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# ANNUAL FINANCIAL REPORT

## LAWRENCE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2008



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**ANNUAL FINANCIAL REPORT**  
**LAWRENCE COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2008**

***DEPARTMENT OF AUDIT***  
***JUSTIN P. WILSON***  
***Comptroller of the Treasury***

***DIVISION OF COUNTY AUDIT***  
***RICHARD V. NORMENT***  
***Assistant to the Comptroller***

***JAMES R. ARNETTE***  
***Director***

***JEFF BAILEY, CPA, CGFM, CFE***  
***Audit Manager***

***KENT WHITE, CPA, CGFM, CFE***  
***Auditor 4***

***RHONDA DAVIS, CFE***  
***PATTY VARGO, CFE***  
***DONYA WADE, CFE***  
***MARK HARVILL***  
***NATHAN ABBOTT, CISA, CFE***  
***State Auditors***

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

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## LAWRENCE COUNTY, TENNESSEE TABLE OF CONTENTS

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	Exhibit	Page(s)
Audit Highlights		9-10
<u>INTRODUCTORY SECTION</u>		11
Lawrence County Officials		13
<u>FINANCIAL SECTION</u>		15
Independent Auditor's Report		17-19
BASIC FINANCIAL STATEMENTS:		21
Government-wide Financial Statements:		
Statement of Net Assets	A	23-24
Statement of Activities	B	25-26
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	27-28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	29
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	30-31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	32
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	33
Notes to the Financial Statements		35-74
REQUIRED SUPPLEMENTARY INFORMATION:		75
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	E-1	77-80
Highway/Public Works Fund	E-2	81
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Lawrence County Emergency Communications District	E-3	82
Schedule of Funding Progress – Other Postemployment Benefits Plan – Discretely Presented Lawrence County School Department	E-4	83

	Exhibit	Page(s)
Notes to the Required Supplementary Information		85
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		87
Nonmajor Governmental Funds:		89-90
Combining Balance Sheet	F-1	91-92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	93-94
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	F-3	95
Public Library Fund	F-4	96
Solid Waste/Sanitation Fund	F-5	97
Industrial/Economic Development Fund	F-6	98
Drug Control Fund	F-7	99
Highway Capital Projects Fund	F-8	100
Homeland Security Capital Projects Fund	F-9	101
Major Governmental Funds:		103
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget:		
General Debt Service Fund	G-1	105
General Capital Projects Fund	G-2	106
Fiduciary Funds:		107
Combining Statement of Fiduciary Assets and Liabilities	H-1	109
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	110
Component Unit:		
Discretely Presented Lawrence County School Department:		111
Statement of Activities	I-1	113
Balance Sheet – Governmental Funds	I-2	114
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	I-3	115
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	116
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	117
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	119
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	120-122
School Federal Projects Fund	I-9	123

	Exhibit	Page(s)
Central Cafeteria Fund	I-10	124
Extended School Program Fund	I-11	125
Miscellaneous Schedules:		127
Schedule of Changes in Long-term Notes and Bonds	J-1	129
Schedule of Long-term Debt Requirements by Year	J-2	130
Schedule of Notes Receivable	J-3	131
Schedule of Transfers – Primary Government and Discretely Presented Lawrence County School Department	J-4	132
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Lawrence County School Department	J-5	133
Schedule of Detailed Revenues – All Governmental Fund Types	J-6	134-145
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Lawrence County School Department	J-7	146-148
Schedule of Detailed Expenditures – All Governmental Fund Types	J-8	149-178
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Lawrence County School Department	J-9	179-192
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-10	193
 <u>SINGLE AUDIT SECTION</u>		 195
Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		197-199
Auditor’s Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		201-203
Schedule of Expenditures of Federal Awards and State Grants		205-206
Schedule of Audit Findings Not Corrected		207
Schedule of Findings and Questioned Costs		209-216
Auditee Reporting Responsibilities		217

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# ***Audit Highlights***

Annual Financial Report  
Lawrence County, Tennessee  
For the Year Ended June 30, 2008

## ***Scope***

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2008.

## ***Results***

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

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

## ***Findings***

The following are summaries of the audit findings:

### **AMBULANCE SERVICE DEPARTMENT**

- ◆ The department had deficiencies in computer system backup procedures.

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

- ◆ Execution docket cause balances were not prepared for circuit, general sessions, and juvenile courts as required by state statute.
- ◆ The office did not review software audit logs.

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### **OFFICE OF REGISTER**

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

## **OFFICE OF SHERIFF**

- ◆ The office had several accounting deficiencies.
- ◆ The office used confidential funds to pay nonconfidential expenditures.
- ◆ The office had deficiencies in the administration of seized property.
- ◆ The office had deficiencies in the administration of the work release program.

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## INTRODUCTORY SECTION

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# Lawrence County Officials

## June 30, 2008

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### **Officials**

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

### **Board of County Commissioners**

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

### **Board of Education**

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

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## FINANCIAL SECTION

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

**INDEPENDENT AUDITOR'S REPORT**

April 23, 2009

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

To the County Executive and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2008, which collectively comprise Lawrence County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lawrence County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lawrence County Emergency Communications District, which represent two percent of both the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented Lawrence County Emergency Communications District, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of June 30, 2008, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 23, 2009, on our consideration of Lawrence County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Lawrence County has adopted the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures.

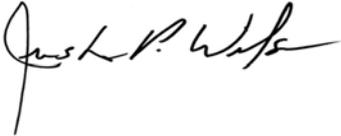
The management of Lawrence County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

The budgetary comparison, pension, and other postemployment benefits information on pages 77 through 85 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke on the left side.

Justin P. Wilson  
Comptroller of the Treasury

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Lawrence County, Tennessee  
Statement of Net Assets  
June 30, 2008

	Primary Governmental Activities	Component Units	
		Lawrence County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 242,198	\$ 106,014	\$ 264,361
Equity in Pooled Cash and Investments	22,775,514	6,889,358	0
Inventories	0	154,071	0
Accounts Receivable	2,118,980	5,457	63,680
Allowance for Uncollectibles	(830,660)	0	0
Due from Other Governments	748,884	1,592,492	0
Due from Component Units	314,516	0	0
Property Taxes Receivable	10,300,917	6,072,119	0
Allowance for Uncollectible Property Taxes	(255,978)	(150,893)	0
Prepaid Items	840	0	25,607
Notes Receivable	147,825	0	0
Deferred Charges - Debt Issuance Costs	435,235	0	2,955
Capital Assets:			
Assets Not Depreciated:			
Land	985,453	676,454	0
Construction in Progress	5,792,596	3,813,534	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	5,576,217	36,219,266	565,389
Infrastructure	42,793,866	0	0
Other Capital Assets	2,748,092	3,941,704	310,688
Total Assets	<u>\$ 93,894,495</u>	<u>\$ 59,319,576</u>	<u>\$ 1,232,680</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 710,939	\$ 84,300	\$ 6,333
Accrued Payroll	0	0	4,940
Payroll Deductions Payable	132	1,426,788	0
Contracts Payable	847,916	0	0
Retainage Payable	114,722	322,465	0
Accrued Interest Payable	404,495	0	0
Due to Primary Government	0	314,516	0
Due to State of Tennessee	11,753	0	0
Deferred Revenue - Current Property Taxes	9,389,057	5,534,602	0
Noncurrent Liabilities:			
Due Within One Year	4,224,046	42,566	93,390
Due in More Than One Year (net of unamortized discounts on debt)	56,565,429	1,660,366	359,948
Total Liabilities	<u>\$ 72,268,489</u>	<u>\$ 9,385,603</u>	<u>\$ 464,611</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Lawrence County School Department	Emergency Communica- tions District
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 38,050,556	\$ 0	\$ 482,112
Invested in Capital Assets	0	44,650,958	0
Restricted for:			
Solid Waste/Sanitation	736,202	0	0
Highway/Public Works	1,077,893	0	0
Debt Service	4,696,401	0	0
Industrial/Economic Development	234,807	0	0
Courthouse and Jail Maintenance	210,979	0	0
Alcohol and Drug Treatment	128,429	0	0
Food Service	0	907,195	0
Capital Projects	0	574,925	0
Basic Education Program	0	268,115	0
Public Library	84,627	0	0
Library Endowment	75,799	0	0
Drug Control	57,043	0	0
Other Purposes	45,022	141,457	0
Unrestricted	<u>(23,771,752)</u>	<u>3,391,323</u>	<u>285,957</u>
Total Net Assets	<u>\$ 21,626,006</u>	<u>\$ 49,933,973</u>	<u>\$ 768,069</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, 2008

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Primary Government		Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Lawrence County School Department	Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 1,198,769	\$ 377,739	\$ 21,254	\$ 0	\$ (799,776)	\$ 0	\$ 0
Finance	1,091,931	926,156	14,396	0	(151,379)	0	0
Administration of Justice	1,162,705	702,944	9,300	64,775	(385,686)	0	0
Public Safety	5,778,911	392,497	361,214	0	(5,025,200)	0	0
Public Health and Welfare	4,696,164	3,308,470	241,788	0	(1,145,906)	0	0
Social, Cultural, and Recreational Services	375,148	15,954	75,058	0	(284,136)	0	0
Agriculture and Natural Resources	165,551	0	8,415	0	(157,136)	0	0
Other Operations	822,466	0	0	475,300	(347,166)	0	0
Highways/Public Works	6,013,753	8,481	2,108,233	296,363	(3,600,676)	0	0
Education	811,586	0	0	0	(811,586)	0	0
Interest on Long-term Debt	2,015,315	0	0	0	(2,015,315)	0	0
Other Debt Service	87,054	0	300,000	0	212,946	0	0
Total Primary Government	\$ 24,219,353	\$ 5,732,241	\$ 3,139,658	\$ 836,438	\$ (14,511,016)	\$ 0	\$ 0
Component Units:							
Lawrence County School Department	\$ 51,171,194	\$ 1,696,877	\$ 5,951,489	\$ 1,199,399	\$ 0	\$ (42,323,429)	\$ 0
Emergency Communications District	1,105,193	571,723	574,239	37,598	0	0	78,367
Total Component Units	\$ 52,276,387	\$ 2,268,600	\$ 6,525,728	\$ 1,236,997	\$ 0	\$ (42,323,429)	\$ 78,367

(Continued)

Exhibit B

Lawrence County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues			Component Units		
	Expenses	Changes for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	
					Governmental Activities	Lawrence County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes		\$ 7,489,968			\$ 5,562,231	\$ 0
Property Taxes Levied for Debt Service		1,936,096			0	0
Local Option Sales Taxes		1,327,944			4,215,032	0
Hotel/Motel Tax		82,039			0	0
Wheel Tax		899,972			0	0
Litigation Tax - General		100,581			0	0
Litigation Tax - Jail, Workhouse, or Courthouse		78,035			0	0
Business Tax		258,660			0	0
Mineral Severance Tax		97,333			0	0
Wholesale Beer Tax		77,408			0	0
Other Local Taxes		46,533			5,104	0
Grants and Contributions Not Restricted to Specific Programs		1,181,927			30,667,578	0
Unrestricted Investment Earnings		894,260			37,394	848
Rental Income		0			33,602	0
E-Rate Funding		0			45,188	0
Miscellaneous		102,758			51,056	0
Insurance Recoveries		30,397			0	0
Loss on Disposal of Capital Assets		(62,012)			0	0
Total General Revenues		\$ 14,541,899			\$ 40,617,185	\$ 848
Change in Net Assets		\$ 30,883			\$ (1,706,244)	\$ 79,215
Net Assets, July 1, 2007		21,595,123			51,640,217	688,854
Net Assets, June 30, 2008		21,626,006			49,933,973	768,069

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

Lawrence County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2008

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
\$	300	0	0	104,083	137,815		242,198
Equity in Pooled Cash and Investments	2,704,022	996,886	4,417,373	12,461,697	2,195,536		22,775,514
Accounts Receivable	1,304,429	0	81,053	0	733,498		2,118,980
Allowance for Uncollectibles	(445,995)	0	0	0	(384,665)		(830,660)
Due from Other Governments	171,083	394,106	167,842	0	15,853		748,884
Due from Other Funds	75,020	0	0	0	771		75,791
Due from Component Units	14,516	0	300,000	0	0		314,516
Property Taxes Receivable	6,722,703	1,463,815	2,114,399	0	0		10,300,917
Allowance for Uncollectible Property Taxes	(167,059)	(36,376)	(52,543)	0	0		(255,978)
Prepaid Items	840	0	0	0	0		840
Notes Receivable - Long-term	0	0	0	0	147,825		147,825
Total Assets	\$ 10,379,859	\$ 2,818,431	\$ 7,028,124	\$ 12,565,780	\$ 2,846,633	\$	\$ 35,638,827

ASSETS

Cash	300
Equity in Pooled Cash and Investments	2,704,022
Accounts Receivable	1,304,429
Allowance for Uncollectibles	(445,995)
Due from Other Governments	171,083
Due from Other Funds	75,020
Due from Component Units	14,516
Property Taxes Receivable	6,722,703
Allowance for Uncollectible Property Taxes	(167,059)
Prepaid Items	840
Notes Receivable - Long-term	0

LIABILITIES AND FUND BALANCES

Liabilities		
Accounts Payable	89,501	710,939
Payroll Deductions Payable	54	132
Contracts Payable	0	847,916
Retainage Payable	0	114,722
Due to Other Funds	771	75,020
Due to State of Tennessee	11,753	11,753
Deferred Revenue - Current Property Taxes	6,127,595	1,927,228
Deferred Revenue - Delinquent Property Taxes	400,822	126,068
Other Deferred Revenues	731,066	86,787
Total Liabilities	\$ 7,361,562	\$ 2,140,083
	\$ 990,072	\$ 233,155
	\$ 1,002,280	\$ 12,766,755

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other		
					Other Governmental Funds	Governmental Funds	
<b>\$</b>	<b>1,864</b>	<b>0</b>	<b>0</b>	<b>10,838,227</b>	<b>8,000</b>	<b>0</b>	<b>10,848,091</b>
Reserved for Encumbrances	128,429	0	0	0	0	0	128,429
Reserved for Alcohol and Drug Treatment	186,084	0	0	0	0	0	186,084
Reserved for Courthouse and Jail Maintenance	3,594	0	0	0	0	0	3,594
Reserved for Computer System - Register	5,696	0	0	0	0	0	5,696
Reserved for Automation Purposes - Circuit Court	11,959	0	0	0	0	0	11,959
Reserved for Automation Purposes - General Sessions Court	1,856	0	0	0	0	0	1,856
Reserved for Automation Purposes - Juvenile Court	3,308	0	0	0	0	0	3,308
Reserved for Automation Purposes - Sheriff	0	0	0	0	147,825	0	147,825
Reserved for Long-term Notes Receivable	0	0	0	0	129,722	0	129,722
Reserved for Capital Outlay	0	0	0	0	2,236	0	2,236
Reserved for Other General Purposes	0	0	0	0	0	0	0
Unreserved, Reported In:							
General Fund	2,675,507	0	0	0	0	0	2,675,507
Special Revenue Funds	0	776,548	0	0	2,220,285	0	2,996,833
Debt Service Funds	0	0	4,888,041	0	0	0	4,888,041
Capital Projects Funds	0	0	0	737,481	29,611	0	767,092
Permanent Funds	0	0	0	0	75,799	0	75,799
<b>Total Fund Balances</b>	<b>\$ 3,018,297</b>	<b>\$ 776,548</b>	<b>\$ 4,888,041</b>	<b>\$ 11,575,708</b>	<b>\$ 2,613,478</b>	<b>\$ 22,872,072</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,379,859</b>	<b>\$ 2,818,431</b>	<b>\$ 7,028,124</b>	<b>\$ 12,565,780</b>	<b>\$ 2,846,633</b>	<b>\$ 35,638,827</b>	

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

Exhibit C-2

Lawrence County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
June 30, 2008

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 22,872,072
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 985,453	
Add: construction in progress	5,792,596	
Add: infrastructure net of accumulated depreciation	42,793,866	
Add: buildings and improvements net of accumulated depreciation	5,576,217	
Add: other capital assets net of accumulated depreciation	<u>2,748,092</u>	57,896,224
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (4,385,000)	
Less: bonds payable	(55,035,000)	
Add: deferred charges - debt issuance costs	435,235	
Add: deferred charges - discount on debt issues	85,988	
Less: compensated absences payable	(405,289)	
Less: landfill closure/postclosure care costs	(1,050,174)	
Less: accrued interest on bonds and notes	<u>(404,495)</u>	(60,758,735)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,616,445</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 21,626,006</u>

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

Lawrence County, Tennessee  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2008

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	General	Governmental Funds	Governmental Funds	
		Public Works	Debt Service	Capital Projects			
<b>Revenues</b>							
Local Taxes	\$ 6,856,140	\$ 1,394,974	\$ 4,399,954	\$ 0	\$ 11,870	\$ 12,662,938	
Licenses and Permits	30,302	0	0	0	0	30,302	
Fines, Forfeitures, and Penalties	126,342	0	0	0	115,147	241,489	
Charges for Current Services	1,311,854	0	0	0	2,221,329	3,533,183	
Other Local Revenues	899,364	54,201	90,000	1,228	272,921	1,317,714	
Fees Received from County Officials	975,088	0	0	0	0	975,088	
State of Tennessee	737,876	2,376,372	488,088	0	39,681	3,642,017	
Federal Government	39,507	56,054	0	0	774,622	870,183	
Other Governments and Citizens Groups	15,272	200,378	300,000	0	83,330	598,980	
<b>Total Revenues</b>	<b>\$ 10,991,745</b>	<b>\$ 4,081,979</b>	<b>\$ 5,278,042</b>	<b>\$ 1,228</b>	<b>\$ 3,518,900</b>	<b>\$ 23,871,894</b>	
<b>Expenditures</b>							
Current:							
General Government	\$ 1,018,846	\$ 0	\$ 0	\$ 0	\$ 173,957	\$ 1,192,803	
Finance	644,081	0	0	0	440,666	1,084,747	
Administration of Justice	1,158,160	0	0	0	29,299	1,187,459	
Public Safety	4,972,073	0	0	0	165,724	5,137,797	
Public Health and Welfare	2,071,339	0	0	0	1,760,841	3,832,180	
Social, Cultural, and Recreational Services	59,246	0	0	0	294,512	353,758	
Agriculture and Natural Resources	155,454	0	0	0	0	155,454	
Other Operations	861,731	0	0	0	58,265	919,996	
Highways	0	4,280,150	0	0	0	4,280,150	
Debt Service:							
Principal on Debt	0	0	4,645,000	0	0	4,645,000	
Interest on Debt	0	0	1,961,594	0	0	1,961,594	
Other Debt Service	0	0	73,753	0	0	73,753	
Capital Projects	0	0	0	6,698,466	1,419,358	8,117,824	
<b>Total Expenditures</b>	<b>\$ 10,940,930</b>	<b>\$ 4,280,150</b>	<b>\$ 6,680,347</b>	<b>\$ 6,698,466</b>	<b>\$ 4,342,622</b>	<b>\$ 32,942,515</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 50,815</b>	<b>\$ (198,171)</b>	<b>\$ (1,402,305)</b>	<b>\$ (6,697,238)</b>	<b>\$ (823,722)</b>	<b>\$ (9,070,621)</b>	

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 14,250,000	\$ 0	\$ 0	\$ 14,250,000
Insurance Recovery	30,397	0	0	0	0	0	30,397
Transfers In	5,000	0	1,110,000	0	548,558	0	1,663,558
Transfers Out	(218,558)	(115,000)	0	(1,330,000)	0	0	(1,663,558)
Total Other Financing Sources (Uses)	\$ (183,161)	\$ (115,000)	\$ 1,110,000	\$ 12,920,000	\$ 548,558	\$ 14,280,397	
Net Change in Fund Balances	\$ (132,346)	\$ (313,171)	\$ (292,305)	\$ 6,222,762	\$ (275,164)	\$ 5,209,776	
Fund Balance, July 1, 2007	3,150,643	1,089,719	5,180,346	5,352,946	2,888,642	17,662,296	
Fund Balance, June 30, 2008	\$ 3,018,297	\$ 776,548	\$ 4,888,041	\$ 11,575,708	\$ 2,613,478	\$ 22,872,072	

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, 2008

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)		\$ 5,209,776
<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	\$ 7,596,409	
Less: current year depreciation expense	<u>(3,792,073)</u>	3,804,336
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.</p>		
Less: loss on disposal of capital assets		(62,012)
<p>(3) 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, 2008	\$ 1,616,445	
Less: deferred delinquent property taxes and other deferred June 30, 2007	<u>(1,206,488)</u>	409,957
<p>(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:</p>		
Less: bond proceeds	\$ (14,250,000)	
Add: change in deferred debt issuance costs	358,076	
Less: change in deferred discount on debt issuance	(3,755)	
Add: principal payments on bonds	2,835,000	
Add: principal payments on notes	<u>1,810,000</u>	(9,250,679)
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ (53,721)	
Change in compensated absences payable	(43,374)	
Change in landfill closure/postclosure care costs	<u>16,600</u>	<u>(80,495)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 30,883</u>

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

Exhibit D

Lawrence County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2008

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,434,315
Equity in Pooled Cash and Investments	54,510
Accounts Receivable	3,049
Due from Other Governments	<u>702,973</u>
Total Assets	<u>\$ 2,194,847</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 702,973
Due to Joint Ventures	54,379
Due to Litigants, Heirs, and Others	<u>1,437,495</u>
Total Liabilities	<u>\$ 2,194,847</u>

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

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**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2008**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

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

The Lawrence County School Department operates the public school system in the county, and the voters of Lawrence County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

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

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

Administrative Office:

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

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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 (\$500,000) were contributed by the county to the School Department during the year ended June 30, 2008.

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

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

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

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

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

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

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

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

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

Lawrence County reports the following major governmental funds:

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

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

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

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

Additionally, Lawrence County reports the following fund types:

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

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

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

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

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

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

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

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

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

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

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Lawrence

County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Lawrence County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

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

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

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

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

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

Retainage payable in the primary government's General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held in outside bank accounts as Cash (\$104,083) and by the county trustee as Equity in Pooled Cash and Investments (\$10,639) in the General Capital Projects Fund.

Retainage payable in the School Department's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held in outside bank accounts as Cash (\$104,735) and by the county trustee as Equity in Pooled Cash and Investments (\$217,730) in the nonmajor governmental funds.

### **3. Inventories and Prepaid Items**

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

### **4. Capital Assets**

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

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

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

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

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

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

**5. Compensated Absences**

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

It is the policy of the discretely presented Lawrence County School Department to permit central office and bus/building maintenance employees to earn vacation at the rate of 12 to 18 days per year, depending upon length of service and length of contract. The policy provides for employees to carry forward to the next year any unused annual days not to exceed 20 days. All vacation pay is accrued when

incurred in the government-wide financial statements for the School Department. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. Noncertified personnel earn one day of sick leave per month with unlimited accumulation. The granting of sick leave has no guaranteed payment attached and, therefore, is not required to be accrued or recorded.

