food Service Equipment		70,219	
Total Food Service			\$ 3,851,715

Total Central Cafeteria Fund \$ 3,851,715

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	97,471	
Social Security		6,014	
State Retirement		8,589	
Employer Medicare		1,413	
Other Supplies and Materials		9,446	
Trustee's Commission		1,208	
In Service/Staff Development		107	
Total Community Services			\$ 124,248

Total Extended School Program Fund 124,248

(Continued)

Exhibit J-9

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$	22,666
Maintenance and Repair Services - Buildings		30,070
Building Construction		<u>1,083,877</u>
Total Education Capital Projects		<u>\$ 1,136,613</u>
Total Education Capital Projects Fund		<u>\$ 1,136,613</u>
Total Governmental Funds - Lawrence County School Department		<u>\$ 54,452,978</u>

Exhibit J-10

Lawrence County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2011

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,965,855
Total Cash Receipts	<u>\$ 3,965,855</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,926,196
Trustee's Commission	39,659
Total Cash Disbursements	<u>\$ 3,965,855</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash, July 1, 2010	<u>0</u>
Cash, June 30, 2011	<u><u>0</u></u>

SINGLE AUDIT SECTION



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

December 7, 2011

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, 2011, which collectively comprise Lawrence County's basic financial statements and have issued our report thereon dated December 7, 2011. Our report includes 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 as described in our report on Lawrence County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 11.01 and 11.04(A). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

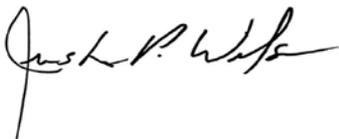
As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 11.02, 11.03, and 11.04(B).

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

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

This report is intended solely for the information and use of management, the county executive, director of schools, road superintendent, finance director, 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,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 7, 2011

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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 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 of Lawrence County's compliance with those requirements.

In our opinion, Lawrence County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lawrence County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in 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 as of and for the year ended June 30, 2011, and have issued our report thereon dated December 7, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records

used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

This report is intended solely for the information and use of management, the county executive, director of schools, road superintendent, finance director, 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 prominent vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Lawrence County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 253,076
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	236,900 (3)
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-11-329550-00	45,000
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	610,629
National School Lunch Program	10.555	N/A	1,628,138 (3)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	21,952
Total U.S. Department of Agriculture			<u>\$ 2,795,695</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Home Investment Partnerships Program	14.239	(2)	\$ 5,927
Total U.S. Department of Housing and Urban Development			<u>\$ 5,927</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 10,078
Passed through Administrative Office of the Courts:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	12,913
Total U.S. Department of Justice			<u>\$ 22,991</u>
U.S. Department of Labor:			
WIA Cluster:			
Passed-through South Central Tennessee Workforce Alliance:			
WIA Youth Activities	17.259	(2)	\$ 51,352
Passed-through State Department of Labor and Workforce Development:			
ARRA - WIA Dislocated Workers	17.260	Z-09-219690-00	7,702
Total U.S. Department of Labor			<u>\$ 59,054</u>
U.S. Department of Transportation:			
Passed through State Department of Transportation:			
Highway Planning and Construction, Recovery	20.205	(2)	\$ 50,276
Total U.S. Department of Transportation			<u>\$ 50,276</u>
Institute of Museum and Library Services:			
Passed through Secretary of State:			
Grants to States	45.310	(2)	\$ 16,034
Total Institute of Museum and Library Services			<u>\$ 16,034</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(4)	\$ 127,627
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,733,718
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	382,419
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,381,655
Special Education - Preschool Grants	84.173	(2)	41,367
Special Education Grants to States, Recovery Act	84.391	N/A	663,123
Career and Technical Education - Basic Grants to States	84.048	N/A	118,027

(Continued)

Lawrence County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education: (Cont.)			
Passed-through State Department of Education: (Cont.)			
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	\$ 11,726
Education Technology State Grants, Recovery Act	84.386	N/A	7,706
Rural Education	84.358	(2)	76,401
English Language Acquisition Grants	84.365	N/A	2,710
Improving Teacher Quality State Grants	84.367	N/A	346,520
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	(2)	3,250,115
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	(2)	315,972
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	270,210
Education Jobs Fund	84.410	N/A	556,630
Total U.S. Department of Education			\$ 9,285,926
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Child Support Enforcement	93.563	GG-09-025251-00	\$ 35,241
Passed-through State Department of Education:			
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	(2)	58,076
Total U.S. Department of Health and Human Services			\$ 93,317
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	\$ 430,512
Homeland Security Grant Program	97.067	(5)	116,574
Total U.S. Department of Homeland Security			\$ 547,086
Total Expenditures of Federal Awards			\$ 12,876,306
<u>State Grants</u>			
Adult Education - State Department of Labor and Workforce Development	N/A	(6)	\$ 42,542
Early Childhood Education - State Department of Education	N/A	(2)	1,064,772
Internet Connectivity - State Department of Education	N/A	(2)	3,699
Farmers Market Grant Program - State Department of Agriculture	N/A	(2)	2,500
Health Department Programs - State Department of Health	N/A	(7)	197,999
Juvenile Justice - State Commission on Children and Youth	N/A	(2)	9,000
Litter Grant - State Department of Transportation	N/A	(2)	25,623
Lottery for Education - Afterschool Program - State Department of Education	N/A	(2)	153,939
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212962-00	47,451
Total State Grants			\$ 1,547,525

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 \$1,865,038.

(4) DG1131220: \$124,023; Z-10-218526-00: \$3,604.

