

**ANNUAL FINANCIAL REPORT**  
**LAWRENCE COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2015**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**LAWRENCE COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
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*State Auditors*

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

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## LAWRENCE COUNTY, TENNESSEE TABLE OF CONTENTS

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	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Lawrence County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	25-27
Highway/Public Works Fund	C-6	28
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	29
Index and Notes to the Financial Statements		30-87
REQUIRED SUPPLEMENTARY INFORMATION:		88
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	89
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	90
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Lawrence County School Department	E-3	91
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Lawrence County School Department	E-4	92
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Lawrence County School Department	E-5	93
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Lawrence County School Department	E-6	94
Notes to the Required Supplementary Information		95

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		96
Nonmajor Governmental Funds:		97-98
Combining Balance Sheet	F-1	99-102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	103-106
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	F-3	107
Solid Waste/Sanitation Fund	F-4	108
Industrial/Economic Development Fund	F-5	109
Drug Control Fund	F-6	110
Major Governmental Fund:		111
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	112
Fiduciary Funds:		113
Combining Statement of Fiduciary Assets and Liabilities	H-1	114
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	115-116
Component Unit:		
Discretely Presented Lawrence County School Department:		117
Statement of Activities	I-1	118
Balance Sheet – Governmental Funds	I-2	119-120
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	121
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	122
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	123
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	124-125
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	126
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	127-128
School Federal Projects Fund	I-9	129
Central Cafeteria Fund	I-10	130
Extended School Program Fund	I-11	131

	Exhibit	Page(s)
Miscellaneous Schedules:		132
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds	J-1	133
Schedule of Long-term Debt Requirements by Year	J-2	134-135
Schedule of Notes Receivable	J-3	136
Schedule of Transfers – Primary Government and Discretely Presented Lawrence County School Department	J-4	137
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Lawrence County School Department	J-5	138
Schedule of Detailed Revenues – All Governmental Fund Types	J-6	139-152
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Lawrence County School Department	J-7	153-156
Schedule of Detailed Expenditures – All Governmental Fund Types	J-8	157-180
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Lawrence County School Department	J-9	181-192
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-10	193
 <u>SINGLE AUDIT SECTION</u>		 194
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		195-196
Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		197-199
Schedule of Expenditures of Federal Awards and State Grants		200-201
Schedule of Audit Findings Not Corrected		202
Schedule of Findings and Questioned Costs		203-205
Best Practice		206
Auditee Reporting Responsibilities		207

# ***Summary of Audit Findings***

Annual Financial Report  
Lawrence County, Tennessee  
For the Year Ended June 30, 2015

## ***Scope***

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2015.

## ***Results***

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

Our audit resulted in one finding and recommendation, which we have reviewed with Lawrence County's management. Details of the finding, recommendation, and management's response are included in the Single Audit section of this report.

## ***Finding***

The following is a summary of the audit finding:

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

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

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# INTRODUCTORY SECTION

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# Lawrence County Officials

## June 30, 2015

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### **Officials**

T.R. Williams, County Executive  
Donnie Joe Brown, Road Superintendent  
Dr. Bill Heath, Director of Schools  
Kiley Weathers, Trustee  
Barbara Kizer, Assessor of Property  
Chuck Kizer, County Clerk  
Debbie Riddle, Circuit, General Sessions, and Juvenile Courts Clerk  
Kristy Gang, Clerk and Master  
Teresa Dunkin, Register of Deeds  
Jimmy Brown, Sheriff  
Teresa Purcell, Director of Accounts and Budgets

### **Board of County Commissioners**

T.R. Williams, County Executive, Chairman	Delano Benefield
Chris Jackson	Scott Franks
Wayne Yocum	Jim Modlin
Dennis Gillespie	Alanna Harris
Brandon Brown	Nathan Keeton
Phillip Hood	Jeff Hughes
Bobby Clifton	Shane Eaton
Aaron Storey	Bert Spearman
Mark Niedergeses	Russ Brewer
Ronald Benefield	

### **Board of Education**

Brenda Jacobs, Chairman	Donna Wells
Kevin Caruso	Joey Hardin
Roberta Brazier	Nicky Hartsfield
Ricky Mabry	Jerry Campbell
Larry Davis	

### **Audit Committee**

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

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## **FINANCIAL SECTION**

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

Independent Auditor's Report

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

To the County Executive and County Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Lawrence County Emergency Communications District, which represent two percent, three percent, and two percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report 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 solely on the report of the other auditors. We conducted our audit in accordance with auditing

standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, 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, 2015, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As described in Note V.B., Lawrence County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

### ***Emphasis of Matter***

We draw attention to Note I.D.9. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$897,780 and the discretely presented Lawrence County School Department's net position by \$9,675,668 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 89 - 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2016, on our consideration of Lawrence County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lawrence County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 11, 2016

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Lawrence County, Tennessee  
Statement of Net Position  
June 30, 2015

	<u>Component Units</u>		
	<u>Primary</u>	<u>Lawrence</u>	<u>Emergency</u>
	<u>Governmental</u>	<u>County</u>	<u>Communica-</u>
	<u>Activities</u>	<u>School</u>	<u>tions</u>
		<u>Department</u>	<u>District</u>
<b><u>ASSETS</u></b>			
Cash	\$ 93,403	\$ 1,149	\$ 443,051
Equity in Pooled Cash and Investments	8,980,880	8,319,956	0
Inventories	0	85,954	0
Accounts Receivable	5,053,665	706	0
Allowance for Uncollectibles	(2,166,188)	0	0
Due from Other Governments	1,072,607	1,703,180	0
Due from Component Unit	276,766	0	0
Property Taxes Receivable	12,849,518	6,237,630	0
Allowance for Uncollectible Property Taxes	(330,712)	(160,540)	0
Prepaid Items	0	0	25,186
Notes Receivable	75,413	0	0
Net Pension Asset - Agent Plan	350,643	520,519	214,048
Net Pension Asset - Cost-sharing Plan	0	105,690	0
Capital Assets:			
Assets Not Depreciated:			
Land	1,009,453	1,276,454	0
Construction in Progress	0	974,932	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	20,020,978	35,749,759	353,724
Infrastructure	28,572,772	0	0
Other Capital Assets	3,023,666	3,384,936	409,011
<b>Total Assets</b>	<b>\$ 78,882,864</b>	<b>\$ 58,200,325</b>	<b>\$ 1,445,020</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension Changes in Experience	\$ 0	\$ 256,590	\$ 0
Pension Contribution after Measurement Date	754,729	2,863,658	43,396
Pension Other Deferrals	0	80,260	0
<b>Total Deferred Inflows of Resources</b>	<b>\$ 754,729</b>	<b>\$ 3,200,508</b>	<b>\$ 43,396</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 583,480	\$ 76,754	\$ 13,907
Payroll Deductions Payable	596	1,782,752	0
Contracts Payable	0	1,375	0
Accrued Interest Payable	201,821	0	0
Due to Primary Government	0	276,766	0
Due to State of Tennessee	19,636	0	0
Other Current Liabilities	0	0	46,504
Noncurrent Liabilities:			
Due Within One Year	4,184,167	85,433	49,810
Due in More Than One Year (net of unamortized premiums and discounts on debt)	39,073,251	10,163,845	181,975
<b>Total Liabilities</b>	<b>\$ 44,062,951</b>	<b>\$ 12,386,925</b>	<b>\$ 292,196</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension Changes in Experience	\$ 264,223	\$ 392,232	\$ 93,399
Pension Changes in Investment Earnings	1,037,019	10,247,638	78,538
Deferred Current Property Taxes	12,104,368	5,875,907	0
<b>Total Deferred Inflows of Resources</b>	<b>\$ 13,405,610</b>	<b>\$ 16,515,777</b>	<b>\$ 171,937</b>

(Continued)

Exhibit A

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

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	<u>Component Units</u>		
	<u>Primary</u>	<u>Lawrence</u>	<u>Emergency</u>
	<u>Governmental</u>	<u>County</u>	<u>Communica-</u>
	<u>Governmental</u>	<u>School</u>	<u>tions</u>
	<u>Activities</u>	<u>Department</u>	<u>District</u>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	\$ 28,242,513	\$ 41,386,081	\$ 660,950
Restricted for:			
General Government	3,705	0	0
Administration of Justice	134,593	0	0
Public Safety	151,889	0	0
Public Health and Welfare	286,727	0	0
Highway/Public Works	1,046,945	0	0
Instruction	0	69,578	0
Operation of Non-instructional Services	0	882,659	0
Capital Projects	1,907,742	227,427	0
Education	0	626,209	0
Other Purposes	350,643	0	214,048
Unrestricted	<u>(9,955,725)</u>	<u>(10,693,823)</u>	<u>149,285</u>
Total Net Position	<u>\$ 22,169,032</u>	<u>\$ 32,498,131</u>	<u>\$ 1,024,283</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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Governmental Total Activities	Lawrence County School Department	Emergency Communica- tions District
Primary Government:							
Governmental Activities:							
General Government	\$ 3,386,578	\$ 248,978	\$ 926,222	\$ 0	\$ (2,211,378)	\$ 0	\$ 0
Finance	1,316,043	1,019,285	0	0	(296,758)	0	0
Administration of Justice	1,280,341	777,345	75,271	0	(427,725)	0	0
Public Safety	6,677,596	1,563,084	96,124	14,078	(5,004,310)	0	0
Public Health and Welfare	4,271,304	3,410,496	447,149	0	(413,659)	0	0
Social, Cultural, and Recreational Services	413,633	11,187	23,424	0	(379,022)	0	0
Agriculture and Natural Resources	167,807	0	0	0	(167,807)	0	0
Other Operations	485,538	0	0	0	(485,538)	0	0
Highways/Public Works	6,341,867	5,762	2,311,739	260,493	(3,763,873)	0	0
Education	1,349,000	0	0	0	(1,349,000)	0	0
<b>Total Primary Government</b>	<b>\$ 25,689,707</b>	<b>\$ 7,036,137</b>	<b>\$ 3,879,929</b>	<b>\$ 274,571</b>	<b>\$ (14,499,070)</b>	<b>\$ 0</b>	<b>\$ 0</b>
Component Units:							
Lawrence County School Department	\$ 54,334,260	\$ 1,068,462	\$ 7,269,792	\$ 2,000	\$ 0	\$ (45,994,006)	\$ 0
Lawrence County Emergency Communications District	1,252,704	459,946	833,604	0	0	0	40,846
<b>Total Component Units</b>	<b>\$ 55,586,964</b>	<b>\$ 1,528,408</b>	<b>\$ 8,103,396</b>	<b>\$ 2,000</b>	<b>\$ 0</b>	<b>\$ (45,994,006)</b>	<b>\$ 40,846</b>

(Continued)

Exhibit B

Lawrence County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Governmental Total Activities	Lawrence County School Department	Emergency Communica- tions District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 8,470,374	\$ 5,930,417	\$ 0	0
Property Taxes Levied for Debt Service				1,945,260	0	0	0
Local Option Sales Tax				1,291,006	5,344,620	0	0
Hotel/Motel Tax				100,198	0	0	0
Wheel Tax				944,814	0	0	0
Litigation Tax - General				130,228	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				113,048	0	0	0
Business Tax				310,249	0	0	0
Mineral Severance Tax				66,696	0	0	0
Wholesale Beer Tax				129,589	0	0	0
Other Local Taxes				97,658	37,483	0	0
Grants and Contributions Not Restricted to Specific Programs				1,290,011	36,929,767	0	0
Unrestricted Investment Earnings				40,160	2,194	81	81
E-Rate Funding				0	27,078	0	0
Miscellaneous				13,180	63,104	0	0
Insurance Recovery				209,546	45,607	0	0
Pension Income				0	77,266	0	0
<b>Total General Revenues</b>				<b>\$ 15,152,017</b>	<b>\$ 48,457,536</b>	<b>\$ 81</b>	
Change in Net Position				\$ 652,947	\$ 2,463,530	\$ 40,927	
Net Position, July 1, 2014				22,413,865	39,710,269	954,833	
Restatement - See Note I.D.9				(897,780)	(9,675,668)	28,523	
<b>Net Position, June 30, 2015</b>				<b>\$ 22,169,032</b>	<b>\$ 32,498,131</b>	<b>\$ 1,024,283</b>	

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, 2015

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 1,050	\$ 0	\$ 0	\$ 92,353	\$ 93,403
Equity in Pooled Cash and Investments	2,616,514	885,437	2,865,512	2,613,417	8,980,880
Accounts Receivable	3,332,658	82	100,052	1,620,873	5,053,665
Allowance for Uncollectibles	(1,020,892)	0	0	(1,145,296)	(2,166,188)
Due from Other Governments	451,821	402,290	207,188	11,308	1,072,607
Due from Other Funds	0	0	0	13,244	13,244
Due from Component Units	276,766	0	0	0	276,766
Property Taxes Receivable	8,046,543	1,746,537	2,682,180	374,258	12,849,518
Allowance for Uncollectible Property Taxes	(207,096)	(44,951)	(69,032)	(9,633)	(330,712)
Notes Receivable - Long-term	0	0	0	75,413	75,413
Total Assets	<u>\$ 13,497,364</u>	<u>\$ 2,989,395</u>	<u>\$ 5,785,900</u>	<u>\$ 3,645,937</u>	<u>\$ 25,918,596</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 264,035	\$ 249,113	\$ 0	\$ 70,332	\$ 583,480
Payroll Deductions Payable	529	67	0	0	596
Due to Other Funds	13,244	0	0	0	13,244
Due to State of Tennessee	19,636	0	0	0	19,636
Total Liabilities	<u>\$ 297,444</u>	<u>\$ 249,180</u>	<u>\$ 0</u>	<u>\$ 70,332</u>	<u>\$ 616,956</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 7,579,920	\$ 1,645,254	\$ 2,526,640	\$ 352,554	\$ 12,104,368
Deferred Delinquent Property Taxes	230,092	49,074	78,133	12,071	369,370
Other Deferred/Unavailable Revenue	2,110,285	200,366	102,817	369,568	2,783,036
Total Deferred Inflows of Resources	<u>\$ 9,920,297</u>	<u>\$ 1,894,694</u>	<u>\$ 2,707,590</u>	<u>\$ 734,193</u>	<u>\$ 15,256,774</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 75,799	\$ 75,799
Restricted:					
Restricted for General Government	3,705	0	0	0	3,705
Restricted for Administration of Justice	134,593	0	0	0	134,593
Restricted for Public Safety	16,971	0	0	134,918	151,889
Restricted for Public Health and Welfare	286,727	0	0	0	286,727
Restricted for Highways/Public Works	0	845,521	0	0	845,521
Restricted for Capital Projects	0	0	0	1,907,742	1,907,742
Committed:					
Committed for General Government	22,263	0	0	74,923	97,186
Committed for Finance	0	0	0	27,500	27,500
Committed for Public Safety	217,760	0	0	0	217,760
Committed for Public Health and Welfare	0	0	0	620,530	620,530
Committed for Debt Service	0	0	3,078,310	0	3,078,310
Assigned:					
Assigned for General Government	22,622	0	0	0	22,622
Assigned for Finance	182	0	0	0	182
Assigned for Public Safety	53,954	0	0	0	53,954
Assigned for Public Health and Welfare	11,346	0	0	0	11,346
Assigned for Social, Cultural, and Recreational Services	271	0	0	0	271
Assigned for Agriculture and Natural Resources	102	0	0	0	102
Unassigned	2,509,127	0	0	0	2,509,127
Total Fund Balances	\$ 3,279,623	\$ 845,521	\$ 3,078,310	\$ 2,841,412	\$ 10,044,866
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,497,364	\$ 2,989,395	\$ 5,785,900	\$ 3,645,937	\$ 25,918,596

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

Lawrence County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	10,044,866
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,009,453	
Add: buildings and improvements net of accumulated depreciation		20,020,978	
Add: infrastructure net of accumulated depreciation		28,572,772	
Add: other capital assets net of accumulated depreciation		<u>3,023,666</u>	52,626,869
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: capital leases payable	\$	(208,015)	
Less: note payable		(3,500,000)	
Less: bonds payable		(37,264,708)	
Less: deferred charges - premium on debt		(227,837)	
Add: deferred charges - discount on debt		59,704	
Less: compensated absences payable		(634,690)	
Less: landfill postclosure care costs		(1,114,289)	
Less: other postemployment benefits liability		(367,583)	
Less: accrued interest on bonds, notes, and capital leases		<u>(201,821)</u>	(43,459,239)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future year:			
Add: deferred outflows of resources related to pensions	\$	754,729	
Less: deferred inflows of resources related to pensions		<u>(1,301,242)</u>	(546,513)
(4) Net pension assets of the county's agent plan are not current financial resources and therefore are not reported in the governmental funds.			350,643
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>3,152,406</u>
Net position of governmental activities (Exhibit A)			<u>\$ 22,169,032</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, 2015

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 7,876,279	\$ 1,733,176	\$ 4,314,071	\$ 17,678	\$ 13,941,204
Licenses and Permits	46,999	0	0	0	46,999
Fines, Forfeitures, and Penalties	200,881	0	0	38,389	239,270
Charges for Current Services	1,963,986	0	0	1,571,852	3,535,838
Other Local Revenues	66,070	5,762	45,002	133,894	250,728
Fees Received From County Officials	1,274,326	0	0	0	1,274,326
State of Tennessee	2,524,685	2,320,588	300,692	49,225	5,195,190
Federal Government	107,076	155,216	0	51,522	313,814
Other Governments and Citizens Groups	374,925	107,095	300,000	14,043	796,063
Total Revenues	<u>\$ 14,435,227</u>	<u>\$ 4,321,837</u>	<u>\$ 4,959,765</u>	<u>\$ 1,876,603</u>	<u>\$ 25,593,432</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,247,440	\$ 0	\$ 0	\$ 0	\$ 1,247,440
Finance	928,772	0	0	459,093	1,387,865
Administration of Justice	1,304,695	0	0	9,750	1,314,445
Public Safety	6,712,990	0	0	64,550	6,777,540
Public Health and Welfare	2,572,523	0	0	1,493,998	4,066,521
Social, Cultural, and Recreational Services	318,234	0	0	0	318,234
Agriculture and Natural Resources	168,568	0	0	0	168,568
Other Operations	793,323	0	0	12,345	805,668
Highways	0	4,559,570	0	0	4,559,570
Debt Service:					
Principal on Debt	62,480	63,817	6,279,234	0	6,405,531
Interest on Debt	3,593	1,883	1,465,367	0	1,470,843
Other Debt Service	0	0	131,993	0	131,993

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 87,984	\$ 0	\$ 0	\$ 2,048,122	\$ 2,136,106
Total Expenditures	\$ 14,200,602	\$ 4,625,270	\$ 7,876,594	\$ 4,087,858	\$ 30,790,324
Excess (Deficiency) of Revenues Over Expenditures	\$ 234,625	\$ (303,433)	\$ (2,916,829)	\$ (2,211,255)	\$ (5,196,892)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 3,500,000	\$ 3,500,000
Capital Leases Issued	0	208,015	0	0	208,015
Refunding Debt Issued	0	0	3,170,000	0	3,170,000
Premiums on Debt Sold	0	0	74,026	95,116	169,142
Insurance Recovery	10,157	0	0	199,389	209,546
Transfers In	0	0	0	740,000	740,000
Transfers Out	0	0	0	(740,000)	(740,000)
Total Other Financing Sources (Uses)	\$ 10,157	\$ 208,015	\$ 3,244,026	\$ 3,794,505	\$ 7,256,703
Net Change in Fund Balances	\$ 244,782	\$ (95,418)	\$ 327,197	\$ 1,583,250	\$ 2,059,811
Fund Balance, July 1, 2014	3,034,841	940,939	2,751,113	1,258,162	7,985,055
Fund Balance, June 30, 2015	\$ 3,279,623	\$ 845,521	\$ 3,078,310	\$ 2,841,412	\$ 10,044,866

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, 2015

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)		\$ 2,059,811
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 2,707,133	
Less: current-year depreciation expense	<u>(4,748,322)</u>	(2,041,189)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 3,152,406	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(2,636,683)</u>	515,723
<p>(3) The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:</p>		
Less: change in discount on debt issuance	\$ (3,754)	
Less: change in premium on debt issuance	(145,189)	
Add: principal payments on bonds	6,279,234	
Add: principal payments on capital leases	126,297	
Less: note proceeds	(3,500,000)	
Less: bond proceeds	(3,170,000)	
Less: capital lease proceeds	<u>(208,015)</u>	(621,427)
<p>(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.</p>		
Change in accrued interest payable	\$ 28,206	
Change in net pension asset/liability	1,248,423	
Change in deferred outflows related to pensions	754,729	
Change in deferred inflows related to pensions	(1,301,242)	
Change in compensated absences payable	2,498	
Change in other postemployment benefits liability	(12,321)	
Change in landfill postclosure care costs	<u>19,736</u>	<u>740,029</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 652,947</u>

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

Exhibit C-5

Lawrence County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 7,876,279	\$ 0	\$ 0	\$ 7,876,279	\$ 7,715,976	\$ 7,718,376	\$ 157,903
Licenses and Permits	46,999	0	0	46,999	45,825	45,825	1,174
Fines, Forfeitures, and Penalties	200,881	0	0	200,881	182,515	200,565	316
Charges for Current Services	1,963,986	0	0	1,963,986	1,794,018	1,794,018	169,968
Other Local Revenues	66,070	0	0	66,070	43,295	59,799	6,271
Fees Received From County Officials	1,274,326	0	0	1,274,326	1,227,265	1,227,265	47,061
State of Tennessee	2,524,685	0	0	2,524,685	2,803,491	2,787,849	(263,164)
Federal Government	107,076	0	0	107,076	60,000	107,762	(686)
Other Governments and Citizens Groups	374,925	0	0	374,925	430,841	438,841	(63,916)
Total Revenues	\$ 14,435,227	\$ 0	\$ 0	\$ 14,435,227	\$ 14,303,226	\$ 14,380,300	\$ 54,927
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 99,820	\$ 0	\$ 0	\$ 99,820	\$ 111,772	\$ 119,353	\$ 19,533
Beer Board	1,137	0	0	1,137	2,630	2,630	1,493
County Mayor/Executive	176,989	0	0	176,989	189,530	200,217	23,228
County Attorney	7,045	0	0	7,045	8,145	8,145	1,100
Election Commission	254,591	0	0	254,591	266,204	266,204	11,613
Register of Deeds	182,874	0	0	182,874	198,670	199,463	16,589
County Buildings	429,003	(1,527)	22,907	450,383	437,510	473,925	23,542
Preservation of Records	95,981	0	140	96,121	104,084	104,084	7,963
<u>Finance</u>							
Accounting and Budgeting	306,184	0	120	306,304	313,569	315,263	8,959
Property Assessor's Office	311,512	(295)	62	311,279	329,823	329,823	18,544
County Trustee's Office	76,408	0	0	76,408	76,893	85,684	9,276
County Clerk's Office	102,159	0	0	102,159	119,834	127,232	25,073
Data Processing	132,509	0	0	132,509	150,118	150,118	17,609
<u>Administration of Justice</u>							
Circuit Court	521,781	0	0	521,781	559,313	560,106	38,325
General Sessions Court	302,576	0	0	302,576	313,584	330,084	27,508