## **6. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

## **7. Net Assets and Fund Equity**

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2008, Lawrence County had \$27,360,000 in outstanding debt for capital purposes for the discretely presented Lawrence County School Department. This debt is a liability of Lawrence County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Lawrence County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county’s capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2008:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Clean-up Lawrence County Program	\$ 7,399
Veteran's Service Transportation	1,718
Archives	984
General Capital Projects:	
Health Department	50,728
General Purpose School:	
Band Instruments	5,327
Knowledge Bowl	1,179
Materials Center	1,086
Childcare	1,071

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

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

**Primary Government**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

**Discretely Presented Lawrence County School Department**

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

**Primary Government**

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

**Discretely Presented Lawrence County School Department**

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

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the District Attorney General Fund (special revenue fund), the Constitutional Officers - Fees Fund (special revenue fund), and the Endowment Fund (permanent fund), which are not budgeted, and the School Department's Education Capital Projects Fund, which adopts a project length budget. All annual appropriations lapse at fiscal year end.

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

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

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

**B. Cash Shortage**

The Office of Sheriff had a cash shortage of \$120 on October 23, 2008, which had not been liquidated as of the date of this report. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

**Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least

105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

### **Investments**

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

The county had no pooled and nonpooled investments as of June 30, 2008.

### **B. Notes Receivable**

The Industrial/Economic Development Fund had a long-term note receivable of \$147,825 on June 30, 2008, from financing a project for the Lawrenceburg-Lawrence County Airport (Joint Venture) and is presented on the balance sheet with a reservation of fund balance.

### **C. Capital Assets**

Capital assets activity for the year ended June 30, 2008, was as follows:

## Primary Government

### Governmental Activities:

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 851,253	\$ 134,200	\$ 0	\$ 985,453
Construction in Progress	1,649,351	4,143,245	0	5,792,596
Total Capital Assets Not Depreciated	<u>\$ 2,500,604</u>	<u>\$ 4,277,445</u>	<u>\$ 0</u>	<u>\$ 6,778,049</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 6,240,454	\$ 1,565,800	\$ 0	\$ 7,806,254
Infrastructure	71,255,221	1,345,684	0	72,600,905
Other Capital Assets	7,487,051	407,480	225,648	7,668,883
Total Capital Assets Depreciated	<u>\$ 84,982,726</u>	<u>\$ 3,318,964</u>	<u>\$ 225,648</u>	<u>\$ 88,076,042</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,024,499	\$ 205,538	\$ 0	\$ 2,230,037
Infrastructure	26,905,150	2,901,889	0	29,807,039
Other Capital Assets	4,399,781	684,646	163,636	4,920,791
Total Accumulated Depreciation	<u>\$ 33,329,430</u>	<u>\$ 3,792,073</u>	<u>\$ 163,636</u>	<u>\$ 36,957,867</u>
Total Capital Assets Depreciated, Net	<u>\$ 51,653,296</u>	<u>\$ (473,109)</u>	<u>\$ 62,012</u>	<u>\$ 51,118,175</u>
Governmental Activities Capital Assets, Net	<u>\$ 54,153,900</u>	<u>\$ 3,804,336</u>	<u>\$ 62,012</u>	<u>\$ 57,896,224</u>

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

**Governmental Activities:**

General Government	\$	87,237
Finance		31,905
Administration of Justice		10,360
Public Safety		445,828
Public Health and Welfare		125,390
Social, Cultural, and Recreational Services		40,793
Agriculture and Natural Resources		1,265
Other Operations		128
Highways		<u>3,049,167</u>
Total Depreciation Expense- Governmental Activities	\$	<u><u>3,792,073</u></u>

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

	Balance 7-1-07	Increases	Balance 6-30-08
Capital Assets Not Depreciated:			
Land	\$ 676,454	\$ 0	\$ 676,454
Construction in Progress	<u>2,957,217</u>	<u>856,317</u>	<u>3,813,534</u>
Total Capital Assets Not Depreciated	<u>\$ 3,633,671</u>	<u>\$ 856,317</u>	<u>\$ 4,489,988</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 53,710,300	\$ 180,640	\$ 53,890,940
Other Capital Assets	<u>9,762,432</u>	<u>465,246</u>	<u>10,227,678</u>
Total Capital Assets Depreciated	<u>\$ 63,472,732</u>	<u>\$ 645,886</u>	<u>\$ 64,118,618</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 16,425,824	\$ 1,245,850	\$ 17,671,674
Other Capital Assets	<u>5,415,318</u>	<u>870,656</u>	<u>6,285,974</u>
Total Accumulated Depreciation	<u>\$ 21,841,142</u>	<u>\$ 2,116,506</u>	<u>\$ 23,957,648</u>
Total Capital Assets Depreciated, Net	<u>\$ 41,631,590</u>	<u>\$ (1,470,620)</u>	<u>\$ 40,160,970</u>
Governmental Activities Capital Assets, Net	<u>\$ 45,265,261</u>	<u>\$ (614,303)</u>	<u>\$ 44,650,958</u>

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

**Governmental Activities:**

Instruction	\$	1,117,576
Support Services		799,349
Operation of Non-Instructional Services		<u>199,581</u>
Total Depreciation Expense- Governmental Activities	<u>\$</u>	<u>2,116,506</u>

**D. Construction Commitments**

At June 30, 2008, Lawrence County had uncompleted construction contracts of approximately \$10,838,227 in the General Capital Projects Fund for construction of the county jail and renovations to the administrative office complex and the county archives building. Funding has been received for these future expenditures.

At June 30, 2008, the discretely presented Lawrence County School Department had uncompleted construction contracts of approximately \$508,244 for geothermal construction projects. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2008, is as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 75,020
Nonmajor governmental	General	771

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

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

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	General Purpose School	\$ 14,516
General Debt Service	General Purpose School	300,000

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2008, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	\$ 218,558
Highway/Public Works Fund	5,000	110,000	0
General Capital Projects Fund	0	1,000,000	330,000
<b>Total</b>	<b>\$ 5,000</b>	<b>\$ 1,110,000</b>	<b>\$ 548,558</b>

**Discretely Presented Lawrence County School Department**

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 511,351

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

The county made a one-time transfer of \$1,000,000 from the General Capital Projects Fund to the General Debt Service Fund to retire a capital outlay note.

The School Department made a one-time transfer of \$500,000 from the Education Capital Projects Fund to the General Purpose School Fund to purchase computers.

**F. Long-term Debt**

**Primary Government**

**General Obligation Bonds and Notes**

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 30 years for bonds and 12 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2008, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2008, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-08
General Obligation Bonds	2.2 to 4.85 %	\$ 35,590,000	\$ 33,265,000
General Obligation Bonds - Refunding	2.599 to 5.05	37,850,000	21,770,000
Capital Outlay Notes	1.55 to 4.125	6,425,000	3,595,000
Capital Outlay Notes - Refunding	2.74	2,195,000	790,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2008, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2009	\$ 2,930,000	\$ 2,035,752	\$ 4,965,752
2010	3,305,000	1,941,949	5,246,949
2011	3,420,000	1,824,493	5,244,493
2012	3,540,000	1,704,585	5,244,585
2013	3,665,000	1,582,438	5,247,438
2014-2018	13,040,000	6,294,918	19,334,918
2019-2023	9,125,000	4,198,814	13,323,814
2024-2028	7,675,000	2,494,141	10,169,141
2029-2033	5,085,000	1,235,592	6,320,592
2034-2037	3,250,000	344,600	3,594,600
Total	\$ 55,035,000	\$ 23,657,282	\$ 78,692,282

Year Ending June 30	Notes		
	Principal	Interest	Total
2009	\$ 845,000	\$ 152,283	\$ 997,283
2010	870,000	123,354	993,354
2011	755,000	93,295	848,295
2012	610,000	65,833	675,833
2013	635,000	41,922	676,922
2014	670,000	16,958	686,958
Total	\$ 4,385,000	\$ 493,645	\$ 4,878,645

There is \$4,888,041 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,378, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$1,488, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

##### Governmental Activities:

	Bonds	Notes
Balance, July 1, 2007	\$ 43,620,000	\$ 6,195,000
Additions	14,250,000	0
Deductions	(2,835,000)	(1,810,000)
Balance, June 30, 2008	\$ 55,035,000	\$ 4,385,000
Balance Due Within One Year	\$ 2,930,000	\$ 845,000

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2007	\$ 361,915	\$ 1,066,774
Additions	471,063	0
Deductions	(427,689)	(16,600)
Balance, June 30, 2008	<u>\$ 405,289</u>	<u>\$ 1,050,174</u>
Balance Due Within One Year	<u>\$ 405,289</u>	<u>\$ 43,757</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 60,875,463
Less: Due Within One Year	(4,224,046)
Less: Unamortized Discount on Debt	<u>(85,988)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 56,565,429</u>

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

Defeasance of Prior Debt

In prior years, Lawrence County defeased certain outstanding general obligation refunding bonds by placing the proceeds of new bonds into an irrevocable trust to provide for a portion of the future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2008, the following outstanding bonds are considered defeased:

	<u>Amount</u>
School Refunding Bonds, Series 2000	\$ 6,170,000
School Refunding Bonds, Series 2001	1,115,000

**Discretely Presented Lawrence County School Department**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Lawrence County School Department for the year ended June 30, 2008, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2007	\$ 43,537	\$ 0
Additions	53,775	2,152,000
Deductions	(54,746)	(491,634)
Balance, June 30, 2008	<u>\$ 42,566</u>	<u>\$ 1,660,366</u>
Balance Due Within One Year	<u>\$ 42,566</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 1,702,932
Less: Balance Due Within One Year	<u>(42,566)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,660,366</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lawrence County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2008, were \$127,485 and \$41,725, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

Lawrence County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General 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, 2008, was as follows:

	Balance 7-1-07	Issued	Paid	Balance 6-30-08
Tax Anticipation Notes	\$ 0	\$ 500,000	\$ (500,000)	\$ 0

V. **OTHER INFORMATION**

A. **Risk Management**

**Primary Government**

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

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

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

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

losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

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

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

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

## **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures became effective for the year ended June 30, 2008.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. In previous years, Lawrence County School Department had only recognized the current year cost (expense) of these benefits. GASB Statement No. 45 was implemented prospectively with a zero net OPEB obligation at transition.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions are sales or collateralized borrowings and provides guidance on how to account for sales or pledges of receivables or future revenues. This statement provides additional guidance for sales of receivables and future revenues within the same reporting entity. This statement also requires

governments to disclose in the notes to the financial statements the nature of any receivables or future revenues that have been pledged or sold. Tennessee state statutes do not currently allow counties to sell or pledge receivables or sell future revenue streams. Therefore, those provisions of GASB Statement No. 48 that pertain to the sale or pledge receivables or sale of future revenue will not apply to Lawrence County. GASB Statement No. 48 had no effect on the financial statements of Lawrence County for the year ended June 30, 2008, since the county has not pledged any of its future revenues. However, it is reasonably expected that Lawrence County may pledge a future revenue stream toward the payment of debt in subsequent years.

GASB Statement No. 50 amends previous guidance concerning pension information. This statement closely aligns the financial reporting requirements for pensions with those for other postemployment benefits and enhances the information disclosed in the notes to the financial statements or presented as required supplementary information for pension plans. This statement requires Lawrence County to provide additional and more detailed pension plan note disclosures than in previous years.

**C. Subsequent Events**

On October 17, 2008, the county's General Debt Service Fund issued a \$500,000 tax anticipation note to the General Fund for temporary operating funds.

On December 3, 2008, the county's General Debt Service Fund issued a \$350,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

**D. Contingent Liabilities**

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

**E. Landfill Closure/Postclosure Care Costs**

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The county closed the landfill in 2001 and has contracted its waste management to a private vendor. The Solid Waste/Sanitation Fund (special revenue fund) reports the closure and postclosure care costs of the closed landfill as expenditures in each period in which they are incurred. The \$1,050,174 reported as landfill closure and postclosure care liability at June 30, 2008, represents the net amount reported to date based on

100 percent use of the estimated capacity of the landfill. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

Lawrence County and the City of Lawrenceburg jointly operate the Lawrenceburg-Lawrence County Airport. A six-member board, including three appointees from the county and three from the city, governs the Lawrenceburg-Lawrence County Airport. Lawrence County has control over budgeting and financing the joint venture only to the extent of representation by the three members appointed. Lawrence County contributed \$60,000 to the operations of the joint venture during the year ended June 30, 2008.

The Lawrence County Joint Economic Development Board is a joint venture between Lawrence County, the City of Loretto, and the City of Lawrenceburg. The board comprises the county executive, the mayors of the cities of Loretto and Lawrenceburg, and 11 additional members representing county and city governments, private citizens, industry, and business. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Lawrence County did not appropriate any funds to the Lawrence County Joint Economic Development Board during the year ended June 30, 2008.

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

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

Administrative Offices:

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

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

**G. Jointly Governed Organization**

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

the Lawrence County Executive and county executives of Giles and Maury counties, a representative appointed by the respective County Commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Lawrence County did not appropriate any funds to the authority for the year ended June 30, 2008.

## **H. Retirement Commitments**

### **Employees**

#### **Plan Description**

##### **General County Employees**

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

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

##### **Public Library Employees**

Employees of Lawrence County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension

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

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## **Funding Policy**

### General County Employees

Lawrence County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2008, was 9.07 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Lawrence County is established and may be amended by the TCRS Board of Trustees.

### Public Library Employees

Lawrence County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2008, was 13.13 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Lawrence County is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

### General County Employees

For the year ended June 30, 2008, Lawrence County's annual pension cost of \$1,071,720 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Lawrence County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 13 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

### **Trend Information**

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-08	\$1,071,720	100 %	\$0
6-30-07	1,049,041	100	0
6-30-06	679,063	100	0

### Public Library Employees

For the year ended June 30, 2008, Lawrence County's annual pension cost of \$16,576 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Lawrence County's unfunded actuarial accrued liability is being amortized as

a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 16 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$16,576	100 %	\$0
6-30-07	16,194	100	0
6-30-06	21,014	100	0

**Funded Status and Funding Progress**

General County Employees

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

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

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

Public Library Employees

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

\$.12 million, and the ratio of the UAAL to the covered payroll was 4.07 percent.

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

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

## **School Teachers**

### **Plan Description**

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew

Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs>.

## **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Lawrence County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2008, was 6.24 percent of annual covered payroll. The employer contribution requirement for the Lawrence County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2008, 2007, and 2006, were \$1,415,792, \$1,340,430, and \$1,172,970, respectively, equal to the required contributions for each year.

### **I. Other Postemployment Benefits (OPEB)**

#### Plan Description

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

#### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is 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 employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 members and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select, ranging from \$0 to \$379 per month. The School Department recognized expenditures of \$491,634 for postemployment health care during the year ended June 30, 2008.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 2,152,000
Interest on the NPO	0
Adjustment to the ARC	0
Annual OPEB cost	<hr/> \$ 2,152,000
Amount of contribution	(491,634)
Increase/decrease in NPO	<hr/> \$ 1,660,366
Net OPEB obligation, 7-1-07	<hr/> 0
Net OPEB obligation, 6-30-08	<hr/> <hr/> \$ 1,660,366

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 2,152,000	23 %	\$ 1,660,366

\* Data not available for two preceding years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008, was as follows:

	Local Teacher Group Plan
	<hr/>
Actuarial valuation date	6-30-07
Actuarial accrued liability (AAL)	\$ 18,465,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 18,465,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 24,808,000
UAAL as a % of covered payroll	74%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual

results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

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

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

### **J. Purchasing Laws**

#### Offices of County Executive and Road Superintendent

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

#### Office of Director of Schools

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

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

A. **Summary of Significant Accounting Policies**

1. **Reporting Entity**

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

2. **Basis of Accounting**

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

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

3. **Cash and Cash Equivalents**

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

4. **Supply Inventory**

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

**5. Capital Assets**

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

**6. Estimates**

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

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

**B. Cash and Certificates of Deposit**

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

**C. Capital Assets**

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

	Balance 7-1-07	Additions	Disposals	Balance 6-30-08
Communications Equipment	\$ 375,121	\$ 117,603	\$ (22,709)	\$ 470,015
Building	400,000	0	0	400,000
Leasehold Improvements	274,014	0	0	274,014
Equipment and Furniture	11,484	23,996	0	35,480
	<u>\$ 1,060,619</u>	<u>\$ 141,599</u>	<u>\$ (22,709)</u>	<u>\$ 1,179,509</u>
Less Accumulated Depreciation	<u>(244,454)</u>			<u>(303,432)</u>
Utility Plant - Net	<u>\$ 816,165</u>			<u>\$ 876,077</u>

Accumulated depreciation consists of communications equipment (\$180,647), furniture and equipment (\$14,160), building (\$53,333), and leaseholds (\$55,292). All assets are being depreciated.

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

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

	Balance 7-1-07	Retirements	Balance 6-30-08
Series 2005	\$ 432,350	\$ (35,430)	\$ 396,920

Future maturities of note principal and interest are as follows:

Year Ending June 30	Principal	Interest
2009	\$ 36,972	\$ 17,265
2010	38,580	15,657
2011	40,258	13,979
2012	42,009	12,228
2013	43,837	10,400
2014-2017	<u>195,264</u>	<u>21,684</u>
Total	<u>\$ 396,920</u>	<u>\$ 91,213</u>

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

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

The district is exposed to various risks of loss related to torts (theft of, damage to, and destruction of assets), errors and omissions, and natural disasters. The district purchases commercial financial bonded insurance for

its officials. For all other risks, the district purchases commercial insurance. There have been no claims during the last four years.

**F. Pension Plan**

**Plan Description**

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

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

**Funding Policy**

The district requires employees to contribute five percent of earned compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2008, was 8.49 percent of annual covered payroll. The contribution requirements of plan members are set by state statute. Contribution requirements for the district are established and may be amended by the TCRS Board of Trustees.

**Annual Pension Cost**

For the year ending June 30, 2008, the district's annual pension cost of \$42,786 to TCRS was equal to the required and actual contributions. The

required contribution was determined as part of the July 1, 2005, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent per year compounded annually, (b) projected salary increases of 4.75 percent annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of equities over a five-year period. The district's unfunded actuarial accrued liability is being amortized at a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 11 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

#### **Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$ 42,786	100%	\$ 0
6-30-07	42,677	100	0
6-30-06	27,481	100	0

#### **Funded Status and Funding Progress**

As of July 1, 2007, the most recent actuarial valuation date, the plan was 75.13 percent funded. The actuarial accrued liability for benefits was \$610,000, and the actuarial value of assets was \$460,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$150,000. The covered payroll (annual payroll of active employees covered by the plan) was \$470,000, and the ratio of the UAAL to the covered payroll was 32.26 percent.

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

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

**G. Liability for Compensated Absences**

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

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

**H. Commitments and Contingencies**

**Federal and State Grants**

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

**I. Budgets and Budgetary Accounting**

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

- a. Formal budgets are adopted and approved by board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles.

- b. The board approves total budget appropriations. The manager is authorized to transfer budget amounts between line items within each department; however, any revisions that alter the total appropriations of any fund must be approved by the board.
- c. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,856,140	\$ 0	\$ 0	\$ 6,856,140	\$ 6,877,412	\$ 6,877,412	\$ (21,272)
Licenses and Permits	30,302	0	0	30,302	32,672	32,672	(2,370)
Fines, Forfeitures, and Penalties	126,342	0	0	126,342	160,300	174,857	(48,515)
Charges for Current Services	1,311,854	0	0	1,311,854	1,244,645	1,247,477	64,377
Other Local Revenues	899,364	0	0	899,364	987,975	962,258	(62,894)
Fees Received from County Officials	975,088	0	0	975,088	966,377	966,377	8,711
State of Tennessee	737,876	0	0	737,876	534,937	677,284	60,592
Federal Government	39,507	0	0	39,507	0	50,083	(10,576)
Other Governments and Citizens Groups	15,272	0	0	15,272	0	58,784	(43,512)
Total Revenues	\$ 10,991,745	\$ 0	\$ 0	\$ 10,991,745	\$ 10,804,318	\$ 11,047,204	\$ (55,459)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 94,516	\$ 0	\$ 0	\$ 94,516	\$ 116,736	\$ 117,636	\$ 23,120
County Mayor/Executive	170,471	0	0	170,471	174,579	174,591	4,120
County Attorney	7,168	0	0	7,168	7,588	7,176	8
Election Commission	194,191	0	0	194,191	245,178	245,178	50,987
Register of Deeds	64,776	0	0	64,776	81,414	81,402	16,626
Codes Compliance	34,209	0	0	34,209	34,339	41,584	7,375
County Buildings	377,868	(409)	0	377,459	453,363	430,362	52,903
Preservation of Records	75,647	0	0	75,647	79,697	87,581	11,934
<u>Finance</u>							
Accounting and Budgeting	143,521	0	0	143,521	161,985	169,807	26,286
Purchasing	84,650	0	0	84,650	103,264	103,264	18,614
Property Assessor's Office	287,708	0	0	287,708	290,683	296,483	8,775

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Trustee's Office	\$ 46,278	\$ 0	\$ 0	\$ 46,278	\$ 50,940	\$ 56,940	\$ 10,662
County Clerk's Office	81,924	0	0	81,924	88,792	88,792	6,868
<u>Administration of Justice</u>							
Circuit Court	435,334	(180)	0	435,154	453,202	462,702	27,548
General Sessions Court	306,242	0	0	306,242	325,182	326,182	19,940
Chancery Court	243,589	0	0	243,589	256,540	255,040	11,451
Juvenile Court	32,099	0	0	32,099	32,273	32,528	429
District Attorney General	51,425	0	0	51,425	42,500	57,500	6,075
Courtroom Security	85,118	0	0	85,118	54,000	107,900	22,782
Victims Assistance Programs	4,353	0	0	4,353	7,400	7,400	3,047
<u>Public Safety</u>							
Sheriff's Department	2,532,068	(3,342)	50	2,528,776	2,570,142	2,666,548	137,772
Jail	1,832,402	(4,473)	0	1,827,929	791,552	1,881,555	53,626
Workhouse	40,199	0	0	40,199	40,201	40,201	2
Work Release Program	2,632	(100)	436	2,968	501,803	19,932	16,964
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	14,915	(4,965)	0	9,950	10,000	10,002	52
Rescue Squad	245,500	0	0	245,500	245,500	245,500	0
Other Emergency Management	285,000	0	0	285,000	285,000	285,000	0
County Coroner/Medical Examiner	11,596	0	0	11,596	12,337	12,337	741
Other Public Safety	5,761	0	0	5,761	6,000	6,000	239
<u>Public Health and Welfare</u>							
Local Health Center	103,515	0	0	103,515	107,369	114,369	10,854
Ambulance/Emergency Medical Services	1,682,138	(2,980)	0	1,679,158	1,836,566	1,836,566	157,408

