
ANNUAL FINANCIAL REPORT LAWRENCE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



ANNUAL FINANCIAL REPORT
LAWRENCE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2010

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State Auditors

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

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Audit Highlights

Annual Financial Report
Lawrence County, Tennessee
For the Year Ended June 30, 2010

Scope

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2010.

Results

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

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

Findings and Best Practice

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

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The office did not file Reports on Debt Obligations with the state Comptroller's Office.
- ◆ The county used a questionable method of funding capital lease payments for Highway Department equipment.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ Trial balances of execution docket cause balances were not prepared for Circuit, General Sessions, and Juvenile Courts.
- ◆ The office did not review its software audit log.

OFFICE OF REGISTER

- ◆ The office did not review its software audit log.
-

OFFICE OF SHERIFF

- ◆ The office did not deposit some funds within three days of collection.
-

BEST PRACTICE

Lawrence County does not have an Audit Committee. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

INTRODUCTORY SECTION

Lawrence County Officials

June 30, 2010

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 | Bert Spearman |
| Mark Niedergeses | Bill Burks |
| Ronald Benefield | |
| Delano Benefield | |

Board of Education

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

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

January 20, 2011

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

To the County Executive and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Lawrence County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lawrence County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lawrence County Emergency Communications District, which represent two percent of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lawrence County Emergency Communications District, is based on the report of other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2011, on our consideration of Lawrence County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.A., Lawrence County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 69 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lawrence County's 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 long vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Lawrence County, Tennessee
Statement of Net Assets
June 30, 2010

| | Primary Government Governmental Activities | Component Units | |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------|----------------------------------------------|
| | | Lawrence County School Department | Emergency Communica- tions District |
| <u>ASSETS</u> | | | |
| Cash | \$ 128,007 | \$ 1,100 | \$ 281,149 |
| Equity in Pooled Cash and Investments | 10,059,835 | 9,277,443 | 0 |
| Inventories | 0 | 171,939 | 0 |
| Accounts Receivable | 2,236,299 | 29,127 | 83,250 |
| Allowance for Uncollectibles | (938,715) | 0 | 0 |
| Due from Other Governments | 784,584 | 1,612,112 | 0 |
| Property Taxes Receivable | 10,386,203 | 5,949,513 | 0 |
| Allowance for Uncollectible Property Taxes | (315,068) | (180,493) | 0 |
| Prepaid Items | 0 | 0 | 18,937 |
| Notes Receivable | 128,362 | 0 | 0 |
| Deferred Charges - Debt Issuance Costs | 491,947 | 0 | 2,298 |
| Capital Assets: | | | |
| Assets Not Depreciated: | | | |
| Land | 985,453 | 676,454 | 0 |
| Construction in Progress | 13,861,541 | 1,342,263 | 0 |
| Assets Net of Accumulated Depreciation: | | | |
| Buildings and Improvements | 7,317,428 | 38,392,071 | 503,996 |
| Infrastructure | 38,741,816 | 0 | 0 |
| Other Capital Assets | 3,023,849 | 4,190,446 | 255,023 |
| Total Assets | <u>\$ 86,891,541</u> | <u>\$ 61,461,975</u> | <u>\$ 1,144,653</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 266,014 | \$ 22,693 | \$ 7,601 |
| Accrued Liabilities | 0 | 0 | 16,661 |
| Payroll Deductions Payable | 5 | 1,503,424 | 0 |
| Contracts Payable | 0 | 365,308 | 0 |
| Retainage Payable | 0 | 18,859 | 0 |
| Accrued Interest Payable | 365,749 | 0 | 0 |
| Deferred Revenue - Current Property Taxes | 9,661,343 | 5,534,244 | 0 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 5,022,416 | 52,851 | 40,258 |
| Due in More Than One Year (net of deferred amount on refunding and unamortized discounts on debt) | 51,276,046 | 4,015,832 | 365,110 |
| Total Liabilities | <u>\$ 66,591,573</u> | <u>\$ 11,513,211</u> | <u>\$ 429,630</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 | \$ 35,866,043 | \$ 0 | \$ 439,949 |
| Invested in Capital Assets | 0 | 44,601,234 | 0 |
| Restricted for: | | | |
| Debt Service | 4,042,914 | 0 | 0 |
| Highway/Public Works | 1,129,225 | 0 | 0 |
| Industrial/Economic Development | 292,428 | 0 | 0 |
| Solid Waste/Sanitation | 277,322 | 0 | 0 |
| Courthouse and Jail Maintenance | 152,624 | 0 | 0 |
| Alcohol and Drug Treatment | 129,206 | 0 | 0 |
| Food Service | 0 | 815,484 | 0 |
| Capital Projects | 129,180 | 1,680,509 | 0 |
| Library Endowment | 75,799 | 0 | 0 |
| District Attorney General | 34,977 | 0 | 0 |
| Drug Control | 24,494 | 0 | 0 |
| Other Purposes | 26,198 | 123,113 | 0 |
| Unrestricted | (21,880,442) | 2,728,424 | 275,074 |
| Total Net Assets | <u>\$ 20,299,968</u> | <u>\$ 49,948,764</u> | <u>\$ 715,023</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, 2010