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Chancery Court	\$ 292,213	\$ 0	\$ 0	\$ 292,213	\$ 310,779	\$ 310,779	\$ 18,566
Juvenile Court	178,632	0	0	178,632	184,948	184,948	6,316
Courtroom Security	0	0	0	0	2,250	2,250	2,250
Victim Assistance Programs	9,493	0	0	9,493	7,500	9,900	407
<u>Public Safety</u>							
Sheriff's Department	3,254,068	(19,525)	50,359	3,284,902	3,413,017	3,616,658	331,756
Special Patrols	4,992	0	0	4,992	0	4,994	2
Jail	2,658,041	(251)	2,560	2,660,350	2,422,325	2,712,878	52,528
Workhouse	48,781	0	420	49,201	49,200	49,201	0
Work Release Program	4,882	(125)	190	4,947	5,825	6,275	1,328
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	5,419	0	0	5,419	10,000	10,000	4,581
Rescue Squad	332,500	0	0	332,500	302,500	332,500	0
Other Emergency Management	339,245	0	0	339,245	339,245	339,245	0
County Coroner/Medical Examiner	63,062	0	0	63,062	55,432	67,432	4,370
Other Public Safety	0	0	0	0	0	12,000	12,000
<u>Public Health and Welfare</u>							
Local Health Center	109,172	(585)	0	108,587	182,160	182,160	73,573
Ambulance/Emergency Medical Services	1,998,887	(7,356)	11,346	2,002,877	2,161,319	2,189,317	186,440
Alcohol and Drug Programs	76,341	0	0	76,341	80,000	80,000	3,659
Other Local Health Services	30,952	(943)	0	30,009	39,585	39,585	9,576
Appropriation to State	279,094	0	0	279,094	316,000	316,000	36,906
Other Public Health and Welfare	78,077	0	0	78,077	78,077	78,077	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	2,000	0	0	2,000	2,000	2,500	500
Libraries	275,134	(1,768)	271	273,637	314,390	314,390	40,753
Other Social, Cultural, and Recreational	41,100	0	0	41,100	16,600	41,100	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	119,468	(100)	0	119,368	132,497	132,497	13,129

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Soil Conservation	\$ 48,211	\$ 0	\$ 0	\$ 48,211	\$ 44,667	\$ 52,202	\$ 3,991
Other Agriculture and Natural Resources	889	0	102	991	0	1,000	9
<u>Other Operations</u>							
Tourism	52,996	0	0	52,996	53,525	53,525	529
Industrial Development	150,818	0	0	150,818	148,515	150,818	0
Housing and Urban Development	1,579	0	0	1,579	250,000	250,000	248,421
Airport	69,000	0	0	69,000	69,000	69,000	0
Veterans' Services	94,602	0	0	94,602	93,899	99,740	5,138
Other Charges	424,328	(2,340)	0	421,988	409,999	453,459	31,471
<u>Principal on Debt</u>							
General Government	62,480	0	0	62,480	62,480	62,480	0
<u>Interest on Debt</u>							
General Government	3,593	0	0	3,593	3,593	3,593	0
<u>Capital Projects</u>							
General Administration Projects	87,984	0	0	87,984	86,444	87,984	0
Total Expenditures	\$ 14,200,602	\$ (34,815)	\$ 88,477	\$ 14,254,264	\$ 14,831,450	\$ 15,592,818	\$ 1,338,554
Excess (Deficiency) of Revenues Over Expenditures	\$ 234,625	\$ 34,815	\$ (88,477)	\$ 180,963	\$ (528,224)	\$ (1,212,518)	\$ 1,393,481
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 10,157	\$ 0	\$ 0	\$ 10,157	\$ 0	\$ 2,804	\$ 7,353
Total Other Financing Sources	\$ 10,157	\$ 0	\$ 0	\$ 10,157	\$ 0	\$ 2,804	\$ 7,353
Net Change in Fund Balance	\$ 244,782	\$ 34,815	\$ (88,477)	\$ 191,120	\$ (528,224)	\$ (1,209,714)	\$ 1,400,834
Fund Balance, July 1, 2014	3,034,841	(34,815)	0	3,000,026	3,006,112	3,034,841	(34,815)
Fund Balance, June 30, 2015	\$ 3,279,623	\$ 0	\$ (88,477)	\$ 3,191,146	\$ 2,477,888	\$ 1,825,127	\$ 1,366,019

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

Exhibit C-6

Lawrence County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,733,176	\$ 0	\$ 0	\$ 1,733,176	\$ 1,696,958	\$ 1,696,958	\$ 36,218
Other Local Revenues	5,762	0	0	5,762	0	5,762	0
State of Tennessee	2,320,588	0	0	2,320,588	2,264,202	2,232,107	88,481
Federal Government	155,216	0	0	155,216	0	155,216	0
Other Governments and Citizens Groups	107,095	0	0	107,095	0	107,095	0
Total Revenues	\$ 4,321,837	\$ 0	\$ 0	\$ 4,321,837	\$ 3,961,160	\$ 4,197,138	\$ 124,699
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 210,471	\$ (87)	\$ 0	\$ 210,384	\$ 244,139	\$ 244,182	\$ 33,798
Highway and Bridge Maintenance	2,906,429	(200)	0	2,906,229	2,670,085	3,127,758	221,529
Operation and Maintenance of Equipment	615,144	(4,900)	500	610,744	688,519	688,782	78,038
Other Charges	104,972	0	0	104,972	108,276	108,276	3,304
Capital Outlay	722,554	0	0	722,554	920,000	906,015	183,461
<u>Principal on Debt</u>							
Highways and Streets	63,817	0	0	63,817	63,817	63,817	0
<u>Interest on Debt</u>							
Highways and Streets	1,883	0	0	1,883	1,884	1,884	1
Total Expenditures	\$ 4,625,270	\$ (5,187)	\$ 500	\$ 4,620,583	\$ 4,696,720	\$ 5,140,714	\$ 520,131
Excess (Deficiency) of Revenues Over Expenditures	\$ (303,433)	\$ 5,187	\$ (500)	\$ (298,746)	\$ (735,560)	\$ (943,576)	\$ 644,830
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 208,015	\$ 0	\$ 0	\$ 208,015	\$ 0	\$ 208,015	\$ 0
Total Other Financing Sources	\$ 208,015	\$ 0	\$ 0	\$ 208,015	\$ 0	\$ 208,015	\$ 0
Net Change in Fund Balance	\$ (95,418)	\$ 5,187	\$ (500)	\$ (90,731)	\$ (735,560)	\$ (735,561)	\$ 644,830
Fund Balance, July 1, 2014	940,939	(5,187)	0	935,752	935,020	940,939	(5,187)
Fund Balance, June 30, 2015	\$ 845,521	\$ 0	\$ (500)	\$ 845,021	\$ 199,460	\$ 205,378	\$ 639,643

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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,379,042
Equity in Pooled Cash and Investments	87,135
Accounts Receivable	3,033
Due from Other Governments	<u>797,452</u>
Total Assets	<u>\$ 2,266,662</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 789,954
Due to Litigants, Heirs, and Others	1,408,429
Due to Joint Ventures	<u>68,279</u>
Total Liabilities	<u>\$ 2,266,662</u>

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

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

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Note	Page(s)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	31
B. Government-wide and Fund Financial Statements	32
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	33
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	35
2. Receivables and Payables	36
3. Inventories	37
4. Capital Assets	37
5. Deferred Outflows/Inflows of Resources	37
6. Compensated Absences	38
7. Long-term Obligations	39
8. Net Position and Fund Balance	39
9. Restatement	41
E. Pension Plans	41
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	42
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	42
<b>III. Stewardship, Compliance, and Accountability</b>	
Budgetary Information	43
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	43
B. Notes Receivable	44
C. Capital Assets	45
D. Interfund Receivables, Payables, and Transfers	47
E. Capital Leases	48
F. Long-term Obligations	49
G. On-Behalf Payments	53
H. Short-term Debt	53
<b>V. Other Information</b>	
A. Risk Management	53
B. Accounting Changes	55
C. Subsequent Events	55
D. Change in Administration	55
E. Contingent Liabilities	55
F. Landfill Closure/Postclosure Care Costs	56
G. Joint Ventures	56
H. Jointly Governed Organization	57
I. Retirement Commitments	58
J. Other Postemployment Benefits (OPEB)	72
K. Office of Central Accounting and Budgeting	75
L. Purchasing Laws	75
<b>VI. Other Notes - Discretely Presented Lawrence County Emergency Communications District</b>	76

**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2015**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

The Lawrence County School Department operates the public school system in the county, and the voters of Lawrence County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The 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 Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Lawrence County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Lawrence County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Lawrence County issues all debt for the discretely presented Lawrence County School Department. Net debt issues totaling \$1,340,000 were contributed by the county to the School Department during the year ended June 30, 2015.

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

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

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

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

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

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

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

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

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

Lawrence County reports the following major governmental funds:

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

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

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

Additionally, Lawrence County reports the following fund types:

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

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

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Lawrence County, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Lawrence County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Lawrence County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are

reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since, the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes.

Additional costs attach to delinquent taxes after a court suit has been filed.

**3. Inventories**

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

**4. Capital Assets**

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

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

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

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

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

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

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that

applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, changes in proportionate share of contributions, as well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, changes in investment earnings, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## **6. Compensated Absences**

It is the primary government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Lawrence County does not have a policy to pay amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the policy of the discretely presented Lawrence County School Department to permit central office and bus/building maintenance employees to earn vacation at the rate of 12 to 18 days per year, depending upon length of service and length of contract. The policy provides for employees to carry forward to the next year any unused annual days not to exceed 20 days. All vacation pay is accrued when incurred in the government-wide financial statements for the School Department. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. Noncertified personnel earn one day of sick leave per month

with unlimited accumulation. The granting of sick leave has no guaranteed payment attached and, therefore, is not required to be accrued or recorded.

**7. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

**8. Net Position and Fund Balance**

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors,

grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$350,643 of restricted net position for the primary government and \$626,209 for the discretely presented School Department as restricted for Other Purposes and Education, respectively. These amounts consist of net pension obligations.

As of June 30, 2015, Lawrence County had \$16,756,500 in outstanding debt for capital purposes for the discretely presented Lawrence County School Department. This debt is a liability of Lawrence County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Lawrence County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's

highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

**9. Restatement**

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement decreasing Lawrence County's and the Lawrence School Department's beginning net position has been recognized on the Statement of Activities by \$897,780 and \$9,675,668, respectively.

**E. Pension Plans**

**Primary Government**

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

**Discretely Presented Lawrence County School Department**

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented Lawrence County School Department**

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

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

**Primary Government**

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

**Discretely Presented Lawrence County School Department**

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

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Beer Board, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

### IV. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

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

#### Deposits

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund

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

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

### **Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2015.

### **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 \$75,413 and is offset by committed fund balance.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2015, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,009,453	\$ 0	\$ 0	\$ 1,009,453
Total Capital Assets Not Depreciated	<u>\$ 1,009,453</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,009,453</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 25,787,350	\$ 0	\$ 0	\$ 25,787,350
Infrastructure	79,275,467	1,407,693	0	80,683,160
Other Capital Assets	10,027,211	1,299,440	56,665	11,269,986
Total Capital Assets Depreciated	<u>\$ 115,090,028</u>	<u>\$ 2,707,133</u>	<u>\$ 56,665</u>	<u>\$ 117,740,496</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,138,568	\$ 627,804	\$ 0	\$ 5,766,372
Infrastructure	48,655,583	3,454,805	0	52,110,388
Other Capital Assets	7,637,272	665,713	56,665	8,246,320
Total Accumulated Depreciation	<u>\$ 61,431,423</u>	<u>\$ 4,748,322</u>	<u>\$ 56,665</u>	<u>\$ 66,123,080</u>
Total Capital Assets Depreciated, Net	<u>\$ 53,658,605</u>	<u>\$ (2,041,189)</u>	<u>\$ 0</u>	<u>\$ 51,617,416</u>
Governmental Activities Capital Assets, Net	<u>\$ 54,668,058</u>	<u>\$ (2,041,189)</u>	<u>\$ 0</u>	<u>\$ 52,626,869</u>

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

**Governmental Activities:**

General Government	\$	594,338
Finance		2,025
Administration of Justice		0
Public Safety		203,221
Public Health and Welfare		200,374
Social, Cultural, and Recreational Services		87,126
Agriculture and Natural Resources		2,662
Other Operations		128
Highways		<u>3,658,448</u>
Total Depreciation Expense - Governmental Activities	\$	<u>4,748,322</u>

**Discretely Presented Lawrence County School Department**

**Governmental Activities:**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 676,454	\$ 600,000	\$ 0	\$ 1,276,454
Construction in Progress	0	974,932	0	974,932
Total Capital Assets Not Depreciated	<u>\$ 676,454</u>	<u>\$ 1,574,932</u>	<u>\$ 0</u>	<u>\$ 2,251,386</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 63,386,299	\$ 428,631	\$ 52,375	\$ 63,762,555
Other Capital Assets	12,495,480	(19,972)	0	12,475,508
Total Capital Assets Depreciated	<u>\$ 75,881,779</u>	<u>\$ 408,659</u>	<u>\$ 52,375</u>	<u>\$ 76,238,063</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 26,406,277	\$ 1,637,840	\$ 31,321	\$ 28,012,796
Other Capital Assets	8,549,036	541,536	0	9,090,572
Total Accumulated Depreciation	<u>\$ 34,955,313</u>	<u>\$ 2,179,376</u>	<u>\$ 31,321</u>	<u>\$ 37,103,368</u>
Total Capital Assets Depreciated, Net	<u>\$ 40,926,466</u>	<u>\$ (1,770,717)</u>	<u>\$ 21,054</u>	<u>\$ 39,134,695</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,602,920</u>	<u>\$ (195,785)</u>	<u>\$ 21,054</u>	<u>\$ 41,386,081</u>

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

**Governmental Activities:**

Instruction	\$ 1,554,016
Support Services	496,772
Operation of Non-instructional Services	<u>128,588</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,179,376</u>

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

The composition of interfund balances as of June 30, 2015, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Fund</u>
Primary Government: Nonmajor governmental	General	\$ 13,244

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.

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Fund</u>
Primary Government: General	Component Unit: School Department: General Purpose School	\$ 276,766

**Interfund Transfers:**

**Primary Government**

<u>Transfer Out</u>	<u>Transfer In</u>
	Nonmajor Governmental Funds
Nonmajor governmental funds	\$ 740,000

**Discretely Presented Lawrence County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 6,850
Nonmajor governmental funds	18,365	0
<b>Total</b>	<b>\$ 18,365</b>	<b>\$ 6,850</b>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**E. Capital Leases**

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

On May 30, 2012, Lawrence County entered into a two-year lease-purchase agreement for five patrol cars. The terms of the agreement require total lease payments of \$185,855 plus interest of 5.75 percent. Titles to the vehicles transfer to Lawrence County at the end of the lease period. The lease payments are made from the General Fund.

On May 7, 2015, Lawrence County entered into a four-year lease-purchase agreement for a wheel loader. The terms of the agreement require total lease payments of \$208,015 plus interest of 2.49 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.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 367,000
Less: Accumulated Depreciation	(348,650)
Vehicles	185,855
Less: Accumulated Depreciation	(96,824)
Machinery and Equipment	208,015
Less: Accumulated Depreciation	(3,458)
 Total Book Value	 <u>\$ 311,938</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2016	\$ 55,280
2017	55,281
2018	55,281
2019	55,281
Total Minimum Lease Payments	\$ 221,123
Less: Amount Representing Interest	<u>(13,108)</u>
 Present Value of Minimum Lease Payments	 <u>\$ 208,015</u>

**F. Long-term Obligations**

**Primary Government**

**General Obligation Bonds and Notes**

Lawrence County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities of the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes may also be issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds 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 38 years on bonds and 12 years on 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, 2015, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	3.38 to 4.28 %	6-21-50	\$ 29,457,000	\$ 24,389,708
General Obligation Bonds - Refunding	1.08 to 3.79	10-1-34	25,820,000	12,875,000
Capital Outlay Note	1.83	12-1-26	3,500,000	3,500,000
Capital Lease	2.49	5-7-19	208,015	208,015

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2015, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 3,224,377	\$ 1,310,117	\$ 4,534,494
2017	2,879,525	1,203,158	4,082,683
2018	2,954,678	1,118,051	4,072,729
2019	3,049,835	1,027,058	4,076,893
2020	2,224,999	943,494	3,168,493
2021-2025	8,802,641	3,743,496	12,546,137
2026-2030	7,387,630	2,173,891	9,561,521
2031-2035	4,878,522	940,680	5,819,202
2036-2040	1,745,475	130,955	1,876,430
2041-2045	53,686	16,244	69,930
2046-2050	63,340	6,554	69,894
Total	\$ 37,264,708	\$ 12,613,698	\$ 49,878,406

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 250,000	\$ 81,619	\$ 331,619
2017	260,000	73,969	333,969
2018	265,000	66,094	331,094
2019	275,000	57,994	332,994
2020	285,000	49,594	334,594
2021-2025	1,515,000	151,946	1,666,946
2026-2027	650,000	14,737	664,737
Total	<u>\$ 3,500,000</u>	<u>\$ 495,953</u>	<u>\$ 3,995,953</u>

There is \$3,078,310 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and capital leases totaled \$979, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

##### Governmental Activities:

	Bonds	Note	Capital Leases
Balance, July 1, 2014	\$ 40,373,942	\$ 0	\$ 126,297
Additions	3,170,000	3,500,000	208,015
Reductions	(6,279,234)	0	(126,297)
Balance, June 30, 2015	<u>\$ 37,264,708</u>	<u>\$ 3,500,000</u>	<u>\$ 208,015</u>
Balance Due Within One Year	<u>\$ 3,224,377</u>	<u>\$ 250,000</u>	<u>\$ 50,100</u>

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2014	\$ 637,188	\$ 1,134,025	\$ 355,262
Additions	716,612	17,008	32,366
Reductions	(719,110)	(36,744)	(20,045)
Balance, June 30, 2015	<u>\$ 634,690</u>	<u>\$ 1,114,289</u>	<u>\$ 367,583</u>
Balance Due Within One Year	<u>\$ 634,690</u>	<u>\$ 25,000</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 43,089,285
Less: Due Within One Year	(4,184,167)
Add: Unamortized Premium on Debt	227,837
Less: Unamortized Discount on Debt	<u>(59,704)</u>
 Noncurrent Liabilities - Due in More Than One Year - Exhibit A	 <u><u>\$ 39,073,251</u></u>

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

Current Refunding

On July 23, 2014, Lawrence County currently refunded a general obligation school bond with a separate bond issue. The county issued \$3,170,000 of general obligation school refunding bonds to provide resources to retire the bonds. As a result of the current refunding, total debt service payments over the next six years will be reduced by \$220,418, and an economic gain (difference between the present value of the debt service payments for the refunded and refunding bonds) of \$211,561 was obtained.

**Discretely Presented Lawrence County School Department**

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Lawrence County School Department for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	\$ 77,556	\$ 8,955,412
Additions	60,144	1,940,227
Reductions	<u>(52,267)</u>	<u>(731,794)</u>
Balance, June 30, 2015	<u>\$ 85,433</u>	<u>\$ 10,163,845</u>
Balance Due Within One Year	<u><u>\$ 85,433</u></u>	<u><u>\$ 0</u></u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 10,249,278
Less: Balance Due Within One Year	<u>(85,433)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 10,163,845</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lawrence County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were \$266,372 and \$65,281, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

Lawrence County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the Highway/Public Works Fund. These notes were necessary because funds were not available to meet operating expenses coming due before current tax collections. Short-term debt activity for the year ended June 30, 2015, was as follows:

	Balance 7-1-14	Issued	Paid	Balance 6-30-15
Tax Anticipation Notes	\$ 0	\$ 215,000	\$ (215,000)	\$ 0

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

The county is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public

entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

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

Lawrence County does not have a formal workers' compensation plan. The county is self-insured for risks associated with workers' compensation claims due to on-the-job injuries up to a limit of \$35,000 per claim and has purchased an occupational accident commercial insurance policy to cover claims over \$35,000 per occurrence and up to \$2,000,000 per accident. This policy does not limit the county's liability should occupational-related lawsuits be filed. Each county department pays a prorated share of the commercial insurance policy premiums, as well as an amount equal to the specific medical claims and wages for employees of their respective departments, from their appropriate funds. Settled claims have not exceeded the county's coverage in any of the past three fiscal years.

Lawrence County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

### **Discretely Presented Lawrence County School Department**

The School Department purchased commercial insurance coverage for general liability, property, casualty, and workers' compensation insurance coverage. Settled claims have not exceeded the commercial insurance coverage in any of the past three fiscal years.

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

TCA, provides for the LEGIF to be self-sustaining through member premiums.

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**C. Subsequent Events**

On October 22, 2015, the county's General Debt Service Fund issued a \$400,000 tax anticipation note to the General Fund for temporary operating funds.

On October 22, 2015, the General Purpose School Fund issued a \$290,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

**D. Change in Administration**

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

**E. 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.

**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 \$1,114,289 reported as postclosure care liability at June 30, 2015, represents amounts based on what it would cost to perform all postclosure care in 2015. 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 \$69,000 to the operations of the joint venture during the year ended June 30, 2015.

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 \$150,818 to the Lawrence County Joint Economic Development Board during the year ended June 30, 2015.

The Twenty-second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-second Judicial District, Lawrence, Giles, Maury, and Wayne counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Lawrence County did not contribute any funds to the DTF for the year ended June 30, 2015.