(5) 2007-GE-T7-0051: \$19,419; 2008-GE-T8-0048: \$97,155.

(6) DG1131220: \$41,341; Z-10-218526-00: \$1,201.

(7) GG1132489: \$169,644; Z-10-219840: \$28,355.

Lawrence County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

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, 2010, 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>
10.03	186	Circuit, General Sessions, and Juvenile Courts did not prepare execution docket trial balances

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.06	187	The office did not deposit some funds within three days of collection

LAWRENCE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

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. None 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. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants (CFDA Nos. 84.027, 84.391, and 84.173); the State Fiscal Stabilization Funds Cluster: State Fiscal Stabilization Funds – Education State Grants, Recovery Act and State Fiscal Stabilization Funds – Government Services Recovery Act (CFDA Nos. 84.394 and 84.397); the Education Jobs Fund (CFDA No. 84.410); and Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) were determined to be major programs.
8. A \$386,289 threshold was used to distinguish between Type A and Type B federal programs.
9. Lawrence County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the director of accounts and budgets, director of schools, and the circuit, general sessions, and juvenile courts clerk are paraphrased in this report.

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 11.01 **THE AMBULANCE SERVICE DEPARTMENT DID NOT ISSUE PRENUMBERED RECEIPTS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Ambulance Service Department did not issue prenumbered receipts for collections. The software application did not assign a sequential receipt number to collections within the system. Section 9-2-103, *Tennessee Code Annotated*, provides for receipts to be prenumbered consecutively. In-lieu-of prenumbered receipts, computer-generated receipts may be printed on plain paper if the receipt number generated by the software cannot be manipulated. Sound business practices dictate that adequate controls should be implemented. The office began using a manual prenumbered receipt book in July 2011; therefore, this deficiency has been corrected.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

In January 2011, the auditor recommended that the department use prenumbered receipts because the software application did not assign consecutive receipt numbers to collections. On January 13, 2011, I contacted our software vendor to request that the billing system be revised to comply with Section 9-2-104, *Tennessee Code Annotated*. On June 17, 2011, an update was installed to our billing system to correct the deficiency.

My office did not implement issuing prenumbered receipts for collections by mail; however, for four and one-half months, the software vendor and our office worked closely to correct the system. I felt it unnecessary to order additional receipts at that time because we were on our last receipt book. Each month we tested changes to the system, but it wasn't completed until June 17. However, beginning July 1, 2011, the department began issuing hand-written, prenumbered receipts on all collections and will continue until the billing system changes are deemed acceptable by audit.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 11.02 **EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under *Government Auditing Standards*)**

Expenditures exceeded appropriations approved by the County Commission as noted below:

- A. Expenditures exceeded appropriations in several major appropriation categories (the legal level of control) of the General Purpose School Fund:

<u>Major Category</u>	<u>Amount Overspent</u>
Instruction:	
Regular Instruction	\$ 13,925
Attendance	1,064
Health Services	1,798
Support Services:	
Regular Instruction	6,570
Special Education	1,651
Vocational Education	7,491
Adult Programs	10,129
Fiscal Services	672
Maintenance of Plant	34,577
Central and Other	3,794
Operation of Non-Instructional Services:	
Community Services	14,092

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

- B. Salaries exceeded line-item appropriations in the General Purpose School, School Federal Projects, and Central Cafeteria funds by amounts ranging from \$318 to \$42,085.

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Management concurs with the finding. The expenditures and encumbrances that exceeded appropriations occurred following the final Board of Education meeting held on June 9, 2011. Our office will file appropriate budget amendments with the County Commission to amend when necessary.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 11.03 **EXECUTION DOCKET TRIAL BALANCES WERE NOT PREPARED**

(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 \$193,467; \$57,846; and \$7,542, respectively, at June 30, 2011. This deficiency exists due to the failure of management to take corrective action for the finding reported 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.

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

This finding is an inherited problem. History shows that there has never been a docket trial balance, so this is a huge undertaking to correct. This office has recently converted to new software, which will help in identifying these balances, and we are working to have this completed by the next audit cycle.

OFFICE OF SHERIFF

FINDING 11.04 **SOME RECEIPTS WERE NOT ISSUED AT THE TIME OF COLLECTION, AND SOME COLLECTIONS WERE NOT DEPOSITED WITHIN THREE DAYS**

(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in receipting and depositing:

- A. Receipts were not always issued at the time of collection. Instead, checks were held in the office and receipted when the deposit ticket was created. The practice of issuing receipts subsequent to the actual collection increases the risk that collections will not be accounted for properly.

- B. We noted as many as 31 days lapsed between the date some funds were receipted and the date the funds were deposited to the office bank account. Section 5-8-207, *Tennessee Code Annotated*, requires all public funds be deposited within three days of collection. This deficiency exists due to a lack of management oversight.

RECOMMENDATION

Receipts should be issued at the time of collection. All receipts should be deposited to the official bank account within three days of collection as required by state statute.

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Lawrence County.

ITEM 1. **LAWRENCE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Lawrence County does not have a central system of accounting, budgeting, and purchasing for all departments. Lawrence County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and road superintendent, but exclude the School Department. Sound business practices dictate that establishing a central system for all departments would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private

act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

ITEM 2. LAWRENCE COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE

Lawrence County does not have an Audit Committee. An Audit Committee can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks. County officials should establish an Audit Committee as a best practice.

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

There were no findings and questioned costs for federal awards.

**LAWRENCE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2011**

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