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|---------------------------------------------|------------------|----------------------------|---------------------------------------------|-------------------------------------------|----------------------------------------------------|--------------------------------------------|----------------------------------------------|--------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Component Units | |
| | | | | | Total Governmental Activities | Lawrence County School Department | Emergency Communi- cations District | |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General Government | \$ 1,410,510 | \$ 336,208 | \$ 16,380 | \$ 99,185 | \$ (958,737) | \$ 0 | \$ 0 | 0 |
| Finance | 1,277,353 | 945,581 | 26,572 | 0 | (305,200) | 0 | 0 | 0 |
| Administration of Justice | 1,191,777 | 780,077 | 9,270 | 0 | (402,430) | 0 | 0 | 0 |
| Public Safety | 5,947,164 | 648,175 | 210,319 | 64,421 | (5,024,249) | 0 | 0 | 0 |
| Public Health and Welfare | 4,329,588 | 2,657,873 | 718,352 | 0 | (953,363) | 0 | 0 | 0 |
| Social, Cultural, and Recreational Services | 322,204 | 10,566 | 71,941 | 0 | (239,697) | 0 | 0 | 0 |
| Agriculture and Natural Resources | 163,910 | 0 | 2,488 | 0 | (161,422) | 0 | 0 | 0 |
| Other Operations | 680,316 | 0 | 0 | 0 | (680,316) | 0 | 0 | 0 |
| Highways/Public Works | 6,047,023 | 11,799 | 2,254,394 | 232,671 | (3,548,159) | 0 | 0 | 0 |
| Education | 2,160,000 | 0 | 0 | 0 | (2,160,000) | 0 | 0 | 0 |
| Interest on Long-term Debt | 2,080,967 | 0 | 0 | 0 | (2,080,967) | 0 | 0 | 0 |
| Other Debt Service | 65,389 | 0 | 1,050,000 | 0 | 984,611 | 0 | 0 | 0 |
| Total Primary Government | \$ 25,676,201 | \$ 5,390,279 | \$ 4,359,716 | \$ 396,277 | \$ (15,529,929) | \$ 0 | \$ 0 | 0 |
| Component Units: | | | | | | | | |
| Lawrence County School Department | \$ 53,257,640 | \$ 1,429,553 | \$ 7,569,315 | \$ 2,119,188 | \$ 0 | \$ (42,139,584) | \$ 0 | 0 |
| Emergency Communications District | 1,216,353 | 633,845 | 595,832 | 0 | 0 | 0 | 0 | 13,324 |
| Total Component Units | \$ 54,473,993 | \$ 2,063,398 | \$ 8,165,147 | \$ 2,119,188 | \$ 0 | \$ (42,139,584) | \$ 0 | 13,324 |

(Continued)