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

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

Administrative Offices:

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

Lawrence County Joint Economic Development Board  
Lawrence County Executive  
200 West Gaines Street, Suite 201  
Lawrenceburg, TN 38464

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

**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, 2015.

**I. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Lawrence County and non-certified employees of the discretely presented Lawrence County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 40.25 percent and the non-certified employees of the discretely presented School Department comprise 59.75 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and

one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	296
Inactive Employees Entitled to But Not Yet Receiving Benefits	390
Active Employees	559
Total	<u><u>1,245</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Lawrence County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Lawrence County were \$1,319,662 based on a rate of 9.77 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lawrence County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

Lawrence County’s net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46 %	33 %
Developed Market International Equity	6.26	17
Emerging Market International Equity	6.40	5
Private Equity and Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Lawrence County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 38,999,701	\$ 35,375,249	\$ 3,624,452
Changes for the year:			
Service Cost	\$ 1,271,060	\$ 0	\$ 1,271,060
Interest	2,948,844	0	2,948,844
Differences Between Expected and Actual Experience	(787,746)	0	(787,746)
Contributions-Employer	0	1,393,943	(1,393,943)
Contributions-Employees	0	676,878	(676,878)
Net Investment Income	0	5,879,061	(5,879,061)
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(1,905,706)	0
Administrative Expense	0	(22,110)	22,110
Other Changes	0	0	0
Net Changes	\$ 1,526,452	\$ 6,022,066	\$ (4,495,614)
Balance, June 30, 2014	\$ 40,526,153	\$ 41,397,315	\$ (871,162)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	40.25%	\$ 16,311,777	\$ 16,662,419	\$ (350,643)
School Department	59.75%	24,214,376	24,734,896	(520,519)
Total		\$ 40,526,153	\$ 41,397,315	\$ (871,162)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Lawrence County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Lawrence County</u>	6.5%	7.5%	8.5%

Net Pension Liability    \$ 4,374,418    \$ (871,162)    \$ (5,234,645)

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

*Pension Expense.* For the year ended June 30, 2015, Lawrence County recognized pension expense of \$131,228.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Lawrence County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 656,455
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,576,444
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>1,319,662</u>	<u>N/A</u>
Total	<u>\$ 1,319,662</u>	<u>\$ 3,232,899</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 754,729	\$ 1,301,242
School Department	<u>564,933</u>	<u>1,931,657</u>
Total	<u>\$ 1,319,662</u>	<u>\$ 3,232,899</u>

Amounts reported as deferred outflows of resources, excluding contributions subsequent to the measurement date of June 30, 2014, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (775,402)
2017	(775,402)
2018	(775,402)
2019	(775,402)
2020	(131,291)
Thereafter	0

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

**Discretely Presented Lawrence County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Lawrence County and non-certified employees of the discretely presented Lawrence County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 40.25 percent and the non-certified employees of the discretely presented School Department comprise 59.75 percent of the plan based on census data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

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

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

defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$13,644, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities.* Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

*Pension Expense.* Since the measurement date is June 30, 2014, the Lawrence County School Department did not recognize any pension expense at June 30, 2015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Lawrence County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 13,644	N/A
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The Lawrence County School Department’s employer contributions of \$13,644 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

### **Teacher Legacy Pension Plan**

#### **General Information About the Pension Plan**

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

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Lawrence County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$2,285,081, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Assets.* At June 30, 2014, the Lawrence County School Department reported an asset of \$105,690 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Lawrence County School Department's proportion of the net pension asset was based on the Lawrence County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At June 30, 2014, measurement date, the Lawrence County School Department's proportion was 0.650421 percent. The proportion measured as of June 30, 2013, was 0.644731 percent.

*Pension Income.* For the year ended June 30, 2015, the Lawrence County School Department recognized a pension income of \$77,266.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Lawrence County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 256,590	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	8,708,213
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	80,260	0
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>2,285,081</u>	<u>N/A</u>
Total	<u>\$ 2,621,931</u>	<u>\$ 8,708,213</u>

The Lawrence County School Department's employer contributions of \$2,285,081 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (2,120,912)
2017	(2,120,912)
2018	(2,120,912)
2019	(2,120,912)
2020	56,142
Thereafter	56,142

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income Real Estate	4.61		8	
	0.98		29	
	4.73		7	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents Lawrence County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Lawrence County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability    \$ 17,825,874    \$ (105,690)    \$ (14,951,082)

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

**2. Deferred Compensation**

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

**J. Other Postemployment Benefits (OPEB)**

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using

actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Lawrence County and the School Department recognized expenditures of \$20,045 and \$731,794, respectively, for postemployment health care during the year ended June 30, 2015.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,931,000	\$ 32,000
Interest on the NOPEBO	358,216	14,210
Adjustment to the ARC	(348,989)	(13,844)
Annual OPEB cost	\$ 1,940,227	\$ 32,366
Amount of contribution	(731,794)	(20,045)
Increase/decrease in NOPEBO	\$ 1,208,433	\$ 12,321
Net OPEB obligation, 7-1-14	8,955,412	355,262
Net OPEB obligation, 6-30-15	\$ 10,163,845	\$ 367,583

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 2,354,619	30	% \$ 7,911,182
6-30-14	"	1,872,151	44	8,955,412
6-30-15	"	1,940,227	38	10,163,845
6-30-13	Local Government Group	66,321	21	328,970
6-30-14	"	31,339	16	355,262
6-30-15	"	32,366	62	367,583

### Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 15,915	\$ 210
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 15,915	\$ 210
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 30,893	\$ 8,187
UAAL as a % of covered payroll	52%	3%

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

### Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Plan and the Local Government Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate was seven percent for fiscal year 2015. The trend will decrease to 6.5 percent in fiscal year 2016 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

**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 and the Highway Department are governed by the County Purchasing Law of 1957, Section 5-14-101 et seq., *Tennessee Code Annotated (TCA)*. Purchases for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. Section 5-14-101 et seq., *TCA*, provides for a purchasing agent, appointed by the county executive and approved by the Lawrence County Commission, to make all purchases. Effective September 24, 2013, the Lawrence County Commission added the duties of the purchasing agent to the director of accounts and budgets. This statute also provides for a County Purchasing Committee to assist the purchasing agent in the determination of overall purchasing policies. These statutes require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids. Additionally, the County Commission requires three quotes for purchases estimated to be between \$5,000 and \$10,000.

Office of Director of Schools

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

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 *TCA* 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 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 uses the economic resources measurement focus in the financial statements.

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 expensed 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. Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**7. 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.

**8. Annual Budget**

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 prepared on the accrual basis. The Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts establishes the legal budget level of control to be the line-item level.

**9. Operating Revenues and Operating Expenses**

The district recognizes operating revenues and operating expenses resulting from providing services and producing goods to its customers. All other revenues and services are deemed non-operating.

**10. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources,

represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category.

## **11. Pension**

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

### **B. Cash and Certificates of Deposit**

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.

### **C. Capital Assets**

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

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Buildings	\$ 400,000	\$ 0	\$ 0	\$ 400,000
Leasehold Improvements	274,014	0	0	274,014
Communications Equipment	908,342	0	0	908,342
Equipment and Furniture	23,996	0	0	23,996
Total Capital Assets				
Being Depreciated	<u>\$ 1,606,352</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,606,352</u>
Less Accumulated Depreciation	<u>(748,863)</u>			<u>(843,617)</u>
Total Capital Assets, Net	<u>\$ 857,489</u>			<u>\$ 762,735</u>

Depreciation expense consists of communications equipment (\$64,753), buildings (\$13,333), and leasehold improvements (\$16,697). All assets are being depreciated.

#### **D. Long-term Debt**

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

	Balance 7-1-14	Additions	Retirements	Balance 6-30-15
Series 2005 \$	149,519	-	(47,734)	101,785

Future maturities of note principal and interest are as follows:

Year Ending June 30	Note		Total
	Principal	Interest	
2016	\$ 49,810	\$ 4,427	\$ 54,237
2017	51,975	2,262	54,237
Total	<u>\$ 101,785</u>	<u>\$ 6,689</u>	<u>\$ 108,474</u>

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

#### **E. Risk Management**

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

**F. Pension Plan**

*Plan Description.* Employees of the district are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Inactive Employees Entitled to But Not Yet Receiving Benefits	8
Active Employees	15
Total	25

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. The district makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for the district were \$43,396 based on a rate of seven percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lawrence County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

The district’s net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the

period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46	% 33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the district will be made at the actuarially

determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability (Asset)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 1,031,978	\$ 1,009,611	\$ 22,367
Changes for the year:			
Service Cost	\$ 46,037	\$ 0	\$ 46,037
Interest	80,399	0	80,399
Differences Between Expected and Actual Experience	(106,742)	0	(106,742)
Contributions-Employer	0	50,890	(50,890)
Contributions-Employees	0	29,382	(29,382)
Net Investment Income	0	176,428	(176,428)
Benefit Payments, Including Refunds of Employee Contributions	(12,076)	(12,076)	0
Administrative Expense	0	(591)	591
Other Changes	0	0	0
Net Changes	<u>\$ 7,618</u>	<u>\$ 244,033</u>	<u>\$ (236,415)</u>
Balance, June 30, 2014	<u>\$ 1,039,596</u>	<u>\$ 1,253,644</u>	<u>\$ (214,048)</u>

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of the district calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ (54,123)	\$ (214,048)	\$ (345,970)

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

*Pension Income.* For the year ended June 30, 2015, the district recognized pension income of \$13,588.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 93,399
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	78,538
Contributions Subsequent to the Measurement Date of June 30, 2014	43,396	N/A
Total	\$ 43,396	\$ 171,937

Amounts reported as deferred outflows of resources, excluding contributions subsequent to the measurement date of June 30, 2014, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (32,977)
2017	(32,977)
2018	(32,977)
2019	(32,977)
2020	(13,343)
Thereafter	(26,686)

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

**G. Compensated Absences**

The district at its inception adopted a sick leave policy in which employees were allowed to accrue 12 sick 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 the employee can earn. The employee 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, an employee is not eligible to use or receive compensation for vacation time until the employee has 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 of the employee's 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 twelve hours per month for years of service exceeding ten years. An employee who has fulfilled the six-month requirement shall be paid for all accrued vacation leave upon termination or retirement.

**H. Commitments and Contingencies**

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 as the result of these audits, is not believed to be material.

**I. Budgets and Budgetary Accounting**

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

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

**J. Other Post-Retirement Benefits (OPEB)**

The district participates in the state-administered Medicare Supplement 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 8-27-701, *Tennessee Code Annotated*. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization, point of service, or health maintenance organization plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

**Funding Policy**

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue.

Annual OPEB Cost and Net OPEB Obligation

ARC	\$ 12,000
Interest on the NOPEBO	1,150
Adjustment to the ARC	<u>(1,150)</u>
Annual OPEB cost	\$ 12,000
Amount of contribution	<u>0</u>
Increase/decrease in NOPEBO	\$ 12,000
Net OPEB obligation, 7-1-14	<u>118,000</u>
Net OPEB obligation, 6-30-15	<u><u>\$ 130,000</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Medicare Supplement	\$ 12,000	0	% \$ 106,000
6-30-14	"	12,000	0	118,000
6-30-15	"	12,000	0	130,000

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 RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2009, actuarial valuation the annual healthcare cost trend for the Medicare Supplement Plan was one percent for fiscal year 2015. The trend will rise to ten percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. These 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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

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

	<u>2014</u>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 1,271,060
Interest	2,948,844
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(787,746)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,905,706)</u>
Net Change in Total Pension Liability (Asset)	\$ 1,526,452
Total Pension Liability (Asset), Beginning	<u>38,999,701</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 40,526,153</u>
 <b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 1,393,943
Contributions - Employee	676,878
Net Investment Income	5,879,061
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)
Administrative Expense	<u>(22,110)</u>
Net Change in Plan Fiduciary Net Position	\$ 6,022,066
Plan Fiduciary Net Position, Beginning	<u>35,375,249</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 41,397,315</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (871,162)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 102.15%
Covered Employee Payroll	\$ 13,507,051
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	6.45%

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

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit E-2

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,393,943	\$ 1,319,662
Less Contributions in Relation to the Actuarially Determined Contribution	(1,393,943)	(1,319,662)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 13,507,051	\$ 13,629,128
Contributions as a Percentage of Covered Employee Payroll	10.32%	9.68%

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

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit E-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 8,528
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(13,644)</u>
Contribution Deficiency (Excess)	<u>\$ (5,117)</u>
Covered Employee Payroll	\$ 341,097
Contributions as a Percentage of Covered Employee Payroll	4%

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

Exhibit E-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 2,266,972	\$ 2,285,081
Less Contributions in Relation to the Actuarially Determined Contribution	(2,266,972)	(2,285,081)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 25,529,024	 \$ 25,284,797
 Contributions as a Percentage of Covered Employee Payroll	 8.88%	 9.04%

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

Exhibit E-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.650421%
School Department's Proportionate Share of the Net Pension Asset	\$ 105,690
Covered Employee Payroll	\$ 25,529,024
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

\* The amounts presented were determined as of June 30 of the prior fiscal year.

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

Exhibit E-6

Lawrence County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Lawrence County School Department  
June 30, 2015

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-10	\$ 0	\$ 704	\$ 704	0	% \$ 7,018	10 %
"	7-1-11	0	405	405	0	7,553	5
"	7-1-13	0	210	210	0	8,187	3
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	13,554	13,554	0	29,229	46
"	7-1-11	0	19,237	19,237	0	31,047	62
"	7-1-13	0	15,915	15,915	0	30,893	52

**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2015**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	4 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

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

# Capital Projects Funds

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

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

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

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

# Permanent Fund

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

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

Exhibit F-1

Lawrence County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2015

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 0	\$ 525	\$ 0	\$ 0	\$ 91,828	\$ 92,353
Equity in Pooled Cash and Investments	29,021	180,884	330,601	25,137	0	565,643
Accounts Receivable	1,565	1,605,672	0	3,041	10,595	1,620,873
Allowance for Uncollectibles	0	(1,145,296)	0	0	0	(1,145,296)
Due from Other Governments	0	11,308	0	0	0	11,308
Due from Other Funds	0	0	0	0	0	0
Property Taxes Receivable	0	374,258	0	0	0	374,258
Allowance for Uncollectible Property Taxes	0	(9,633)	0	0	0	(9,633)
Notes Receivable - Long-term	0	0	75,413	0	0	75,413
Total Assets	\$ 30,586	\$ 1,017,718	\$ 406,014	\$ 28,178	\$ 102,423	\$ 1,584,919
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 69,009	\$ 0	\$ 499	\$ 0	\$ 69,508
Total Liabilities	\$ 0	\$ 69,009	\$ 0	\$ 499	\$ 0	\$ 69,508
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 352,554	\$ 0	\$ 0	\$ 0	\$ 352,554
Deferred Delinquent Property Taxes	0	12,071	0	0	0	12,071
Other Deferred/Unavailable Revenue	0	369,568	0	0	0	369,568
Total Deferred Inflows of Resources	\$ 0	\$ 734,193	\$ 0	\$ 0	\$ 0	\$ 734,193

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:						
Restricted for Public Safety	30,586	0	0	27,679	0	58,265
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for General Government	0	0	0	0	74,923	74,923
Committed for Finance	0	0	0	0	27,500	27,500
Committed for Public Health and Welfare	0	214,516	406,014	0	0	620,530
Total Fund Balances	\$ 30,586	\$ 214,516	\$ 406,014	\$ 27,679	\$ 102,423	\$ 781,218
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 30,586	\$ 1,017,718	\$ 406,014	\$ 28,178	\$ 102,423	\$ 1,584,919

(Continued)

Exhibit F-1

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

	Capital Projects Funds			Total	Permanent	Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects		Fund Endowment	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 92,353
Equity in Pooled Cash and Investments	1,395,322	500,000	76,653	1,971,975	75,799	2,613,417
Accounts Receivable	0	0	0	0	0	1,620,873
Allowance for Uncollectibles	0	0	0	0	0	(1,145,296)
Due from Other Governments	0	0	0	0	0	11,308
Due from Other Funds	13,244	0	0	13,244	0	13,244
Property Taxes Receivable	0	0	0	0	0	374,258
Allowance for Uncollectible Property Taxes	0	0	0	0	0	(9,633)
Notes Receivable - Long-term	0	0	0	0	0	75,413
Total Assets	\$ 1,408,566	\$ 500,000	\$ 76,653	\$ 1,985,219	\$ 75,799	\$ 3,645,937
<u>LIABILITIES</u>						
Accounts Payable	\$ 824	\$ 0	\$ 0	\$ 824	\$ 0	\$ 70,332
Total Liabilities	\$ 824	\$ 0	\$ 0	\$ 824	\$ 0	\$ 70,332
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 352,554
Deferred Delinquent Property Taxes	0	0	0	0	0	12,071
Other Deferred/Unavailable Revenue	0	0	0	0	0	369,568
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 734,193

(Continued)

Exhibit F-1

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

	Capital Projects Funds			Total	Permanent	Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects		Fund Endowment	
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75,799	\$ 75,799
Restricted:						
Restricted for Public Safety	0	0	76,653	76,653	0	134,918
Restricted for Capital Projects	1,407,742	500,000	0	1,907,742	0	1,907,742
Committed:						
Committed for General Government	0	0	0	0	0	74,923
Committed for Finance	0	0	0	0	0	27,500
Committed for Public Health and Welfare	0	0	0	0	0	620,530
Total Fund Balances	<u>\$ 1,407,742</u>	<u>\$ 500,000</u>	<u>\$ 76,653</u>	<u>\$ 1,984,395</u>	<u>\$ 75,799</u>	<u>\$ 2,841,412</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,408,566</u>	<u>\$ 500,000</u>	<u>\$ 76,653</u>	<u>\$ 1,985,219</u>	<u>\$ 75,799</u>	<u>\$ 3,645,937</u>

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, 2015

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 17,678	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,678
Fines, Forfeitures, and Penalties	1,089	0	0	37,300	0	38,389
Charges for Current Services	0	1,102,398	0	0	469,454	1,571,852
Other Local Revenues	0	133,294	0	600	0	133,894
State of Tennessee	0	49,225	0	0	0	49,225
Federal Government	0	0	30,680	0	0	30,680
Other Governments and Citizens Groups	0	14,043	0	0	0	14,043
<b>Total Revenues</b>	<b>\$ 18,767</b>	<b>\$ 1,298,960</b>	<b>\$ 30,680</b>	<b>\$ 37,900</b>	<b>\$ 469,454</b>	<b>\$ 1,855,761</b>
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 459,093	\$ 459,093
Administration of Justice	0	0	0	0	9,750	9,750
Public Safety	0	0	0	64,550	0	64,550
Public Health and Welfare	0	1,493,998	0	0	0	1,493,998
Other Operations	12,345	0	0	0	0	12,345
Capital Projects	0	0	275,219	0	0	275,219
<b>Total Expenditures</b>	<b>\$ 12,345</b>	<b>\$ 1,493,998</b>	<b>\$ 275,219</b>	<b>\$ 64,550</b>	<b>\$ 468,843</b>	<b>\$ 2,314,955</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 6,422</b>	<b>\$ (195,038)</b>	<b>\$ (244,539)</b>	<b>\$ (26,650)</b>	<b>\$ 611</b>	<b>\$ (459,194)</b>

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Premiums on Debt Sold	0	0	0	0	0	0
Insurance Recovery	0	199,389	0	0	0	199,389
Transfers In	0	0	240,000	0	0	240,000
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 199,389	\$ 240,000	\$ 0	\$ 0	439,389
Net Change in Fund Balances	\$ 6,422	\$ 4,351	\$ (4,539)	\$ (26,650)	\$ 611	\$ (19,805)
Fund Balance, July 1, 2014	24,164	210,165	410,553	54,329	101,812	801,023
Fund Balance, June 30, 2015	\$ 30,586	\$ 214,516	\$ 406,014	\$ 27,679	\$ 102,423	\$ 781,218

(Continued)

Exhibit F-2

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

	Capital Projects Funds			Total	Permanent	Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects		Fund Endowment	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	17,678
Fines, Forfeitures, and Penalties	0	0	0	0	0	38,389
Charges for Current Services	0	0	0	0	0	1,571,852
Other Local Revenues	0	0	0	0	0	133,894
State of Tennessee	0	0	0	0	0	49,225
Federal Government	0	0	20,842	20,842	0	51,522
Other Governments and Citizens Groups	0	0	0	0	0	14,043
Total Revenues	\$ 0	\$ 0	\$ 20,842	\$ 20,842	\$ 0	1,876,603
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	459,093
Administration of Justice	0	0	0	0	0	9,750
Public Safety	0	0	0	0	0	64,550
Public Health and Welfare	0	0	0	0	0	1,493,998
Other Operations	0	0	0	0	0	12,345
Capital Projects	1,752,062	0	20,841	1,772,903	0	2,048,122
Total Expenditures	\$ 1,752,062	\$ 0	\$ 20,841	\$ 1,772,903	\$ 0	4,087,858
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,752,062)	\$ 0	\$ 1	\$ (1,752,061)	\$ 0	(2,211,255)

(Continued)

Exhibit F-2

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

	Capital Projects Funds			Total	Permanent	Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects		Fund Endowment	
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 3,500,000	\$ 0	\$ 0	\$ 3,500,000	\$ 0	\$ 3,500,000
Premiums on Debt Sold	95,116	0	0	95,116	0	95,116
Insurance Recovery	0	0	0	0	0	199,389
Transfers In	0	500,000	0	500,000	0	740,000
Transfers Out	(740,000)	0	0	(740,000)	0	(740,000)
Total Other Financing Sources (Uses)	<u>\$ 2,855,116</u>	<u>\$ 500,000</u>	<u>\$ 0</u>	<u>\$ 3,355,116</u>	<u>\$ 0</u>	<u>\$ 3,794,505</u>
Net Change in Fund Balances	\$ 1,103,054	\$ 500,000	\$ 1	\$ 1,603,055	\$ 0	\$ 1,583,250
Fund Balance, July 1, 2014	304,688	0	76,652	381,340	75,799	1,258,162
Fund Balance, June 30, 2015	<u>\$ 1,407,742</u>	<u>\$ 500,000</u>	<u>\$ 76,653</u>	<u>\$ 1,984,395</u>	<u>\$ 75,799</u>	<u>\$ 2,841,412</u>