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Regional Mental Health Center	\$ 10,000	\$ 0	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0
Appropriation to State	217,314	0	0	217,314	247,500	247,500	30,186
Aid to Dependent Children	8,183	0	0	8,183	8,383	8,383	200
Other Public Health and Welfare	50,189	0	1,378	51,567	36,367	52,156	589
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	9,000	0	0	9,000	10,500	10,500	1,500
Other Social, Cultural, and Recreational	50,246	0	0	50,246	47,750	52,883	2,637
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	102,500	0	0	102,500	121,428	123,428	20,928
Soil Conservation	44,681	(1,650)	0	43,031	43,922	45,025	1,994
Other Agriculture and Natural Resources	8,273	0	0	8,273	2,863	11,863	3,590
<u>Other Operations</u>							
Tourism	49,100	0	0	49,100	49,250	49,250	150
Industrial Development	122,237	0	0	122,237	122,237	122,237	0
Airport	60,000	0	0	60,000	60,000	60,000	0
Veterans' Services	86,583	0	0	86,583	78,516	88,785	2,202
Other Charges	543,811	(138)	0	543,673	468,264	574,093	30,420
Total Expenditures	\$ 10,940,930	\$ (18,237)	\$ 1,864	\$ 10,924,557	\$ 10,775,105	\$ 11,726,161	\$ 801,604
Excess (Deficiency) of Revenues Over Expenditures	\$ 50,815	\$ 18,237	\$ (1,864)	\$ 67,188	\$ 29,213	\$ (678,957)	\$ 746,145
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 30,397	\$ 0	\$ 0	\$ 30,397	\$ 10,000	\$ 21,034	\$ 9,363

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Transfers In	\$ 5,000	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 5,000	\$ 0
Transfers Out	(218,558)	0	0	(218,558)	(338,009)	(218,558)	0
Total Other Financing Sources (Uses)	\$ (183,161)	\$ 0	\$ 0	\$ (183,161)	\$ (328,009)	\$ (192,524)	\$ 9,363
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (132,346)	\$ 18,237	\$ (1,864)	\$ (115,973)	\$ (298,796)	\$ (871,481)	\$ 755,508
Fund Balance, July 1, 2007	3,150,643	(18,237)	0	3,132,406	2,767,861	2,767,861	364,545
Fund Balance, June 30, 2008	\$ 3,018,297	\$ 0	\$ (1,864)	\$ 3,016,433	\$ 2,469,065	\$ 1,896,380	\$ 1,120,053

Exhibit E-2

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,394,974	\$ 0	\$ 1,394,974	\$ 1,418,717	\$ 1,418,716	\$ (23,742)
Charges for Current Services	0	0	0	1,500	1,500	(1,500)
Other Local Revenues	54,201	0	54,201	2,500	67,273	(13,072)
State of Tennessee	2,376,372	0	2,376,372	2,333,742	2,287,011	89,361
Federal Government	56,054	0	56,054	0	56,054	0
Other Governments and Citizens Groups	200,378	0	200,378	0	200,378	0
Total Revenues	\$ 4,081,979	\$ 0	\$ 4,081,979	\$ 3,756,459	\$ 4,030,932	\$ 51,047
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 198,208	\$ 0	\$ 198,208	\$ 238,759	\$ 232,959	\$ 34,751
Highway and Bridge Maintenance	2,430,732	(1,450)	2,429,282	2,181,165	2,518,369	89,087
Operation and Maintenance of Equipment	719,267	(11,397)	707,870	777,716	762,717	54,847
Other Charges	74,021	0	74,021	131,749	86,549	12,528
Capital Outlay	857,922	0	857,922	931,734	930,003	72,081
Total Expenditures	\$ 4,280,150	\$ (12,847)	\$ 4,267,303	\$ 4,261,123	\$ 4,530,597	\$ 263,294
Excess (Deficiency) of Revenues Over Expenditures	\$ (198,171)	\$ 12,847	\$ (185,324)	\$ (504,664)	\$ (499,665)	\$ 314,341
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (115,000)	\$ 0	\$ (115,000)	\$ (110,000)	\$ (115,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (115,000)	\$ 0	\$ (115,000)	\$ (110,000)	\$ (115,000)	\$ 0
Net Change in Fund Balance	\$ (313,171)	\$ 12,847	\$ (300,324)	\$ (614,664)	\$ (614,665)	\$ 314,341
Fund Balance, July 1, 2007	1,089,719	(12,847)	1,076,872	908,953	908,953	167,919
Fund Balance, June 30, 2008	\$ 776,548	\$ 0	\$ 776,548	\$ 294,289	\$ 294,288	\$ 482,260

Exhibit E-3

Lawrence County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Lawrence County Emergency Communications District  
June 30, 2008

(Dollar amounts in thousands)

	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government:							
County General Employees	6-30-07	\$ 25,125	\$ 29,788	\$ 4,663	84.35 %	\$ 11,657	40.00 %
Public Library Employees	6-30-07	444	449	5	98.89	123	4.07
Discretely Presented Lawrence County Emergency Communications District	6-30-07	461	613	152	75.20	476	32.14

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

Exhibit E-4

Lawrence County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Lawrence County School Department  
June 30, 2008

(Dollar amounts in thousands)

Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Actuarial		Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
			Unfunded AAL (UAAL) (b)-(a)	Unfunded AAL (UAAL) (b)-(a)			
6-30-07	\$ 0	\$ 18,465	\$ 18,465	\$ 18,465	0 %	\$ 24,808	74.43%

\*Data not available for two preceding years.

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**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2008**

**BUDGETARY INFORMATION**

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

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

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

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

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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 or maintenance on the courthouse or jail.

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

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

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

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

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

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

# Capital Projects Funds

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

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

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

# Permanent Fund

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

Exhibit F-1

Lawrence County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2008

	Special Revenue Funds						District Attorney General
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
\$	0	150	525	0	0	0	0
24,286	89,112	1,553,323	216,704	54,060	18,609	0	0
609	0	729,365	0	3,391	0	0	0
0	0	(384,665)	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	771	0	0	0	0	0
0	0	0	147,825	0	0	0	0
\$	24,895	89,262	1,899,319	364,529	57,451	18,609	18,609

ASSETS

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

LIABILITIES AND FUND BALANCES

\$	0	4,623	86,141	0	0	408	0
0	12	66	0	0	0	0	0
0	0	20	0	0	0	0	0
\$	0	4,635	86,227	0	0	408	0
\$	0	0	0	0	0	0	0
0	0	0	147,825	0	0	0	0
0	0	0	129,722	0	0	0	0
0	2,236	0	0	0	0	0	0
24,895	82,391	1,813,092	86,982	57,043	18,609	0	0
\$	24,895	84,627	1,813,092	364,529	57,043	18,609	18,609
\$	24,895	89,262	1,899,319	364,529	57,451	18,609	18,609

(Continued)

Exhibit F-1

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			Permanent Fund		Total Nonmajor Governmental Funds
	Constituti- onal Officers - Fees	Total	Highway Capital Projects	Homeland Security Capital Projects	Total	Endowment	Fund	
\$	137,140	\$ 137,815	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 137,815
	0	1,956,094	96,122	67,521	163,643	75,799	75,799	2,195,536
	133	733,498	0	0	0	0	0	733,498
	0	(384,665)	0	0	0	0	0	(384,665)
	0	0	0	15,853	15,853	0	0	15,853
	0	771	0	0	0	0	0	771
	0	147,825	0	0	0	0	0	147,825
\$	137,273	\$ 2,591,338	\$ 96,122	\$ 83,374	\$ 179,496	\$ 75,799	\$ 75,799	\$ 2,846,633

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable  
 Payroll Deductions Payable  
 Due to Other Funds  
 Total Liabilities

Fund Balances

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

Total Liabilities and Fund Balances

\$	0	\$ 91,172	\$ 58,511	\$ 8,374	\$ 66,885	\$ 0	\$ 0	\$ 158,057
	0	78	0	0	0	0	0	78
	0	20	0	75,000	75,000	0	0	75,020
\$	0	\$ 91,270	\$ 58,511	\$ 83,374	\$ 141,885	\$ 0	\$ 0	\$ 233,155
\$	0	\$ 0	\$ 8,000	\$ 0	\$ 8,000	\$ 0	\$ 0	\$ 8,000
	0	147,825	0	0	0	0	0	147,825
	0	129,722	0	0	0	0	0	129,722
	0	2,236	0	0	0	0	0	2,236
	137,273	2,220,285	29,611	0	29,611	75,799	75,799	2,325,695
\$	137,273	\$ 2,500,068	\$ 37,611	\$ 0	\$ 37,611	\$ 75,799	\$ 75,799	\$ 2,613,478
\$	137,273	\$ 2,591,338	\$ 96,122	\$ 83,374	\$ 179,496	\$ 75,799	\$ 75,799	\$ 2,846,633

Lawrence County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2008

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General
<b>Revenues</b>						
Local Taxes	\$ 11,870	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	225	0	0	0	86,416	28,506
Charges for Current Services	0	10,550	1,567,718	20,400	0	0
Other Local Revenues	0	10,714	238,443	0	0	0
State of Tennessee	0	850	38,673	0	158	0
Federal Government	0	0	0	475,300	77,942	0
Other Governments and Citizens Groups	0	83,328	0	0	2	0
<b>Total Revenues</b>	<b>\$ 12,095</b>	<b>\$ 105,442</b>	<b>\$ 1,844,834</b>	<b>\$ 495,700</b>	<b>\$ 164,518</b>	<b>\$ 28,506</b>
<b>Expenditures</b>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	0	0	0	0
Administration of Justice	0	0	0	0	0	25,828
Public Safety	0	0	0	0	165,724	0
Public Health and Welfare	0	0	1,760,841	0	0	0
Social, Cultural, and Recreational Services	0	294,512	0	0	0	0
Other Operations	58,265	0	0	0	0	0
Capital Projects	0	0	0	1,096,010	0	0
<b>Total Expenditures</b>	<b>\$ 58,265</b>	<b>\$ 294,512</b>	<b>\$ 1,760,841</b>	<b>\$ 1,096,010</b>	<b>\$ 165,724</b>	<b>\$ 25,828</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (46,170)</b>	<b>\$ (189,070)</b>	<b>\$ 83,993</b>	<b>\$ (600,310)</b>	<b>\$ (1,206)</b>	<b>\$ 2,678</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	\$ 0	\$ 218,558	\$ 0	\$ 250,000	\$ 0	\$ 0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 218,558</b>	<b>\$ 0</b>	<b>\$ 250,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Change in Fund Balances Fund Balance, July 1, 2007</b>	<b>\$ (46,170)</b>	<b>\$ 29,488</b>	<b>\$ 83,993</b>	<b>\$ (350,310)</b>	<b>\$ (1,206)</b>	<b>\$ 2,678</b>
	71,065	55,139	1,729,099	714,839	58,249	15,931
<b>Fund Balance, June 30, 2008</b>	<b>\$ 24,895</b>	<b>\$ 84,627</b>	<b>\$ 1,813,092</b>	<b>\$ 364,529</b>	<b>\$ 57,043</b>	<b>\$ 18,609</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			Capital Projects Funds			Permanent Fund		Total Nonmajor Governmental Funds
	(Cont.)			Homeland Security Capital Projects			Endowment		
	Constitutional Officers - Fees	Total	Total	Highway Capital Projects	Total	Total	Total	Total	
<b>Revenues</b>									
Local Taxes	\$ 0	\$ 11,870	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,870
Fines, Forfeitures, and Penalties	0	115,147	0	0	0	0	0	0	115,147
Charges for Current Services	622,661	2,221,330	0	0	0	0	0	0	2,221,329
Other Local Revenues	0	249,157	23,764	0	0	23,764	0	0	272,921
State of Tennessee	0	39,681	0	0	0	0	0	0	39,681
Federal Government	0	553,242	0	0	221,380	221,380	0	0	774,622
Other Governments and Citizens Groups	0	83,330	0	0	0	0	0	0	83,330
<b>Total Revenues</b>	\$ 622,661	\$ 3,273,157	\$ 23,764	\$ 23,764	\$ 221,380	\$ 245,144	\$ 0	\$ 0	\$ 3,518,901
<b>Expenditures</b>									
Current:									
General Government	\$ 173,957	\$ 173,957	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 173,957
Finance	440,666	440,666	0	0	0	0	0	0	440,666
Administration of Justice	3,471	29,299	0	0	0	0	0	0	29,299
Public Safety	0	165,724	0	0	0	0	0	0	165,724
Public Health and Welfare	0	1,760,841	0	0	0	0	0	0	1,760,841
Social, Cultural, and Recreational Services	0	294,512	0	0	0	0	0	0	294,512
Other Operations	0	58,265	0	0	0	0	0	0	58,265
Capital Projects	0	1,096,010	90,876	90,876	232,472	323,348	0	0	1,419,358
<b>Total Expenditures</b>	\$ 618,094	\$ 4,019,274	\$ 90,876	\$ 90,876	\$ 232,472	\$ 323,348	\$ 0	\$ 0	\$ 4,342,622
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 4,567	\$ (745,518)	\$ (67,112)	\$ (67,112)	\$ (11,092)	\$ (78,204)	\$ 0	\$ 0	\$ (823,722)
<b>Other Financing Sources (Uses)</b>									
Transfers In	\$ 0	\$ 468,558	\$ 80,000	\$ 80,000	\$ 0	\$ 80,000	\$ 0	\$ 0	\$ 548,558
<b>Total Other Financing Sources (Uses)</b>	\$ 0	\$ 468,558	\$ 80,000	\$ 80,000	\$ 0	\$ 80,000	\$ 0	\$ 0	\$ 548,558
<b>Net Change in Fund Balances</b>	\$ 4,567	\$ (276,960)	\$ 12,888	\$ (11,092)	\$ (11,092)	\$ 1,796	\$ 0	\$ 0	\$ (275,164)
<b>Fund Balance, July 1, 2007</b>	132,706	2,777,028	24,723	24,723	11,092	35,815	75,799	75,799	2,888,642
<b>Fund Balance, June 30, 2008</b>	\$ 137,273	\$ 2,500,068	\$ 37,611	\$ 37,611	\$ 0	\$ 37,611	\$ 75,799	\$ 75,799	\$ 2,613,478

Exhibit F-3

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Courthouse and Jail Maintenance Fund  
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 11,870	\$ 10,925	\$ 11,228	\$ 642
Fines, Forfeitures, and Penalties	225	150	167	58
Total Revenues	<u>\$ 12,095</u>	<u>\$ 11,075</u>	<u>\$ 11,395</u>	<u>\$ 700</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 58,265	\$ 70,905	\$ 70,905	\$ 12,640
Total Expenditures	<u>\$ 58,265</u>	<u>\$ 70,905</u>	<u>\$ 70,905</u>	<u>\$ 12,640</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (46,170)</u>	<u>\$ (59,830)</u>	<u>\$ (59,510)</u>	<u>\$ 13,340</u>
Net Change in Fund Balance	\$ (46,170)	\$ (59,830)	\$ (59,510)	\$ 13,340
Fund Balance, July 1, 2007	<u>71,065</u>	<u>69,471</u>	<u>69,471</u>	<u>1,594</u>
Fund Balance, June 30, 2008	<u><u>\$ 24,895</u></u>	<u><u>\$ 9,641</u></u>	<u><u>\$ 9,961</u></u>	<u><u>\$ 14,934</u></u>

Exhibit F-4

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Public Library Fund  
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 10,550	0	\$ 10,550	\$ 9,000	\$ 10,377	\$ 173
Other Local Revenues	10,714	0	10,714	10,100	10,864	(150)
State of Tennessee	850	0	850	0	850	0
Other Governments and Citizens Groups	83,328	0	83,328	109,959	83,185	143
Total Revenues	\$ 105,442	0	\$ 105,442	\$ 129,059	\$ 105,276	\$ 166
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 294,512	(1,795)	\$ 292,717	\$ 324,087	\$ 337,822	\$ 45,105
Total Expenditures	\$ 294,512	(1,795)	\$ 292,717	\$ 324,087	\$ 337,822	\$ 45,105
Excess (Deficiency) of Revenues Over Expenditures	\$ (189,070)	1,795	\$ (187,275)	\$ (195,028)	\$ (232,546)	\$ 45,271
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 218,558	0	\$ 218,558	\$ 212,540	\$ 218,558	\$ 0
Total Other Financing Sources (Uses)	\$ 218,558	0	\$ 218,558	\$ 212,540	\$ 218,558	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 29,488	1,795	\$ 31,283	\$ 17,512	\$ (13,988)	\$ 45,271
	55,139	(1,795)	53,344	49,596	49,596	3,748
Fund Balance, June 30, 2008	\$ 84,627	0	\$ 84,627	\$ 67,108	\$ 35,608	\$ 49,019

Exhibit F-5

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,567,718 \$	0 \$	1,567,718 \$	1,336,750 \$	1,336,775 \$	230,943
Other Local Revenues	238,443	0	238,443	215,000	231,851	6,592
State of Tennessee	38,673	0	38,673	42,000	43,735	(5,062)
Total Revenues	\$ 1,844,834 \$	0 \$	1,844,834 \$	1,593,750 \$	1,612,361 \$	232,473
<u>Expenditures</u>						
Public Health and Welfare						
Landfill Operation and Maintenance	\$ 1,760,841 \$	(700) \$	1,760,141 \$	1,717,612 \$	1,882,818 \$	122,677
Total Expenditures	\$ 1,760,841 \$	(700) \$	1,760,141 \$	1,717,612 \$	1,882,818 \$	122,677
Excess (Deficiency) of Revenues Over Expenditures	\$ 83,993 \$	700 \$	84,693 \$	(123,862) \$	(270,457) \$	355,150
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 83,993 \$	700 \$	84,693 \$	(123,862) \$	(270,457) \$	355,150
	1,729,099	(700)	1,728,399	1,767,816	1,767,816	(39,417)
Fund Balance, June 30, 2008	\$ 1,813,092 \$	0 \$	1,813,092 \$	1,643,954 \$	1,497,359 \$	315,733

Exhibit F-6

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Industrial/Economic Development Fund  
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 20,400	\$ 0	\$ 18,000	\$ 2,400
Federal Government	475,300	475,300	475,300	0
Total Revenues	\$ 495,700	\$ 475,300	\$ 493,300	\$ 2,400
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 0	\$ 1,185,608	\$ 146,326	\$ 146,326
Public Safety Projects	27,051	0	27,051	0
Public Utility Projects	757,373	0	757,376	3
Education Capital Projects	311,586	0	311,586	0
Total Expenditures	\$ 1,096,010	\$ 1,185,608	\$ 1,242,339	\$ 146,329
Excess (Deficiency) of Revenues Over Expenditures	\$ (600,310)	\$ (710,308)	\$ (749,039)	\$ 148,729
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 250,000	\$ 125,469	\$ 250,000	\$ 0
Total Other Financing Sources (Uses)	\$ 250,000	\$ 125,469	\$ 250,000	\$ 0
Net Change in Fund Balance	\$ (350,310)	\$ (584,839)	\$ (499,039)	\$ 148,729
Fund Balance, July 1, 2007	714,839	584,839	584,839	130,000
Fund Balance, June 30, 2008	\$ 364,529	\$ 0	\$ 85,800	\$ 278,729

Exhibit F-7

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 86,416	0	\$ 86,416	\$ 81,439	\$ 85,231	\$ 1,185
State of Tennessee	158	0	158	25,000	158	0
Federal Government	77,942	0	77,942	70,000	77,942	0
Other Governments and Citizens Groups	2	0	2	0	2	0
Total Revenues	\$ 164,518	0	\$ 164,518	\$ 176,439	\$ 163,333	\$ 1,185
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 165,724	(560)	\$ 165,164	\$ 185,485	\$ 185,136	\$ 19,972
Total Expenditures	\$ 165,724	(560)	\$ 165,164	\$ 185,485	\$ 185,136	\$ 19,972
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,206)	560	(646)	(9,046)	(21,803)	21,157
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (1,206)	560	(646)	(9,046)	(21,803)	21,157
	58,249	(560)	57,689	55,545	55,545	2,144
Fund Balance, June 30, 2008	\$ 57,043	0	\$ 57,043	\$ 46,499	\$ 33,742	\$ 23,301

Exhibit F-8

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway Capital Projects Fund  
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 23,764	\$ 0	\$ 23,764	\$ 0	\$ 23,764	\$ 0
Total Revenues	\$ 23,764	\$ 0	\$ 23,764	\$ 0	\$ 23,764	\$ 0
<u>Expenditures</u>						
Capital Projects						
Highway and Street Capital Projects	\$ 90,876	\$ 8,000	\$ 98,876	\$ 57,578	\$ 128,487	\$ 29,611
Total Expenditures	\$ 90,876	\$ 8,000	\$ 98,876	\$ 57,578	\$ 128,487	\$ 29,611
Excess (Deficiency) of Revenues Over Expenditures	\$ (67,112)	\$ (8,000)	\$ (75,112)	\$ (57,578)	\$ (104,723)	\$ 29,611
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 80,000	\$ 0	\$ 80,000	\$ 0	\$ 80,000	\$ 0
Total Other Financing Sources (Uses)	\$ 80,000	\$ 0	\$ 80,000	\$ 0	\$ 80,000	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 12,888	\$ (8,000)	\$ 4,888	\$ (57,578)	\$ (24,723)	\$ 29,611
	24,723	0	24,723	57,578	24,723	0
Fund Balance, June 30, 2008	\$ 37,611	\$ (8,000)	\$ 29,611	\$ 0	\$ 0	\$ 29,611

Exhibit F-9

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Homeland Security Capital Projects Fund  
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 221,380	\$ 205,702	\$ 205,527	\$ 15,853
Total Revenues	<u>\$ 221,380</u>	<u>\$ 205,702</u>	<u>\$ 205,527</u>	<u>\$ 15,853</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
Public Safety Projects	\$ 232,472	\$ 205,358	\$ 270,358	\$ 37,886
Total Expenditures	<u>\$ 232,472</u>	<u>\$ 205,358</u>	<u>\$ 270,358</u>	<u>\$ 37,886</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (11,092)</u>	<u>\$ 344</u>	<u>\$ (64,831)</u>	<u>\$ 53,739</u>
Net Change in Fund Balance	\$ (11,092)	\$ 344	\$ (64,831)	\$ 53,739
Fund Balance, July 1, 2007	<u>11,092</u>	<u>86,092</u>	<u>86,092</u>	<u>(75,000)</u>
Fund Balance, June 30, 2008	<u>\$ 0</u>	<u>\$ 86,436</u>	<u>\$ 21,261</u>	<u>\$ (21,261)</u>

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# **Major Governmental Funds**

## **General Debt Service Fund**

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

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## **Capital Projects Fund**