Exhibit B

Lawrence County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|--------------------------------------------------------------|----------------------------|---------------------------------------------|-------------------------------------------|----------------------------------------------------|----------------------------|--------------------------------------------|----------------------------------------------|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Component Units | |
| | | | | Expenses | Governmental Activities | Lawrence County School Department | Emergency Communi- cations District |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 7,920,684 | \$ 5,774,806 | \$ 0 | 0 |
| Property Taxes Levied for Debt Service | | | | 2,039,614 | 0 | 0 | 0 |
| Local Option Sales Tax | | | | 1,377,618 | 4,422,912 | 0 | 0 |
| Hotel/Motel Tax | | | | 82,983 | 0 | 0 | 0 |
| Wheel Tax | | | | 907,003 | 0 | 0 | 0 |
| Litigation Tax - General | | | | 98,138 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | | | | 76,727 | 0 | 0 | 0 |
| Business Tax | | | | 261,037 | 0 | 0 | 0 |
| Mineral Severance Tax | | | | 62,532 | 0 | 0 | 0 |
| Wholesale Beer Tax | | | | 86,013 | 0 | 0 | 0 |
| Other Local Taxes | | | | 42,992 | 3,289 | 0 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 1,168,032 | 33,207,714 | 0 | 0 |
| Unrestricted Investment Earnings | | | | 222,192 | 10,880 | 367 | 367 |
| E-Rate Funding | | | | 0 | 55,341 | 0 | 0 |
| Miscellaneous | | | | 44,541 | 12,626 | 0 | 0 |
| Loss on Disposal of Capital Assets | | | | 0 | (12,539) | 0 | 0 |
| Total General Revenues | | | | \$ 14,390,106 | \$ 43,475,029 | \$ 367 | \$ 367 |
| Change in Net Assets | | | | \$ (1,139,823) | \$ 1,335,445 | \$ 13,691 | \$ 13,691 |
| Prior-period Adjustment | | | | (61,289) | 0 | (74,000) | (74,000) |
| Net Assets, July 1, 2009 | | | | 21,501,080 | 48,613,319 | 775,332 | 775,332 |
| Net Assets, June 30, 2010 | | | | \$ 20,299,968 | \$ 49,948,764 | \$ 715,023 | \$ 715,023 |

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

Exhibit C-1

Lawrence County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2010

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|----|------------------|--------------|--------------|------------------|--------------------------|--------------------------|--------------------------|
| | General | Highway / | General | General | Other Governmental Funds | Total Governmental Funds | |
| | | Public Works | Debt Service | Capital Projects | | | |
| \$ | 550 \$ | 0 \$ | 0 \$ | 0 \$ | 127,457 \$ | 128,007 | |
| | 3,211,619 | 910,187 | 4,014,144 | 317,263 | 1,606,622 | 10,059,835 | |
| | 1,332,453 | 0 | 91,883 | 0 | 811,963 | 2,236,299 | |
| | (355,870) | 0 | 0 | 0 | (582,845) | (988,715) | |
| | 176,436 | 404,037 | 176,370 | 0 | 27,741 | 784,584 | |
| | 6,843,011 | 1,433,953 | 2,109,239 | 0 | 0 | 10,386,203 | |
| | (207,584) | (43,493) | (63,991) | 0 | 0 | (315,068) | |
| | 0 | 0 | 0 | 0 | 128,362 | 128,362 | |
| | \$ 11,000,615 \$ | 2,704,684 \$ | 6,327,645 \$ | 317,263 \$ | 2,119,300 \$ | 22,469,507 | |

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Payroll Deductions Payable
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Other Deferred Revenues
 Total Liabilities

Fund Balances

Reserved for Encumbrances
 Reserved for Alcohol and Drug Treatment
 Reserved for Courthouse and Jail Maintenance
 Reserved for Computer System - Register
 Reserved for Automation Purposes - Circuit Court
 Reserved for Automation Purposes - General Sessions Court
 Reserved for Automation Purposes - Juvenile Court

(Continued)