Exhibit F-3

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Courthouse and Jail Maintenance Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 17,678	\$ 0	\$ 17,678	\$ 15,600	\$ 15,600	\$ 2,078
Fines, Forfeitures, and Penalties	1,089	0	1,089	930	1,100	(11)
Total Revenues	\$ 18,767	\$ 0	\$ 18,767	\$ 16,530	\$ 16,700	\$ 2,067
<u>Expenditures</u>						
<u>Other Operations</u>						
Other Charges	\$ 12,345	\$ 2,608	\$ 14,953	\$ 16,175	\$ 16,175	\$ 1,222
Total Expenditures	\$ 12,345	\$ 2,608	\$ 14,953	\$ 16,175	\$ 16,175	\$ 1,222
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,422	\$ (2,608)	\$ 3,814	\$ 355	\$ 525	\$ 3,289
Net Change in Fund Balance	\$ 6,422	\$ (2,608)	\$ 3,814	\$ 355	\$ 525	\$ 3,289
Fund Balance, July 1, 2014	24,164	0	24,164	22,822	22,822	1,342
Fund Balance, June 30, 2015	\$ 30,586	\$ (2,608)	\$ 27,978	\$ 23,177	\$ 23,347	\$ 4,631

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,102,398	\$ 0	\$ 0	\$ 1,102,398	\$ 1,055,668	\$ 1,055,668	\$ 46,730
Other Local Revenues	133,294	0	0	133,294	177,200	177,200	(43,906)
State of Tennessee	49,225	0	0	49,225	69,200	49,225	0
Other Governments and Citizens Groups	14,043	0	0	14,043	0	0	14,043
<b>Total Revenues</b>	<b>\$ 1,298,960</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,298,960</b>	<b>\$ 1,302,068</b>	<b>\$ 1,282,093</b>	<b>\$ 16,867</b>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Landfill Operation and Maintenance	\$ 1,493,998	\$ (695)	\$ 500	\$ 1,493,803	\$ 1,588,991	\$ 1,623,745	\$ 129,942
<b>Total Expenditures</b>	<b>\$ 1,493,998</b>	<b>\$ (695)</b>	<b>\$ 500</b>	<b>\$ 1,493,803</b>	<b>\$ 1,588,991</b>	<b>\$ 1,623,745</b>	<b>\$ 129,942</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (195,038)	\$ 695	\$ (500)	\$ (194,843)	\$ (286,923)	\$ (341,652)	\$ 146,809
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 199,389	\$ 0	\$ 0	\$ 199,389	\$ 188,609	\$ 188,609	\$ 10,780
<b>Total Other Financing Sources</b>	<b>\$ 199,389</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 199,389</b>	<b>\$ 188,609</b>	<b>\$ 188,609</b>	<b>\$ 10,780</b>
Net Change in Fund Balance	\$ 4,351	\$ 695	\$ (500)	\$ 4,546	\$ (98,314)	\$ (153,043)	\$ 157,589
Fund Balance, July 1, 2014	210,165	(695)	0	209,470	233,262	210,165	(695)
<b>Fund Balance, June 30, 2015</b>	<b>\$ 214,516</b>	<b>\$ 0</b>	<b>\$ (500)</b>	<b>\$ 214,016</b>	<b>\$ 134,948</b>	<b>\$ 57,122</b>	<b>\$ 156,894</b>

Exhibit F-5

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Industrial/Economic Development Fund  
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 0	\$ 29,302	\$ 29,302	\$ (29,302)
Federal Government	30,680	525,000	525,000	(494,320)
Total Revenues	<u>\$ 30,680</u>	<u>\$ 554,302</u>	<u>\$ 554,302</u>	<u>\$ (523,622)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 236,676	\$ 17,700	\$ 236,676	\$ 0
Public Utility Projects	38,543	601,466	609,254	570,711
Total Expenditures	<u>\$ 275,219</u>	<u>\$ 619,166</u>	<u>\$ 845,930</u>	<u>\$ 570,711</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (244,539)</u>	<u>\$ (64,864)</u>	<u>\$ (291,628)</u>	<u>\$ 47,089</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 240,000	\$ 0	\$ 240,000	\$ 0
Total Other Financing Sources	<u>\$ 240,000</u>	<u>\$ 0</u>	<u>\$ 240,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (4,539)	\$ (64,864)	\$ (51,628)	\$ 47,089
Fund Balance, July 1, 2014	<u>410,553</u>	<u>327,040</u>	<u>410,553</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 406,014</u>	<u>\$ 262,176</u>	<u>\$ 358,925</u>	<u>\$ 47,089</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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 37,300	\$ 0	\$ 37,300	\$ 26,810	\$ 45,126	\$ (7,826)
Other Local Revenues	600	0	600	0	0	600
Total Revenues	<u>\$ 37,900</u>	<u>\$ 0</u>	<u>\$ 37,900</u>	<u>\$ 26,810</u>	<u>\$ 45,126</u>	<u>\$ (7,226)</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 64,550	\$ (2,000)	\$ 62,550	\$ 43,375	\$ 70,310	\$ 7,760
Total Expenditures	<u>\$ 64,550</u>	<u>\$ (2,000)</u>	<u>\$ 62,550</u>	<u>\$ 43,375</u>	<u>\$ 70,310</u>	<u>\$ 7,760</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (26,650)</u>	<u>\$ 2,000</u>	<u>\$ (24,650)</u>	<u>\$ (16,565)</u>	<u>\$ (25,184)</u>	<u>\$ 534</u>
Net Change in Fund Balance	\$ (26,650)	\$ 2,000	\$ (24,650)	\$ (16,565)	\$ (25,184)	\$ 534
Fund Balance, July 1, 2014	<u>54,329</u>	<u>(2,000)</u>	<u>52,329</u>	<u>28,954</u>	<u>28,954</u>	<u>23,375</u>
Fund Balance, June 30, 2015	<u>\$ 27,679</u>	<u>\$ 0</u>	<u>\$ 27,679</u>	<u>\$ 12,389</u>	<u>\$ 3,770</u>	<u>\$ 23,909</u>

# Major Governmental Fund

## Debt Service Fund

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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.

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Exhibit G

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,314,071	\$ 4,178,403	\$ 4,178,403	\$ 135,668
Other Local Revenues	45,002	45,000	45,000	2
State of Tennessee	300,692	257,537	257,537	43,155
Other Governments and Citizens Groups	300,000	300,000	300,000	0
Total Revenues	<u>\$ 4,959,765</u>	<u>\$ 4,780,940</u>	<u>\$ 4,780,940</u>	<u>\$ 178,825</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 684,134	\$ 924,234	\$ 684,134	\$ 0
Highways and Streets	138,600	0	138,600	0
Education	5,456,500	2,170,000	5,456,500	0
<u>Interest on Debt</u>				
General Government	810,575	890,841	810,575	0
Highways and Streets	79,145	0	79,145	0
Education	575,647	536,111	575,648	1
<u>Other Debt Service</u>				
General Government	72,067	78,600	78,600	6,533
Education	59,926	57,873	60,076	150
Total Expenditures	<u>\$ 7,876,594</u>	<u>\$ 4,657,659</u>	<u>\$ 7,883,278</u>	<u>\$ 6,684</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,916,829)</u>	<u>\$ 123,281</u>	<u>\$ (3,102,338)</u>	<u>\$ 185,509</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 3,170,000	\$ 3,170,000	\$ 3,170,000	\$ 0
Premiums on Debt Sold	74,026	74,026	74,026	0
Payments to Refunded Debt Escrow Agent	0	(3,187,203)	0	0
Total Other Financing Sources	<u>\$ 3,244,026</u>	<u>\$ 56,823</u>	<u>\$ 3,244,026</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 327,197	\$ 180,104	\$ 141,688	\$ 185,509
Fund Balance, July 1, 2014	<u>2,751,113</u>	<u>2,737,539</u>	<u>2,751,113</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 3,078,310</u>	<u>\$ 2,917,643</u>	<u>\$ 2,892,801</u>	<u>\$ 185,509</u>

# Fiduciary Funds

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

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

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

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

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

Exhibit H-1

Lawrence County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2015

	Agency Funds				Total
	Cities - Sales Tax	Judicial District Drug	Constitu- tional Officers - Agency	District Attorney General	
<u>ASSETS</u>					
Cash	\$ 0	\$ 2,596	\$ 1,376,446	\$ 0	\$ 1,379,042
Equity in Pooled Cash and Investments	0	59,667	0	27,468	87,135
Accounts Receivable	0	2,533	500	0	3,033
Due from Other Governments	789,954	7,498	0	0	797,452
Total Assets	<u>\$ 789,954</u>	<u>\$ 72,294</u>	<u>\$ 1,376,946</u>	<u>\$ 27,468</u>	<u>\$ 2,266,662</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 789,954	\$ 0	\$ 0	\$ 0	\$ 789,954
Due to Litigants, Heirs, and Others	0	4,015	1,376,946	27,468	1,408,429
Due to Joint Ventures	0	68,279	0	0	68,279
Total Liabilities	<u>\$ 789,954</u>	<u>\$ 72,294</u>	<u>\$ 1,376,946</u>	<u>\$ 27,468</u>	<u>\$ 2,266,662</u>

## Exhibit H-2

Lawrence County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,407,534	\$ 4,407,534	\$ 0
Due from Other Governments	720,090	789,954	720,090	789,954
Total Assets	\$ 720,090	\$ 5,197,488	\$ 5,127,624	\$ 789,954
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 720,090	\$ 5,197,488	\$ 5,127,624	\$ 789,954
Total Liabilities	\$ 720,090	\$ 5,197,488	\$ 5,127,624	\$ 789,954
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 2,869	\$ 2,596	\$ 2,869	\$ 2,596
Equity in Pooled Cash and Investments	69,490	59,667	69,490	59,667
Accounts Receivable	3,181	2,533	3,181	2,533
Due from Other Governments	0	7,498	0	7,498
Total Assets	\$ 75,540	\$ 72,294	\$ 75,540	\$ 72,294
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,316	\$ 4,015	\$ 2,316	\$ 4,015
Due to Joint Ventures	73,224	68,279	73,224	68,279
Total Liabilities	\$ 75,540	\$ 72,294	\$ 75,540	\$ 72,294
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,509,380	\$ 11,550,324	\$ 11,683,258	\$ 1,376,446
Accounts Receivable	939	500	939	500
Total Assets	\$ 1,510,319	\$ 11,550,824	\$ 11,684,197	\$ 1,376,946
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,510,319	\$ 11,550,824	\$ 11,684,197	\$ 1,376,946
Total Liabilities	\$ 1,510,319	\$ 11,550,824	\$ 11,684,197	\$ 1,376,946
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 34,299	\$ 27,468	\$ 34,299	\$ 27,468
Total Assets	\$ 34,299	\$ 27,468	\$ 34,299	\$ 27,468
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 34,299	\$ 27,468	\$ 34,299	\$ 27,468
Total Liabilities	\$ 34,299	\$ 27,468	\$ 34,299	\$ 27,468

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,512,249	\$ 11,552,920	\$ 11,686,127	\$ 1,379,042
Equity in Pooled Cash and Investments	103,789	4,494,669	4,511,323	87,135
Accounts Receivable	4,120	3,033	4,120	3,033
Due from Other Governments	720,090	797,452	720,090	797,452
Total Assets	<u>\$ 2,340,248</u>	<u>\$ 16,848,074</u>	<u>\$ 16,921,660</u>	<u>\$ 2,266,662</u>
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 720,090	\$ 5,197,488	\$ 5,127,624	\$ 789,954
Due to Litigants, Heirs, and Others	1,546,934	11,582,307	11,720,812	1,408,429
Due to Joint Ventures	73,224	68,279	73,224	68,279
Total Liabilities	<u>\$ 2,340,248</u>	<u>\$ 16,848,074</u>	<u>\$ 16,921,660</u>	<u>\$ 2,266,662</u>

# Lawrence County School Department

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

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

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

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

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

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

Exhibit I-1

Lawrence County, Tennessee  
Statement of Activities  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 29,422,589	\$ 137,943	\$ 3,772,995	\$ 2,000	\$ (25,509,651)
Support Services	19,469,886	107,748	362,026	0	(19,000,112)
Operation of Non-instructional Services	5,441,785	822,771	3,134,771	0	(1,484,243)
Total Governmental Activities	<u>\$ 54,334,260</u>	<u>\$ 1,068,462</u>	<u>\$ 7,269,792</u>	<u>\$ 2,000</u>	<u>\$ (45,994,006)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,930,417
Local Option Sales Tax					5,344,620
Other Local Taxes					37,483
Grants and Contributions Not Restricted to Specific Programs					36,929,767
Unrestricted Investment Earnings					2,194
E-Rate Funding					27,078
Miscellaneous					63,104
Insurance Recovery					45,607
Pension Income					77,266
Total General Revenues					<u>\$ 48,457,536</u>
Change in Net Position					\$ 2,463,530
Net Position, July 1, 2014					39,710,269
Restatement - Pension Liability (see Note I.D.9)					<u>(9,675,668)</u>
Net Position, June 30, 2015					<u>\$ 32,498,131</u>

Exhibit I-2

Lawrence County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Lawrence County School Department  
June 30, 2015

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,149	\$ 1,149
Equity in Pooled Cash and Investments	6,940,472	1,379,484	8,319,956
Inventories	0	85,954	85,954
Accounts Receivable	0	706	706
Due from Other Governments	1,591,932	111,248	1,703,180
Property Taxes Receivable	6,237,630	0	6,237,630
Allowance for Uncollectible Property Taxes	(160,540)	0	(160,540)
Total Assets	<u>\$ 14,609,494</u>	<u>\$ 1,578,541</u>	<u>\$ 16,188,035</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 45,286	\$ 31,468	\$ 76,754
Payroll Deductions Payable	1,550,448	232,304	1,782,752
Contracts Payable	0	1,375	1,375
Due to Primary Government	276,766	0	276,766
Total Liabilities	<u>\$ 1,872,500</u>	<u>\$ 265,147</u>	<u>\$ 2,137,647</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 5,875,907	\$ 0	\$ 5,875,907
Deferred Delinquent Property Taxes	175,367	0	175,367
Other Deferred/Unavailable Revenue	573,901	16,000	589,901
Total Deferred Inflows of Resources	<u>\$ 6,625,175</u>	<u>\$ 16,000</u>	<u>\$ 6,641,175</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 85,954	\$ 85,954
Restricted:			
Restricted for Instruction	34,370	35,208	69,578
Restricted for Operation of Non-instructional Services	0	882,659	882,659
Restricted for Capital Outlay	0	227,427	227,427
Committed:			
Committed for Operation of Non-instructional Services	0	44,493	44,493
Committed for Capital Outlay	0	21,653	21,653
Assigned:			
Assigned for Instruction	437,689	0	437,689
Assigned for Support Services	255,511	0	255,511
Assigned for Operation of Non-instructional Services	58,682	0	58,682
Assigned for Capital Outlay	142,406	0	142,406

(Continued)

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>			
Unassigned	\$ 5,183,161	\$ 0	\$ 5,183,161
Total Fund Balances	<u>\$ 6,111,819</u>	<u>\$ 1,297,394</u>	<u>\$ 7,409,213</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,609,494</u>	<u>\$ 1,578,541</u>	<u>\$ 16,188,035</u>

Exhibit I-3

Lawrence County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
Discretely Presented Lawrence County School Department  
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	7,409,213
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,276,454	
Add: construction in progress		974,932	
Add: buildings and improvements net of accumulated depreciation		35,749,759	
Add: other capital assets net of accumulated depreciation		<u>3,384,936</u>	41,386,081
(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	\$	(85,433)	
Less: other postemployment benefits liability		<u>(10,163,845)</u>	(10,249,278)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	3,200,508	
Less: deferred inflows of resources related to pensions		<u>(10,639,870)</u>	(7,439,362)
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.			626,209
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>765,268</u>
Net position of governmental activities (Exhibit A)		\$	<u>32,498,131</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, 2015

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 11,018,027	\$ 240,000	\$ 11,258,027
Licenses and Permits	1,639	0	1,639
Charges for Current Services	101,844	962,978	1,064,822
Other Local Revenues	134,212	12,995	147,207
State of Tennessee	35,565,556	44,754	35,610,310
Federal Government	248,216	6,946,157	7,194,373
Other Governments and Citizens Groups	240,000	1,100,000	1,340,000
Total Revenues	<u>\$ 47,309,494</u>	<u>\$ 9,306,884</u>	<u>\$ 56,616,378</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 28,378,247	\$ 2,570,898	\$ 30,949,145
Support Services	16,487,467	1,336,561	17,824,028
Operation of Non-instructional Services	1,326,174	4,032,646	5,358,820
Capital Outlay	107,541	0	107,541
Debt Service:			
Other Debt Service	300,000	0	300,000
Capital Projects	0	1,147,026	1,147,026
Total Expenditures	<u>\$ 46,599,429</u>	<u>\$ 9,087,131</u>	<u>\$ 55,686,560</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 710,065</u>	<u>\$ 219,753</u>	<u>\$ 929,818</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 45,607	\$ 0	\$ 45,607
Transfers In	18,365	6,850	25,215
Transfers Out	(6,850)	(18,365)	(25,215)
Total Other Financing Sources (Uses)	<u>\$ 57,122</u>	<u>\$ (11,515)</u>	<u>\$ 45,607</u>
Net Change in Fund Balances	\$ 767,187	\$ 208,238	\$ 975,425
Fund Balance, July 1, 2014	5,344,632	1,089,156	6,433,788
Fund Balance, June 30, 2015	<u>\$ 6,111,819</u>	<u>\$ 1,297,394</u>	<u>\$ 7,409,213</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, 2015

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)		\$	975,425
(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	\$	1,983,591	
Less: current-year depreciation expense		<u>(2,179,376)</u>	(195,785)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			(21,054)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$	765,268	
Less: deferred delinquent property taxes and other deferred June 30, 2014		<u>(706,529)</u>	58,739
(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	\$	(7,877)	
Change in net pension asset/liability		10,301,877	
Change in deferred outflows related to pensions		3,200,508	
Change in deferred inflows related to pensions		(10,639,870)	
Change in other postemployment benefits liability		<u>(1,208,433)</u>	<u>1,646,205</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 2,463,530</u>

Exhibit I-6

Lawrence County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Lawrence County School Department  
June 30, 2015

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Extended</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>	<u>School</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>		<u>Program</u>		<u>Capital</u>	<u>Governmental</u>
					<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,149	\$ 0	\$ 1,149	\$ 0	\$ 1,149
Equity in Pooled Cash and Investments	108,714	976,445	43,870	1,129,029	250,455	1,379,484
Inventories	0	85,954	0	85,954	0	85,954
Accounts Receivable	0	83	623	706	0	706
Due from Other Governments	81,265	29,983	0	111,248	0	111,248
<b>Total Assets</b>	<b>\$ 189,979</b>	<b>\$ 1,093,614</b>	<b>\$ 44,493</b>	<b>\$ 1,328,086</b>	<b>\$ 250,455</b>	<b>\$ 1,578,541</b>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 31,468	\$ 0	\$ 31,468	\$ 0	\$ 31,468
Payroll Deductions Payable	154,771	77,533	0	232,304	0	232,304
Contracts Payable	0	0	0	0	1,375	1,375
<b>Total Liabilities</b>	<b>\$ 154,771</b>	<b>\$ 109,001</b>	<b>\$ 0</b>	<b>\$ 263,772</b>	<b>\$ 1,375</b>	<b>\$ 265,147</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Other Deferred/Unavailable Revenue	\$ 0	\$ 16,000	\$ 0	\$ 16,000	\$ 0	\$ 16,000
<b>Total Deferred Inflows of Resources</b>	<b>\$ 0</b>	<b>\$ 16,000</b>	<b>\$ 0</b>	<b>\$ 16,000</b>	<b>\$ 0</b>	<b>\$ 16,000</b>
<u>FUND BALANCES</u>						
Nonspendable:						
Inventory	\$ 0	\$ 85,954	\$ 0	\$ 85,954	\$ 0	\$ 85,954

(Continued)

Exhibit I-6

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

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Extended</u>	<u>Projects Fund</u>	<u>Nonmajor</u>	
	<u>Federal</u>	<u>Cafeteria</u>	<u>School</u>	<u>Education</u>	<u>Governmental</u>	
	<u>Projects</u>		<u>Program</u>	<u>Capital</u>	<u>Funds</u>	
			<u>Total</u>	<u>Projects</u>		
<u>FUND BALANCES (Cont.)</u>						
Restricted:						
Restricted for Instruction	\$ 35,208	\$ 0	\$ 0	\$ 35,208	\$ 0	\$ 35,208
Restricted for Operation of Non-instructional Services	0	882,659	0	882,659	0	882,659
Restricted for Capital Outlay	0	0	0	0	227,427	227,427
Committed:						
Committed for Operation of Non-instructional Services	0	0	44,493	44,493	0	44,493
Committed for Capital Outlay	0	0	0	0	21,653	21,653
Total Fund Balances	\$ 35,208	\$ 968,613	\$ 44,493	\$ 1,048,314	\$ 249,080	\$ 1,297,394
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 189,979	\$ 1,093,614	\$ 44,493	\$ 1,328,086	\$ 250,455	\$ 1,578,541

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, 2015

	Special Revenue Funds				Capital	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Projects Fund Education Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 240,000	\$ 240,000
Charges for Current Services	0	825,555	137,423	962,978	0	962,978
Other Local Revenues	0	12,995	0	12,995	0	12,995
State of Tennessee	0	41,390	3,364	44,754	0	44,754
Federal Government	3,918,907	3,027,250	0	6,946,157	0	6,946,157
Other Governments and Citizens Groups	0	0	0	0	1,100,000	1,100,000
Total Revenues	\$ 3,918,907	\$ 3,907,190	\$ 140,787	\$ 7,966,884	\$ 1,340,000	\$ 9,306,884
<u>Expenditures</u>						
Current:						
Instruction	\$ 2,570,898	\$ 0	\$ 0	\$ 2,570,898	\$ 0	\$ 2,570,898
Support Services	1,336,561	0	0	1,336,561	0	1,336,561
Operation of Non-instructional Services	0	3,897,995	134,651	4,032,646	0	4,032,646
Capital Projects	0	0	0	0	1,147,026	1,147,026
Total Expenditures	\$ 3,907,459	\$ 3,897,995	\$ 134,651	\$ 7,940,105	\$ 1,147,026	\$ 9,087,131
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 11,448	\$ 9,195	\$ 6,136	\$ 26,779	\$ 192,974	\$ 219,753
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 6,850	\$ 0	\$ 6,850	\$ 0	\$ 6,850
Transfers Out	(18,365)	0	0	(18,365)	0	(18,365)
Total Other Financing Sources (Uses)	\$ (18,365)	\$ 6,850	\$ 0	\$ (11,515)	\$ 0	\$ (11,515)
Net Change in Fund Balances						
Fund Balance, July 1, 2014	\$ (6,917)	\$ 16,045	\$ 6,136	\$ 15,264	\$ 192,974	\$ 208,238
	42,125	952,568	38,357	1,033,050	56,106	1,089,156
Fund Balance, June 30, 2015	\$ 35,208	\$ 968,613	\$ 44,493	\$ 1,048,314	\$ 249,080	\$ 1,297,394