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

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Exhibit G-1

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,399,954	\$ 4,389,896	\$ 4,360,119	\$ 39,835
Other Local Revenues	90,000	90,000	90,500	(500)
State of Tennessee	488,088	410,000	488,088	0
Other Governments and Citizens Groups	300,000	300,000	300,000	0
Total Revenues	<u>\$ 5,278,042</u>	<u>\$ 5,189,896</u>	<u>\$ 5,238,707</u>	<u>\$ 39,335</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,612,500	\$ 1,590,040	\$ 1,612,500	\$ 0
Highways and Streets	347,000	295,000	347,000	0
Education	2,685,500	2,079,960	2,685,500	0
<u>Interest on Debt</u>				
General Government	804,434	685,768	804,434	0
Highways and Streets	106,754	29,729	106,754	0
Education	1,050,406	1,058,360	1,050,406	0
<u>Other Debt Service</u>				
General Government	72,253	117,772	117,770	45,517
Highways and Streets	500	0	500	0
Education	1,000	3,000	3,000	2,000
Total Expenditures	<u>\$ 6,680,347</u>	<u>\$ 5,859,629</u>	<u>\$ 6,727,864</u>	<u>\$ 47,517</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,402,305)</u>	<u>\$ (669,733)</u>	<u>\$ (1,489,157)</u>	<u>\$ 86,852</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,110,000	\$ 110,000	\$ 1,110,000	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 1,110,000</u>	<u>\$ 110,000</u>	<u>\$ 1,110,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (292,305)	\$ (559,733)	\$ (379,157)	\$ 86,852
Fund Balance, July 1, 2007	<u>5,180,346</u>	<u>5,177,113</u>	<u>5,117,113</u>	<u>63,233</u>
Fund Balance, June 30, 2008	<u>\$ 4,888,041</u>	<u>\$ 4,617,380</u>	<u>\$ 4,737,956</u>	<u>\$ 150,085</u>

Exhibit G-2

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Capital Projects Fund  
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 1,228	\$ 0	\$ 0	\$ 1,228	\$ 0	\$ 1,228	\$ 0
Total Revenues	\$ 1,228	\$ 0	\$ 0	\$ 1,228	\$ 0	\$ 1,228	\$ 0
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 2,725,407	\$ (515,537)	\$ 588,131	\$ 2,798,001	\$ 5,563,787	\$ 4,256,144	\$ 1,458,143
Public Safety Projects	3,460,691	0	10,247,004	13,707,695	0	13,707,695	0
Public Health and Welfare Projects	12,368	0	3,092	15,460	0	15,460	0
Education Capital Projects	500,000	0	0	500,000	0	500,000	0
Total Expenditures	\$ 6,698,466	\$ (515,537)	\$ 10,838,227	\$ 17,021,156	\$ 5,563,787	\$ 18,479,299	\$ 1,458,143
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ (6,697,238)	\$ 515,537	\$ (10,838,227)	\$ (17,019,928)	\$ (5,563,787)	\$ (18,478,071)	\$ 1,458,143
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 14,250,000	\$ 0	\$ 0	\$ 14,250,000	\$ 0	\$ 14,250,000	\$ 0
Transfers Out	(1,330,000)	0	0	(1,330,000)	0	(1,330,000)	0
Total Other Financing Sources (Uses)	\$ 12,920,000	\$ 0	\$ 0	\$ 12,920,000	\$ 0	\$ 12,920,000	\$ 0
Net Change in Fund Balance	\$ 6,222,762	\$ 515,537	\$ (10,838,227)	\$ (4,099,928)	\$ (5,563,787)	\$ (5,558,071)	\$ 1,458,143
Fund Balance, July 1, 2007	5,352,946	(515,537)	0	4,837,409	5,608,787	5,608,787	(771,378)
Fund Balance, June 30, 2008	\$ 11,575,708	\$ 0	\$ (10,838,227)	\$ 737,481	\$ 45,000	\$ 50,716	\$ 686,765

# 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; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

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Lawrence County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2008

	Agency Funds				Total
	Cities - Sales Tax	Judicial District Drug	Constitu- tional Officers - Agency		
Cash	\$ 0	\$ 4,747	\$ 1,429,568	\$ 1,434,315	
Equity in Pooled Cash and Investments	0	54,510	0	54,510	
Accounts Receivable	0	0	3,049	3,049	
Due from Other Governments	702,973	0	0	702,973	
<b>Total Assets</b>	<b>\$ 702,973</b>	<b>\$ 59,257</b>	<b>\$ 1,432,617</b>	<b>\$ 2,194,847</b>	
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 702,973	\$ 0	\$ 0	702,973	
Due to Litigants, Heirs, and Others	0	4,878	1,432,617	1,437,495	
Due to Joint Ventures	0	54,379	0	54,379	
<b>Total Liabilities</b>	<b>\$ 702,973</b>	<b>\$ 59,257</b>	<b>\$ 1,432,617</b>	<b>\$ 2,194,847</b>	

ASSETS

LIABILITIES

Lawrence County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,905,064	\$ 3,905,064	\$ 0
Due from Other Governments	680,317	702,973	680,317	702,973
Total Assets	\$ 680,317	\$ 4,608,037	\$ 4,585,381	\$ 702,973
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 680,317	\$ 4,608,037	\$ 4,585,381	\$ 702,973
Total Liabilities	\$ 680,317	\$ 4,608,037	\$ 4,585,381	\$ 702,973
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 3,364	\$ 4,747	\$ 3,364	\$ 4,747
Equity in Pooled Cash and Investments	16,913	54,510	16,913	54,510
Total Assets	\$ 20,277	\$ 59,257	\$ 20,277	\$ 59,257
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 0	\$ 4,878	\$ 0	\$ 4,878
Due to Joint Ventures	20,277	54,379	20,277	54,379
Total Liabilities	\$ 20,277	\$ 59,257	\$ 20,277	\$ 59,257
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,068,186	\$ 7,779,373	\$ 7,417,991	\$ 1,429,568
Accounts Receivable	350	3,049	350	3,049
Total Assets	\$ 1,068,536	\$ 7,782,422	\$ 7,418,341	\$ 1,432,617
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,068,536	\$ 7,782,422	\$ 7,418,341	\$ 1,432,617
Total Liabilities	\$ 1,068,536	\$ 7,782,422	\$ 7,418,341	\$ 1,432,617
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,071,550	\$ 7,784,120	\$ 7,421,355	\$ 1,434,315
Equity in Pooled Cash and Investments	16,913	3,959,574	3,921,977	54,510
Accounts Receivable	350	3,049	350	3,049
Due from Other Governments	680,317	702,973	680,317	702,973
Total Assets	\$ 1,769,130	\$ 12,449,716	\$ 12,023,999	\$ 2,194,847
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 680,317	\$ 4,608,037	\$ 4,585,381	\$ 702,973
Due to Litigants, Heirs, and Others	1,068,536	7,787,300	7,418,341	1,437,495
Due to Joint Ventures	20,277	54,379	20,277	54,379
Total Liabilities	\$ 1,769,130	\$ 12,449,716	\$ 12,023,999	\$ 2,194,847

# 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.

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Exhibit I-1

Lawrence County, Tennessee  
Statement of Activities  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2008

Functions/Programs	Program Revenues			Expenses	Capital Grants and Contributions			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
	Charges for Services	Operating Grants and Contributions			Operating Grants and Contributions			
Component Unit:								
Governmental Activities:								
Instruction	\$ 31,629,905	\$ 166,156	\$ 3,821,754	\$ 887,813	\$			\$ (26,754,182)
Support Services	14,332,065	67,735	0	311,586				(13,952,744)
Operation of Non-Instructional Services	5,209,224	1,462,986	2,129,735	0				(1,616,503)
<b>Total Governmental Activities</b>	<b>\$ 51,171,194</b>	<b>\$ 1,696,877</b>	<b>\$ 5,951,489</b>	<b>\$ 1,199,399</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>(42,323,429)</b>
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes								\$ 5,562,231
Local Option Sales Taxes								4,215,032
Other Local Taxes								5,104
Grants and Contributions Not Restricted to Specific Programs								30,667,578
Unrestricted Investment Earnings								37,394
Rental Income								33,602
E-Rate Funding								45,188
Miscellaneous								51,056
<b>Total General Revenues</b>								<b>\$ 40,617,185</b>
Change in Net Assets								\$ (1,706,244)
Net Assets, July 1, 2007								51,640,217
Net Assets, June 30, 2008								\$ 49,933,973

Exhibit I-2

Lawrence County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Lawrence County School Department  
June 30, 2008

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total Govern- mental Funds</u>
	General Purpose School	Other Govern- mental Funds	
<b><u>ASSETS</u></b>			
Cash	\$ 79	\$ 105,935	\$ 106,014
Equity in Pooled Cash and Investments	5,372,736	1,516,622	6,889,358
Inventories	0	154,071	154,071
Accounts Receivable	4,498	959	5,457
Due from Other Governments	1,339,473	253,019	1,592,492
Property Taxes Receivable	6,072,119	0	6,072,119
Allowance for Uncollectible Property Taxes	(150,893)	0	(150,893)
<b>Total Assets</b>	<b>\$ 12,638,012</b>	<b>\$ 2,030,606</b>	<b>\$ 14,668,618</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 34,938	\$ 49,362	\$ 84,300
Payroll Deductions Payable	1,276,622	150,166	1,426,788
Retainage Payable	0	322,465	322,465
Due to Primary Government	314,516	0	314,516
Deferred Revenue - Current Property Taxes	5,534,602	0	5,534,602
Deferred Revenue - Delinquent Property Taxes	362,030	0	362,030
Other Deferred Revenues	469,587	0	469,587
<b>Total Liabilities</b>	<b>\$ 7,992,295</b>	<b>\$ 521,993</b>	<b>\$ 8,514,288</b>
<b><u>Fund Balances</u></b>			
Reserved for Encumbrances	\$ 404,278	\$ 508,715	\$ 912,993
Other Local Education Reserves	24,561	0	24,561
Reserved for Career Ladder - Extended Contract	58,128	0	58,128
Reserved for Career Ladder Program	32,275	0	32,275
Reserved for Basic Education Program	268,115	0	268,115
Reserved for Innovative Education Program Strategies	0	310	310
Reserved for Special Education - Grants to States	0	146	146
Other Federal Reserves	0	553	553
Unreserved, Reported In:			
General Fund	3,858,360	0	3,858,360
Special Revenue Funds	0	932,208	932,208
Capital Projects Funds	0	66,681	66,681
<b>Total Fund Balances</b>	<b>\$ 4,645,717</b>	<b>\$ 1,508,613</b>	<b>\$ 6,154,330</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,638,012</b>	<b>\$ 2,030,606</b>	<b>\$ 14,668,618</b>

Exhibit I-3

Lawrence County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
Discretely Presented Lawrence County School Department  
June 30, 2008

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 6,154,330
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 676,454	
Add: construction in progress	3,813,534	
Add: buildings and improvements net of accumulated depreciation	36,219,266	
Add: other capital assets net of accumulated depreciation	<u>3,941,704</u>	44,650,958
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits	\$ (1,660,366)	
Less: compensated absences payable	<u>(42,566)</u>	(1,702,932)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>831,617</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 49,933,973</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, 2008

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 9,646,596	\$ 0	\$ 9,646,596
Licenses and Permits	1,696	0	1,696
Charges for Current Services	113,906	1,582,971	1,696,877
Other Local Revenues	118,850	55,201	174,051
State of Tennessee	31,283,008	46,928	31,329,936
Federal Government	232,425	5,172,982	5,405,407
Other Governments and Citizens Groups	0	811,586	811,586
<b>Total Revenues</b>	<b>\$ 41,396,481</b>	<b>\$ 7,669,668</b>	<b>\$ 49,066,149</b>
<u>Expenditures</u>			
Current:			
Instruction	\$ 26,495,021	\$ 2,841,779	\$ 29,336,800
Support Services	12,648,342	450,248	13,098,590
Operation of Non-Instructional Services	1,057,475	3,757,934	4,815,409
Capital Outlay	95,113	0	95,113
Debt Service:			
Other Debt Service	300,000	0	300,000
Capital Projects	0	1,036,957	1,036,957
<b>Total Expenditures</b>	<b>\$ 40,595,951</b>	<b>\$ 8,086,918</b>	<b>\$ 48,682,869</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 800,530	\$ (417,250)	\$ 383,280
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 511,351	\$ 0	\$ 511,351
Transfers Out	0	(511,351)	(511,351)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 511,351</b>	<b>\$ (511,351)</b>	<b>\$ 0</b>
Net Change in Fund Balances	\$ 1,311,881	\$ (928,601)	\$ 383,280
Fund Balance, July 1, 2007	3,333,836	2,437,214	5,771,050
Fund Balance, June 30, 2008	\$ 4,645,717	\$ 1,508,613	\$ 6,154,330

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, 2008

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)		\$ 383,280
(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	\$ 1,502,203	
Less: current year depreciation expense	<u>(2,116,506)</u>	(614,303)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2008	\$ 831,617	
Less: deferred delinquent property taxes and other deferred June 30, 2007	<u>(647,443)</u>	184,174
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits	\$ (1,660,366)	
Change in compensated absences payable	<u>971</u>	<u>(1,659,395)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,706,244)</u>

Exhibit I-6

Lawrence County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Lawrence County School Department  
June 30, 2008

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects			
				Total			
\$	0 \$	1,200 \$	0 \$	1,200 \$	104,735 \$	105,935	
	10,528	688,914	24,525	723,967	792,655	1,516,622	
	0	154,071	0	154,071	0	154,071	
	0	0	959	959	0	959	
	111,758	141,261	0	253,019	0	253,019	
\$	122,286 \$	985,446 \$	25,484 \$	1,133,216 \$	897,390 \$	2,030,606	
<u>ASSETS</u>							
	Cash						
	Equity in Pooled Cash and Investments						
	Inventories						
	Accounts Receivable						
	Due from Other Governments						
	Total Assets						
<u>LIABILITIES AND FUND BALANCES</u>							
	<u>Liabilities</u>						
	Accounts Payable						
	Payroll Deductions Payable						
	Retainage Payable						
	Total Liabilities						
	<u>Fund Balances</u>						
	Reserved for Encumbrances						
	Reserved for Innovative Education Program Strategies						
	Reserved for Special Education - Grants to States						
	Other Federal Reserves						
	Unreserved						
	Total Fund Balances						
	Total Liabilities and Fund Balances						

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, 2008

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects		
<u>Revenues</u>							
Charges for Current Services	\$ 0	\$ 1,431,015	\$ 151,956	\$ 1,582,971	\$ 0	\$ 0	\$ 1,582,971
Other Local Revenues	0	53,769	0	53,769	1,432	0	55,201
State of Tennessee	0	41,415	5,513	46,928	0	0	46,928
Federal Government	3,299,289	1,873,693	0	5,172,982	0	0	5,172,982
Other Governments and Citizens Groups	0	0	0	0	811,586	0	811,586
Total Revenues	\$ 3,299,289	\$ 3,399,892	\$ 157,469	\$ 6,856,650	\$ 813,018	\$ 0	\$ 7,669,668
<u>Expenditures</u>							
Current:							
Instruction	\$ 2,841,779	\$ 0	\$ 0	\$ 2,841,779	\$ 0	\$ 0	\$ 2,841,779
Support Services	450,248	0	0	450,248	0	0	450,248
Operation of Non-Instructional Services	40	3,610,415	147,479	3,757,934	0	0	3,757,934
Capital Projects	0	0	0	0	1,036,957	0	1,036,957
Total Expenditures	\$ 3,292,067	\$ 3,610,415	\$ 147,479	\$ 7,049,961	\$ 1,036,957	\$ 0	\$ 8,086,918
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,222	\$ (210,523)	\$ 9,990	\$ (193,311)	\$ (223,939)	\$ 0	\$ (417,250)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (11,351)	\$ 0	\$ 0	\$ (11,351)	\$ (500,000)	\$ 0	\$ (511,351)
Total Other Financing Sources (Uses)	\$ (11,351)	\$ 0	\$ 0	\$ (11,351)	\$ (500,000)	\$ 0	\$ (511,351)
Net Change in Fund Balances	\$ (4,129)	\$ (210,523)	\$ 9,990	\$ (204,662)	\$ (723,939)	\$ 0	\$ (928,601)
Fund Balance, July 1, 2007	5,138	1,117,718	15,494	1,138,350	1,298,864	0	2,437,214
Fund Balance, June 30, 2008	\$ 1,009	\$ 907,195	\$ 25,484	\$ 933,688	\$ 574,925	\$ 0	\$ 1,508,613

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,646,596	\$ 0	\$ 0	\$ 9,646,596	\$ 9,633,806	\$ 9,633,806	\$ 12,790
Licenses and Permits	1,696	0	0	1,696	0	0	1,696
Charges for Current Services	113,906	0	0	113,906	102,760	105,785	8,121
Other Local Revenues	118,850	0	0	118,850	18,000	27,497	91,353
State of Tennessee	31,283,008	0	0	31,283,008	29,909,983	31,324,230	(41,222)
Federal Government	232,425	0	0	232,425	121,580	268,888	(36,463)
Total Revenues	\$ 41,396,481	\$ 0	\$ 0	\$ 41,396,481	\$ 39,786,129	\$ 41,360,206	\$ 36,275
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 21,702,062	\$ (55,676)	\$ 6,239	\$ 21,652,625	\$ 21,753,714	\$ 22,330,075	\$ 677,450
Alternative Instruction Program	173,680	(5,200)	30,429	198,909	115,723	203,892	4,983
Special Education Program	2,339,129	(1,239)	0	2,337,890	2,324,709	2,398,676	60,786
Vocational Education Program	2,195,834	(4,600)	3,780	2,195,014	2,166,862	2,195,014	0
Student Body Education Program	5,935	0	0	5,935	0	8,007	2,072
Adult Education Program	78,381	(3,814)	0	74,567	86,754	110,704	36,137
<u>Support Services</u>							
Attendance	85,175	(6,950)	0	78,225	88,558	88,558	10,333
Health Services	314,016	0	0	314,016	342,345	352,345	38,329
Other Student Support	975,386	(123)	2,534	977,797	1,072,301	1,132,151	154,354
Regular Instruction Program	1,193,964	(551)	42,486	1,235,899	1,266,009	1,313,513	77,614
Alternative Instruction Program	43,644	0	0	43,644	47,048	49,313	5,669
Special Education Program	208,875	0	0	208,875	265,420	227,873	18,998
Vocational Education Program	113,474	(1,138)	0	112,336	113,850	119,200	6,864

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 85,152	\$ 0	\$ 0	\$ 85,152	\$ 96,353	\$ 98,853	\$ 13,701
Other Programs	169,210	0	0	169,210	0	169,210	0
Board of Education	731,753	0	0	731,753	748,836	748,836	17,083
Director of Schools	290,471	(4,999)	62	285,534	304,343	304,343	18,809
Office of the Principal	2,192,417	0	0	2,192,417	2,205,267	2,205,267	12,850
Fiscal Services	195,877	(1,751)	0	194,126	243,024	243,024	48,898
Operation of Plant	2,992,699	0	150	2,992,849	3,132,105	3,110,105	117,256
Maintenance of Plant	692,509	(62,990)	24,717	654,236	610,865	679,065	24,829
Transportation	2,260,904	(920)	2,155	2,262,139	2,299,490	2,299,491	37,352
Central and Other	102,816	(3,153)	0	99,663	103,088	103,088	3,425
<u>Operation of Non-Instructional Services</u>							
Community Services	122,517	(399)	0	122,118	117,000	128,291	6,173
Early Childhood Education	934,958	(22,650)	75,410	987,718	0	991,482	3,764
<u>Capital Outlay</u>							
Regular Capital Outlay	95,113	0	216,316	311,429	379,752	379,752	68,323
<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	\$ 40,595,951	\$ (176,153)	\$ 404,278	\$ 40,824,076	\$ 40,183,416	\$ 42,290,128	\$ 1,466,052
Excess (Deficiency) of Revenues Over Expenditures	\$ 800,530	\$ 176,153	\$ (404,278)	\$ 572,405	\$ (397,287)	\$ (929,922)	\$ 1,502,327

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 511,351	\$ 0	\$ 0	\$ 511,351	\$ 11,366	\$ 511,366	\$ (15)
Transfers Out	0	0	0	0	(116)	0	0
Total Other Financing Sources (Uses)	\$ 511,351	\$ 0	\$ 0	\$ 511,351	\$ 11,250	\$ 511,366	\$ (15)
Net Change in Fund Balance	\$ 1,311,881	\$ 176,153	\$ (404,278)	\$ 1,083,756	\$ (386,037)	\$ (418,556)	\$ 1,502,312
Fund Balance, July 1, 2007	3,333,836	(176,153)	0	3,157,683	2,966,635	2,966,635	191,048
Fund Balance, June 30, 2008	\$ 4,645,717	\$ 0	\$ (404,278)	\$ 4,241,439	\$ 2,580,598	\$ 2,548,079	\$ 1,693,360

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,299,289	\$ 3,563,570	\$ 3,587,684	\$ (288,395)
Total Revenues	\$ 3,299,289	\$ 3,563,570	\$ 3,587,684	\$ (288,395)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,542,297	\$ 1,534,344	\$ 1,669,823	\$ 127,526
Special Education Program	1,193,125	1,264,392	1,244,367	51,242
Vocational Education Program	106,357	112,651	106,357	0
<u>Support Services</u>				
Other Student Support	72,532	41,918	79,557	7,025
Regular Instruction Program	155,838	239,523	241,333	85,495
Special Education Program	221,878	219,954	239,994	18,116
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	40	139,422	40	0
Total Expenditures	\$ 3,292,067	\$ 3,552,204	\$ 3,581,471	\$ 289,404
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,222	\$ 11,366	\$ 6,213	\$ 1,009
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 50,600	\$ 0	\$ 0
Transfers Out	(11,351)	(61,966)	(11,351)	0
Total Other Financing Sources (Uses)	\$ (11,351)	\$ (11,366)	\$ (11,351)	\$ 0
Net Change in Fund Balance	\$ (4,129)	\$ 0	\$ (5,138)	\$ 1,009
Fund Balance, July 1, 2007	5,138	5,138	5,138	0
Fund Balance, June 30, 2008	\$ 1,009	\$ 5,138	\$ 0	\$ 1,009

Exhibit I-10

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Lawrence County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,431,015	\$ 0	\$ 1,431,015	\$ 1,523,000	\$ 1,523,000	\$ (91,985)
Other Local Revenues	53,769	0	53,769	53,000	53,000	769
State of Tennessee	41,415	0	41,415	41,375	41,375	40
Federal Government	1,873,693	0	1,873,693	1,760,000	1,760,000	113,693
Total Revenues	\$ 3,399,892	\$ 0	\$ 3,399,892	\$ 3,377,375	\$ 3,377,375	\$ 22,517
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,610,415	\$ (85,461)	\$ 3,524,954	\$ 3,636,979	\$ 3,636,979	\$ 112,025
Total Expenditures	\$ 3,610,415	\$ (85,461)	\$ 3,524,954	\$ 3,636,979	\$ 3,636,979	\$ 112,025
Excess (Deficiency) of Revenues Over Expenditures	\$ (210,523)	\$ 85,461	\$ (125,062)	\$ (259,604)	\$ (259,604)	\$ 134,542
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (210,523)	\$ 85,461	\$ (125,062)	\$ (259,604)	\$ (259,604)	\$ 134,542
	1,117,718	(85,461)	1,032,257	882,029	882,029	150,228
Fund Balance, June 30, 2008	\$ 907,195	\$ 0	\$ 907,195	\$ 622,425	\$ 622,425	\$ 284,770