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

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|-------------------------|---------------------|---------------------|-------------------|------------------|---------------------|-------------------|--------------------------|
| | General | Highway / | General | General | Other | Governmental | |
| | | Public Works | Debt Service | Capital Projects | | | |
| \$ 8,385 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 8,385 |
| 0 | 0 | 0 | 0 | 0 | 128,362 | 128,362 | |
| 3,398,177 | 0 | 0 | 0 | 0 | 0 | 0 | 3,398,177 |
| 0 | 971,135 | 0 | 0 | 0 | 1,600,848 | 2,571,983 | |
| 0 | 0 | 4,198,601 | 0 | 0 | 0 | 4,198,601 | |
| 0 | 0 | 0 | 109,460 | 0 | 75,000 | 184,460 | |
| 0 | 0 | 0 | 0 | 0 | 75,799 | 75,799 | |
| <u>\$ 3,685,725 \$</u> | <u>971,135 \$</u> | <u>4,198,601 \$</u> | <u>315,248 \$</u> | <u>0 \$</u> | <u>1,880,009 \$</u> | <u>11,050,718</u> | |
| <u>\$ 11,000,615 \$</u> | <u>2,704,684 \$</u> | <u>6,327,645 \$</u> | <u>317,263 \$</u> | <u>0 \$</u> | <u>2,119,300 \$</u> | <u>22,469,507</u> | |

LIABILITIES AND FUND BALANCES (Cont.)

| |
|--------------------------------------------|
| <u>Fund Balances (Cont.)</u> |
| Reserved for Automation Purposes - Sheriff |
| Reserved for Long-term Notes Receivable |
| Unreserved, Reported In: |
| General Fund |
| Special Revenue Funds |
| Debt Service Funds |
| Capital Projects Funds |
| Permanent Funds |
| Total Fund Balances |
| Total Liabilities and Fund Balances |

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

Lawrence County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2010

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) | | \$ 11,050,718 |
| (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 | 13,861,541 | |
| Add: buildings and improvements net of accumulated depreciation | 7,317,428 | |
| Add: infrastructure net of accumulated depreciation | 38,741,816 | |
| Add: other capital assets net of accumulated depreciation | <u>3,023,849</u> | 63,930,087 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Less: notes payable | \$ (2,670,000) | |
| Less: capital leases payable | (886,091) | |
| Less: bonds payable | (51,050,000) | |
| Add: deferred amount on refunding | 25,352 | |
| Add: deferred charges - debt issuance costs | 491,947 | |
| Add: deferred charges - discount on debt issues | 78,478 | |
| Less: compensated absences payable | (548,704) | |
| Less: landfill postclosure care costs | (1,102,703) | |
| Less: other postemployment benefits liability | (144,794) | |
| Less: accrued interest on bonds, notes, and capital leases | <u>(365,749)</u> | (56,172,264) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>1,491,427</u> |
| Net assets of governmental activities (Exhibit A) | | <u>\$ 20,299,968</u> |