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,018,027	\$ 0	\$ 0	\$ 11,018,027	\$ 10,326,730	\$ 10,326,730	\$ 691,297
Licenses and Permits	1,639	0	0	1,639	1,000	1,000	639
Charges for Current Services	101,844	0	0	101,844	65,000	77,000	24,844
Other Local Revenues	134,212	0	0	134,212	10,000	84,584	49,628
State of Tennessee	35,565,556	0	0	35,565,556	33,167,000	35,414,782	150,774
Federal Government	248,216	0	0	248,216	0	205,256	42,960
Other Governments and Citizens Groups	240,000	0	0	240,000	0	0	240,000
<b>Total Revenues</b>	<b>\$ 47,309,494</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 47,309,494</b>	<b>\$ 43,569,730</b>	<b>\$ 46,109,352</b>	<b>\$ 1,200,142</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 23,331,828	\$ (138,178)	\$ 383,044	\$ 23,576,694	\$ 23,626,352	\$ 23,596,474	\$ 19,780
Alternative Instruction Program	175,317	(611)	0	174,706	217,626	195,420	20,714
Special Education Program	2,570,776	0	0	2,570,776	2,646,890	2,662,235	91,459
Vocational Education Program	2,194,044	0	2,113	2,196,157	2,301,501	2,270,366	74,209
Student Body Education Program	3,153	0	0	3,153	0	3,153	0
Adult Education Program	103,129	0	0	103,129	1,921	106,397	3,268
<u>Support Services</u>							
Attendance	47,606	0	0	47,606	44,418	48,468	862
Health Services	584,855	0	0	584,855	502,628	607,928	23,073
Other Student Support	1,091,261	(155)	32,639	1,123,745	1,155,061	1,140,419	16,674
Regular Instruction Program	1,498,176	(2,832)	7,962	1,503,306	1,317,096	1,533,964	30,658
Alternative Instruction Program	3,447	0	0	3,447	0	5,250	1,803
Special Education Program	334,973	0	1,113	336,086	377,470	423,693	87,607
Vocational Education Program	63,664	0	0	63,664	32,500	76,300	12,636
Adult Programs	75,668	(56)	0	75,612	0	82,663	7,051
Other Programs	331,653	0	0	331,653	0	331,653	0
Board of Education	1,243,820	(160)	2,179	1,245,839	1,244,433	1,258,137	12,298
Director of Schools	324,878	(500)	3,085	327,463	310,243	340,393	12,930

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 3,438,088	\$ (780)	\$ 9,424	\$ 3,446,732	\$ 3,559,495	\$ 3,579,151	\$ 132,419
Fiscal Services	247,156	(265)	7,442	254,333	235,679	261,179	6,846
Human Services/Personnel	141,778	0	50	141,828	148,554	152,004	10,176
Operation of Plant	3,447,492	(70,943)	122,411	3,498,960	3,509,011	3,556,924	57,964
Maintenance of Plant	1,094,285	(9,824)	28,750	1,113,211	924,353	1,131,654	18,443
Transportation	2,377,475	(35,000)	52,127	2,394,602	2,463,263	2,488,733	94,131
Central and Other	141,192	0	37	141,229	143,293	148,957	7,728
<u>Operation of Non-Instructional Services</u>							
Community Services	245,088	(250)	2,502	247,340	97,614	321,942	74,602
Early Childhood Education	1,081,086	(4,948)	56,179	1,132,317	0	1,134,699	2,382
<u>Capital Outlay</u>							
Regular Capital Outlay	107,541	(88,610)	0	18,931	156,000	241,872	222,941
<u>Principal on Debt</u>							
Education	0	0	0	0	300,000	0	0
<u>Other Debt Service</u>							
Education	300,000	0	0	300,000	0	300,000	0
Total Expenditures	\$ 46,599,429	\$ (353,112)	\$ 711,057	\$ 46,957,374	\$ 45,315,401	\$ 48,000,028	\$ 1,042,654
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 710,065	\$ 353,112	\$ (711,057)	\$ 352,120	\$ (1,745,671)	\$ (1,890,676)	\$ 2,242,796
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 45,607	\$ 0	\$ 0	\$ 45,607	\$ 0	\$ 45,594	\$ 13
Transfers In	18,365	0	0	18,365	0	215,000	(196,635)
Transfers Out	(6,850)	0	0	(6,850)	0	(221,013)	214,163
Total Other Financing Sources	\$ 57,122	\$ 0	\$ 0	\$ 57,122	\$ 0	\$ 39,581	\$ 17,541
Net Change in Fund Balance							
Fund Balance, July 1, 2014	\$ 5,344,632	(353,112)	0	4,991,520	5,285,855	5,344,632	(353,112)
Fund Balance, June 30, 2015							
	\$ 6,111,819	\$ 0	\$ (711,057)	\$ 5,400,762	\$ 3,540,184	\$ 3,493,537	\$ 1,907,225

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,918,907	\$ 4,166,825	\$ 4,251,038	\$ (332,131)
Total Revenues	\$ 3,918,907	\$ 4,166,825	\$ 4,251,038	\$ (332,131)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,458,921	\$ 1,429,259	\$ 1,541,965	\$ 83,044
Special Education Program	1,047,999	1,045,650	1,057,455	9,456
Vocational Education Program	63,978	53,378	63,978	0
<u>Support Services</u>				
Health Services	47,034	35,150	48,000	966
Other Student Support	145,435	162,902	151,402	5,967
Regular Instruction Program	797,826	1,034,846	1,003,021	205,195
Special Education Program	346,266	375,575	366,852	20,586
Total Expenditures	\$ 3,907,459	\$ 4,136,760	\$ 4,232,673	\$ 325,214
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,448	\$ 30,065	\$ 18,365	\$ (6,917)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (18,365)	\$ (30,065)	\$ (18,365)	\$ 0
Total Other Financing Sources	\$ (18,365)	\$ (30,065)	\$ (18,365)	\$ 0
Net Change in Fund Balance	\$ (6,917)	\$ 0	\$ 0	\$ (6,917)
Fund Balance, July 1, 2014	42,125	42,125	42,125	0
Fund Balance, June 30, 2015	\$ 35,208	\$ 42,125	\$ 42,125	\$ (6,917)

Exhibit I-10

Lawrence County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual and Budget  
 Discretely Presented Lawrence County School Department  
 Central Cafeteria Fund  
 For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 825,555	\$ 1,143,550	\$ 881,150	\$ (55,595)
Other Local Revenues	12,995	1,000	3,500	9,495
State of Tennessee	41,390	41,000	41,400	(10)
Federal Government	3,027,250	2,861,700	3,182,700	(155,450)
Total Revenues	<u>\$ 3,907,190</u>	<u>\$ 4,047,250</u>	<u>\$ 4,108,750</u>	<u>\$ (201,560)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 3,897,995	\$ 4,047,250	\$ 4,108,750	\$ 210,755
Total Expenditures	<u>\$ 3,897,995</u>	<u>\$ 4,047,250</u>	<u>\$ 4,108,750</u>	<u>\$ 210,755</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 9,195</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,195</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 6,850	\$ 0	\$ 0	\$ 6,850
Total Other Financing Sources	<u>\$ 6,850</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,850</u>
Net Change in Fund Balance	\$ 16,045	\$ 0	\$ 0	\$ 16,045
Fund Balance, July 1, 2014	<u>952,568</u>	<u>949,980</u>	<u>952,568</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 968,613</u>	<u>\$ 949,980</u>	<u>\$ 952,568</u>	<u>\$ 16,045</u>

Exhibit I-11

Lawrence County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Discretely Presented Lawrence County School Department  
 Extended School Program Fund  
 For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 137,423	\$ 0	\$ 0	\$ 137,423	\$ 142,000	\$ 149,500	\$ (12,077)
State of Tennessee	3,364	0	0	3,364	3,500	4,000	(636)
Total Revenues	\$ 140,787	\$ 0	\$ 0	\$ 140,787	\$ 145,500	\$ 153,500	\$ (12,713)
<u>Expenditures</u>							
<u>Operation of Non-instructional Services</u>							
Community Services	\$ 134,651	\$ (732)	\$ 550	\$ 134,469	\$ 145,500	\$ 153,500	\$ 19,031
Total Expenditures	\$ 134,651	\$ (732)	\$ 550	\$ 134,469	\$ 145,500	\$ 153,500	\$ 19,031
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,136	\$ 732	\$ (550)	\$ 6,318	\$ 0	\$ 0	\$ 6,318
Net Change in Fund Balance	\$ 6,136	\$ 732	\$ (550)	\$ 6,318	\$ 0	\$ 0	\$ 6,318
Fund Balance, July 1, 2014	38,357	(732)	0	37,625	38,357	38,357	(732)
Fund Balance, June 30, 2015	\$ 44,493	\$ 0	\$ (550)	\$ 43,943	\$ 38,357	\$ 38,357	\$ 5,586

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Lawrence County, Tennessee  
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds  
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-15
<b>NOTES PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Capital Outlay Note Series 2014	\$ 3,500,000	1.83	% 12-19-14	12-1-26	\$ 0	\$ 3,500,000	\$ 0	\$ 0	\$ 3,500,000
Total Notes Payable					\$ 0	\$ 3,500,000	\$ 0	\$ 0	\$ 3,500,000
<b>CAPITAL LEASES PAYABLE</b>									
<u>Payable through General Fund</u>									
Patrol Cars for Sheriff's Department	185,855	5.75	5-30-12	7-3-14	\$ 62,480	\$ 0	\$ 62,480	\$ 0	\$ 0
Total Payable through General Fund					\$ 62,480	\$ 0	\$ 62,480	\$ 0	\$ 0
<u>Payable through Highway/Public Works Fund</u>									
Road Reclaimer for Highway Department	367,000	2.95	6-1-10	4-30-15	\$ 63,817	\$ 0	\$ 63,817	\$ 0	\$ 0
Wheel Loader for Highway Department	208,015	2.49	5-7-15	5-7-19	0	208,015	0	0	208,015
Total Payable through Highway/Public Works Fund					\$ 63,817	\$ 208,015	\$ 63,817	\$ 0	\$ 208,015
Total Capital Leases Payable					\$ 126,297	\$ 208,015	\$ 126,297	\$ 0	\$ 208,015
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
School Refunding, Series 2003	8,820,000	3.33	4-29-03	5-1-16	\$ 1,775,000	\$ 0	\$ 875,000	\$ 0	\$ 900,000
School Refunding, Series 2004	3,375,000	2.60	4-13-04	5-1-16	625,000	0	310,000	0	315,000
School Bond, Series 2004	8,000,000	3.60	8-12-04	7-31-14	3,745,000	0	560,000	3,185,000	0
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-1-25	6,345,000	0	425,000	0	5,920,000
General Obligation, Series 2006	10,000,000	3.95	2-1-06	6-1-31	7,750,000	0	330,000	0	7,420,000
General Obligation, Series 2007	10,000,000	4.00	12-4-07	6-1-37	8,960,000	0	230,000	0	8,730,000
General Obligation, Series 2008	4,250,000	4.28	3-18-08	3-1-37	3,770,000	0	105,000	0	3,665,000
School Refunding, Series 2010	2,700,000	3.70	1-13-10	10-1-34	2,600,000	0	30,000	0	2,570,000
School Improvement, Series 2010	2,160,000	3.70	1-13-10	10-1-34	1,930,000	0	60,000	0	1,870,000
General Obligation, Series 2012	132,000	3.38	4-26-12	4-26-50	128,419	0	1,882	0	126,537
General Obligation, Series 2012	165,000	3.38	6-21-12	6-21-50	160,523	0	2,352	0	158,171
General Obligation, Series 2012	2,750,000	3.38	12-1-12	12-1-27	2,585,000	0	165,000	0	2,420,000
School Refunding, Series 2014	3,170,000	1.08	7-23-14	8-1-19	0	3,170,000	0	0	3,170,000
Total Bonds Payable					\$ 40,373,942	\$ 3,170,000	\$ 3,094,234	\$ 3,185,000	\$ 37,264,708

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 3,224,377	\$ 1,310,117	\$ 4,534,494
2017	2,879,525	1,203,158	4,082,683
2018	2,954,678	1,118,051	4,072,729
2019	3,049,835	1,027,058	4,076,893
2020	2,224,999	943,494	3,168,493
2021	1,630,168	877,226	2,507,394
2022	1,695,342	815,113	2,510,455
2023	1,760,522	750,199	2,510,721
2024	1,825,708	684,519	2,510,227
2025	1,890,901	616,439	2,507,340
2026	1,966,100	545,509	2,511,609
2027	1,376,306	484,296	1,860,602
2028	1,431,519	432,914	1,864,433
2029	1,276,739	381,419	1,658,158
2030	1,336,966	329,753	1,666,719
2031	1,397,202	275,650	1,672,852
2032	812,445	218,744	1,031,189
2033	847,695	184,806	1,032,501
2034	887,956	149,393	1,037,349
2035	933,224	112,087	1,045,311
2036	838,501	75,935	914,436
2037	878,788	41,248	920,036
2038	9,085	4,901	13,986
2039	9,392	4,594	13,986
2040	9,709	4,277	13,986
2041	10,037	3,949	13,986
2042	10,375	3,611	13,986
2043	10,725	3,261	13,986
2044	11,088	2,898	13,986
2045	11,461	2,525	13,986
2046	11,848	2,138	13,986
2047	12,248	1,738	13,986
2048	12,661	1,325	13,986
2049	13,089	897	13,986
2050	13,494	456	13,950
Total	\$ 37,264,708	\$ 12,613,698	\$ 49,878,406

(Continued)

Exhibit J-2

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

Year Ending June 30	Note		Total
	Principal	Interest	
2016	\$ 250,000	\$ 81,619	\$ 331,619
2017	260,000	73,969	333,969
2018	265,000	66,094	331,094
2019	275,000	57,994	332,994
2020	285,000	49,594	334,594
2021	290,000	42,419	332,419
2022	295,000	36,568	331,568
2023	305,000	30,569	335,569
2024	310,000	24,418	334,418
2025	315,000	17,972	332,972
2026	320,000	11,025	331,025
2027	330,000	3,712	333,712
Total	\$ 3,500,000	\$ 495,953	\$ 3,995,953

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2016	\$ 50,100	\$ 5,180	\$ 55,280
2017	51,349	3,932	55,281
2018	52,628	2,653	55,281
2019	53,938	1,343	55,281
Total	\$ 208,015	\$ 13,108	\$ 221,123

Exhibit J-3

Lawrence County, Tennessee  
Schedule of Notes Receivable  
June 30, 2015

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-15</u>
<u>Industrial/Economic Development Fund</u> Airport Renovation	Lawrenceburg-Lawrence County Airport	\$ 150,000	5-18-07	Various	0%	<u>\$ 75,413</u>
Total Notes Receivable						<u><u>\$ 75,413</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, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General Capital Projects	Industrial/Economic Development	Operations	\$ 240,000
"	Highway Capital Projects	Capital Projects	<u>500,000</u>
Total Transfers Primary Government			<u>\$ 740,000</u>
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Operations	\$ 6,850
School Federal Projects	General Purpose School	Indirect costs	<u>18,365</u>
Total Transfers Discretely Presented Lawrence County School Department			<u>\$ 25,215</u>

Exhibit J-5

Lawrence County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive:				
J. Mack Chandler	Section 8-24-102, TCA	\$ 14,307	\$ 50,000	Auto-Owners Insurance Company
T.R. Williams	Section 8-24-102, TCA	71,535	100,000	"
Road Superintendent	Section 8-24-102, TCA	77,290	100,000	"
Director of Schools	State Board of Education and County Board of Education	125,687 (1)	50,000	(6)
Trustee	Section 8-24-102, TCA	70,263	1,660,000	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, TCA	70,263 (2)	50,000	"
Director of Accounts and Budgets	County Commission	60,756 (3)	100,000	"
County Clerk	Section 8-24-102, TCA	70,263	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	70,263	100,000	"
Clerk and Master	Section 8-24-102, TCA	70,263 (4)	50,000	"
Register of Deeds	Section 8-24-102, TCA	70,263	100,000	"
Sheriff	Section 8-24-102, TCA	81,154 (5)	100,000	"
<u>Employee Blanket Bonds</u>				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Departments			50,000	Netherland Insurance Company

- (1) Includes a chief executive officer training supplement of \$1,000, accrued vacation leave of \$11,183, and a cell phone allowance of \$1,440.
- (2) Does not include a salary supplement of \$1,000.
- (3) Does not include longevity pay of \$700.
- (4) Does not include special commissioners fees of \$9,750.
- (5) Does not include a law enforcement training supplement of \$600.
- (6) Covered under the School Department's public employee dishonesty bond.

Exhibit J-6

Lawrence County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2015

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,389,096	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	222,316	0	0	0	0	0
Trustee's Collections - Bankruptcy	943	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	114,797	0	0	0	0	0
Interest and Penalty	43,470	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	344,158	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	11,255	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	100,198	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	130,228	0	0	0	0	0
Litigation Tax - Special Purpose	67,628	17,678	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	7,585	0	0	0	0	0
Business Tax	310,249	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	0
Wholesale Beer Tax	129,589	0	0	0	0	0
Interstate Telecommunications Tax	4,767	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 7,876,279</b>	<b>\$ 17,678</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>

(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	Constitu - tional Officers - Fees
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,653	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	43,232	0	0	0	0	0
<u>Permits</u>						
Beer Permits	2,114	0	0	0	0	0
<b>Total Licenses and Permits</b>	<b>\$ 46,999</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 19,356	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	34,714	0	0	0	0	0
Drug Control Fines	4,528	0	0	0	6,013	0
Jail Fees	6,952	0	0	0	0	0
DUI Treatment Fines	411	0	0	0	0	0
Data Entry Fee - Circuit Court	3,285	0	0	0	0	0
Courtroom Security Fee	0	1,087	0	0	0	0
<u>Criminal Court</u>						
Fines	903	0	0	0	0	0
Officers Costs	112	0	0	0	0	0
Drug Control Fines	0	0	0	0	1,776	0
DUI Treatment Fines	1,805	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	18,535	0	0	0	0	0
Fines for Littering	152	0	0	0	0	0
Officers Costs	44,971	0	0	0	0	0
Game and Fish Fines	364	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Drug Control Fines	\$ 4,638	\$ 0	\$ 0	\$ 0	\$ 5,164	0
DUI Treatment Fines	9,100	0	0	0	0	0
Data Entry Fee - General Sessions Court	17,741	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	4,195	0	0	0	0	0
Officers Costs	3,303	0	0	0	0	0
Data Entry Fee - Juvenile Court	738	0	0	0	0	0
Courtroom Security Fee	0	2	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,582	0	0	0	0	0
Data Entry Fee - Chancery Court	4,446	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	4,000	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	18,050	0	0	0	20,347	0
Total Fines, Forfeitures, and Penalties	\$ 200,881	\$ 1,089	\$ 0	\$ 0	\$ 37,300	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 384,053	\$ 0	\$ 0	0
Residential Waste Collection Charge	0	0	664,214	0	0	0
Tipping Fees	0	0	1,186	0	0	0
Solid Waste Disposal Fee	0	0	10,304	0	0	0
Surcharge - Waste Tire Disposal	0	0	42,641	0	0	0
Patient Charges	1,861,203	0	0	0	0	0
Service Charges	1,365	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees</u>						
Copy Fees	\$ 6,754	\$ 0	\$ 0	\$ 0	\$ 0	0
Library Fees	4,433	0	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0	0
Telephone Commissions	67,063	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	459,704
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	9,750
Data Processing Fee - Register	11,790	0	0	0	0	0
Data Processing Fee - Sheriff	3,278	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,745	0	0	0	0	0
Data Processing Fee - County Clerk	2,370	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	1,835	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 1,963,986</b>	<b>\$ 0</b>	<b>\$ 1,102,398</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>469,454</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 15,632	\$ 0	\$ 575	\$ 0	\$ 0	0
Lease/Rentals	955	0	0	0	0	0
Sale of Materials and Supplies	200	0	0	0	0	0
Commissary Sales	22,572	0	0	0	0	0
Sale of Recycled Materials	0	0	132,719	0	0	0
E-Rate Funding	1,671	0	0	0	0	0
Miscellaneous Refunds	7,528	0	0	0	600	0
Expenditure Credits	940	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	Constitu - tional Officers - Fees
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 4,110	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions and Gifts	12,462	0	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 66,070</b>	<b>\$ 0</b>	<b>\$ 133,294</b>	<b>\$ 0</b>	<b>\$ 600</b>	<b>\$ 0</b>
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 122,233	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	411,658	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
County Clerk	21,667	0	0	0	0	0
Circuit Court Clerk	167,508	0	0	0	0	0
General Sessions Court Clerk	204,912	0	0	0	0	0
Clerk and Master	149,462	0	0	0	0	0
Juvenile Court Clerk	44,840	0	0	0	0	0
Register	140,009	0	0	0	0	0
Sheriff	11,895	0	0	0	0	0
Other Officials	142	0	0	0	0	0
<b>Total Fees Received From County Officials</b>	<b>\$ 1,274,326</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	49,225	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	22,200	0	0	0	0	0
Other Public Safety Grants	3,694	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>State of Tennessee (Cont.)</u>							
<u>Health and Welfare Grants</u>							
Health Department Programs	\$ 279,095	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	49,200	0	0	0	0	0	0
Other Public Works Grants	0	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	59,242	0	0	0	0	0	0
Beer Tax	18,055	0	0	0	0	0	0
Vehicle Certificate of Title Fees	9,895	0	0	0	0	0	0
Alcoholic Beverage Tax	83,113	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	400,000	0	0	0	0	0	0
Emergency Hospital - Prisoners	14,723	0	0	0	0	0	0
Contracted Prisoner Boarding	1,291,929	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	423	0	0	0	0	0	0
Other State Revenues	259,952	0	0	0	0	0	0
Total State of Tennessee	\$ 2,524,685	\$ 0	\$ 49,225	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 30,680	\$ 0	\$ 0	0
Disaster Relief	0	0	0	0	0	0	0
Homeland Security Grants	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	Constitu - tional Officers - Fees
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Law Enforcement Grants	\$ 33,165	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Federal through State	2,562	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	71,349	0	0	0	0	0
Total Federal Government	<u>\$ 107,076</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,680</u>	<u>\$ 0</u>	<u>0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 351,106	\$ 0	\$ 14,043	\$ 0	\$ 0	0
Contracted Services	1,880	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	18,624	0	0	0	0	0
<u>Other</u>						
Other	3,315	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 374,925</u>	<u>\$ 0</u>	<u>\$ 14,043</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 14,435,227</u>	<u>\$ 18,767</u>	<u>\$ 1,298,960</u>	<u>\$ 30,680</u>	<u>\$ 37,900</u>	<u>\$ 469,454</u>