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, 2008

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive Negative
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 151,956 \$	0 \$	151,956 \$	147,000 \$	147,000 \$	4,956
State of Tennessee	5,513	0	5,513	9,400	9,400	(3,887)
Total Revenues	\$ 157,469 \$	0 \$	157,469 \$	156,400 \$	156,400 \$	1,069
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Community Services	\$ 147,479 \$	471 \$	147,950 \$	156,400 \$	156,400 \$	8,450
Total Expenditures	\$ 147,479 \$	471 \$	147,950 \$	156,400 \$	156,400 \$	8,450
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,990 \$	(471) \$	9,519 \$	0 \$	0 \$	9,519
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 9,990 \$	(471) \$	9,519 \$	0 \$	0 \$	9,519
	15,494	0	15,494	17,106	17,106	(1,612)
Fund Balance, June 30, 2008	\$ 25,484 \$	(471) \$	25,013 \$	17,106 \$	17,106 \$	7,907

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Lawrence County, Tennessee  
Schedule of Changes in Long-term Notes and Bonds  
For the Year Ended June 30, 2008

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
<b>NOTES PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
General Obligation, Series 2001A	\$ 4,575,000	3.8 %	9-1-01	9-1-13	\$ 2,935,000	\$ 0	\$ 365,000	\$ 2,570,000
General Obligation, Series 2002	1,850,000	1.55 to 4.125	6-1-02	6-1-14	1,175,000	0	150,000	1,025,000
Refunding Capital Outlay Note Series 2003	2,195,000	2.74	2-1-03	2-1-11	1,085,000	0	295,000	790,000
General Obligation, Series 2007	1,000,000	3.97	5-08-07	1-10-08	1,000,000	0	1,000,000	0
Total Notes Payable					\$ 6,195,000	\$ 0	\$ 1,810,000	\$ 4,385,000
<b>BONDS PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
Refunding, Series 2000	8,300,000	5.05	12-1-00	12-1-10	\$ 970,000	\$ 0	225,000	\$ 745,000
Refunding, Series 2001	1,500,000	5.05	12-1-00	12-1-10	175,000	0	40,000	135,000
School Bond Series 2001	3,340,000	2.2 to 4.85	10-1-01	10-1-25	2,910,000	0	95,000	2,815,000
Refunding, Series 2003	8,100,000	3.04	1-1-03	8-1-13	5,215,000	0	780,000	4,435,000
School Refunding, Series 2003	8,820,000	3.33	4-29-03	5-1-16	7,135,000	0	690,000	6,445,000
School Refunding, Series 2004	3,375,000	2.599	4-13-04	5-1-16	2,610,000	0	265,000	2,345,000
School Bond Series 2004	8,000,000	3.6	8-12-04	9-1-19	7,150,000	0	440,000	6,710,000
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-1-25	7,705,000	0	40,000	7,665,000
General Obligation Bond, Series 2006	10,000,000	3.95	2-1-06	6-1-31	9,750,000	0	260,000	9,490,000
General Obligation Bond, Series 2007	10,000,000	4	12-4-07	6-1-37	0	10,000,000	0	10,000,000
General Obligation Bond, Series 2008	4,250,000	4.28	3-18-08	3-1-37	0	4,250,000	0	4,250,000
Total Bonds Payable					\$ 43,620,000	\$ 14,250,000	\$ 2,835,000	\$ 55,035,000

Exhibit J-2

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

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2009	\$ 845,000	\$ 152,283	\$ 997,283
2010	870,000	123,354	993,354
2011	755,000	93,295	848,295
2012	610,000	65,833	675,833
2013	635,000	41,922	676,922
2014	670,000	16,958	686,958
Total	\$ 4,385,000	\$ 493,645	\$ 4,878,645

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2009	\$ 2,930,000	\$ 2,035,752	\$ 4,965,752
2010	3,305,000	1,941,949	5,246,949
2011	3,420,000	1,824,493	5,244,493
2012	3,540,000	1,704,585	5,244,585
2013	3,665,000	1,582,438	5,247,438
2014	3,065,000	1,466,874	4,531,874
2015	2,970,000	1,361,142	4,331,142
2016	3,070,000	1,254,363	4,324,363
2017	1,930,000	1,143,940	3,073,940
2018	2,005,000	1,068,599	3,073,599
2019	2,090,000	990,155	3,080,155
2020	2,180,000	906,800	3,086,800
2021	1,550,000	832,649	2,382,649
2022	1,620,000	768,288	2,388,288
2023	1,685,000	700,922	2,385,922
2024	1,755,000	632,484	2,387,484
2025	1,825,000	561,316	2,386,316
2026	1,905,000	486,944	2,391,944
2027	1,070,000	428,087	1,498,087
2028	1,120,000	385,310	1,505,310
2029	1,170,000	340,528	1,510,528
2030	1,225,000	293,574	1,518,574
2031	1,280,000	244,410	1,524,410
2032	690,000	192,740	882,740
2033	720,000	164,340	884,340
2034	755,000	134,700	889,700
2035	795,000	103,400	898,400
2036	830,000	70,450	900,450
2037	870,000	36,050	906,050
Total	\$ 55,035,000	\$ 23,657,282	\$ 78,692,282

Exhibit J-3

Lawrence County, Tennessee  
Schedule of Notes Receivable  
June 30, 2008

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-08
<u>Industrial/Economic Development Fund</u> Airport Renovation	Lawrenceburg-Lawrence County Airport	\$ 150,000	5-18-07	Variable	0%	\$ 147,825
Total Notes Receivable						<u>\$ 147,825</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, 2008

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 218,558
Highway/Public Works	General Debt Service	Debt payments	110,000
Highway/Public Works	General	Operations	5,000
General Capital Projects	General Debt Service	Debt retirement	1,000,000
General Capital Projects	Industrial/Economic Development	Waterline projects	250,000
General Capital Projects	Highway Capital Projects	Building construction	80,000
Total Transfers Primary Government			<u>\$ 1,663,558</u>
<u>DISCRETELY PRESENTED LAWRENCE</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
Education Capital Projects	General Purpose School	Purchase computers	\$ 500,000
School Federal Projects	General Purpose School	Indirect costs	11,351
Total Transfers Discretely Presented Lawrence County School Department			<u>\$ 511,351</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, 2008

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <u>TCA</u>	\$ 74,574	\$ 50,000	State Automobile Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	67,070	100,000	"
Director of Schools	State Board of Education and County Board of Education	91,800 (1)	150,000	(5)
Trustee	Section 8-24-102, <u>TCA</u>	60,972	1,559,000	State Automobile Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	60,972	10,000	"
Director of Accounts and Budgets	County Commission	50,350 (2)	25,000	Auto-Owners Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	60,972	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <u>TCA</u>	60,972 (3)	50,000	State Automobile Insurance Company
Clerk and Master	Section 8-24-102, <u>TCA</u>	60,972	25,000	"
Register	Section 8-24-102, <u>TCA</u>	70,423 (4)	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	38,000	25,000	Auto-Owners Insurance Company
Purchasing Agent	County Commission			
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			100,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

(1) Does not include cell phone allowance of \$550; includes accrued vacation leave of \$3,672.

(2) Includes \$350 longevity pay.

(3) Does not include special commissioner fees of \$3,426.

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

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

Exhibit J-6

Lawrence County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2008

	General	Courthouse and Jail Maintenance	Public Library	Special Revenue Funds				District Attorney General
				Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control		
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 5,772,811	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	146,801	0	0	0	0	0	0	0
Trustee's Collections - Bankruptcy	3,811	0	0	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	63,803	0	0	0	0	0	0	0
Interest and Penalty	31,649	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,290	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	280,428	0	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,196	0	0	0	0	0	0	0
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	0	0	0	0
Hotel/Motel Tax	82,039	0	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	0	0
Litigation Tax - General	100,581	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	28,902	11,870	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	2,485	0	0	0	0	0	0	0
Business Tax	258,660	0	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	0	0	0	0	0
Wholesale Beer Tax	77,408	0	0	0	0	0	0	0
Interstate Telecommunications Tax	3,276	0	0	0	0	0	0	0
Total Local Taxes	\$ 6,856,140	\$ 11,870	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Marriage Licenses	\$ 1,691	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	25,999	0	0	0	0	0	0	0
<u>Permits</u>								
Beer Permits	2,612	0	0	0	0	0	0	0
Total Licenses and Permits	\$ 30,302	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	General	Courthouse and Jail Maintenance	Public Library	Special Revenue Funds				District Attorney General
				Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control		
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 11,057	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	11,795	0	0	0	0	0	0	0
Game and Fish Fines	68	0	0	0	0	0	0	0
Drug Control Fines	366	0	0	0	0	27,967	0	0
Drug Court Fees	66	0	0	0	0	0	0	0
Jail Fees	13,702	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	1,221
Judicial Commissioner Fees	1,945	0	0	0	0	0	0	0
DUI Treatment Fines	2,545	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,206	0	0	0	0	0	0	0
Courtroom Security Fee	0	118	0	0	0	0	0	0
<u>Criminal Court</u>								
District Attorney General Fees	0	0	0	0	0	0	0	113
<u>General Sessions Court</u>								
Fines	13,167	0	0	0	0	0	0	0
Officers Costs	41,376	0	0	0	0	0	0	0
Game and Fish Fines	925	0	0	0	0	0	0	0
Drug Control Fines	901	0	0	0	0	29,325	0	0
Drug Court Fees	399	0	0	0	0	0	0	0
Jail Fees	7,171	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	6,688
DUI Treatment Fines	5,337	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,476	0	0	0	0	0	0	0
Courtroom Security Fee	0	8	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	63	0	0	0	0	0	0	0
Officers Costs	1,332	0	0	0	0	0	0	0
Game and Fish Fines	73	0	0	0	0	0	0	0
Jail Fees	24	0	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	742	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court (Cont.)</u>							
Courtroom Security Fee	\$ 0	\$ 99	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Chancery Court</u>							
Officers Costs	3,372	0	0	0	0	0	0
Data Entry Fee - Chancery Court	2,234	0	0	0	0	0	0
Other Courts - In-county	0	0	0	0	0	0	20,484
District Attorney General Fees	0	0	0	0	0	11,800	0
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	11,800	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	17,324	0
Proceeds from Confiscated Property	0	0	0	0	0	86,416	28,506
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 126,342</b>	<b>\$ 225</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 86,416</b>	<b>\$ 28,506</b>

Charges for Current Services

<u>General Service Charges</u>	
Commercial and Industrial Waste Collection Charge	\$ 0
Residential Waste Collection Charge	0
Tipping Fees	0
Solid Waste Disposal Fees	0
Patient Charges	1,177,495
Past Due Collections - Ambulance	101,686
Work Release Charges for Board	4,500
Other General Service Charges	943
Water Tap Sales	0
Service Charges	2,255
<u>Fees</u>	
Copy Fees	462
Library Fees	0
Vending Machine Collections	514
Constitutional Officers' Fees and Commissions	0
Data Processing Fee - Register	15,732

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Data Processing Fee - Sheriff	\$ 3,425	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sexual Offender Registration Fees - Sheriff	1,100	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	3,742	0	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 1,311,854</b>	<b>\$ 0</b>	<b>\$ 10,550</b>	<b>\$ 1,567,718</b>	<b>\$ 20,400</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 819,946	\$ 0	\$ 5,164	\$ 67,922	\$ 0	\$ 0	\$ 0
Lease/Rentals	250	0	5,400	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	0
Sale of Recycled Materials	27,388	0	0	153,670	0	0	0
Miscellaneous Refunds	8,898	0	0	0	0	0	0
Expenditure Credits	85	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	7,794	0	0	16,851	0	0	0
Damages Recovered from Individuals	0	0	0	0	0	0	0
Contributions and Gifts	35,003	0	150	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 899,364</b>	<b>\$ 0</b>	<b>\$ 10,714</b>	<b>\$ 288,443</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 101,868	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Register	16,500	0	0	0	0	0	0
Trustee	375,082	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>							
Circuit Court Clerk	116,061	0	0	0	0	0	0
General Sessions Court Clerk	177,744	0	0	0	0	0	0
Clerk and Master	149,406	0	0	0	0	0	0
Juvenile Court Clerk	32,052	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General
Fees Received from County Officials (Cont.)							
Fees in-Lieu-of Salary (Cont.)							
Sheriff	\$ 6,375	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fees Received from County Officials	\$ 975,088	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State of Tennessee							
General Government Grants							
Juvenile Services Program	\$ 9,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	14,396	0	0	0	0	0	0
Solid Waste Grants	0	0	0	38,673	0	0	0
Public Safety Grants							
Law Enforcement Training Programs	24,000	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	187,326	0	0	0	0	0	0
Other Health and Welfare Grants	15,789	0	0	0	0	0	0
Public Works Grants							
Bridge Program	0	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0	0
Litter Program	44,388	0	0	0	0	0	0
Other State Revenues							
Income Tax	119,028	0	0	0	0	0	0
Beer Tax	19,312	0	0	0	0	0	0
Alcoholic Beverage Tax	63,917	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0
Contracted Prisoner Boarding	150,850	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	16,380	0	0	0	0	0	0
Other State Grants	8,415	0	850	0	0	0	0
Other State Revenues	64,775	0	0	0	0	158	0
Total State of Tennessee	\$ 737,876	\$ 0	\$ 850	\$ 38,673	\$ 0	\$ 158	\$ 0

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste/ Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 475,300	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0	0	0
Other Federal through State	37,907	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Asset Forfeiture Funds	0	0	0	0	0	77,942	0
Other Direct Federal Revenue	1,600	0	0	0	0	0	0
<u>Total Federal Government</u>	\$ 39,507	\$ 0	\$ 0	\$ 0	\$ 475,300	\$ 77,942	\$ 0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	3,101	0	74,208	0	0	0	0
Contracted Services	8,545	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	3,626	0	6,955	0	0	2	0
<u>Other</u>							
Other	0	0	2,165	0	0	0	0
<u>Total Other Governments and Citizens Groups</u>	\$ 15,272	\$ 0	\$ 83,328	\$ 0	\$ 0	\$ 2	\$ 0
<u>Total</u>	\$ 10,991,745	\$ 12,095	\$ 105,442	\$ 1,844,834	\$ 495,700	\$ 164,518	\$ 28,506

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds				Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Highway Capital Projects	Homeland Security Capital Projects				
<u>Local Taxes</u>											
County Property Taxes	\$	1,257,433	\$ 1,804,299	\$	0	\$	0	\$	0	\$	8,834,543
Trustee's Collections - Prior Year	0	33,284	59,585	0	0	0	0	0	0	0	239,670
Trustee's Collections - Bankruptcy	0	830	1,198	0	0	0	0	0	0	0	5,839
Circuit/Clerk & Master Collections - Prior Years	0	13,892	20,062	0	0	0	0	0	0	0	97,757
Interest and Penalty	0	6,886	9,943	0	0	0	0	0	0	0	48,478
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	0	0	0	0	2,290
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	0	0	0	0	280,428
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	0	0	0	0	1,196
<u>County Local Option Taxes</u>											
Local Option Sales Tax	0	0	1,323,958	0	0	0	0	0	0	0	1,323,958
Hotel/Motel Tax	0	0	0	0	0	0	0	0	0	0	82,039
Wheel Tax	0	0	899,972	0	0	0	0	0	0	0	899,972
Litigation Tax - General	0	0	0	0	0	0	0	0	0	0	100,581
Litigation Tax - Special Purpose	0	0	0	0	0	0	0	0	0	0	40,772
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	78,035	0	0	0	0	0	0	0	78,035
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	0	0	0	0	0	2,485
Business Tax	0	0	0	0	0	0	0	0	0	0	258,660
Mineral Severance Tax	0	82,649	0	0	0	0	0	0	0	0	82,649
<u>Statutory Local Taxes</u>											
Bank Excise Tax	0	0	202,902	0	0	0	0	0	0	0	202,902
Wholesale Beer Tax	0	0	0	0	0	0	0	0	0	0	77,408
Interstate Telecommunications Tax	0	0	0	0	0	0	0	0	0	0	3,276
Total Local Taxes	\$	1,394,974	\$ 4,399,954	\$	0	\$	0	\$	0	\$	12,662,938
<u>Licenses and Permits</u>											
<u>Licenses</u>											
Marriage Licenses	\$	0	0	0	0	0	0	0	0	0	1,691
Cable TV Franchise	0	0	0	0	0	0	0	0	0	0	25,999
<u>Permits</u>											
Beer Permits	\$	0	0	0	0	0	0	0	0	0	2,612
Total Licenses and Permits	\$	0	0	0	0	0	0	0	0	0	30,302

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Homeland Security Capital Projects			
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 0	0	0	0	0	0	0	0	11,057
Officers Costs	0	0	0	0	0	0	0	0	11,795
Game and Fish Fines	0	0	0	0	0	0	0	0	68
Drug Control Fines	0	0	0	0	0	0	0	0	28,333
Drug Court Fees	0	0	0	0	0	0	0	0	66
Jail Fees	0	0	0	0	0	0	0	0	13,702
District Attorney General Fees	0	0	0	0	0	0	0	0	1,221
Judicial Commissioner Fees	0	0	0	0	0	0	0	0	1,945
DUI Treatment Fines	0	0	0	0	0	0	0	0	2,545
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	1,206
Courtroom Security Fee	0	0	0	0	0	0	0	0	118
<u>Criminal Court</u>									
District Attorney General Fees	0	0	0	0	0	0	0	0	113
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	0	13,167
Officers Costs	0	0	0	0	0	0	0	0	41,376
Game and Fish Fines	0	0	0	0	0	0	0	0	925
Drug Control Fines	0	0	0	0	0	0	0	0	30,226
Drug Court Fees	0	0	0	0	0	0	0	0	399
Jail Fees	0	0	0	0	0	0	0	0	7,171
District Attorney General Fees	0	0	0	0	0	0	0	0	6,688
DUI Treatment Fines	0	0	0	0	0	0	0	0	5,337
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	6,476
Courtroom Security Fee	0	0	0	0	0	0	0	0	8
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	0	63
Officers Costs	0	0	0	0	0	0	0	0	1,332
Game and Fish Fines	0	0	0	0	0	0	0	0	73
Jail Fees	0	0	0	0	0	0	0	0	24
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	0	742

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds				Total
	Constitutional Officers Fees	Highway / Public Works	General Debt Service	General	General Capital Projects	Highway Capital Projects	Homeland Security Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
Juvenile Court (Cont.)									
Courtroom Security Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	99
Chancery Court									
Officers Costs	0	0	0	0	0	0	0	0	3,372
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	2,234
<u>Other Courts - In-county</u>									
District Attorney General Fees	0	0	0	0	0	0	0	0	20,484
<u>Judicial District Drug Program</u>									
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	0	11,800
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0	17,324
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	241,489
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	437,416
Residential Waste Collection Charge	0	0	0	0	0	0	0	0	991,184
Tipping Fees	0	0	0	0	0	0	0	0	3,253
Solid Waste Disposal Fees	0	0	0	0	0	0	0	0	135,841
Patient Charges	0	0	0	0	0	0	0	0	1,177,495
Past Due Collections - Ambulance	0	0	0	0	0	0	0	0	101,686
Work Release Charges for Board	0	0	0	0	0	0	0	0	4,500
Other General Service Charges	0	0	0	0	0	0	0	0	943
Water Tap Sales	0	0	0	0	0	0	0	0	20,400
Service Charges	0	0	0	0	0	0	0	0	2,255
<u>Fees</u>									
Copy Fees	0	0	0	0	0	0	0	0	5,964
Library Fees	0	0	0	0	0	0	0	0	5,072
Vending Machine Collections	0	0	0	0	0	0	0	0	514
Constitutional Officers' Fees and Commissions	622,661	0	0	0	0	0	0	0	622,661
Data Processing Fee - Register	0	0	0	0	0	0	0	0	15,732

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Homeland Security Capital Projects				
<b>Charges for Current Services (Cont.)</b>										
<u>Fees (Cont.)</u>										
Data Processing Fee - Sheriff	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,425
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	0	1,100
<u>Other Charges for Services</u>	0	0	0	0	0	0	0	0	0	3,742
Other Charges for Services	\$ 622,661	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,533,183
Total Charges for Current Services										
<b>Other Local Revenues</b>										
<u>Recurring Items</u>										
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,228	\$ 0	\$ 0	\$ 0	\$ 0	\$ 894,260
Lease/Rentals	0	0	90,000	0	0	0	0	0	0	95,650
Sale of Materials and Supplies	0	8,835	0	0	0	0	0	0	0	8,835
Sale of Recycled Materials	0	0	0	0	0	0	0	0	0	181,058
Miscellaneous Refunds	0	45,303	0	0	0	23,764	0	0	0	77,965
Expenditure Credits	0	0	0	0	0	0	0	0	0	85
<u>Nonrecurring Items</u>										
Sale of Equipment	0	0	0	0	0	0	0	0	0	24,645
Damages Recovered from Individuals	0	63	0	0	0	0	0	0	0	63
Contributions and Gifts	0	0	0	0	0	0	0	0	0	35,153
Total Other Local Revenues	\$ 0	\$ 54,201	\$ 90,000	\$ 1,228	\$ 23,764	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,317,714
<b>Fees Received from County Officials</b>										
<u>Excess Fees</u>										
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 101,868
Register	0	0	0	0	0	0	0	0	0	16,500
Trustee	0	0	0	0	0	0	0	0	0	375,082
<u>Fees in-Lieu-of Salary</u>										
Circuit Court Clerk	0	0	0	0	0	0	0	0	0	116,061
General Sessions Court Clerk	0	0	0	0	0	0	0	0	0	177,744
Clerk and Master	0	0	0	0	0	0	0	0	0	149,406
Juvenile Court Clerk	0	0	0	0	0	0	0	0	0	32,052

(Continued)



Exhibit J-6

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Highway Capital Projects	Homeland Security Capital Projects				
<u>Federal Government</u>										
Federal Through State	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 475,300
Community Development	0	0	0	0	0	0	0	221,380	0	221,380
Homeland Security Grants	0	0	0	0	0	0	0	0	0	37,907
Other Federal through State	0	0	0	0	0	0	0	0	0	0
Direct Federal Revenue	0	0	0	0	0	0	0	0	0	77,942
Asset Forfeiture Funds	0	56,054	0	0	0	0	0	0	0	57,654
Other Direct Federal Revenue	0	56,054	0	0	0	0	0	0	0	57,654
Total Federal Government	\$ 0	\$ 56,054	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 221,380	\$ 0	\$ 870,183
<u>Other Governments and Citizens Groups</u>										
Other Governments	\$ 0	\$ 200,378	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,378
Paving and Maintenance	0	0	300,000	0	0	0	0	0	0	377,309
Contributions	0	0	0	0	0	0	0	0	0	8,545
Contracted Services	0	0	0	0	0	0	0	0	0	0
Citizens Groups	0	0	0	0	0	0	0	0	0	10,583
Donations	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	2,165
Total Other Governments and Citizens Groups	\$ 0	\$ 200,378	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 598,980
Total	\$ 622,661	\$ 4,081,979	\$ 5,278,042	\$ 1,228	\$ 23,764	\$ 221,380	\$ 23,871,894	\$ 0	\$ 0	\$ 23,871,894