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

Exhibit C-3

Lawrence County, Tennessee
Statement of Revenues, Expenditures,
 and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|---------------------------------------------------|---------------|------------------------|----------------------|--------------------------|--------------------------|--------------------|--------------------------|
| | General | Highway / Public Works | General Debt Service | General Capital Projects | Other Governmental Funds | Governmental Funds | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 7,412,035 | \$ 1,465,267 | \$ 4,549,660 | \$ 0 | \$ 0 | \$ 10,949 | \$ 13,437,911 |
| Licenses and Permits | 33,921 | 0 | 0 | 0 | 0 | 0 | 33,921 |
| Fines, Forfeitures, and Penalties | 162,549 | 0 | 0 | 0 | 0 | 112,454 | 275,003 |
| Charges for Current Services | 1,612,494 | 13,500 | 0 | 0 | 0 | 1,861,673 | 3,487,667 |
| Other Local Revenues | 266,623 | 12,338 | 90,000 | 1,356 | 0 | 211,409 | 581,726 |
| Fees Received from County Officials | 990,925 | 0 | 0 | 0 | 0 | 0 | 990,925 |
| State of Tennessee | 836,555 | 2,214,799 | 577,842 | 0 | 0 | 180,191 | 3,809,387 |
| Federal Government | 99,221 | 273,523 | 0 | 0 | 0 | 605,733 | 978,477 |
| Other Governments and Citizens Groups | 24,563 | 161,554 | 1,050,000 | 0 | 0 | 79,082 | 1,315,199 |
| Total Revenues | \$ 11,438,886 | \$ 4,140,981 | \$ 6,267,502 | \$ 1,356 | \$ 0 | \$ 3,061,491 | \$ 24,910,216 |
| <u>Expenditures</u> | | | | | | | |
| Current: | | | | | | | |
| General Government | \$ 990,895 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 152,198 | \$ 1,143,093 |
| Finance | 741,011 | 0 | 0 | 0 | 0 | 472,860 | 1,213,871 |
| Administration of Justice | 1,087,351 | 0 | 0 | 0 | 0 | 42,955 | 1,130,306 |
| Public Safety | 5,423,535 | 0 | 0 | 0 | 0 | 111,133 | 5,534,668 |
| Public Health and Welfare | 2,211,887 | 0 | 0 | 0 | 0 | 1,554,630 | 3,766,517 |
| Social, Cultural, and Recreational Services | 7,400 | 0 | 0 | 0 | 0 | 270,862 | 278,262 |
| Agriculture and Natural Resources | 152,161 | 0 | 0 | 0 | 0 | 0 | 152,161 |
| Other Operations | 924,066 | 0 | 0 | 0 | 0 | 8,411 | 932,477 |
| Highways | 367,000 | 4,040,669 | 0 | 0 | 0 | 0 | 4,407,669 |
| Debt Service: | | | | | | | |
| Principal on Debt | 217,054 | 127,962 | 4,175,000 | 0 | 0 | 0 | 4,520,016 |
| Interest on Debt | 0 | 4,394 | 2,039,958 | 0 | 0 | 0 | 2,044,352 |
| Other Debt Service | 720 | 0 | 132,636 | 0 | 0 | 0 | 133,356 |
| Capital Projects | 0 | 0 | 0 | 3,613,446 | 0 | 914,197 | 4,527,643 |
| Total Expenditures | \$ 12,123,080 | \$ 4,173,025 | \$ 6,347,594 | \$ 3,613,446 | \$ 0 | \$ 3,527,246 | \$ 29,784,391 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (684,194) | \$ (32,044) | \$ (80,092) | \$ (3,612,090) | \$ 0 | \$ (465,755) | \$ (4,874,175) |

(Continued)

Exhibit C-3

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

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|----------------------------------------|--------------|------------------------|----------------------|--------------------------|----------------|--------------------|--------------------------|
| | General | Highway / Public Works | General Debt Service | General Capital Projects | Other | Governmental Funds | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Bonds Issued | \$ 0 | \$ 0 | \$ 0 | \$ 2,160,000 | \$ 0 | \$ 0 | \$ 2,160,000 |
| Capital Leases Issued | 867,706 | 363,401 | 0 | 0 | 0 | 0 | 1,231,107 |
| Refunding Debt Issued | 0 | 0 | 2,700,000 | 0 | 0 | 0 | 2,700,000 |
| Transfers In | 151,770 | 0 | 0 | 0 | 442,173 | 0 | 593,943 |
| Transfers Out | (218,173) | 0 | 0 | (224,000) | (151,770) | 0 | (593,943) |
| Payments to Refunded Debt Escrow Agent | 0 | 0 | (2,680,761) | 0 | 0 | 0 | (2,680,761) |
| Total Other Financing Sources (Uses) | \$ 801,303 | \$ 363,401 | \$ 19,239 | \$ 1,936,000 | \$ 290,403 | \$ 0 | \$ 3,410,346 |
| Net Change in Fund Balances | \$ 117,109 | \$ 331,357 | \$ (60,853) | \$ (1,676,090) | \$ (175,352) | \$ (1,463,829) | \$ (1,463,829) |
| Fund Balance, July 1, 2009 | 3,568,616 | 639,778 | 4,259,454 | 1,991,338 | 2,055,361 | 12,514,547 | 12,514,547 |
| Fund Balance, June 30, 2010 | \$ 3,685,725 | \$ 971,135 | \$ 4,198,601 | \$ 315,248 | \$ 1,880,009 | \$ 11,050,718 | \$ 11,050,718 |