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	Other Capital Projects	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,575,383	\$ 1,817,314	\$ 0	\$ 9,781,793
Trustee's Collections - Prior Year	56,076	63,038	0	341,430
Trustee's Collections - Bankruptcy	232	268	0	1,443
Circuit Clerk/Clerk and Master Collections - Prior Years	28,306	32,667	0	175,770
Interest and Penalty	10,717	12,370	0	66,557
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	344,158
Payments in-Lieu-of Taxes - Other	0	0	0	11,255
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	1,277,135	0	1,277,135
Hotel/Motel Tax	0	0	0	100,198
Wheel Tax	0	944,814	0	944,814
Litigation Tax - General	0	0	0	130,228
Litigation Tax - Special Purpose	0	0	0	85,306
Litigation Tax - Jail, Workhouse, or Courthouse	0	113,048	0	113,048
Litigation Tax - Victim-Offender Mediation Center	0	0	0	7,585
Business Tax	0	0	0	310,249
Mineral Severance Tax	62,462	0	0	62,462
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	53,417	0	53,417
Wholesale Beer Tax	0	0	0	129,589
Interstate Telecommunications Tax	0	0	0	4,767
Total Local Taxes	<u>\$ 1,733,176</u>	<u>\$ 4,314,071</u>	<u>\$ 0</u>	<u>\$ 13,941,204</u>

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	Other Capital Projects	
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 1,653
Cable TV Franchise	0	0	0	43,232
<u>Permits</u>				
Beer Permits	0	0	0	2,114
<b>Total Licenses and Permits</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 46,999</b>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	\$ 19,356
Officers Costs	0	0	0	34,714
Drug Control Fines	0	0	0	10,541
Jail Fees	0	0	0	6,952
DUI Treatment Fines	0	0	0	411
Data Entry Fee - Circuit Court	0	0	0	3,285
Courtroom Security Fee	0	0	0	1,087
<u>Criminal Court</u>				
Fines	0	0	0	903
Officers Costs	0	0	0	112
Drug Control Fines	0	0	0	1,776
DUI Treatment Fines	0	0	0	1,805
<u>General Sessions Court</u>				
Fines	0	0	0	18,535
Fines for Littering	0	0	0	152
Officers Costs	0	0	0	44,971
Game and Fish Fines	0	0	0	364

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>General Sessions Court (Cont.)</u>				
Drug Control Fines	\$ 0	\$ 0	\$ 0	9,802
DUI Treatment Fines	0	0	0	9,100
Data Entry Fee - General Sessions Court	0	0	0	17,741
<u>Juvenile Court</u>				
Fines	0	0	0	4,195
Officers Costs	0	0	0	3,303
Data Entry Fee - Juvenile Court	0	0	0	738
Courtroom Security Fee	0	0	0	2
<u>Chancery Court</u>				
Officers Costs	0	0	0	2,582
Data Entry Fee - Chancery Court	0	0	0	4,446
<u>Judicial District Drug Program</u>				
Drug Task Force Forfeitures and Seizures	0	0	0	4,000
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	38,397
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	239,270
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	384,053
Residential Waste Collection Charge	0	0	0	664,214
Tipping Fees	0	0	0	1,186
Solid Waste Disposal Fee	0	0	0	10,304
Surcharge - Waste Tire Disposal	0	0	0	42,641
Patient Charges	0	0	0	1,861,203
Service Charges	0	0	0	1,365

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>				
<u>Fees</u>				
Copy Fees	\$ 0	\$ 0	\$ 0	6,754
Library Fees	0	0	0	4,433
Greenbelt Late Application Fee	0	0	0	150
Telephone Commissions	0	0	0	67,063
Constitutional Officers' Fees and Commissions	0	0	0	459,704
Special Commissioner Fees/Special Master Fees	0	0	0	9,750
Data Processing Fee - Register	0	0	0	11,790
Data Processing Fee - Sheriff	0	0	0	3,278
Sexual Offender Registration Fee - Sheriff	0	0	0	3,745
Data Processing Fee - County Clerk	0	0	0	2,370
<u>Education Charges</u>				
Other Charges for Services	0	0	0	1,835
<b>Total Charges for Current Services</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>3,535,838</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 0	16,207
Lease/Rentals	0	45,000	0	45,955
Sale of Materials and Supplies	0	0	0	200
Commissary Sales	0	0	0	22,572
Sale of Recycled Materials	5,762	0	0	138,481
E-Rate Funding	0	0	0	1,671
Miscellaneous Refunds	0	2	0	8,130
Expenditure Credits	0	0	0	940

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>				
<u>Nonrecurring Items</u>				
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 4,110
Contributions and Gifts	0	0	0	12,462
<b>Total Other Local Revenues</b>	<b>\$ 5,762</b>	<b>\$ 45,002</b>	<b>\$ 0</b>	<b>\$ 250,728</b>
<u>Fees Received From County Officials</u>				
<u>Excess Fees</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 122,233
Trustee	0	0	0	411,658
<u>Fees In-Lieu-of Salary</u>				
County Clerk	0	0	0	21,667
Circuit Court Clerk	0	0	0	167,508
General Sessions Court Clerk	0	0	0	204,912
Clerk and Master	0	0	0	149,462
Juvenile Court Clerk	0	0	0	44,840
Register	0	0	0	140,009
Sheriff	0	0	0	11,895
Other Officials	0	0	0	142
<b>Total Fees Received From County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,274,326</b>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 18,000
Solid Waste Grants	0	0	0	49,225
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	22,200
Other Public Safety Grants	0	0	0	3,694

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>				
<u>Health and Welfare Grants</u>				
Health Department Programs	\$ 0	\$ 0	\$ 0	\$ 279,095
<u>Public Works Grants</u>				
State Aid Program	260,493	0	0	260,493
Litter Program	0	0	0	49,200
Other Public Works Grants	24,906	0	0	24,906
<u>Other State Revenues</u>				
Income Tax	0	0	0	59,242
Beer Tax	0	0	0	18,055
Vehicle Certificate of Title Fees	0	0	0	9,895
Alcoholic Beverage Tax	0	0	0	83,113
State Revenue Sharing - T.V.A.	0	300,692	0	700,692
Emergency Hospital - Prisoners	0	0	0	14,723
Contracted Prisoner Boarding	0	0	0	1,291,929
Gasoline and Motor Fuel Tax	2,004,979	0	0	2,004,979
Petroleum Special Tax	30,210	0	0	30,210
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	0	0	0	423
Other State Revenues	0	0	0	259,952
Total State of Tennessee	\$ 2,320,588	\$ 300,692	\$ 0	\$ 5,195,190
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$ 0	\$ 0	\$ 0	\$ 30,680
Disaster Relief	155,216	0	0	155,216
Homeland Security Grants	0	0	20,842	20,842

(Continued)

Exhibit J-6

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

	Special Revenue Fund Highway / Public Works	Debt Service Fund General Debt Service	Capital Projects Fund Other Capital Projects	Total
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Law Enforcement Grants	\$ 0	\$ 0	\$ 0	\$ 33,165
Other Federal through State	0	0	0	2,562
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	0	0	0	71,349
Total Federal Government	<u>\$ 155,216</u>	<u>\$ 0</u>	<u>\$ 20,842</u>	<u>\$ 313,814</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 37,972	\$ 300,000	\$ 0	\$ 703,121
Contracted Services	0	0	0	1,880
<u>Citizens Groups</u>				
Donations	69,123	0	0	87,747
<u>Other</u>				
Other	0	0	0	3,315
Total Other Governments and Citizens Groups	<u>\$ 107,095</u>	<u>\$ 300,000</u>	<u>\$ 0</u>	<u>\$ 796,063</u>
Total	<u>\$ 4,321,837</u>	<u>\$ 4,959,765</u>	<u>\$ 20,842</u>	<u>\$ 25,593,432</u>

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, 2015

	General Purpose School	Special Revenue Funds			Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,601,516	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,601,516
Trustee's Collections - Prior Year	197,619	0	0	0	0	197,619
Trustee's Collections - Bankruptcy	827	0	0	0	0	827
Circuit Clerk/Clerk and Master Collections - Prior Years	100,685	0	0	0	0	100,685
Interest and Penalty	38,125	0	0	0	0	38,125
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,041,772	0	0	0	240,000	5,281,772
Mixed Drink Tax	33,581	0	0	0	0	33,581
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	3,902	0	0	0	0	3,902
<b>Total Local Taxes</b>	<b>\$ 11,018,027</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>240,000</b>	<b>\$ 11,258,027</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,639	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,639
<b>Total Licenses and Permits</b>	<b>\$ 1,639</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,639</b>
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	\$ 520	\$ 0	\$ 0	\$ 0	\$ 0	\$ 520
Tuition - Other	0	0	0	137,423	0	137,423
Lunch Payments - Children	0	0	414,778	0	0	414,778
Lunch Payments - Adults	0	0	125,740	0	0	125,740
Income from Breakfast	0	0	65,741	0	0	65,741

(Continued)

Exhibit J-7

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

	General Purpose School	Special Revenue Funds			Extended School Program	Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria			Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>							
<u>Education Charges (Cont.)</u>							
A la Carte Sales	\$ 0	\$ 0	\$ 214,262	\$ 0	\$ 0	\$ 0	214,262
Receipts from Individual Schools	99,174	0	4,934	0	0	0	104,108
Other Charges for Services	2,150	0	100	0	0	0	2,250
<b>Total Charges for Current Services</b>	<b>\$ 101,844</b>	<b>\$ 0</b>	<b>\$ 825,555</b>	<b>\$ 137,423</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>1,064,822</b>
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 2,194	\$ 0	\$ 0	\$ 0	2,194
Lease/Rentals	1,200	0	0	0	0	0	1,200
Sale of Materials and Supplies	2,440	0	0	0	0	0	2,440
E-Rate Funding	27,078	0	0	0	0	0	27,078
Miscellaneous Refunds	6,850	0	10,801	0	0	0	17,651
<u>Nonrecurring Items</u>							
Sale of Equipment	801	0	0	0	0	0	801
Damages Recovered from Individuals	44,822	0	0	0	0	0	44,822
Contributions and Gifts	25,991	0	0	0	0	0	25,991
<u>Other Local Revenues</u>	<u>25,030</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,030</u>
<b>Total Other Local Revenues</b>	<b>\$ 134,212</b>	<b>\$ 0</b>	<b>\$ 12,995</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>147,207</b>
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
On-behalf Contributions for OPEB	\$ 331,653	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	331,653

(Continued)

Exhibit J-7

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 33,202,772	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,202,772
Early Childhood Education	1,190,458	0	0	0	0	1,190,458
School Food Service	0	0	41,390	0	0	41,390
Energy Efficient School Initiative	24,571	0	0	0	0	24,571
Driver Education	24,816	0	0	0	0	24,816
Other State Education Funds	335,431	0	0	0	0	335,431
Career Ladder Program	181,965	0	0	0	0	181,965
Career Ladder - Extended Contract	45,295	0	0	0	0	45,295
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	200,000	0	0	0	0	200,000
Other State Grants	2,000	0	0	0	0	2,000
Other State Revenues	26,595	0	0	3,364	0	29,959
Total State of Tennessee	\$ 35,565,556	\$ 0	\$ 41,390	\$ 3,364	\$ 0	\$ 35,610,310
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,989,540	\$ 0	\$ 0	\$ 1,989,540
USDA - Commodities	0	0	273,664	0	0	273,664
Breakfast	0	0	711,884	0	0	711,884
USDA - Other	0	0	52,162	0	0	52,162
Adult Education State Grant Program	107,792	0	0	0	0	107,792
Vocational Education - Basic Grants to States	0	114,608	0	0	0	114,608
Title I Grants to Local Education Agencies	0	1,802,712	0	0	0	1,802,712
Special Education - Grants to States	45,973	1,406,820	0	0	0	1,452,793

(Continued)

Exhibit J-7

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education Preschool Grants	\$ 0	\$ 34,481	\$ 0	\$ 0	\$ 0	\$ 34,481
Safe and Drug-free Schools - State Grants	91,111	0	0	0	0	91,111
Rural Education	0	158,878	0	0	0	158,878
Eisenhower Professional Development State Grants	0	224,345	0	0	0	224,345
Race to the Top - ARRA	0	177,063	0	0	0	177,063
Other Federal through State	3,340	0	0	0	0	3,340
<b>Total Federal Government</b>	<b>\$ 248,216</b>	<b>\$ 3,918,907</b>	<b>\$ 3,027,250</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,194,373</b>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 240,000	\$ 0	\$ 0	\$ 0	\$ 1,100,000	\$ 1,340,000
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 240,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,100,000</b>	<b>\$ 1,340,000</b>
<b>Total</b>	<b>\$ 47,309,494</b>	<b>\$ 3,918,907</b>	<b>\$ 3,907,190</b>	<b>\$ 140,787</b>	<b>\$ 1,340,000</b>	<b>\$ 56,616,378</b>

Exhibit J-8

Lawrence County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	43,198	
In-service Training		1,948	
Social Security		2,673	
State Retirement		3,185	
Employer Medicare		625	
Advertising		494	
Audit Services		20,596	
Data Processing Services		2,500	
Dues and Memberships		8,780	
Postal Charges		649	
Travel		7,729	
Other Charges		1,299	
Data Processing Equipment		6,144	
Total County Commission			\$ 99,820

Beer Board

Board and Committee Members Fees	\$	920	
Social Security		40	
Employer Medicare		9	
Legal Notices, Recording, and Court Costs		81	
Criminal Investigation of Applicants - TBI		87	
Total Beer Board			1,137

County Mayor/Executive

County Official/Administrative Officer	\$	85,842	
Secretary(ies)		44,060	
Longevity Pay		500	
Social Security		7,551	
State Retirement		12,598	
Employee and Dependent Insurance		360	
Life Insurance		63	
Medical Insurance		11,558	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		192	
Employer Medicare		1,766	
Dues and Memberships		1,950	
Pest Control		60	
Postal Charges		158	
Printing, Stationery, and Forms		262	
Travel		1,579	
Office Supplies		1,313	
Other Supplies and Materials		128	
Premiums on Corporate Surety Bonds		793	
Workers' Compensation Insurance		120	
Other Charges		693	
Office Equipment		4,940	
Total County Mayor/Executive			176,989

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	6,000	
Social Security		372	
State Retirement		586	
Employer Medicare		87	
Total County Attorney			\$ 7,045

Election Commission

County Official/Administrative Officer	\$	63,237	
Deputy(ies)		52,574	
Longevity Pay		450	
Overtime Pay		641	
Election Commission		2,800	
Election Workers		41,768	
Social Security		6,674	
State Retirement		11,421	
Medical Insurance		19,814	
Unemployment Compensation		180	
Employer Medicare		1,561	
Communication		44	
Contracts with Private Agencies		17,424	
Data Processing Services		2,475	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		5,245	
Maintenance Agreements		9,990	
Pest Control		180	
Postal Charges		903	
Printing, Stationery, and Forms		6,449	
Rentals		1,250	
Travel		3,746	
Disposal Fees		100	
Office Supplies		1,263	
Utilities		4,015	
Other Supplies and Materials		33	
Workers' Compensation Insurance		204	
Total Election Commission			254,591

Register of Deeds

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		52,720	
Part-time Personnel		4,005	
Longevity Pay		700	
Social Security		7,561	
State Retirement		10,694	
Employee and Dependent Insurance		270	
Life Insurance		45	
Medical Insurance		14,310	
Dental Insurance		162	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Disability Insurance	\$	174	
Unemployment Compensation		298	
Employer Medicare		1,768	
Data Processing Services		215	
Dues and Memberships		732	
Operating Lease Payments		12,381	
Maintenance Agreements		1,170	
Pest Control		60	
Postal Charges		563	
Printing, Stationery, and Forms		462	
Travel		1,354	
Office Supplies		1,622	
Other Supplies and Materials		432	
Premiums on Corporate Surety Bonds		793	
Workers' Compensation Insurance		120	
Total Register of Deeds			\$ 182,874

County Buildings

Supervisor/Director	\$	31,200	
Custodial Personnel		58,493	
Longevity Pay		2,400	
Social Security		5,305	
State Retirement		8,997	
Medical Insurance		26,582	
Unemployment Compensation		360	
Employer Medicare		1,241	
Communication		58,416	
Maintenance and Repair Services - Buildings		57,838	
Maintenance and Repair Services - Equipment		2,740	
Maintenance and Repair Services - Vehicles		1,262	
Pest Control		900	
Postal Charges		145	
Rentals		2,100	
Travel		319	
Disposal Fees		914	
Other Contracted Services		276	
Custodial Supplies		11,452	
Food Supplies		4,827	
Gasoline		4,376	
Office Supplies		28	
Utilities		144,394	
Other Supplies and Materials		704	
Workers' Compensation Insurance		3,142	
Other Equipment		592	
Total County Buildings			429,003

(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

Supervisor/Director	\$	27,780	
Deputy(ies)		23,472	
Longevity Pay		750	
Social Security		3,169	
State Retirement		5,081	
Employee and Dependent Insurance		330	
Life Insurance		62	
Medical Insurance		6,605	
Dental Insurance		222	
Disability Insurance		239	
Unemployment Compensation		180	
Employer Medicare		741	
Communication		1,916	
Contracts with Private Agencies		395	
Dues and Memberships		60	
Maintenance Agreements		986	
Pest Control		180	
Office Supplies		380	
Utilities		4,504	
Other Supplies and Materials		107	
Workers' Compensation Insurance		120	
Office Equipment		18,702	
Total Preservation of Records			\$ 95,981

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	60,756
Accountants/Bookkeepers		135,539
Longevity Pay		2,050
In-service Training		200
Social Security		10,943
State Retirement		18,996
Medical Insurance		39,629
Unemployment Compensation		540
Employer Medicare		2,559
Communication		667
Data Processing Services		9,825
Dues and Memberships		270
Legal Notices, Recording, and Court Costs		177
Maintenance Agreements		1,030
Maintenance and Repair Services - Buildings		129
Pest Control		240
Postal Charges		2,146
Printing, Stationery, and Forms		1,925
Travel		893
Disposal Fees		100
Office Supplies		4,269

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Utilities	\$	7,003	
Other Supplies and Materials		292	
Premiums on Corporate Surety Bonds		1,694	
Workers' Compensation Insurance		320	
Other Charges		1,144	
Data Processing Equipment		2,848	
Total Accounting and Budgeting			\$ 306,184

Property Assessor's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		101,385	
Salary Supplements		1,000	
Longevity Pay		1,350	
Other Salaries and Wages		29,974	
Board and Committee Members Fees		1,123	
In-service Training		155	
Social Security		12,376	
State Retirement		18,558	
Employee and Dependent Insurance		648	
Life Insurance		134	
Medical Insurance		23,103	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		499	
Employer Medicare		2,894	
Data Processing Services		12,056	
Dues and Memberships		2,220	
Maintenance Agreements		6,200	
Maintenance and Repair Services - Vehicles		1,181	
Pest Control		60	
Postal Charges		1,507	
Travel		6,161	
Gasoline		1,460	
Office Supplies		2,581	
Other Supplies and Materials		92	
Workers' Compensation Insurance		234	
Data Processing Equipment		295	
Motor Vehicles		13,500	
Total Property Assessor's Office			311,512

County Trustee's Office

State Retirement	\$	16,746	
Employee and Dependent Insurance		360	
Life Insurance		67	
Medical Insurance		23,667	
Dental Insurance		242	
Disability Insurance		261	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Unemployment Compensation	\$	304	
Data Processing Services		10,760	
Dues and Memberships		582	
Pest Control		60	
Postal Charges		7,307	
Printing, Stationery, and Forms		5,934	
Office Supplies		1,084	
Other Supplies and Materials		17	
Premiums on Corporate Surety Bonds		8,791	
Workers' Compensation Insurance		194	
Other Charges		32	
Total County Trustee's Office			\$ 76,408

County Clerk's Office

State Retirement	\$	23,930	
Employee and Dependent Insurance		1,080	
Life Insurance		202	
Medical Insurance		30,526	
Dental Insurance		242	
Disability Insurance		783	
Unemployment Compensation		678	
Communication		480	
Data Processing Services		3,297	
Dues and Memberships		772	
Maintenance Agreements		24,426	
Pest Control		60	
Postal Charges		6,908	
Printing, Stationery, and Forms		460	
Travel		3,080	
Office Supplies		3,715	
Other Supplies and Materials		391	
Premiums on Corporate Surety Bonds		793	
Workers' Compensation Insurance		336	
Total County Clerk's Office			102,159

Data Processing

Assistant(s)	\$	35,000
Supervisor/Director		65,000
Social Security		6,130
State Retirement		9,770
Medical Insurance		6,605
Unemployment Compensation		180
Employer Medicare		1,434
Communication		2,473
Dues and Memberships		125
Maintenance Agreements		1,170
Travel		211

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Other Supplies and Materials	\$	34	
Workers' Compensation Insurance		185	
Data Processing Equipment		4,192	
Total Data Processing			\$ 132,509

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		252,700	
Longevity Pay		5,950	
Jury and Witness Expense		17,450	
In-service Training		1,170	
Social Security		18,483	
State Retirement		32,135	
Employee and Dependent Insurance		180	
Life Insurance		34	
Medical Insurance		68,579	
Dental Insurance		121	
Unemployment Compensation		878	
Employer Medicare		4,323	
Data Processing Services		15,300	
Dues and Memberships		522	
Evaluation and Testing		1,100	
Legal Notices, Recording, and Court Costs		65	
Maintenance Agreements		4,681	
Pest Control		102	
Postal Charges		3,815	
Printing, Stationery, and Forms		5,092	
Travel		4,039	
Office Supplies		7,790	
Other Supplies and Materials		26	
Premiums on Corporate Surety Bonds		793	
Workers' Compensation Insurance		413	
Other Charges		567	
Data Processing Equipment		270	
Office Equipment		4,940	
Total Circuit Court			521,781

General Sessions Court

Judge(s)	\$	150,683	
Deputy(ies)		17,479	
Guards		50,775	
Temporary Personnel		16,700	
Part-time Personnel		5,504	
Longevity Pay		750	
Overtime Pay		3,362	
Social Security		13,077	

(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.)