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, 2008

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Local Taxes</u>						
County Property Taxes						
Current Property Tax	\$ 5,214,783	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,214,783
Trustee's Collections - Prior Year	140,092	0	0	0	0	140,092
Trustee's Collections - Bankruptcy	3,442	0	0	0	0	3,442
Circuit/Clerk & Master Collections - Prior Years	57,633	0	0	0	0	57,633
Interest and Penalty	28,560	0	0	0	0	28,560
County Local Option Taxes						
Local Option Sales Tax	4,196,982	0	0	0	0	4,196,982
Statutory Local Taxes						
Interstate Telecommunications Tax	5,104	0	0	0	0	5,104
Total Local Taxes	\$ 9,646,596	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,646,596
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	1,696	0	0	0	0	1,696
Total Licenses and Permits	\$ 1,696	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,696
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	14,200	0	0	0	0	14,200
Tuition - Other	0	0	0	151,956	0	151,956
Lunch Payments - Children	0	0	770,821	0	0	770,821
Lunch Payments - Adults	0	0	164,645	0	0	164,645
Income from Breakfast	0	0	128,065	0	0	128,065
A la carte Sales	0	0	361,639	0	0	361,639
Contract for Instructional Services with Other LEAs	4,620	0	0	0	0	4,620
Receipts from Individual Schools	57,800	0	5,175	0	0	62,975
Community Service Fees - Children	37,146	0	0	0	0	37,146
<u>Other Charges for Services</u>						
Other Charges for Services	140	0	670	0	0	810
Total Charges for Current Services	\$ 113,906	\$ 0	\$ 1,431,015	\$ 151,956	\$ 0	\$ 1,696,877

(Continued)

Exhibit J-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	37,394 \$	0 \$	0 \$	37,394
Lease/Rentals	33,602	0	0	0	0	33,602
Sale of Materials and Supplies	1,358	0	0	0	0	1,358
Refund of Telecommunication & Internet Fees (E-Rate)	45,188	0	0	0	0	45,188
Miscellaneous Refunds	18,533	0	16,375	0	1,432	36,340
<u>Nonrecurring Items</u>						
Sale of Equipment	10,149	0	0	0	0	10,149
Damages Recovered from Individuals	1,934	0	0	0	0	1,934
Contributions and Gifts	6,811	0	0	0	0	6,811
<u>Other Local Revenues</u>	1,275	0	0	0	0	1,275
<u>Total Other Local Revenues</u>	118,850 \$	0 \$	53,769 \$	0 \$	1,432 \$	174,051
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	169,210 \$	0 \$	0 \$	0 \$	0 \$	169,210
<u>State Education Funds</u>						
Basic Education Program	28,945,467	0	0	0	0	28,945,467
Early Childhood Education	994,429	0	0	0	0	994,429
School Food Service	0	0	41,415	0	0	41,415
Driver Education	18,265	0	0	0	0	18,265
Other State Education Funds	37,805	0	0	0	0	37,805
Career Ladder Program	389,357	0	0	0	0	389,357
Career Ladder - Extended Contract	146,175	0	0	0	0	146,175
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	200,000	0	0	0	0	200,000
Other State Grants	259,667	0	0	0	0	259,667
Other State Revenues	122,633	0	0	5,513	0	128,146
<u>Total State of Tennessee</u>	31,283,008 \$	0 \$	41,415 \$	5,513 \$	0 \$	31,329,936
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	0 \$	0 \$	1,368,188 \$	0 \$	0 \$	1,368,188

(Continued)

Exhibit J-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Breakfast	\$ 0	\$ 0	\$ 505,505	\$ 0	\$ 0	\$ 505,505
Adult Education State Grant Program	99,059	0	0	0	0	99,059
Vocational Education - Basic Grants to States	48,391	142,580	0	0	0	190,971
Title I Grants to Local Education Agencies	0	1,325,856	0	0	0	1,325,856
Innovative Education Program Strategies	0	18,538	0	0	0	18,538
Special Education - Grants to States	24,790	1,376,684	0	0	0	1,401,474
Special Education Preschool Grants	0	43,500	0	0	0	43,500
Eisenhower Professional Development State Grants	0	357,581	0	0	0	357,581
Other Federal through State	48,893	34,550	0	0	0	83,443
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	11,292	0	0	0	0	11,292
Total Federal Government	<u>\$ 232,425</u>	<u>\$ 3,299,289</u>	<u>\$ 1,873,693</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,405,407</u>
<u>Other Governments and Citizens Groups</u>						
Other Governments						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 811,586	\$ 811,586
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 811,586</u>	<u>\$ 811,586</u>
Total	<u>\$ 41,396,481</u>	<u>\$ 3,299,289</u>	<u>\$ 3,399,892</u>	<u>\$ 157,469</u>	<u>\$ 813,018</u>	<u>\$ 49,066,149</u>

Exhibit J-8

Lawrence County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2008

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	43,981	
Social Security		2,701	
State Retirement		2,429	
Employer Medicare		632	
Advertising		119	
Audit Services		16,738	
Contracts with Private Agencies		5,061	
Data Processing Services		1,191	
Dues and Memberships		7,316	
Postal Charges		328	
Travel		13,039	
Office Supplies		164	
Other Supplies and Materials		60	
Other Charges		<u>757</u>	
Total County Commission	\$		94,516

County Mayor/Executive

County Official/Administrative Officer	\$	74,574	
Secretary(ies)		51,659	
Part-time Personnel		3,290	
Social Security		8,019	
State Retirement		11,449	
Employee and Dependent Insurance		349	
Life Insurance		134	
Medical Insurance		5,086	
Disability Insurance		529	
Unemployment Compensation		226	
Employer Medicare		1,875	
Data Processing Services		248	
Dues and Memberships		1,565	
Legal Notices, Recording, and Court Costs		59	
Maintenance Agreements		780	
Pest Control		76	
Postal Charges		381	
Printing, Stationery, and Forms		176	
Travel		8,067	
Office Supplies		1,266	
Periodicals		21	
Workers' Compensation Insurance		242	
Other Charges		<u>400</u>	
Total County Mayor/Executive			170,471

(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		544	
Unemployment Compensation		84	
Employer Medicare		87	
Workers' Compensation Insurance		81	
Total County Attorney			\$ 7,168

Election Commission

County Official/Administrative Officer	\$	54,875
Deputy(ies)		44,404
Overtime Pay		2,941
Election Commission		2,650
Election Workers		98
In-Service Training		1,275
Social Security		5,706
State Retirement		9,332
Employee and Dependent Insurance		360
Life Insurance		67
Medical Insurance		10,173
Dental Insurance		222
Disability Insurance		261
Unemployment Compensation		294
Employer Medicare		1,334
Communication		183
Contracts with Private Agencies		26,100
Data Processing Services		8,821
Dues and Memberships		15
Legal Notices, Recording, and Court Costs		167
Maintenance Agreements		5,780
Maintenance and Repair Services - Buildings		96
Pest Control		264
Postal Charges		3,187
Printing, Stationery, and Forms		2,717
Rentals		19
Travel		2,622
Disposal Fees		120
Data Processing Supplies		258
Office Supplies		2,035
Utilities		3,998

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Other Supplies and Materials	\$	61	
Workers' Compensation Insurance		242	
Data Processing Equipment		3,514	
Total Election Commission			\$ 194,191

Register of Deeds

State Retirement	\$	14,688	
Employee and Dependent Insurance		360	
Life Insurance		67	
Medical Insurance		20,346	
Dental Insurance		222	
Unemployment Compensation		392	
Data Processing Services		2,500	
Dues and Memberships		622	
Operating Lease Payments		15,339	
Maintenance Agreements		856	
Postal Charges		1,008	
Printing, Stationery, and Forms		3,206	
Travel		1,338	
Office Supplies		3,096	
Other Supplies and Materials		203	
Workers' Compensation Insurance		403	
Other Self-Insured Claims		130	
Total Register of Deeds			64,776

Codes Compliance

Other Supplies and Materials	\$	34,209	
Total Codes Compliance			34,209

County Buildings

Supervisor/Director	\$	24,845	
Custodial Personnel		60,266	
Longevity Pay		1,000	
Social Security		5,120	
State Retirement		7,810	
Employee and Dependent Insurance		349	
Life Insurance		67	
Medical Insurance		15,259	
Dental Insurance		222	
Disability Insurance		254	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Unemployment Compensation	\$	392	
Employer Medicare		1,197	
Communication		71,403	
Data Processing Services		75	
Legal Notices, Recording, and Court Costs		251	
Maintenance Agreements		12,052	
Maintenance and Repair Services - Buildings		11,562	
Maintenance and Repair Services - Equipment		896	
Maintenance and Repair Services - Vehicles		483	
Pest Control		1,112	
Postal Charges		1,703	
Travel		101	
Disposal Fees		914	
Other Contracted Services		13	
Custodial Supplies		7,058	
Gasoline		650	
Office Supplies		266	
Uniforms		4,166	
Utilities		140,612	
Other Supplies and Materials		460	
Workers' Compensation Insurance		2,044	
Other Equipment		4,300	
Other Capital Outlay		966	
Total County Buildings			\$ 377,868

Preservation of Records

Supervisor/Director	\$	26,971
Clerical Personnel		18,622
Longevity Pay		600
Social Security		2,325
State Retirement		3,551
Employee and Dependent Insurance		180
Life Insurance		39
Medical Insurance		5,886
Dental Insurance		129
Disability Insurance		165
Unemployment Compensation		294
Employer Medicare		544
Advertising		61
Communication		976

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Contracts with Private Agencies	\$	5,400	
Dues and Memberships		20	
Maintenance Agreements		350	
Maintenance and Repair Services - Buildings		195	
Office Supplies		623	
Other Supplies and Materials		1,781	
Workers' Compensation Insurance		161	
Furniture and Fixtures		2,259	
Office Equipment		4,515	
Total Preservation of Records			\$ 75,647

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	40,000	
Accountants/Bookkeepers		43,910	
Longevity Pay		1,050	
Overtime Pay		875	
In-Service Training		403	
Social Security		5,696	
State Retirement		9,293	
Medical Insurance		15,259	
Unemployment Compensation		294	
Employer Medicare		1,332	
Communication		2,968	
Data Processing Services		4,017	
Maintenance Agreements		324	
Maintenance and Repair Services - Office Equipment		122	
Pest Control		132	
Postal Charges		152	
Printing, Stationery, and Forms		1,001	
Travel		846	
Disposal Fees		100	
Office Supplies		2,105	
Utilities		3,884	
Other Supplies and Materials		15	
Workers' Compensation Insurance		242	
Other Charges		56	
Data Processing Equipment		173	
Furniture and Fixtures		1,450	
Office Equipment		7,822	
Total Accounting and Budgeting			143,521

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Purchasing

County Official/Administrative Officer	\$	30,400	
Purchasing Personnel		22,925	
Longevity Pay		750	
In-Service Training		50	
Social Security		3,961	
State Retirement		5,961	
Medical Insurance		10,173	
Unemployment Compensation		196	
Employer Medicare		926	
Data Processing Services		3,871	
Pest Control		132	
Postal Charges		1,802	
Printing, Stationery, and Forms		81	
Travel		419	
Other Supplies and Materials		55	
Workers' Compensation Insurance		161	
Other Charges		339	
Data Processing Equipment		1,127	
Furniture and Fixtures		1,321	
Total Purchasing			\$ 84,650

Property Assessor's Office

County Official/Administrative Officer	\$	60,972
Deputy(ies)		103,318
Longevity Pay		1,600
Other Salaries and Wages		29,101
Board and Committee Members Fees		880
In-Service Training		425
Social Security		11,842
State Retirement		17,686
Employee and Dependent Insurance		351
Life Insurance		67
Medical Insurance		25,432
Dental Insurance		222
Unemployment Compensation		501
Employer Medicare		2,770
Data Processing Services		16,455
Dues and Memberships		1,680
Maintenance Agreements		942
Maintenance and Repair Services - Vehicles		515

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Pest Control	\$	76	
Postal Charges		1,916	
Printing, Stationery, and Forms		226	
Travel		3,925	
Gasoline		2,379	
Office Supplies		2,546	
Other Supplies and Materials		103	
Workers' Compensation Insurance		483	
Data Processing Equipment		1,150	
Office Equipment		145	
Total Property Assessor's Office			\$ 287,708

County Trustee's Office

State Retirement	\$	15,069	
Employee and Dependent Insurance		1,431	
Life Insurance		269	
Medical Insurance		5,086	
Dental Insurance		889	
Disability Insurance		843	
Unemployment Compensation		392	
Data Processing Services		6,058	
Dues and Memberships		607	
Maintenance and Repair Services - Equipment		215	
Pest Control		76	
Postal Charges		6,848	
Printing, Stationery, and Forms		7,155	
Travel		39	
Office Supplies		885	
Other Supplies and Materials		13	
Workers' Compensation Insurance		403	
Total County Trustee's Office			46,278

County Clerk's Office

State Retirement	\$	21,935
Employee and Dependent Insurance		1,915
Life Insurance		336
Medical Insurance		15,259
Dental Insurance		445
Disability Insurance		745
Unemployment Compensation		687

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Data Processing Services	\$	18,899	
Dues and Memberships		647	
Legal Notices, Recording, and Court Costs		125	
Maintenance Agreements		790	
Pest Control		76	
Postal Charges		9,591	
Printing, Stationery, and Forms		3,392	
Travel		2,374	
Office Supplies		3,390	
Other Supplies and Materials		36	
Workers' Compensation Insurance		644	
Office Equipment		638	
Total County Clerk's Office			\$ 81,924

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	60,972
Deputy(ies)		225,042
Longevity Pay		3,650
Jury and Witness Fees		17,078
In-Service Training		894
Social Security		16,939
State Retirement		25,517
Employee and Dependent Insurance		1,069
Life Insurance		193
Medical Insurance		34,005
Dental Insurance		445
Disability Insurance		727
Unemployment Compensation		851
Employer Medicare		3,962
Data Processing Services		9,776
Dues and Memberships		767
Maintenance Agreements		1,309
Maintenance and Repair Services - Office Equipment		214
Pest Control		76
Postal Charges		2,759
Printing, Stationery, and Forms		2,556
Travel		1,331
Office Supplies		5,686
Workers' Compensation Insurance		731

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Other Charges	\$	65	
Office Equipment		18,720	
Total Circuit Court			\$ 435,334

General Sessions Court

Judge(s)	\$	129,960	
Deputy(ies)		53,942	
Guards		45,019	
Part-time Personnel		3,740	
Longevity Pay		2,200	
Overtime Pay		1,788	
In-Service Training		204	
Social Security		12,336	
State Retirement		21,941	
Medical Insurance		25,432	
Unemployment Compensation		392	
Employer Medicare		3,021	
Dues and Memberships		265	
Pest Control		76	
Postal Charges		461	
Printing, Stationery, and Forms		298	
Travel		3,420	
Office Supplies		696	
Other Supplies and Materials		308	
Workers' Compensation Insurance		403	
Other Charges		340	
Total General Sessions Court			306,242

Chancery Court

County Official/Administrative Officer	\$	60,972	
Deputy(ies)		103,318	
Part-time Personnel		15,562	
Longevity Pay		2,250	
Social Security		11,058	
State Retirement		15,105	
Employee and Dependent Insurance		1,080	
Life Insurance		202	
Medical Insurance		10,173	
Dental Insurance		445	
Disability Insurance		773	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Unemployment Compensation	\$	536	
Employer Medicare		2,586	
Data Processing Services		6,355	
Dues and Memberships		667	
Maintenance Agreements		780	
Pest Control		76	
Postal Charges		4,123	
Printing, Stationery, and Forms		1,137	
Travel		238	
Office Supplies		3,250	
Other Supplies and Materials		1,606	
Workers' Compensation Insurance		470	
Data Processing Equipment		827	
Total Chancery Court			\$ 243,589

Juvenile Court

Youth Service Officer(s)	\$	9,000	
Salary Supplements		18,200	
Social Security		1,578	
State Retirement		1,651	
Employee and Dependent Insurance		330	
Life Insurance		67	
Dental Insurance		222	
Disability Insurance		152	
Employer Medicare		369	
Other Contracted Services		530	
Total Juvenile Court			32,099

District Attorney General

Contributions	\$	2,500	
Other Contracted Services		48,925	
Total District Attorney General			51,425

Courtroom Security

Other Equipment	\$	85,118	
Total Courtroom Security			85,118

Victims Assistance Programs

Contracts with Private Agencies	\$	4,353	
Total Victims Assistance Programs			4,353

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,423
Supervisor/Director		55,021
Deputy(ies)		906,384
Investigator(s)		114,977
Captain(s)		50,019
Lieutenant(s)		43,655
Sergeant(s)		209,578
Secretary(ies)		118,506
Part-time Personnel		16,290
Longevity Pay		12,550
Overtime Pay		25,824
Other Salaries and Wages		72,318
In-Service Training		31,235
Social Security		99,972
State Retirement		147,101
Employee and Dependent Insurance		4,952
Life Insurance		868
Medical Insurance		154,569
Dental Insurance		1,890
Disability Insurance		2,573
Unemployment Compensation		4,870
Employer Medicare		24,425
Communication		2,727
Data Processing Services		6,068
Dues and Memberships		2,465
Evaluation and Testing		2,305
Operating Lease Payments		5,076
Legal Notices, Recording, and Court Costs		112
Maintenance Agreements		13,121
Maintenance and Repair Services - Buildings		12
Maintenance and Repair Services - Equipment		258
Maintenance and Repair Services - Office Equipment		580
Maintenance and Repair Services - Vehicles		57,900
Pest Control		352
Postal Charges		1,485
Printing, Stationery, and Forms		2,141
Tow-in Services		1,323
Travel		8,398
Other Contracted Services		1,000
Custodial Supplies		4,371

(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.)

Drugs and Medical Supplies	\$	900	
Food Supplies		476	
Gasoline		145,086	
Law Enforcement Supplies		3,279	
Office Supplies		9,357	
Tires and Tubes		9,799	
Uniforms		17,534	
Utilities		9,066	
Other Supplies and Materials		3,910	
Medical Claims		134	
Workers' Compensation Insurance		18,680	
Liability Claims		500	
Other Self-Insured Claims		2,680	
Other Charges		786	
Data Processing Equipment		142	
Law Enforcement Equipment		1,879	
Motor Vehicles		10,642	
Office Equipment		2,842	
Other Equipment		16,682	
Total Sheriff's Department			\$ 2,532,068

Jail

Lieutenant(s)	\$	38,265
Sergeant(s)		22,729
Medical Personnel		25,127
Guards		441,761
Clerical Personnel		7,246
Longevity Pay		1,200
Overtime Pay		677
In-Service Training		2,809
Social Security		31,799
State Retirement		32,063
Employee and Dependent Insurance		537
Life Insurance		168
Medical Insurance		83,699
Dental Insurance		623
Disability Insurance		728
Unemployment Compensation		4,058
Employer Medicare		7,437
Communication		1,015

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Contracts with Private Agencies	\$	662,062	
Evaluation and Testing		6,480	
Maintenance and Repair Services - Buildings		3,202	
Maintenance and Repair Services - Equipment		1,764	
Maintenance and Repair Services - Vehicles		497	
Pest Control		76	
Printing, Stationery, and Forms		758	
Travel		2,668	
Custodial Supplies		19,231	
Drugs and Medical Supplies		41,979	
Food Supplies		144,278	
Gasoline		15	
Law Enforcement Supplies		434	
Office Supplies		2,008	
Uniforms		17,539	
Utilities		6,092	
Other Supplies and Materials		45,588	
Medical Claims		157,539	
Workers' Compensation Insurance		9,723	
Other Self-Insured Claims		70	
Other Charges		141	
Data Processing Equipment		175	
Food Service Equipment		5,164	
Furniture and Fixtures		396	
Office Equipment		2,582	
Total Jail			\$ 1,832,402

Workhouse

Accountants/Bookkeepers	\$	4,000	
Guards		7,060	
Social Security		248	
Employer Medicare		58	
Food Supplies		726	
Gasoline		4,561	
Other Supplies and Materials		14,288	
Other Charges		9,258	
Total Workhouse			40,199

Work Release Program

Maintenance and Repair Services - Vehicles	\$	1,147	
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(Continued)

Exhibit J-8

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

<u>General Fund (Cont.)</u>		
<u>Public Safety (Cont.)</u>		
<u>Work Release Program (Cont.)</u>		
Food Supplies	\$ 1,214	
Other Supplies and Materials	271	
Total Work Release Program		\$ 2,632
<u>Fire Prevention and Control</u>		
Contracts with Government Agencies	\$ 2,000	
Total Fire Prevention and Control		2,000
<u>Civil Defense</u>		
Communication	\$ 1	
Other Contracted Services	9,267	
Other Supplies and Materials	5,647	
Total Civil Defense		14,915
<u>Rescue Squad</u>		
Contributions	\$ 245,500	
Total Rescue Squad		245,500
<u>Other Emergency Management</u>		
Contributions	\$ 285,000	
Total Other Emergency Management		285,000
<u>County Coroner/Medical Examiner</u>		
Social Security	\$ 78	
Employer Medicare	18	
Medical and Dental Services	6,500	
Other Contracted Services	5,000	
Total County Coroner/Medical Examiner		11,596
<u>Other Public Safety</u>		
Other Supplies and Materials	\$ 5,761	
Total Other Public Safety		5,761
<u>Public Health and Welfare</u>		
<u>Local Health Center</u>		
Secretary(ies)	\$ 42,148	
Longevity Pay	350	
Social Security	2,513	
State Retirement	4,055	
Employee and Dependent Insurance	360	

(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.)

Life Insurance	\$	67	
Medical Insurance		5,086	
Dental Insurance		222	
Disability Insurance		207	
Unemployment Compensation		196	
Employer Medicare		565	
Communication		3,145	
Dues and Memberships		100	
Janitorial Services		10,800	
Legal Notices, Recording, and Court Costs		8	
Maintenance and Repair Services - Buildings		2,097	
Maintenance and Repair Services - Office Equipment		446	
Pest Control		538	
Printing, Stationery, and Forms		56	
Disposal Fees		1,148	
Food Supplies		347	
Office Supplies		80	
Utilities		28,548	
Other Supplies and Materials		237	
Workers' Compensation Insurance		161	
Other Self-Insured Claims		35	
Total Local Health Center			\$ 103,515

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	41,706
Medical Personnel		617,472
Secretary(ies)		49,480
Part-time Personnel		23,402
Longevity Pay		6,350
Overtime Pay		346,065
In-Service Training		3,213
Social Security		65,423
State Retirement		88,162
Employee and Dependent Insurance		1,311
Life Insurance		279
Medical Insurance		105,165
Dental Insurance		678
Disability Insurance		1,174
Unemployment Compensation		3,574
Employer Medicare		15,301

(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.)