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, 2010

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

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------|
| Net change in fund balances - total governmental funds (Exhibit C-3) | | \$ (1,463,829) |
| | | |
| (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 | \$ 3,764,597 | |
| Less: current-year depreciation expense | <u>(4,050,333)</u> | (285,736) |
| | | |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets. | | (5,000) |
| | | |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2010 | \$ 1,491,427 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2009 | <u>(1,865,265)</u> | (373,838) |
| | | |
| (4) The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items: | | |
| Less: capital lease proceeds | \$ (1,231,107) | |
| Less: bond proceeds | (2,160,000) | |
| Less: refunding bond proceeds | (2,700,000) | |
| Less: change in deferred discount on debt issuance | (3,755) | |
| Add: change in deferred debt issuance costs | 72,470 | |
| Add: principal payments on bonds | 3,305,000 | |
| Add: principal payments on notes | 870,000 | |
| Add: principal payments on capital leases | 345,016 | |
| Add: payment to refunding agent | 2,680,761 | |
| Add: change in deferred amount on refunding | 25,352 | |
| Less: additional interest paid to refunding agent | <u>(70,761)</u> | 1,132,976 |
| | | |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in accrued interest payable | \$ 8,046 | |
| Change in compensated absences payable | (82,313) | |
| Change in other postemployment benefits liability | (75,808) | |
| Change in landfill postclosure care costs | <u>5,679</u> | (144,396) |
| | | |
| Change in net assets of governmental activities (Exhibit B) | | <u>\$ (1,139,823)</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, 2010

| | <u>Agency Funds</u> |
|---------------------------------------|-------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 1,255,199 |
| Equity in Pooled Cash and Investments | 71,803 |
| Accounts Receivable | 7,899 |
| Due from Other Governments | <u>688,757</u> |
| Total Assets | <u>\$ 2,023,658</u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | \$ 688,757 |
| Due to Litigants, Heirs, and Others | 1,254,275 |
| Due to Joint Ventures | <u>80,626</u> |
| Total Liabilities | <u>\$ 2,023,658</u> |

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

LAWRENCE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

The Lawrence County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Lawrence County School Department are included in this report as listed in the table of contents. Complete financial statements of the Lawrence County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Lawrence County issues all debt for the discretely presented Lawrence County School Department. Net debt issues totaling \$2,119,188 were contributed by the county to the School Department during the year ended June 30, 2010.

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 funds:

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

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

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Lawrence County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Lawrence County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase

agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

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

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable

that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

3. Inventories

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

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, 2010, Lawrence County had \$25,810,250 in outstanding debt for capital purposes for the discretely presented Lawrence County School Department. This debt is a liability of Lawrence

County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Lawrence County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report 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, 2010:

| <u>Fund/Purpose</u> | <u>Amount</u> |
|------------------------------------------|---------------|
| General: | |
| Public Library | \$ 151,770 |
| Technology for Jail/Sheriff's Department | 25,595 |
| Clean-up Lawrence County Program | 17,033 |
| Veteran's Service Transportation | 15,383 |
| Archives | 394 |
| General Capital Projects: | |
| Health Department | 54,180 |
| Other Capital Projects: | |
| Homeland Security | 75,000 |
| General Purpose School: | |
| Knowledge Bowl | 1,706 |
| Materials Center | 31 |

8. Prior-period Adjustment

The liability for other postemployment benefits was restated \$61,289 for Lawrence County due to changes in the actuarial estimate used to calculate the liability.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Lawrence County School Department

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

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

Primary Government

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

Discretely Presented Lawrence County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. The County Did Not File Reports on Debt Obligations with the State Comptroller's Office

During the year, the county entered into five capital leases for the purchase of ambulances (\$280,500), police cars (\$220,206), compactors (\$201,205), a loader (\$108,835), and a reclaimer machine (\$367,000). The office did not file Reports on Debt Obligation with the state Comptroller's Office for these capital leases. Section 9-21-151, Tennessee Code Annotated, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. Management stated that they were unaware of this requirement and will file all applicable Reports on Debt Obligations with the state Comptroller's Office.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool

may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

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

The county had no pooled and nonpooled investments as of June 30, 2010.