State Retirement	\$	19,331	
Employee and Dependent Insurance		60	
Life Insurance		50	
Medical Insurance		16,512	
Dental Insurance		182	
Disability Insurance		196	
Unemployment Compensation		359	
Employer Medicare		3,223	
Dues and Memberships		515	
Maintenance Agreements		390	
Pest Control		102	
Postal Charges		94	
Printing, Stationery, and Forms		231	
Travel		989	
Office Supplies		950	
Other Supplies and Materials		407	
Workers' Compensation Insurance		155	
Other Charges		500	
Total General Sessions Court			\$ 302,576

Chancery Court

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		126,666	
Longevity Pay		2,750	
Social Security		11,912	
State Retirement		18,245	
Employee and Dependent Insurance		360	
Life Insurance		67	
Medical Insurance		29,552	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		524	
Employer Medicare		2,786	
Data Processing Services		7,575	
Dues and Memberships		662	
Maintenance Agreements		790	
Pest Control		102	
Postal Charges		5,336	
Printing, Stationery, and Forms		2,050	
Travel		1,437	
Office Supplies		2,238	
Other Supplies and Materials		901	
Workers' Compensation Insurance		289	
Data Processing Equipment		5,915	
Office Equipment		1,290	
Total Chancery Court			292,213

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Deputy(ies)	\$	54,767	
Youth Service Officer(s)		8,937	
Salary Supplements		60,000	
Longevity Pay		300	
In-service Training		410	
Social Security		7,442	
State Retirement		12,115	
Medical Insurance		19,814	
Unemployment Compensation		180	
Employer Medicare		1,740	
Postal Charges		383	
Travel		970	
Other Contracted Services		11,005	
Other Supplies and Materials		439	
Workers' Compensation Insurance		130	
Total Juvenile Court			\$ 178,632

Victim Assistance Programs

Contracts with Private Agencies	\$	9,493	
Total Victim Assistance Programs			9,493

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	81,154	
Supervisor/Director		57,653	
Deputy(ies)		659,106	
Investigator(s)		243,808	
Captain(s)		53,546	
Lieutenant(s)		91,035	
Sergeant(s)		313,700	
Secretary(ies)		134,112	
School Resource Officer		227,222	
Longevity Pay		18,850	
Overtime Pay		23,185	
Other Salaries and Wages		11,114	
In-service Training		52,845	
Social Security		117,450	
State Retirement		171,770	
Employee and Dependent Insurance		3,033	
Life Insurance		700	
Medical Insurance		280,638	
Dental Insurance		1,444	
Disability Insurance		2,241	
Unemployment Compensation		5,104	
Employer Medicare		27,468	
Communication		440	
Dues and Memberships		3,090	

(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.)

Evaluation and Testing	\$	1,900	
Maintenance Agreements		4,980	
Maintenance and Repair Services - Buildings		620	
Maintenance and Repair Services - Equipment		415	
Maintenance and Repair Services - Vehicles		92,918	
Pest Control		282	
Postal Charges		2,150	
Printing, Stationery, and Forms		2,210	
Rentals		2,400	
Towing Services		3,860	
Travel		12,229	
Custodial Supplies		8,685	
Gasoline		109,629	
Law Enforcement Supplies		110,074	
Office Supplies		14,501	
Tires and Tubes		9,810	
Uniforms		57,117	
Utilities		9,142	
Other Supplies and Materials		2,126	
Judgments		50,000	
Medical Claims		40	
Premiums on Corporate Surety Bonds		1,441	
Workers' Compensation Insurance		105,380	
Other Self-insured Claims		1,500	
Other Charges		753	
Data Processing Equipment		22,703	
Furniture and Fixtures		884	
Law Enforcement Equipment		45,611	
Total Sheriff's Department			\$ 3,254,068

Special Patrols

Communication Equipment	\$	4,992	
Total Special Patrols			4,992

Jail

Assistant(s)	\$	28,522	
Lieutenant(s)		42,456	
Sergeant(s)		105,020	
Medical Personnel		128,166	
Guards		755,373	
Longevity Pay		2,950	
Overtime Pay		15,108	
In-service Training		1,350	
Social Security		61,940	
State Retirement		79,662	
Employee and Dependent Insurance		4,472	
Life Insurance		802	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Medical Insurance	\$	170,610	
Dental Insurance		2,151	
Disability Insurance		2,955	
Unemployment Compensation		4,940	
Employer Medicare		14,486	
Communication		8,221	
Contracts with Private Agencies		824	
Evaluation and Testing		6,622	
Maintenance Agreements		6,358	
Maintenance and Repair Services - Buildings		9,633	
Maintenance and Repair Services - Equipment		17,132	
Pest Control		360	
Printing, Stationery, and Forms		1,279	
Travel		5,828	
Custodial Supplies		25,846	
Drugs and Medical Supplies		65,384	
Food Supplies		338,553	
Gasoline		313	
Law Enforcement Supplies		3,610	
Office Supplies		1,861	
Uniforms		24,392	
Utilities		240,366	
Other Supplies and Materials		54,473	
Medical Claims		351,745	
Workers' Compensation Insurance		71,706	
Other Charges		531	
Data Processing Equipment		85	
Furniture and Fixtures		1,956	
Total Jail			\$ 2,658,041

Workhouse

Accountants/Bookkeepers	\$	7,867	
Guards		16,605	
Social Security		488	
Employer Medicare		114	
Food Supplies		4,180	
Gasoline		1,677	
Other Supplies and Materials		3,826	
Other Charges		14,024	
Total Workhouse			48,781

Work Release Program

Maintenance and Repair Services - Equipment	\$	737	
Maintenance and Repair Services - Vehicles		594	
Food Supplies		2,215	
Gasoline		1,106	
Maintenance Equipment		230	
Total Work Release Program			4,882

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

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

Civil Defense

Maintenance and Repair Services - Equipment	\$ 1,469	
Maintenance and Repair Services - Vehicles	1,305	
Other Supplies and Materials	1,042	
Data Processing Equipment	913	
Other Equipment	690	
Total Civil Defense		5,419

Rescue Squad

Contributions	\$ 332,500	
Total Rescue Squad		332,500

Other Emergency Management

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

County Coroner/Medical Examiner

Social Security	\$ 463	
State Retirement	733	
Employer Medicare	108	
Medical and Dental Services	10,000	
Other Contracted Services	50,700	
Gasoline	958	
Other Supplies and Materials	100	
Total County Coroner/Medical Examiner		63,062

Public Health and Welfare

Local Health Center

Secretary(ies)	\$ 36,414	
Social Security	2,201	
State Retirement	2,243	
Employee and Dependent Insurance	483	
Life Insurance	106	
Dental Insurance	182	
Disability Insurance	366	
Unemployment Compensation	201	
Employer Medicare	515	
Communication	2,254	
Contracts with Government Agencies	15,000	
Dues and Memberships	200	
Janitorial Services	15,677	
Maintenance and Repair Services - Buildings	2,675	
Pest Control	288	
Printing, Stationery, and Forms	491	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Travel	\$	628	
Disposal Fees		1,168	
Food Supplies		461	
Office Supplies		248	
Utilities		26,197	
Other Supplies and Materials		1,069	
Workers' Compensation Insurance		105	
Total Local Health Center			\$ 109,172

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	51,650
Assistant(s)		42,000
Medical Personnel		1,018,359
Secretary(ies)		27,780
Part-time Personnel		67,842
Longevity Pay		6,600
In-service Training		3,920
Social Security		72,147
State Retirement		103,071
Medical Insurance		174,477
Unemployment Compensation		3,322
Employer Medicare		16,873
Communication		5,885
Contracts with Private Agencies		2,584
Dues and Memberships		750
Laundry Service		5
Licenses		2,815
Maintenance Agreements		4,300
Maintenance and Repair Services - Buildings		1,296
Maintenance and Repair Services - Equipment		3,966
Maintenance and Repair Services - Vehicles		52,375
Pest Control		180
Postal Charges		7,863
Printing, Stationery, and Forms		1,471
Towing Services		680
Travel		3,082
Disposal Fees		1,300
Other Contracted Services		1,505
Custodial Supplies		2,655
Drugs and Medical Supplies		96,945
Gasoline		68,074
Office Supplies		4,020
Tires and Tubes		12,737
Uniforms		7,552
Utilities		19,621
Other Supplies and Materials		862
Liability Insurance		14,104

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Vehicle and Equipment Insurance	\$	18,982	
Workers' Compensation Insurance		70,318	
Other Charges		1,906	
Data Processing Equipment		3,013	
Total Ambulance/Emergency Medical Services			\$ 1,998,887

Alcohol and Drug Programs

Contributions	\$	76,341	
Total Alcohol and Drug Programs			76,341

Other Local Health Services

Other Salaries and Wages	\$	1,413	
Social Security		88	
Unemployment Compensation		14	
Employer Medicare		20	
Contributions		5,000	
Travel		1,136	
Office Supplies		23,281	
Total Other Local Health Services			30,952

Appropriation to State

Other Salaries and Wages	\$	201,784	
Social Security		12,017	
State Retirement		13,869	
Employee and Dependent Insurance		600	
Life Insurance		112	
Medical Insurance		31,923	
Dental Insurance		404	
Disability Insurance		417	
Unemployment Compensation		898	
Employer Medicare		2,810	
Advertising		128	
Travel		9,560	
Liability Insurance		342	
Workers' Compensation Insurance		319	
Other Charges		3,911	
Total Appropriation to State			279,094

Other Public Health and Welfare

Contributions	\$	5,000	
Dues and Memberships		9,504	
Other Contracted Services		63,573	
Total Other Public Health and Welfare			78,077

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

(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.)

Libraries

Supervisor/Director	\$	39,808	
Deputy(ies)		6,472	
Librarians		53,159	
Part-time Personnel		37,984	
Longevity Pay		2,250	
Other Salaries and Wages		9,214	
Social Security		8,858	
Medical Insurance		28,070	
Unemployment Compensation		695	
Employer Medicare		2,072	
Communication		3,043	
Dues and Memberships		210	
Janitorial Services		6,360	
Maintenance Agreements		2,805	
Maintenance and Repair Services - Buildings		1,555	
Pest Control		420	
Postal Charges		1,186	
Printing, Stationery, and Forms		341	
Travel		336	
Disposal Fees		100	
Custodial Supplies		851	
Instructional Supplies and Materials		2,617	
Library Books/Media		27,356	
Office Supplies		5,908	
Periodicals		4,346	
Utilities		22,029	
Refunds		60	
Workers' Compensation Insurance		528	
Data Processing Equipment		5,521	
Furniture and Fixtures		980	
Total Libraries			\$ 275,134

Other Social, Cultural, and Recreational

Contributions	\$	41,100	
Total Other Social, Cultural, and Recreational			41,100

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	97,844	
Secretary(ies)		4,772	
Board and Committee Members Fees		200	
Social Security		296	
State Retirement		265	
Unemployment Compensation		48	
Employer Medicare		69	
Communication		1,831	
Dues and Memberships		15	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Maintenance Agreements	\$	534	
Maintenance and Repair Services - Vehicles		506	
Pest Control		144	
Disposal Fees		500	
Gasoline		460	
Instructional Supplies and Materials		2,000	
Utilities		9,905	
Other Supplies and Materials		15	
Workers' Compensation Insurance		64	
Total Agricultural Extension Service			\$ 119,468

Soil Conservation

Salary Supplements	\$	34,780	
Social Security		2,088	
State Retirement		2,883	
Medical Insurance		6,605	
Unemployment Compensation		90	
Employer Medicare		488	
Dues and Memberships		275	
Postal Charges		50	
Travel		494	
Office Supplies		373	
Workers' Compensation Insurance		85	
Total Soil Conservation			48,211

Other Agriculture and Natural Resources

Advertising	\$	889	
Total Other Agriculture and Natural Resources			889

Other Operations

Tourism

Contributions	\$	52,496	
Dues and Memberships		500	
Total Tourism			52,996

Industrial Development

Contributions	\$	150,818	
Total Industrial Development			150,818

Housing and Urban Development

Contracts with Private Agencies	\$	1,579	
Total Housing and Urban Development			1,579

Airport

Contributions	\$	69,000	
Total Airport			69,000

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Supervisor/Director	\$	31,615	
Secretary(ies)		25,429	
Longevity Pay		500	
Overtime Pay		458	
Other Salaries and Wages		1,039	
Social Security		3,244	
State Retirement		4,370	
Employee and Dependent Insurance		120	
Life Insurance		22	
Medical Insurance		11,008	
Dental Insurance		81	
Disability Insurance		87	
Unemployment Compensation		254	
Employer Medicare		759	
Communication		1,818	
Dues and Memberships		25	
Maintenance Agreements		789	
Maintenance and Repair Services - Buildings		10	
Maintenance and Repair Services - Vehicles		233	
Pest Control		120	
Postal Charges		308	
Printing, Stationery, and Forms		120	
Travel		2,693	
Disposal Fees		500	
Gasoline		1,463	
Office Supplies		640	
Utilities		2,445	
Other Supplies and Materials		2,647	
Workers' Compensation Insurance		123	
Data Processing Equipment		1,441	
Office Equipment		241	
Total Veterans' Services			\$ 94,602

Other Charges

Data Processing Services	\$	4,680	
Postal Charges		6,301	
Building and Contents Insurance		57,476	
Liability Insurance		109,545	
Trustee's Commission		177,587	
Vehicle and Equipment Insurance		54,406	
Other Self-insured Claims		10,904	
Other Charges		3,429	
Total Other Charges			424,328

Principal on Debt

General Government

Principal on Capital Leases	\$	62,480	
Total General Government			62,480

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Interest on Debt

General Government

Interest on Capital Leases	\$ 3,593	
Total General Government		\$ 3,593

Capital Projects

General Administration Projects

Communication	\$ 87,984	
Total General Administration Projects		<u>87,984</u>

Total General Fund		\$ 14,200,602
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Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Maintenance and Repair Services - Buildings	\$ 12,170	
Trustee's Commission	<u>175</u>	
Total Other Charges		<u>\$ 12,345</u>

Total Courthouse and Jail Maintenance Fund		12,345
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Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Salary Supplements	\$ 36,776
Laborers	221,842
Secretary(ies)	43,068
Clerical Personnel	25,428
Longevity Pay	5,833
Overtime Pay	979
Other Salaries and Wages	6,391
In-service Training	495
Social Security	19,215
State Retirement	28,529
Employee and Dependent Insurance	269
Life Insurance	51
Medical Insurance	73,911
Dental Insurance	404
Disability Insurance	431
Unemployment Compensation	3,035
Employer Medicare	4,494
Communication	2,319
Contracts with Private Agencies	700,053
Data Processing Services	1,875
Dues and Memberships	540
Engineering Services	36,744
Legal Notices, Recording, and Court Costs	98
Maintenance and Repair Services - Buildings	1,097
Maintenance and Repair Services - Equipment	12,847

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance (Cont.)

Maintenance and Repair Services - Vehicles	\$ 12,197	
Pest Control	120	
Postal Charges	10,085	
Printing, Stationery, and Forms	1,982	
Travel	1,925	
Brokerage Fees - Recyclables	64,062	
Permits	2,575	
Other Contracted Services	660	
Custodial Supplies	1,934	
Diesel Fuel	11,114	
Food Supplies	8,126	
Garage Supplies	18,642	
Gasoline	2,124	
Office Supplies	1,053	
Propane Gas	3,802	
Tires and Tubes	1,007	
Uniforms	980	
Utilities	30,042	
Wire	2,389	
Other Supplies and Materials	236	
Building and Contents Insurance	3,025	
Liability Insurance	1,435	
Refunds	874	
Trustee's Commission	10,467	
Vehicle and Equipment Insurance	4,070	
Workers' Compensation Insurance	7,174	
Other Self-insured Claims	500	
Landfill Closure/Postclosure Care Costs	1,200	
Other Charges	12,971	
Furniture and Fixtures	1,278	
Solid Waste Equipment	49,225	
Total Landfill Operation and Maintenance	\$ 1,493,998	
Total Solid Waste/Sanitation Fund		\$ 1,493,998

Industrial/Economic Development Fund

Capital Projects

General Administration Projects

Contributions	\$ 236,676	
Total General Administration Projects		\$ 236,676

Public Utility Projects

Contracts with Private Agencies	\$ 38,468	
Legal Notices, Recording, and Court Costs	75	
Total Public Utility Projects	38,543	

Total Industrial/Economic Development Fund 275,219

(Continued)

Exhibit J-8

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

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	9,446	
Contracts with Private Agencies		1,526	
Confidential Drug Enforcement Payments		24,000	
Maintenance and Repair Services - Buildings		200	
Maintenance and Repair Services - Vehicles		1,841	
Food Supplies		240	
Law Enforcement Supplies		5,653	
Uniforms		1,126	
Trustee's Commission		602	
Other Charges		1,400	
Law Enforcement Equipment		2,231	
Motor Vehicles		16,285	
Total Drug Enforcement			\$ 64,550

Total Drug Control Fund \$ 64,550

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	187,489	
Total County Trustee's Office			\$ 187,489

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	271,604	
Total County Clerk's Office			271,604

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	9,750	
Total Chancery Court			9,750

Total Constitutional Officers - Fees Fund 468,843

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	77,290	
Accountants/Bookkeepers		65,275	
Longevity Pay		750	
Social Security		8,819	
State Retirement		12,884	
Employee and Dependent Insurance		690	
Life Insurance		134	
Medical Insurance		6,605	
Dental Insurance		485	
Disability Insurance		261	
Unemployment Compensation		583	

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Employer Medicare	\$	2,062	
Communication		11,106	
Data Processing Services		400	
Dues and Memberships		4,261	
Legal Notices, Recording, and Court Costs		374	
Pest Control		240	
Printing, Stationery, and Forms		276	
Travel		3,203	
Disposal Fees		288	
Custodial Supplies		254	
Office Supplies		1,560	
Utilities		10,313	
Premiums on Corporate Surety Bonds		793	
Workers' Compensation Insurance		133	
Other Charges		625	
Office Equipment		807	
Total Administration			\$ 210,471

Highway and Bridge Maintenance

Foremen	\$	123,535	
Equipment Operators		269,842	
Equipment Operators - Light		207,659	
Truck Drivers		253,771	
Laborers		120,933	
Longevity Pay		13,350	
Social Security		58,971	
State Retirement		93,027	
Employee and Dependent Insurance		718	
Life Insurance		135	
Medical Insurance		178,695	
Dental Insurance		484	
Disability Insurance		521	
Unemployment Compensation		8,670	
Employer Medicare		13,792	
Rentals		28,000	
Asphalt		928,352	
Asphalt - Cold Mix		60,003	
Concrete		1,925	
Crushed Stone		407,068	
Pipe - Metal		41,986	
Road Signs		8,801	
Wood Products		455	
Gravel and Chert		330	
Workers' Compensation Insurance		42,803	
Other Charges		42,603	
Total Highway and Bridge Maintenance			2,906,429

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Mechanic(s)	\$	161,987	
Longevity Pay		1,750	
Social Security		9,894	
State Retirement		13,707	
Medical Insurance		29,722	
Unemployment Compensation		1,532	
Employer Medicare		2,314	
Maintenance and Repair Services - Equipment		142,414	
Diesel Fuel		128,005	
Garage Supplies		2,032	
Gasoline		51,966	
Lubricants		19,083	
Tires and Tubes		28,961	
Workers' Compensation Insurance		7,493	
Other Charges		14,284	
Total Operation and Maintenance of Equipment			\$ 615,144

Other Charges

Building and Contents Insurance	\$	1,915	
Liability Insurance		17,821	
Trustee's Commission		54,077	
Vehicle and Equipment Insurance		29,739	
Other Charges		1,420	
Total Other Charges			104,972

Capital Outlay

Engineering Services	\$	14,418	
Highway Construction		331,588	
Highway Equipment		309,551	
Other Construction		66,997	
Total Capital Outlay			722,554

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	63,817	
Total Highways and Streets			63,817

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$	1,883	
Total Highways and Streets			1,883

Total Highway/Public Works Fund \$ 4,625,270

(Continued)

Exhibit J-8

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 684,134	
Total General Government		\$ 684,134

Highways and Streets

Principal on Bonds	\$ 138,600	
Total Highways and Streets		138,600

Education

Principal on Bonds	\$ 5,456,500	
Total Education		5,456,500

Interest on Debt

General Government

Interest on Bonds	\$ 789,446	
Interest on Notes	21,129	
Total General Government		810,575

Highways and Streets

Interest on Bonds	\$ 79,145	
Total Highways and Streets		79,145

Education

Interest on Bonds	\$ 558,360	
Interest on Notes	17,287	
Total Education		575,647

Other Debt Service

General Government

Trustee's Commission	\$ 67,817	
Other Debt Service	4,250	
Total General Government		72,067

Education

Other Debt Issuance Charges	\$ 56,823	
Other Debt Service	3,103	
Total Education		59,926

Total General Debt Service Fund		\$ 7,876,594
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General Capital Projects Fund

Capital Projects

General Administration Projects

Other Debt Issuance Charges	\$ 70,376	
Motor Vehicles	332,686	
Total General Administration Projects		\$ 403,062

(Continued)

Exhibit J-8

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Education Capital Projects</u>			
Contributions	\$	<u>1,349,000</u>	
Total Education Capital Projects			\$ <u>1,349,000</u>
Total General Capital Projects Fund			\$ 1,752,062
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Charges	\$	<u>20,841</u>	
Total Public Safety Projects			\$ <u>20,841</u>
Total Other Capital Projects Fund			<u>20,841</u>
Total Governmental Funds - Primary Government			<u>\$ 30,790,324</u>