Communication	\$	4,159	
Data Processing Services		4,358	
Dues and Memberships		15	
Laundry Service		2,030	
Licenses		1,797	
Maintenance and Repair Services - Buildings		833	
Maintenance and Repair Services - Equipment		122	
Maintenance and Repair Services - Office Equipment		206	
Maintenance and Repair Services - Vehicles		60,251	
Medical and Dental Services		3,500	
Pest Control		370	
Postal Charges		3,622	
Printing, Stationery, and Forms		1,591	
Tow-in Services		600	
Travel		3,308	
Disposal Fees		288	
Other Contracted Services		3,492	
Custodial Supplies		5,094	
Drugs and Medical Supplies		65,950	
Food Supplies		6	
Gasoline		67,787	
Office Supplies		1,033	
Tires and Tubes		3,453	
Uniforms		14,806	
Utilities		14,360	
Other Supplies and Materials		1,030	
Liability Insurance		8,940	
Vehicle and Equipment Insurance		19,249	
Workers' Compensation Insurance		15,494	
Other Self-Insured Claims		1,905	
Other Charges		2,136	
Office Equipment		809	
Other Equipment		789	
Total Ambulance/Emergency Medical Services			\$ 1,682,138

Regional Mental Health Center

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

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State

Other Salaries and Wages	\$	176,906	
Contracts with Government Agencies		30,000	
Travel		7,917	
Other Charges		2,491	
Total Appropriation to State			\$ 217,314

Aid to Dependent Children

Contracts with Government Agencies	\$	8,183	
Total Aid to Dependent Children			8,183

Other Public Health and Welfare

Dues and Memberships	\$	8,600	
Other Contracted Services		27,767	
Other Supplies and Materials		13,822	
Total Other Public Health and Welfare			50,189

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	9,000	
Total Senior Citizens Assistance			9,000

Other Social, Cultural, and Recreational

Contributions	\$	46,383	
Other Charges		3,863	
Total Other Social, Cultural, and Recreational			50,246

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	79,452	
Board and Committee Members Fees		100	
Social Security		706	
State Retirement		246	
Unemployment Compensation		141	
Employer Medicare		165	
Communication		2,014	
Data Processing Services		948	
Dues and Memberships		400	
Maintenance Agreements		105	
Maintenance and Repair Services - Buildings		10	
Maintenance and Repair Services - Office Equipment		35	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Maintenance and Repair Services - Vehicles	\$	284	
Pest Control		216	
Disposal Fees		480	
Gasoline		995	
Instructional Supplies and Materials		2,000	
Utilities		8,684	
Workers' Compensation Insurance		161	
Office Equipment		5,358	
Total Agriculture Extension Service			\$ 102,500

Soil Conservation

Salary Supplements	\$	26,971	
Longevity Pay		350	
Social Security		1,052	
State Retirement		2,478	
Medical Insurance		5,086	
Unemployment Compensation		98	
Employer Medicare		246	
Dues and Memberships		1,065	
Postal Charges		185	
Travel		3,417	
Office Supplies		91	
Other Supplies and Materials		545	
Workers' Compensation Insurance		81	
Other Charges		3,016	
Total Soil Conservation			44,681

Other Agriculture and Natural Resources

Advertising	\$	6,656	
Other Charges		619	
Other Equipment		998	
Total Other Agriculture and Natural Resources			8,273

Other Operations

Tourism

Contributions	\$	48,600	
Dues and Memberships		500	
Total Tourism			49,100

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development

Contributions	\$ 122,237	
Total Industrial Development		\$ 122,237

Airport

Contributions	\$ 60,000	
Total Airport		60,000

Veterans' Services

Supervisor/Director	\$ 26,971	
Secretary(ies)	24,688	
Social Security	3,088	
State Retirement	4,685	
Life Insurance	67	
Medical Insurance	5,086	
Dental Insurance	222	
Disability Insurance	261	
Unemployment Compensation	196	
Employer Medicare	722	
Communication	1,660	
Data Processing Services	68	
Dues and Memberships	25	
Maintenance Agreements	310	
Maintenance and Repair Services - Vehicles	17	
Pest Control	216	
Postal Charges	346	
Printing, Stationery, and Forms	101	
Travel	1,112	
Disposal Fees	480	
Gasoline	1,908	
Office Supplies	429	
Utilities	2,119	
Other Supplies and Materials	3,395	
Workers' Compensation Insurance	161	
Motor Vehicles	7,000	
Office Equipment	1,250	
Total Veterans' Services		86,583

Other Charges

Contracts with Private Agencies	\$ 648	
Data Processing Services	81,528	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Legal Services	\$	17,731	
Legal Notices, Recording, and Court Costs		744	
Postal Charges		3,148	
Other Supplies and Materials		181	
Building and Contents Insurance		45,270	
Liability Insurance		102,786	
Trustee's Commission		155,269	
Vehicle and Equipment Insurance		19,184	
Liability Claims		500	
Other Self-Insured Claims		95,130	
Other Charges		21,692	
Total Other Charges			\$ 543,811

Total General Fund \$ 10,940,930

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Trustee's Commission	\$	113	
Other Equipment		58,152	
Total Other Charges			\$ 58,265

Total Courthouse and Jail Maintenance Fund 58,265

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Supervisor/Director	\$	38,649	
Deputy(ies)		26,781	
Librarians		57,365	
Part-time Personnel		26,481	
Longevity Pay		3,450	
Social Security		11,230	
State Retirement		16,576	
Medical Insurance		25,508	
Unemployment Compensation		797	
Communication		990	
Data Processing Services		856	
Dues and Memberships		445	
Janitorial Services		6,100	

(Continued)

Exhibit J-8

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Legal Notices, Recording, and Court Costs	\$	23	
Maintenance Agreements		1,885	
Maintenance and Repair Services - Buildings		1,418	
Postal Charges		2,611	
Printing, Stationery, and Forms		304	
Travel		97	
Disposal Fees		100	
Custodial Supplies		963	
Instructional Supplies and Materials		2,533	
Library Books/Media		11,442	
Office Supplies		3,693	
Periodicals		3,627	
Utilities		22,329	
Building and Contents Insurance		8,103	
Liability Insurance		1,518	
Refunds		10	
Trustee's Commission		157	
Workers' Compensation Insurance		597	
Other Self-Insured Claims		130	
Data Processing Equipment		5,709	
Other Capital Outlay		12,035	
Total Libraries			\$ 294,512

Total Public Library Fund \$ 294,512

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

County Official/Administrative Officer	\$	10,000	
Deputy(ies)		19,395	
Salary Supplements		31,142	
Laborers		201,231	
Secretary(ies)		42,229	
Clerical Personnel		26,159	
Part-time Personnel		42,329	
Longevity Pay		700	
Overtime Pay		7,206	
In-Service Training		149	
Social Security		23,930	
State Retirement		20,001	

(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.)

Employee and Dependent Insurance	\$	115
Life Insurance		19
Medical Insurance		52,061
Dental Insurance		142
Disability Insurance		64
Unemployment Compensation		3,707
Communication		3,302
Contracts with Private Agencies		855,841
Data Processing Services		3,013
Legal Services		3,100
Legal Notices, Recording, and Court Costs		701
Licenses		182
Maintenance Agreements		324
Maintenance and Repair Services - Buildings		19,116
Maintenance and Repair Services - Equipment		7,668
Maintenance and Repair Services - Office Equipment		5,616
Maintenance and Repair Services - Vehicles		9,475
Postal Charges		11,828
Printing, Stationery, and Forms		2,073
Travel		4,026
Brokerage Fees - Recyclables		71,625
Permits		1,075
Other Contracted Services		1,100
Crushed Stone		273
Custodial Supplies		1,582
Diesel Fuel		9,700
Food Supplies		4,111
Garage Supplies		10,294
Gasoline		5,485
Lubricants		288
Office Supplies		2,287
Propane Gas		3,927
Small Tools		511
Tires and Tubes		6
Uniforms		2,220
Utilities		38,476
Wire		3,729
Other Supplies and Materials		11,326
Building and Contents Insurance		3,461
Judgments		100,000

(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.)

Liability Insurance	\$	1,602	
Refunds		744	
Trustee's Commission		14,167	
Vehicle and Equipment Insurance		446	
Workers' Compensation Insurance		7,957	
Other Self-Insured Claims		1,225	
Other Charges		1,443	
Data Processing Equipment		4,982	
Furniture and Fixtures		98	
Motor Vehicles		23,383	
Office Equipment		2,694	
Solid Waste Equipment		22,360	
Other Equipment		1,420	
Total Landfill Operation and Maintenance			\$ 1,760,841

Total Solid Waste/Sanitation Fund \$ 1,760,841

Industrial/Economic Development Fund

Capital Projects

Public Safety Projects

Contributions	\$	27,051	
Total Public Safety Projects			\$ 27,051

Public Utility Projects

Contracts with Private Agencies	\$	661,388	
Contributions		95,678	
Legal Notices, Recording, and Court Costs		307	
Total Public Utility Projects			757,373

Education Capital Projects

Contributions	\$	311,586	
Total Education Capital Projects			311,586

Total Industrial/Economic Development Fund 1,096,010

Drug Control Fund

Public Safety

Drug Enforcement

In-Service Training	\$	2,505	
Communication		4,348	

(Continued)

Exhibit J-8

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Contracts with Private Agencies	\$	1,460	
Confidential Drug Enforcement Payments		25,000	
Dues and Memberships		175	
Legal Notices, Recording, and Court Costs		120	
Maintenance and Repair Services - Buildings		324	
Maintenance and Repair Services - Equipment		1,432	
Maintenance and Repair Services - Vehicles		5,066	
Travel		9,443	
Veterinary Services		1,528	
Animal Food and Supplies		433	
Custodial Supplies		305	
Food Supplies		367	
Law Enforcement Supplies		3,444	
Office Supplies		2,921	
Tires and Tubes		496	
Uniforms		1,347	
Other Supplies and Materials		22,643	
Trustee's Commission		832	
Other Charges		3,584	
Data Processing Equipment		10,461	
Law Enforcement Equipment		3,504	
Motor Vehicles		63,986	
Total Drug Enforcement			\$ 165,724

Total Drug Control Fund \$ 165,724

District Attorney General Fund

Administration of Justice

District Attorney General

Secretary(ies)	\$	20,614	
Dues and Memberships		345	
Travel		419	
Office Supplies		23	
Periodicals		576	
Trustee's Commission		285	
In Service/Staff Development		1,657	
Other Charges		1,287	
Office Equipment		622	
Total District Attorney General			\$ 25,828

Total District Attorney General Fund 25,828

(Continued)

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 173,957	
Total Register of Deeds		\$ 173,957

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 181,195	
Total County Trustee's Office		181,195

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 259,471	
Total County Clerk's Office		259,471

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 3,471	
Total Chancery Court		<u>3,471</u>

Total Constitutional Officers - Fees Fund		\$ 618,094
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 67,070
Accountants/Bookkeepers	63,497
Longevity Pay	950
Social Security	8,119
State Retirement	11,916
Employee and Dependent Insurance	1,110
Life Insurance	202
Medical Insurance	4,340
Dental Insurance	667
Unemployment Compensation	456
Employer Medicare	1,899
Communication	10,220
Data Processing Services	89
Dues and Memberships	4,261
Legal Services	3,000
Legal Notices, Recording, and Court Costs	104
Maintenance Agreements	1,608
Postal Charges	124

(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.)

Travel	\$	84	
Disposal Fees		288	
Custodial Supplies		153	
Office Supplies		815	
Utilities		12,262	
Workers' Compensation Insurance		494	
Other Charges		2,232	
Office Equipment		89	
Other Equipment		2,159	
Total Administration			\$ 198,208

Highway and Bridge Maintenance

Foremen	\$	176,759	
Equipment Operators		200,683	
Equipment Operators - Light		161,195	
Truck Drivers		215,948	
Laborers		61,258	
Longevity Pay		16,400	
Social Security		50,026	
State Retirement		73,491	
Employee and Dependent Insurance		1,908	
Life Insurance		252	
Medical Insurance		136,432	
Dental Insurance		903	
Disability Insurance		1,028	
Unemployment Compensation		6,807	
Employer Medicare		11,700	
Rentals		13,660	
Asphalt		749,744	
Asphalt - Cold Mix		16,024	
Concrete		54,267	
Crushed Stone		300,738	
Pipe - Metal		118,932	
Road Signs		21,144	
Wood Products		6,765	
Gravel and Chert		8,080	
Workers' Compensation Insurance		23,396	
Other Self-Insured Claims		1,150	
Other Charges		2,042	
Total Highway and Bridge Maintenance			2,430,732

(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)	\$	183,889	
Longevity Pay		3,350	
Social Security		11,285	
State Retirement		16,983	
Employee and Dependent Insurance		351	
Life Insurance		67	
Medical Insurance		25,432	
Disability Insurance		261	
Unemployment Compensation		1,260	
Employer Medicare		2,639	
Maintenance and Repair Services - Equipment		162,832	
Diesel Fuel		178,736	
Garage Supplies		3,240	
Gasoline		70,701	
Lubricants		10,485	
Tires and Tubes		33,511	
Workers' Compensation Insurance		4,265	
Other Self-Insured Claims		130	
Other Charges		9,850	
Total Operation and Maintenance of Equipment	\$		719,267

Other Charges

Building and Contents Insurance	\$	4,455	
Liability Insurance		12,735	
Trustee's Commission		47,836	
Vehicle and Equipment Insurance		7,370	
Liability Claims		1,500	
Other Charges		125	
Total Other Charges			74,021

Capital Outlay

Engineering Services	\$	816	
Bridge Construction		102,460	
Highway Construction		291,009	
Highway Equipment		25,000	
Other Construction		438,637	
Total Capital Outlay			857,922

Total Highway/Public Works Fund \$ 4,280,150

(Continued)

## Exhibit J-8

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

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$ 988,000	
Principal on Notes	624,500	
Total General Government		\$ 1,612,500

Highways and Streets

Principal on Bonds	\$ 52,000	
Principal on Notes	295,000	
Total Highways and Streets		347,000

Education

Principal on Bonds	\$ 1,795,000	
Principal on Notes	890,500	
Total Education		2,685,500

Interest on DebtGeneral Government

Interest on Bonds	\$ 651,449	
Interest on Notes	152,985	
Total General Government		804,434

Highways and Streets

Interest on Bonds	\$ 77,025	
Interest on Notes	29,729	
Total Highways and Streets		106,754

Education

Interest on Bonds	\$ 1,026,641	
Interest on Notes	23,765	
Total Education		1,050,406

Other Debt ServiceGeneral Government

Trustee's Commission	\$ 69,005	
Other Debt Service	3,248	
Total General Government		72,253

Highways and Streets

Other Debt Service	\$ 500	
Total Highways and Streets		500

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education

Other Debt Service	\$ 1,000	
Total Education		\$ 1,000

Total General Debt Service Fund \$ 6,680,347

General Capital Projects Fund

Capital Projects

General Administration Projects

Architects	\$ 81,320	
Data Processing Services	20,154	
Trustee's Commission	12	
Underwriter's Discount	244,375	
Other Debt Issuance Charges	123,247	
Building Construction	555,767	
Building Purchases	1,700,000	
Other Construction	532	
Total General Administration Projects		\$ 2,725,407

Public Safety Projects

Architects	\$ 336,725	
Building Construction	3,096,533	
Heating and Air Conditioning Equipment	27,433	
Total Public Safety Projects		3,460,691

Public Health and Welfare Projects

Architects	\$ 12,368	
Total Public Health and Welfare Projects		12,368

Education Capital Projects

Contributions	\$ 500,000	
Total Education Capital Projects		500,000

Total General Capital Projects Fund 6,698,466

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Building Construction	\$ 66,153	
Highway Construction	24,723	
Total Highway and Street Capital Projects		\$ 90,876

Total Highway Capital Projects Fund 90,876

(Continued)

Exhibit J-8

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

<u>Homeland Security Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Public Safety Projects</u>		
Other Charges	<u>\$ 232,472</u>	
Total Public Safety Projects		<u>\$ 232,472</u>
Total Homeland Security Capital Projects Fund		<u>\$ 232,472</u>
Total Governmental Funds - Primary Government		<u>\$ 32,942,515</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, 2008

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 14,281,797	
Career Ladder Program	223,120	
Career Ladder Extended Contracts	77,123	
Homebound Teachers	20,593	
Educational Assistants	689,795	
Certified Substitute Teachers	20,387	
Non-certified Substitute Teachers	167,533	
Social Security	920,050	
State Retirement	963,180	
Medical Insurance	2,325,706	
Unemployment Compensation	5,470	
Employer Medicare	215,632	
Maintenance and Repair Services - Equipment	1,832	
Other Contracted Services	33,831	
Instructional Supplies and Materials	209,394	
Textbooks	415,373	
Other Supplies and Materials	505,638	
Regular Instruction Equipment	625,608	
Total Regular Instruction Program		\$ 21,702,062

Alternative Instruction Program

Teachers	\$ 113,805	
Educational Assistants	12,670	
Non-certified Substitute Teachers	660	
Social Security	7,531	
State Retirement	8,251	
Medical Insurance	13,310	
Employer Medicare	1,761	
Instructional Supplies and Materials	725	
Other Supplies and Materials	14,967	
Total Alternative Instruction Program		173,680

Special Education Program

Teachers	\$ 1,235,880
Career Ladder Program	22,000
Career Ladder Extended Contracts	10,742
Homebound Teachers	54,905
Educational Assistants	149,969
Speech Pathologist	282,544

(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.)

Other Salaries and Wages	\$	260	
Certified Substitute Teachers		3,608	
Non-certified Substitute Teachers		20,768	
Social Security		104,966	
State Retirement		110,775	
Medical Insurance		283,214	
Employer Medicare		24,549	
Contracts with Private Agencies		754	
Instructional Supplies and Materials		13,952	
Other Supplies and Materials		20,243	
Total Special Education Program			\$ 2,339,129

Vocational Education Program

Teachers	\$	1,497,328	
Career Ladder Program		22,000	
Career Ladder Extended Contracts		10,503	
Certified Substitute Teachers		506	
Non-certified Substitute Teachers		26,114	
Social Security		91,665	
State Retirement		93,523	
Medical Insurance		241,645	
Employer Medicare		21,443	
Contracts with Other School Systems		101,253	
Maintenance and Repair Services - Equipment		678	
Other Contracted Services		9,170	
Instructional Supplies and Materials		64,018	
Textbooks		9,254	
Other Charges		372	
Vocational Instruction Equipment		6,362	
Total Vocational Education Program			2,195,834

Student Body Education Program

Other Salaries and Wages	\$	5,535	
Social Security		326	
Employer Medicare		74	
Total Student Body Education Program			5,935

Adult Education Program

Teachers	\$	63,117	
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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.)

Instruction (Cont.)

Adult Education Program (Cont.)

Social Security	\$	4,171	
State Retirement		2,717	
Medical Insurance		1,935	
Employer Medicare		975	
Maintenance and Repair Services - Equipment		360	
Instructional Supplies and Materials		5,019	
Other Supplies and Materials		87	
Total Adult Education Program			\$ 78,381

Support Services

Attendance

Supervisor/Director	\$	58,691	
Career Ladder Program		2,000	
Social Security		3,763	
State Retirement		3,787	
Medical Insurance		9,090	
Employer Medicare		880	
Travel		14	
Other Contracted Services		6,950	
Total Attendance			85,175

Health Services

Medical Personnel	\$	209,927	
Social Security		11,798	
State Retirement		11,285	
Medical Insurance		55,267	
Employer Medicare		2,759	
Travel		425	
Other Contracted Services		5,284	
Drugs and Medical Supplies		4,623	
Other Supplies and Materials		567	
Other Charges		2,120	
Health Equipment		9,961	
Total Health Services			314,016

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		609,390	
Social Workers		16,179	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Secretary(ies)	\$	26,902	
Clerical Personnel		28,163	
Other Salaries and Wages		53,517	
Social Security		44,204	
State Retirement		43,679	
Medical Insurance		84,583	
Employer Medicare		10,338	
Evaluation and Testing		18,637	
Maintenance and Repair Services - Equipment		892	
Postal Charges		200	
Travel		6,408	
Other Contracted Services		8,947	
Other Supplies and Materials		13,918	
Other Charges		7,429	
Total Other Student Support			\$ 975,386

Regular Instruction Program

Supervisor/Director	\$	175,317	
Career Ladder Program		24,400	
Career Ladder Extended Contracts		13,170	
Librarians		580,263	
Instructional Computer Personnel		50,021	
Other Salaries and Wages		20,493	
In-Service Training		1,955	
Social Security		51,630	
State Retirement		54,593	
Medical Insurance		128,170	
Employer Medicare		12,075	
Travel		15,420	
Other Contracted Services		284	
Other Supplies and Materials		35,284	
In Service/Staff Development		30,889	
Total Regular Instruction Program			1,193,964

Alternative Instruction Program

Other Salaries and Wages	\$	31,410
Social Security		1,947
State Retirement		2,849
Medical Insurance		5,433

(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.)

Alternative Instruction Program (Cont.)

Employer Medicare	\$	455	
Postal Charges		500	
Travel		384	
Other Supplies and Materials		41	
In Service/Staff Development		625	
Total Alternative Instruction Program			\$ 43,644

Special Education Program

Supervisor/Director	\$	66,101	
Career Ladder Program		3,600	
Psychological Personnel		30,834	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		18,691	
Other Salaries and Wages		35,110	
Social Security		9,598	
State Retirement		7,508	
Medical Insurance		19,422	
Employer Medicare		2,245	
Maintenance and Repair Services - Equipment		632	
Travel		4,321	
Other Supplies and Materials		3,474	
In Service/Staff Development		5,275	
Other Charges		64	
Total Special Education Program			208,875

Vocational Education Program

Supervisor/Director	\$	59,891	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Social Security		4,023	
State Retirement		4,049	
Medical Insurance		5,433	
Employer Medicare		941	
Travel		32,974	
In Service/Staff Development		1,163	
Total Vocational Education Program			113,474

Adult Programs

Supervisor/Director	\$	4,968	
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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.)