Exhibit J-9

Lawrence County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	15,705,079	
Career Ladder Program		114,300	
Career Ladder Extended Contracts		27,912	
Homebound Teachers		15,930	
Educational Assistants		652,024	
Other Salaries and Wages		28,742	
Certified Substitute Teachers		30,906	
Non-certified Substitute Teachers		168,811	
Social Security		983,172	
State Retirement		1,478,287	
Medical Insurance		2,470,409	
Unemployment Compensation		21,882	
Employer Medicare		231,131	
Other Fringe Benefits		381,683	
Other Contracted Services		1,374	
Instructional Supplies and Materials		455,820	
Textbooks		145,738	
Other Supplies and Materials		12,351	
Regular Instruction Equipment		406,277	
Total Regular Instruction Program			\$ 23,331,828

Alternative Instruction Program

Teachers	\$	84,081	
Educational Assistants		40,496	
Social Security		6,666	
State Retirement		11,092	
Medical Insurance		26,677	
Employer Medicare		1,634	
Other Fringe Benefits		3,663	
Instructional Supplies and Materials		397	
Other Supplies and Materials		364	
Other Charges		247	
Total Alternative Instruction Program			175,317

Special Education Program

Teachers	\$	947,528	
Career Ladder Program		9,000	
Career Ladder Extended Contracts		3,279	
Homebound Teachers		15,112	
Educational Assistants		615,809	
Speech Pathologist		195,256	
Other Salaries and Wages		27,233	
Certified Substitute Teachers		2,014	
Non-certified Substitute Teachers		37,436	
Social Security		107,117	
State Retirement		161,910	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	330,618	
Employer Medicare		25,287	
Other Fringe Benefits		40,058	
Contracts with Private Agencies		36,000	
Maintenance and Repair Services - Equipment		2,198	
Instructional Supplies and Materials		12,596	
Other Supplies and Materials		2,325	
Total Special Education Program			\$ 2,570,776

Vocational Education Program

Teachers	\$	1,405,877	
Career Ladder Program		7,000	
Certified Substitute Teachers		2,142	
Non-certified Substitute Teachers		21,650	
Social Security		84,811	
State Retirement		127,354	
Medical Insurance		225,891	
Employer Medicare		19,917	
Other Fringe Benefits		22,916	
Contracts with Other School Systems		194,316	
Maintenance and Repair Services - Equipment		2,261	
Other Contracted Services		4,654	
Instructional Supplies and Materials		44,821	
Textbooks		1,950	
Other Supplies and Materials		2,256	
Vocational Instruction Equipment		26,228	
Total Vocational Education Program			2,194,044

Student Body Education Program

Other Equipment	\$	3,153	
Total Student Body Education Program			3,153

Adult Education Program

Teachers	\$	89,943	
Social Security		4,715	
State Retirement		4,866	
Employer Medicare		1,304	
Other Supplies and Materials		2,301	
Total Adult Education Program			103,129

Support Services

Attendance

Supervisor/Director	\$	36,633	
Employer Medicare		531	
Travel		226	
Other Contracted Services		10,216	
Total Attendance			47,606

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Medical Personnel	\$	313,610	
Other Salaries and Wages		91,581	
Social Security		23,041	
State Retirement		35,309	
Medical Insurance		82,666	
Employer Medicare		5,389	
Other Fringe Benefits		13,287	
Maintenance and Repair Services - Equipment		891	
Postal Charges		600	
Travel		1,857	
Other Contracted Services		900	
Drugs and Medical Supplies		5,992	
Other Supplies and Materials		251	
In Service/Staff Development		409	
Other Charges		126	
Health Equipment		8,946	
Total Health Services			\$ 584,855

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		740,283	
Career Ladder Extended Contracts		500	
Social Workers		19,563	
Clerical Personnel		28,971	
Social Security		47,088	
State Retirement		71,746	
Medical Insurance		102,574	
Employer Medicare		11,013	
Other Fringe Benefits		11,986	
Evaluation and Testing		41,419	
Postal Charges		400	
Travel		690	
Other Supplies and Materials		4,068	
In Service/Staff Development		6,901	
Other Charges		2,059	
Total Other Student Support			1,091,261

Regular Instruction Program

Supervisor/Director	\$	251,217	
Career Ladder Program		6,700	
Career Ladder Extended Contracts		4,000	
Librarians		572,779	
Instructional Computer Personnel		63,895	
Other Salaries and Wages		77,008	
Social Security		58,170	
State Retirement		88,775	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	143,735	
Employer Medicare		13,604	
Other Fringe Benefits		12,831	
Travel		12,672	
Other Contracted Services		68,667	
Other Supplies and Materials		43,654	
In Service/Staff Development		43,822	
Other Charges		3,847	
Other Equipment		32,800	
Total Regular Instruction Program			\$ 1,498,176

Alternative Instruction Program

Travel	\$	1,318	
Other Contracted Services		1,780	
In Service/Staff Development		349	
Total Alternative Instruction Program			3,447

Special Education Program

Supervisor/Director	\$	126,637	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Other Salaries and Wages		269	
Social Security		7,742	
State Retirement		11,900	
Medical Insurance		16,207	
Employer Medicare		1,811	
Other Fringe Benefits		1,347	
Travel		7,743	
Other Contracted Services		144,290	
Other Supplies and Materials		8,919	
In Service/Staff Development		3,108	
Total Special Education Program			334,973

Vocational Education Program

Supervisor/Director	\$	33,085	
Social Security		1,911	
State Retirement		2,991	
Medical Insurance		4,481	
Employer Medicare		447	
Other Fringe Benefits		1,392	
Travel		19,292	
In Service/Staff Development		65	
Total Vocational Education Program			63,664

Adult Programs

Clerical Personnel	\$	1,000	
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(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Other Salaries and Wages	\$	40,925	
Social Security		2,297	
State Retirement		4,096	
Medical Insurance		11,123	
Employer Medicare		537	
Other Fringe Benefits		1,917	
Travel		1,224	
Other Contracted Services		501	
Other Supplies and Materials		1,514	
In Service/Staff Development		5,904	
Other Equipment		4,630	
Total Adult Programs			\$ 75,668

Other Programs

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

Board of Education

Secretary to Board	\$	2,400	
Board and Committee Members Fees		21,600	
Social Security		1,339	
State Retirement		703	
Medical Insurance		355,694	
Employer Medicare		348	
Audit Services		14,935	
Dues and Memberships		19,719	
Legal Services		65,007	
Travel		4,774	
Other Contracted Services		4,816	
Other Supplies and Materials		430	
Liability Insurance		38,938	
Trustee's Commission		242,201	
Workers' Compensation Insurance		460,528	
Other Charges		10,388	
Total Board of Education			1,243,820

Director of Schools

County Official/Administrative Officer	\$	125,687	
Secretary(ies)		32,198	
Social Security		9,611	
State Retirement		14,508	
Medical Insurance		12,840	
Employer Medicare		2,280	
Other Fringe Benefits		1,780	
Communication		81,572	
Dues and Memberships		9,750	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Maintenance and Repair Services - Equipment	\$	6,801	
Postal Charges		9,133	
Travel		4,425	
Other Contracted Services		2,000	
Office Supplies		7,932	
Other Supplies and Materials		2,460	
Other Charges		1,901	
Total Director of Schools			\$ 324,878

Office of the Principal

Principals	\$	821,837	
Career Ladder Program		9,000	
Assistant Principals		1,041,593	
Secretary(ies)		522,405	
Social Security		144,230	
State Retirement		220,309	
Medical Insurance		290,270	
Employer Medicare		33,731	
Other Fringe Benefits		33,328	
Contributions		276,766	
Dues and Memberships		10,367	
Travel		108	
Other Contracted Services		8,396	
Other Supplies and Materials		7,578	
Other Charges		18,170	
Total Office of the Principal			3,438,088

Fiscal Services

Supervisor/Director	\$	66,569	
Accountants/Bookkeepers		102,682	
Social Security		10,251	
State Retirement		16,536	
Medical Insurance		19,584	
Employer Medicare		2,397	
Other Fringe Benefits		1,217	
Data Processing Services		23,954	
Travel		735	
Data Processing Supplies		2,386	
Other Charges		845	
Total Fiscal Services			247,156

Human Services/Personnel

Supervisor/Director	\$	74,741	
Career Ladder Extended Contracts		2,000	
Secretary(ies)		30,223	
Social Security		6,066	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

State Retirement	\$	9,890	
Medical Insurance		15,798	
Employer Medicare		1,419	
Other Fringe Benefits		609	
Travel		782	
In Service/Staff Development		250	
Total Human Services/Personnel			\$ 141,778

Operation of Plant

Custodial Personnel	\$	690,799	
Other Salaries and Wages		230,476	
Social Security		54,492	
State Retirement		81,239	
Medical Insurance		208,892	
Employer Medicare		12,768	
Other Fringe Benefits		21,985	
Laundry Service		10,508	
Travel		7,256	
Disposal Fees		29,540	
Other Contracted Services		263,233	
Custodial Supplies		105,219	
Electricity		1,226,865	
Natural Gas		143,480	
Water and Sewer		216,559	
Other Supplies and Materials		7,384	
Building and Contents Insurance		132,213	
Other Charges		600	
Plant Operation Equipment		3,984	
Total Operation of Plant			3,447,492

Maintenance of Plant

Supervisor/Director	\$	53,769	
Other Salaries and Wages		357,395	
Social Security		24,634	
State Retirement		40,171	
Medical Insurance		54,951	
Employer Medicare		5,761	
Other Fringe Benefits		5,523	
Laundry Service		3,637	
Maintenance and Repair Services - Buildings		8,260	
Maintenance and Repair Services - Equipment		30,794	
Travel		202	
Other Contracted Services		83,386	
Other Supplies and Materials		418,555	
In Service/Staff Development		1,603	
Other Charges		244	
Maintenance Equipment		5,400	
Total Maintenance of Plant			1,094,285

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	53,769	
Mechanic(s)		203,062	
Bus Drivers		845,370	
Clerical Personnel		28,338	
Other Salaries and Wages		59,090	
Social Security		68,787	
State Retirement		98,371	
Medical Insurance		317,916	
Unemployment Compensation		2,947	
Employer Medicare		16,262	
Other Fringe Benefits		35,710	
Communication		3,900	
Contracts with Parents		6,204	
Laundry Service		3,178	
Maintenance and Repair Services - Equipment		78	
Medical and Dental Services		3,255	
Travel		12,032	
Other Contracted Services		32,404	
Diesel Fuel		259,801	
Gasoline		40,045	
Tires and Tubes		58,488	
Vehicle Parts		139,615	
Other Supplies and Materials		8,156	
Vehicle and Equipment Insurance		79,221	
In Service/Staff Development		712	
Other Charges		764	
Total Transportation			\$ 2,377,475

Central and Other

Other Salaries and Wages	\$	35,441	
Social Security		2,185	
State Retirement		3,462	
Medical Insurance		4,740	
Employer Medicare		511	
Other Fringe Benefits		609	
Other Contracted Services		87,147	
Other Supplies and Materials		7,097	
Total Central and Other			141,192

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	32,764	
Teachers		74,417	
Career Ladder Program		1,000	
Educational Assistants		10,441	
Other Salaries and Wages		40,253	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Social Security	\$	9,471	
State Retirement		14,402	
Medical Insurance		6,603	
Employer Medicare		2,215	
Other Fringe Benefits		388	
Travel		1,465	
Other Contracted Services		4,094	
Instructional Supplies and Materials		7,497	
Other Supplies and Materials		26,016	
In Service/Staff Development		9,050	
Other Charges		5,012	
Total Community Services			\$ 245,088

Early Childhood Education

Supervisor/Director	\$	57,304	
Teachers		459,592	
Career Ladder Program		1,000	
Clerical Personnel		20,473	
Educational Assistants		165,047	
Certified Substitute Teachers		816	
Non-certified Substitute Teachers		10,822	
Social Security		40,859	
State Retirement		63,750	
Medical Insurance		133,243	
Employer Medicare		9,570	
Other Fringe Benefits		6,389	
Communication		2,320	
Operating Lease Payments		45,000	
Maintenance and Repair Services - Equipment		1,733	
Travel		113	
Other Contracted Services		2,395	
Instructional Supplies and Materials		16,231	
Other Supplies and Materials		21,324	
In Service/Staff Development		856	
Other Charges		6,914	
Regular Instruction Equipment		12,735	
Other Equipment		2,600	
Total Early Childhood Education			1,081,086

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	107,541	
Total Regular Capital Outlay			107,541

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

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

Total General Purpose School Fund \$ 46,599,429

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 812,760	
Educational Assistants	158,123	
Certified Substitute Teachers	2,907	
Non-certified Substitute Teachers	15,122	
Social Security	58,523	
State Retirement	80,035	
Medical Insurance	156,475	
Employer Medicare	13,691	
Other Fringe Benefits	15,414	
Instructional Supplies and Materials	107,646	
Other Supplies and Materials	2,466	
Regular Instruction Equipment	35,759	
Total Regular Instruction Program		\$ 1,458,921

Special Education Program

Teachers	\$ 428,319	
Educational Assistants	244,565	
Speech Pathologist	46,298	
Certified Substitute Teachers	1,224	
Non-certified Substitute Teachers	31,340	
Social Security	43,729	
State Retirement	66,405	
Medical Insurance	151,604	
Employer Medicare	10,239	
Other Fringe Benefits	22,094	
Instructional Supplies and Materials	1,056	
Other Supplies and Materials	1,126	
Total Special Education Program		1,047,999

Vocational Education Program

Teachers	\$ 1,909	
Social Security	118	
State Retirement	173	
Employer Medicare	28	
Other Supplies and Materials	15,968	
Vocational Instruction Equipment	45,782	
Total Vocational Education Program		63,978

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services

Health Services

Medical Personnel	\$	31,730	
Social Security		1,698	
State Retirement		1,978	
Medical Insurance		10,252	
Employer Medicare		397	
Other Fringe Benefits		979	
Total Health Services			\$ 47,034

Other Student Support

Social Workers	\$	59,944	
Social Security		3,717	
State Retirement		5,419	
Medical Insurance		4,926	
Employer Medicare		869	
Other Fringe Benefits		609	
Travel		36,831	
Other Contracted Services		13,799	
Other Charges		19,321	
Total Other Student Support			145,435

Regular Instruction Program

Other Salaries and Wages	\$	572,254	
Social Security		31,839	
State Retirement		48,683	
Medical Insurance		81,768	
Employer Medicare		7,873	
Other Fringe Benefits		8,282	
Travel		420	
Other Supplies and Materials		4,598	
In Service/Staff Development		41,879	
Other Charges		230	
Total Regular Instruction Program			797,826

Special Education Program

Psychological Personnel	\$	110,548	
Clerical Personnel		31,323	
Other Salaries and Wages		82,433	
Social Security		13,526	
State Retirement		20,506	
Medical Insurance		27,117	
Employer Medicare		3,163	
Other Fringe Benefits		4,306	
Travel		1,356	
Other Contracted Services		48,615	
Other Supplies and Materials		3,373	
Total Special Education Program			346,266

Total School Federal Projects Fund \$ 3,907,459

(Continued)

Exhibit J-9

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	64,896	
Accountants/Bookkeepers		33,679	
Cafeteria Personnel		1,185,612	
Social Security		76,130	
State Retirement		80,539	
Medical Insurance		242,519	
Unemployment Compensation		1,825	
Employer Medicare		17,812	
Other Fringe Benefits		36,556	
Maintenance and Repair Services - Equipment		100,756	
Transportation - Other than Students		21,076	
Travel		2,575	
Other Contracted Services		36,457	
Food Supplies		1,525,582	
Office Supplies		4,393	
Utilities		15,764	
USDA - Commodities		273,664	
Other Supplies and Materials		135,953	
In Service/Staff Development		863	
Other Charges		420	
Food Service Equipment		40,924	
Total Food Service			\$ 3,897,995

Total Central Cafeteria Fund \$ 3,897,995

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	103,985	
Social Security		6,437	
State Retirement		9,145	
Employer Medicare		1,508	
Travel		1,917	
Other Supplies and Materials		10,253	
Trustee's Commission		1,406	
Total Community Services			\$ 134,651

Total Extended School Program Fund 134,651

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	253,428	
Engineering Services		22,400	
Building Construction		267,119	
Land		604,079	
Total Education Capital Projects			\$ 1,147,026

Total Education Capital Projects Fund 1,147,026

Total Governmental Funds - Lawrence County School Department \$ 55,686,560

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, 2015

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 4,407,534
Total Cash Receipts	<u>\$ 4,407,534</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 4,363,459
Trustee's Commission	<u>44,075</u>
Total Cash Disbursements	<u>\$ 4,407,534</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash, July 1, 2014	<u>0</u>
Cash, June 30, 2015	<u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance With *Government Auditing Standards***

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements, and have issued our report thereon dated February 11, 2016. Our report includes a reference to other auditors who audited the financial statements of the discretely presented 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 of the financial statements, we considered Lawrence County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lawrence County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lawrence County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be

prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2015-001.

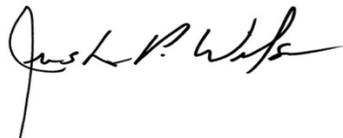
### **Lawrence County's Response to the Finding**

Lawrence County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Lawrence County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lawrence County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 11, 2016

JPW/yu



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
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PHONE (615) 401-7841

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Lawrence County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lawrence County's major federal programs for the year ended June 30, 2015. Lawrence County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Lawrence County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

*Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lawrence County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lawrence County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Lawrence County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of Lawrence County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lawrence County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lawrence County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we

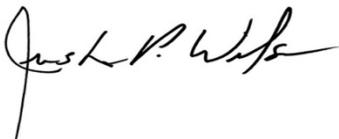
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements. We issued our report thereon dated February 11, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 11, 2016

JPW/yu

Lawrence County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2015

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	273,664 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	711,884
National School Lunch Program	10.555	N/A	1,989,540 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	25,672
Passed-through State Department of Human Services:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	N/A	13,983
Child and Adult Care Food Program	10.558	N/A	12,507
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	16,000
Total U.S. Department of Agriculture			\$ 3,043,250
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	(2)	\$ 30,680
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(2)	1,500
Total U.S. Department of Housing and Urban Development			\$ 32,180
U.S. Department of Justice:			
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	\$ 57,271
Total U.S. Department of Justice			\$ 57,271
Institute of Museum and Library Services:			
Passed through Tennessee Secretary of State:			
Grants to States	45.310	(2)	\$ 1,062
Total Institute of Museum and Library Services			\$ 1,062
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 129,988
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,802,038
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,452,793
Special Education - Preschool Grants	84.173	N/A	34,481
Career and Technical Education - Basic Grants to States	84.048	N/A	114,608
Twenty-first Century Community Learning Centers	84.287	(2)	91,111
Rural Education	84.358	N/A	163,694
English Language Acquisition Grants	84.365	N/A	3,340
Improving Teacher Quality State Grants	84.367	N/A	224,345
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	180,080
Total U.S. Department of Education			\$ 4,196,478

(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 Health and Human Services:			
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	(2)	\$ 33,165
Total U.S. Department of Health and Human Services			\$ 33,165
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	\$ 155,216
Homeland Security Grant Program	97.067	(2)	20,842
Total U.S. Department of Homeland Security			\$ 176,058
Total Expenditures of Federal Awards			\$ 7,539,464
<u>State Grants</u>			
		Contract Number	
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Military	N/A	(2)	\$ 24,906
Recycling Hub and Spoke Grant - State Department of Environment and Conservation	N/A	(2)	49,225
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	43,330
Coordinated School Health - State Department of Education	N/A	(2)	100,000
Early Childhood Education - State Department of Education	N/A	(2)	1,190,458
Family Resources Center - State Department of Education	N/A	(2)	29,506
Health Department Programs - State Department of Health	N/A	(2)	279,095
Internet Connectivity - State Department of Education	N/A	(2)	19,386
Litter Grant - State Department of Transportation	N/A	(2)	49,200
Lottery for Education - Afterschool Program - State Department of Education	N/A	(2)	102,360
Safe Schools - State Department of Education	N/A	(2)	128,360
Student Ticket Subsidy - Tennessee Arts Commission	N/A	(2)	2,000
Three Star Technology Grant - State Department of Economic and Community Development	N/A	(2)	26,595
Juvenile Justice State Supplement - State Commission on Children and Youth	N/A	(2)	18,000
Grants to States - State Department Secretary of State	N/A	(2)	423
Total State Grants			\$ 2,062,844

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$2,263,204.

Lawrence County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2015

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below is a finding from the Annual Financial Report for Lawrence County, Tennessee, for the year ended June 30, 2014, which has not been corrected.

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-002	171	Circuit, General Sessions, and Juvenile Courts did not prepare execution docket trial balances

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**LAWRENCE COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2015**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Lawrence County is unmodified.
2. The audit of the financial statements of Lawrence County reported no significant deficiencies in internal control.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Lawrence County.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Title I Grants to Local Educational Agencies (CFDA No. 84.010); and State Fiscal Stabilization Funds – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Lawrence County qualified as a low-risk auditee.

## **PART II, A FINDING RELATED TO THE FINANCIAL STATEMENTS**

A finding and recommendation, as a result of our examination, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. The circuit, general sessions, and juvenile courts clerk provided a written response to the finding, which is paraphrased in this report.

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

#### **FINDING 2015-001**

#### **EXECUTION DOCKET TRIAL BALANCES WERE NOT PREPARED FOR CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS**

(Noncompliance Under *Government Auditing Standards*)

Execution docket cause balances were not prepared for Circuit, General Sessions, and Juvenile Courts as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. Consequently, we were unable to reconcile cash journal accounts with cause balances. Furthermore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, *TCA*. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. Cash journals in Circuit, General Sessions, and Juvenile Courts reflected court funds of \$103,164, \$80,252, and \$9,284, respectively, at June 30, 2015, that we were unable to identify. This deficiency exists due to the failure of management to take corrective action for the finding reported in the prior-year audit report.

#### **RECOMMENDATION**

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

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

This is an inherited finding from previous clerks and my office is working very hard to correct this finding. Since June 30, 2015, funds have been identified in Juvenile and Circuit Courts and those general ledger holding accounts now balance with the execution docket trial balance. I hope to have the General Sessions Court completed by June 30, 2016.

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

There were no findings and questioned costs for federal awards.

## **BEST PRACTICE**

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

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

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

Lawrence County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Lawrence County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

**LAWRENCE COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2015**

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