Clerical Personnel	\$	2,000	
Other Salaries and Wages		57,905	
Social Security		3,639	
State Retirement		5,574	
Medical Insurance		7,027	
Employer Medicare		851	
Travel		419	
Other Supplies and Materials		511	
In Service/Staff Development		2,258	
Total Adult Programs			\$ 85,152

Other Programs

On-Behalf Payments to OPEB	\$	169,210	
Total Other Programs			169,210

Board of Education

Secretary to Board	\$	2,200	
Board and Committee Members Fees		21,400	
Social Security		1,459	
State Retirement		853	
Medical Insurance		156,943	
Employer Medicare		341	
Audit Services		14,500	
Dues and Memberships		9,299	
Evaluation and Testing		570	
Legal Services		37,983	
Travel		4,272	
Other Contracted Services		4,018	
Liability Insurance		43,121	
Trustee's Commission		226,947	
Workers' Compensation Insurance		206,758	
Other Charges		1,089	
Total Board of Education			731,753

Director of Schools

County Official/Administrative Officer	\$	92,350	
Secretary(ies)		70,640	
Social Security		10,018	
State Retirement		12,170	

(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.)

Medical Insurance	\$	16,122	
Employer Medicare		2,343	
Communication		44,978	
Dues and Memberships		2,792	
Maintenance and Repair Services - Equipment		4,497	
Postal Charges		6,687	
Travel		3,055	
Office Supplies		7,914	
Other Supplies and Materials		7,731	
Other Charges		738	
Administration Equipment		8,436	
Total Director of Schools			\$ 290,471

Office of the Principal

Principals	\$	675,796	
Career Ladder Program		23,000	
Career Ladder Extended Contracts		12,985	
Assistant Principals		571,399	
Secretary(ies)		423,944	
Social Security		101,350	
State Retirement		115,550	
Medical Insurance		233,176	
Employer Medicare		24,015	
Dues and Memberships		5,900	
Other Contracted Services		997	
Other Supplies and Materials		4,305	
Total Office of the Principal			2,192,417

Fiscal Services

Supervisor/Director	\$	46,964	
Accountants/Bookkeepers		87,035	
Other Salaries and Wages		3,396	
Social Security		8,381	
State Retirement		11,959	
Medical Insurance		18,208	
Employer Medicare		1,960	
Data Processing Services		7,257	
Maintenance and Repair Services - Equipment		1,227	
Travel		1,304	

(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.)

Fiscal Services (Cont.)

Other Contracted Services	\$	400	
Data Processing Supplies		4,090	
Other Charges		942	
Administration Equipment		2,754	
Total Fiscal Services			\$ 195,877

Operation of Plant

Custodial Personnel	\$	617,725	
Other Salaries and Wages		135,633	
Social Security		44,571	
State Retirement		62,105	
Medical Insurance		146,755	
Employer Medicare		10,424	
Laundry Service		11,132	
Disposal Fees		35,476	
Other Contracted Services		52,698	
Coal		935	
Custodial Supplies		84,853	
Electricity		1,168,927	
Natural Gas		285,714	
Water and Sewer		194,514	
Other Supplies and Materials		3,917	
Boiler Insurance		6,767	
Building and Contents Insurance		122,854	
Plant Operation Equipment		7,699	
Total Operation of Plant			2,992,699

Maintenance of Plant

Supervisor/Director	\$	38,303	
Other Salaries and Wages		145,858	
Social Security		11,138	
State Retirement		16,703	
Medical Insurance		35,977	
Employer Medicare		2,605	
Laundry Service		2,362	
Maintenance and Repair Services - Buildings		125,696	
Maintenance and Repair Services - Equipment		39,314	
Maintenance and Repair Services - Vehicles		678	
Travel		628	

(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.)

Maintenance of Plant (Cont.)

Other Contracted Services	\$	60,269	
Other Supplies and Materials		180,771	
Administration Equipment		32,207	
Total Maintenance of Plant			\$ 692,509

Transportation

Supervisor/Director	\$	44,793	
Mechanic(s)		151,517	
Bus Drivers		782,627	
Clerical Personnel		21,478	
Social Security		58,341	
State Retirement		77,481	
Medical Insurance		250,377	
Unemployment Compensation		734	
Employer Medicare		13,687	
Communication		4,647	
Laundry Service		1,866	
Maintenance and Repair Services - Equipment		186	
Maintenance and Repair Services - Vehicles		2,063	
Medical and Dental Services		6,400	
Travel		12,957	
Diesel Fuel		323,847	
Garage Supplies		762	
Gasoline		39,547	
Lubricants		10,986	
Tires and Tubes		43,049	
Vehicle Parts		66,226	
Other Supplies and Materials		8,584	
Vehicle and Equipment Insurance		37,918	
Other Charges		1,154	
Transportation Equipment		299,677	
Total Transportation			2,260,904

Central and Other

Other Salaries and Wages	\$	26,205	
Social Security		1,625	
State Retirement		2,377	
Medical Insurance		4,481	
Employer Medicare		380	

(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.)

Central and Other (Cont.)

Other Contracted Services	\$	49,692	
Other Supplies and Materials		18,056	
Total Central and Other			\$ 102,816

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	95,770	
Social Security		5,852	
State Retirement		1,987	
Unemployment Compensation		416	
Employer Medicare		1,369	
Travel		234	
Other Contracted Services		11,292	
Food Supplies		1,493	
Instructional Supplies and Materials		55	
Other Supplies and Materials		2,495	
In Service/Staff Development		1,554	
Total Community Services			122,517

Early Childhood Education

Teachers	\$	449,254	
Educational Assistants		153,457	
Certified Substitute Teachers		440	
Non-certified Substitute Teachers		11,154	
Social Security		35,460	
State Retirement		37,301	
Medical Insurance		107,282	
Employer Medicare		8,295	
Communication		529	
Maintenance and Repair Services - Equipment		591	
Postal Charges		600	
Travel		1,626	
Other Contracted Services		1,654	
Other Supplies and Materials		98,717	
In Service/Staff Development		1,449	
Other Charges		11,449	
Regular Instruction Equipment		15,700	
Total Early Childhood Education			934,958

(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.)

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	61,421	
Social Security		3,683	
State Retirement		3,833	
Medical Insurance		6,626	
Employer Medicare		861	
Other Contracted Services		6,378	
Building Improvements		12,311	
Total Regular Capital Outlay			\$ 95,113

Other Debt Service

Education

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

Total General Purpose School Fund \$ 40,595,951

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	903,451	
Educational Assistants		171,386	
Certified Substitute Teachers		1,540	
Non-certified Substitute Teachers		13,860	
Social Security		64,580	
State Retirement		69,217	
Medical Insurance		167,372	
Employer Medicare		15,115	
Instructional Supplies and Materials		33,949	
Other Supplies and Materials		89,137	
Other Charges		3,379	
Regular Instruction Equipment		9,311	
Total Regular Instruction Program			\$ 1,542,297

Special Education Program

Teachers	\$	42,495	
Educational Assistants		693,638	
Certified Substitute Teachers		1,606	
Non-certified Substitute Teachers		21,179	
Social Security		46,136	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

State Retirement	\$	55,750	
Medical Insurance		106,392	
Employer Medicare		10,790	
Contracts with Other School Systems		19,700	
Contracts with Private Agencies		27,500	
Maintenance and Repair Services - Equipment		258	
Other Contracted Services		162,814	
Instructional Supplies and Materials		261	
Other Supplies and Materials		4,606	
Total Special Education Program			\$ 1,193,125

Vocational Education Program

Other Supplies and Materials	\$	13,757	
Other Charges		276	
Vocational Instruction Equipment		92,324	
Total Vocational Education Program			106,357

Support Services

Other Student Support

Social Workers	\$	29,657	
Social Security		1,839	
State Retirement		1,851	
Medical Insurance		2,533	
Employer Medicare		430	
Travel		27,889	
In Service/Staff Development		8,333	
Total Other Student Support			72,532

Regular Instruction Program

Supervisor/Director	\$	59,891	
Other Salaries and Wages		13,736	
In-Service Training		6,183	
Social Security		4,911	
State Retirement		5,331	
Medical Insurance		9,090	
Employer Medicare		1,149	
Travel		626	
Other Supplies and Materials		2,056	
In Service/Staff Development		52,865	
Total Regular Instruction Program			155,838

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	4,968	
Psychological Personnel		49,782	
Assessment Personnel		46,144	
Clerical Personnel		21,478	
Other Salaries and Wages		5,975	
Social Security		7,296	
State Retirement		8,758	
Medical Insurance		24,150	
Employer Medicare		1,706	
Travel		3,872	
Other Contracted Services		31,491	
Other Supplies and Materials		13,271	
In Service/Staff Development		2,987	
Total Special Education Program			\$ 221,878

Operation of Non-Instructional Services

Early Childhood Education

Other Charges	\$	40	
Total Early Childhood Education			40

Total School Federal Projects Fund \$ 3,292,067

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	41,739	
Accountants/Bookkeepers		28,424	
Clerical Personnel		21,478	
Cafeteria Personnel		1,210,980	
Social Security		78,184	
State Retirement		80,984	
Medical Insurance		164,172	
Unemployment Compensation		402	
Employer Medicare		18,285	
Maintenance and Repair Services - Equipment		68,205	
Transportation - Other than Students		19,035	
Travel		7,480	
Other Contracted Services		40,160	
Food Preparation Supplies		3,868	

(Continued)

Exhibit J-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Food Supplies	\$ 1,503,289	
Office Supplies	2,303	
Utilities	9,325	
Other Supplies and Materials	141,987	
In Service/Staff Development	4,469	
Food Service Equipment	165,646	
Total Food Service		<u>\$ 3,610,415</u>

Total Central Cafeteria Fund \$ 3,610,415

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$ 117,502	
Social Security	7,285	
State Retirement	7,975	
Employer Medicare	1,704	
Other Supplies and Materials	9,731	
Trustee's Commission	1,574	
In Service/Staff Development	780	
Other Charges	928	
Total Community Services		<u>\$ 147,479</u>

Total Extended School Program Fund 147,479

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Improvements	\$ 1,036,957	
Total Education Capital Projects		<u>\$ 1,036,957</u>

Total Education Capital Projects Fund 1,036,957

Total Governmental Funds - Lawrence County School Department \$ 48,682,869

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, 2008

	Cities - Sales Tax Fund
	<u>                    </u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,905,064
Total Cash Receipts	<u>\$ 3,905,064</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,866,013
Trustee's Commission	<u>39,051</u>
Total Cash Disbursements	<u>\$ 3,905,064</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2007	<u>0</u>
 Cash Balance, June 30, 2008	 <u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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

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

April 23, 2009

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

To the County Executive and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2008, which collectively comprise Lawrence County's basic financial statements and have issued our report thereon dated April 23, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Lawrence County Emergency Communications District, a discretely presented component unit, as described in our report on Lawrence County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lawrence County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lawrence County's internal control over financial

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 08.01, 08.03, 08.04, 08.05(A,B), 08.07, and 08.08(A,B).

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

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

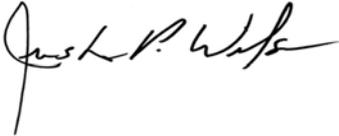
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 08.02, 08.05(C,D), 08.06, and 08.08(C).

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke on the left side.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

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

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

April 23, 2009

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

To the County Executive and Board of County Commissioners:

Compliance

We have audited the compliance of Lawrence County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. Lawrence County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lawrence County's management. Our responsibility is to express an opinion on Lawrence County's compliance based on our audit.

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

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

In our opinion, Lawrence County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

#### Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

#### Schedule of Expenditures of Federal Awards

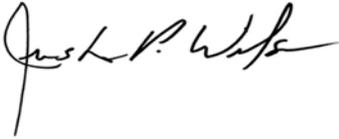
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2008, and have issued our report thereon dated April 23, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Lawrence County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Grants is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

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Lawrence County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2008

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Watershed Protection and Flood Prevention	10.904	N/A	\$ 56,054
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	214,627 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	505,505
National School Lunch Program	10.555	N/A	1,368,188 (3)
Total U.S. Department of Agriculture			\$ 2,144,374
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program	14.228	GG-07-20263-00	\$ 475,300
Total U.S. Department of Housing and Urban Development			\$ 475,300
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
WIA Youth Activities	17.259	(2)	\$ 33,605
Total U.S. Department of Labor			\$ 33,605
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	Z-08-020799-00	\$ 99,059
Passed-through State Department of Education:			
Title I Grant to Local Educational Agencies	84.010	N/A	1,325,856
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,401,474
Special Education - Preschool Grants	84.173	N/A	43,354
Career and Technical Education - Basic Grants to States	84.048	N/A	190,971
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	39,206
State Grants for Innovative Programs	84.298	N/A	61,780
Education Technology State Grants	84.318	(2)	6,668
English Language Acquisition Grants	84.365	N/A	2,759
Improving Teacher Quality State Grants	84.367	N/A	307,290
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	GG-08-022120-00	12,529
Total U.S. Department of Education			\$ 3,490,946
U.S. Elections Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 1,773
Total U.S. Elections Assistance Commission			\$ 1,773
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Child Support Enforcement	93.563	GG-08-021850-00	\$ 36,134
Total U.S. Department of Health and Human Services			\$ 36,134
U.S. Department of Homeland Security:			
Direct Program:			
Emergency Food and Shelter National Board Program	97.024	N/A	\$ 11,292
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(4)	221,380
Total U.S. Department of Homeland Security			\$ 232,672
Total Expenditures of Federal Awards			\$ 6,414,804

(Continued)

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

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Adult Education - State Department of Labor and Workforce Development	N/A	(5)	\$ 56,970
Coordinated School Health - State Department of Health	N/A	(2)	57,748
Early Childhood Education - State Department of Education	N/A	(2)	994,429
Family Resource Center - State Department of Education	N/A	(2)	15,852
Farmers Market Grant Program - State Department of Agriculture	N/A	(6)	8,415
Gates Library Computer Grants - Tennessee Secretary of State	N/A	(2)	850
Health Department Programs - State Department of Health	N/A	Z-08-020363-01	187,326
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	Z-08-022779-00	9,300
Litter Grant - State Department of Transportation	N/A	Z-08-021015-00	44,388
Lottery for Education Afterschool Program - State Department of Education	N/A	(2)	90,000
Safe Schools Act 2003 - State Department of Education	N/A	(2)	39,097
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	14,396
Tobacco Use Prevention and Cessation Initiative - State Department of Human Services	N/A	GG-08-023190-00	15,789
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-03-011325-00	38,673
Total State Grants			\$ 1,573,233

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

- (1) - Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) - Information not available.
- (3) - Total for CFDA No. 10.555 is \$1,582,815.
- (4) - Z-05-025179-00: \$20,188; GG-07-20951-00: \$185,339; GG-08-24219-00: \$15,853.
- (5) - Z-08-020799-00: \$33,020; Z-08-201227-00: \$23,950.
- (6) - Z-07-035490-00: \$2,809; Z-08-201323-00: \$5,606.

Lawrence County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2008

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Lawrence County, Tennessee, for the year ended June 30, 2007, which have not been corrected.

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
07.03	185	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, 2008**

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

1. Our report on Lawrence County's financial statements is unqualified.
2. The audit of the financial statements of Lawrence County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Lawrence County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), and the Community Development Block Grant State's Program (CFDA No. 14.228) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Lawrence County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **AMBULANCE SERVICE DEPARTMENT**

**FINDING 08.01**      **THE AMBULANCE SERVICE DEPARTMENT HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

System backups were not stored off-site until several months into the fiscal year. Sound business practices dictate that off-site storage of system backups be implemented. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. Proper system backup procedures are now in place.

---

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

**FINDING 08.02**      **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. Circuit, general sessions, and juvenile courts had unidentified court funds of \$161,858, \$49,859, and \$2,460, respectively, at June 30, 2008. This deficiency exists due to the failure of management to take corrective action for the finding reported in the prior 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.

---

**FINDING 08.03**      **THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. Since this log provided the only audit trail of these changes, it should be reviewed daily for inappropriate activity. Because they were not aware of its importance, management did not begin reviewing this log until several months into the fiscal year. Procedures for reviewing this log are currently in place.

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**OFFICE OF REGISTER**

**FINDING 08.04**      **THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The software application used by the office generated a daily log that displayed changes made by users. Since this log provided the only audit trail of these changes, it should be reviewed daily for inappropriate activity. Because they were not aware of its importance, management did not review the log during the audit period.

**RECOMMENDATION**

Management should review the audit log on a routine basis. Any unusual transactions should be investigated.

---

**OFFICE OF SHERIFF**

**FINDING 08.05**      **THE OFFICE HAD SEVERAL ACCOUNTING DEFICIENCIES**  
(A. and B. – Internal Control – Significant Deficiency Under Government Auditing Standards; C. and D. – Noncompliance Under Government Auditing Standards)

Our audit disclosed the following accounting deficiencies. These deficiencies exist due to a lack of management oversight.

- A. Bank statements were not reconciled with the general ledger in a timely manner. Instead, personnel waited extended periods of time to reconcile the bank statements with the general ledger. The failure to currently reconcile bank statements with the general ledger allows errors to remain undiscovered and uncorrected.
- B. Transactions were not recorded in the official cash journal on a current basis. Instead, receipts were routinely held for several days and then recorded in batches or groups of receipts. Also, the receipts posted in the cash journal

were dated the date of the data entry, rather than the actual date the receipt was written.

- C. In most instances, collections were not deposited to the office bank account within three days of collection. Section 5-8-207, Tennessee Code Annotated (TCA), requires county officials to deposit public funds within three days of receiving the funds. The failure to deposit funds currently increases the risk of fraud and abuse.
- D. Fees were not remitted to the county trustee on a monthly basis. Section 8-24-103, TCA, requires all fees earned to be remitted to the county on a monthly basis.

### RECOMMENDATION

Bank statements should be reconciled with the general ledger monthly, and any errors discovered should be corrected promptly. All transactions should be recorded currently in the official cash journal, and receipts should be dated in the cash journal as of the day of collection. Collections should be deposited to the office bank account within three days of collection. All fees earned should be remitted to the county trustee monthly.

### MANAGEMENT'S RESPONSE – SHERIFF

We have implemented a system where one individual is in charge of the books, but someone else closes and checks the books every month. This process is done as soon as bank statements are received so the books can be checked and reconciled at the same time.

We have started making entries every day. When receipts are written the books are to be posted. We have also started a system where bank deposits can be made every three days, and fees earned will be remitted to the county trustee monthly.

---

### FINDING 08.06      **THE OFFICE USED CONFIDENTIAL FUNDS TO PAY NONCONFIDENTIAL EXPENDITURES** (Noncompliance Under Government Auditing Standards)

The Sheriff's Office used confidential drug funds to pay \$3,128 of nonconfidential expenditures. These expenditures included the following:

Office supplies	\$ 390
Tires	131
Vehicle Repairs	854
Equipment	532
Training/Travel	925
Miscellaneous	296

Section 39-17-420(a)(1), Tennessee Code Annotated (TCA), states, “Cash transactions related to undercover investigative operations ... shall be administered in compliance with procedures established by the Comptroller of the Treasury.” These procedures provide that payments from local drug funds for all nonconfidential expenses should be made by the county’s Drug Control Fund through the budgetary process.

RECOMMENDATION

The office should use confidential drug funds only for confidential purposes. Nonconfidential expenditures should be paid by checks drawn on the county’s Drug Control Fund (special revenue fund) through the budgetary process.

MANAGEMENT’S RESPONSE – SHERIFF

The recommendation you made to us is being implemented. The use of confidential funds will not violate Section 39-17-420(a)(1), TCA.

---

FINDING 08.07      **DEFICIENCIES WERE NOTED IN THE ADMINISTRATION OF SEIZED PROPERTY**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Our audit revealed deficiencies in the administration of seized property. These deficiencies are the result of a lack of management oversight.

- A.     The Sheriff’s Department seized a vehicle in connection with an arrest, and the Tennessee Department of Safety subsequently awarded the vehicle to the county. The vehicle was temporarily used in undercover work, but is currently being used in the county’s DARE program. The custom wheels originally mounted on the seized vehicle were removed and placed on a deputy’s personal vehicle. County property cannot be given away but must be declared surplus and sold at public auction for proper disposal.
  
- B.     Cash totaling \$1,157 and a handgun were seized during an arrest. Both items were placed in a raid kit at the scene of the arrest; however, the raid kit was subsequently lost along with the seized property. The seized property is believed to have been accidentally left at the arrest site.

RECOMMENDATION

The custom wheels should be immediately recovered from the deputy’s personal vehicle, put back on the DARE vehicle, or sold at public auction. The Sheriff’s Department should improve their internal controls over the custody of confiscated property to ensure accountability.

## MANAGEMENT'S RESPONSE – SHERIFF

The personal vehicle in question was used in undercover operations to purchase narcotics as the county had no other vehicle to utilize. Hence came the “tire and wheel” swap to alter the appearance of both county and personal vehicles. As the county vehicle was assigned to DARE, new wheels and tires were purchased for the DARE vehicle, and the wheels and tires that belonged to the county employee vehicle were sold or used on other county owned vehicles and are no longer in county custody.

To restore the county employee his property, wheels and tires will be purchased at a sum of \$300 and placed on the employee’s vehicle. County wheels and tires will be placed back on the DARE vehicle, and the wheels and tires presently on the DARE vehicle will be sold on [www.govdeals.com](http://www.govdeals.com).

It is believed that the missing raid kit was taken by a person at the residence where the arrest occurred; however, it could not be recovered.

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### FINDING 08.08      **DEFICIENCIES WERE NOTED IN THE ADMINISTRATION OF THE WORK RELEASE PROGRAM**

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

The Sheriff’s Department began a work release program in February 2008, which requires inmates to remit a daily fee to the county to cover the cost of the prisoner’s board. Our audit revealed the following deficiencies in the administration of the work release program. These deficiencies are a result of management’s decisions and resulted in the loss of control over assets.

- A. Several inmates allowed to participate in the work release program had not been sentenced to the workhouse by the general sessions judge. Section 41-2-103 Tennessee Code Annotated (TCA), requires judges to sentence prisoners, upon conviction, to the workhouse for them to participate in the work release program.
- B. During our review of subsequent events, we noted that receipt number 77 for \$120 dated October 23, 2008, was not deposited to the official bank account or otherwise accounted for. When auditors brought this to the official’s attention, the cash shortage was paid on May 11, 2009, by the deputy in charge at the time of the receipt. This cash shortage has been discussed with the district attorney general.
- C. Collections for work release fees were not deposited to the office bank account within three days of collection. Section 5-8-207, TCA, requires county officials to deposit public funds within three days of receiving the funds. The failure to deposit funds currently increases the risk of fraud and abuse.

## RECOMMENDATION

Only inmates sentenced to the workhouse by the judge should be eligible for the work release program. All collections should be deposited to the bank within three days as required by statute.

## MANAGEMENT'S RESPONSE – SHERIFF

Only inmates sentenced to the workhouse by the judge will be allowed to participate in work release. We are working with the county attorney and general sessions judge to reach a resolution to the problem.

Retraining of staff has been completed to ensure the accurate and timely receipting and depositing of work release fees.

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

There were no findings and questioned costs for federal awards.

**LAWRENCE COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2008**

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