B. Notes Receivable

The Industrial/Economic Development Fund had a long-term note receivable of \$128,362 on June 30, 2010, 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, 2010, was as follows:

Primary Government

Governmental Activities:

| | Balance 7-1-09 | Increases | Decreases | Balance 6-30-10 |
|---------------------------------------------|----------------------|-----------------------|------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 985,453 | \$ 0 | \$ 0 | \$ 985,453 |
| Construction in Progress | 12,431,844 | 1,429,697 | 0 | 13,861,541 |
| Total Capital Assets Not Depreciated | <u>\$ 13,417,297</u> | <u>\$ 1,429,697</u> | <u>\$ 0</u> | <u>\$ 14,846,994</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 10,071,736 | \$ 10,815 | \$ 0 | \$ 10,082,551 |
| Infrastructure | 73,619,763 | 904,619 | 0 | 74,524,382 |
| Other Capital Assets | 7,862,082 | 1,419,466 | 98,986 | 9,182,562 |
| Total Capital Assets Depreciated | <u>\$ 91,553,581</u> | <u>\$ 2,334,900</u> | <u>\$ 98,986</u> | <u>\$ 93,789,495</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 2,484,616 | \$ 280,507 | \$ 0 | \$ 2,765,123 |
| Infrastructure | 32,778,025 | 3,004,541 | 0 | 35,782,566 |
| Other Capital Assets | 5,487,414 | 765,285 | 93,986 | 6,158,713 |
| Total Accumulated Depreciation | <u>\$ 40,750,055</u> | <u>\$ 4,050,333</u> | <u>\$ 93,986</u> | <u>\$ 44,706,402</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 50,803,526</u> | <u>\$ (1,715,433)</u> | <u>\$ 5,000</u> | <u>\$ 49,083,093</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 64,220,823</u> | <u>\$ (285,736)</u> | <u>\$ 5,000</u> | <u>\$ 63,930,087</u> |

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

Governmental Activities:

| | |
|----------------------------------------------------------|-------------------------|
| General Government | \$ 168,637 |
| Finance | 26,155 |
| Adminstration of Justice | 18,031 |
| Public Safety | 443,212 |
| Public Health and Welfare | 157,238 |
| Social, Cultural, and Recreational Services | 46,389 |
| Agriculture and Natural Resources | 1,265 |
| Other Operations | 128 |
| Highways | <u>3,189,278</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 4,050,333</u> |

Discretely Presented Lawrence County School Department

Governmental Activities:

| | Balance 7-1-09 | Increases | Decreases | Balance 6-30-10 |
|------------------------------------------------|----------------------|---------------------|---------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 676,454 | \$ 0 | \$ 0 | \$ 676,454 |
| Construction in Progress | <u>4,507,843</u> | <u>1,297,318</u> | <u>4,462,898</u> | <u>1,342,263</u> |
| Total Capital Assets Not Depreciated | <u>\$ 5,184,297</u> | <u>\$ 1,297,318</u> | <u>\$ 4,462,898</u> | <u>\$ 2,018,717</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 54,037,490 | \$ 4,744,453 | \$ 112,691 | \$ 58,669,252 |
| Other Capital Assets | <u>11,031,910</u> | <u>1,221,111</u> | <u>286,905</u> | <u>11,966,116</u> |
| Total Capital Assets Depreciated | <u>\$ 65,069,400</u> | <u>\$ 5,965,564</u> | <u>\$ 399,596</u> | <u>\$ 70,635,368</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 18,921,328 | \$ 1,440,420 | \$ 84,567 | \$ 20,277,181 |
| Other Capital Assets | <u>7,136,323</u> | <u>926,252</u> | <u>286,905</u> | <u>7,775,670</u> |
| Total Accumulated Depreciation | <u>\$ 26,057,651</u> | <u>\$ 2,366,672</u> | <u>\$ 371,472</u> | <u>\$ 28,052,851</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 39,011,749</u> | <u>\$ 3,598,892</u> | <u>\$ 28,124</u> | <u>\$ 42,582,517</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 44,196,046</u> | <u>\$ 4,896,210</u> | <u>\$ 4,491,022</u> | <u>\$ 44,601,234</u> |

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

Governmental Activities:

| | |
|-------------------------------------------------------------|--------------------------------|
| Instruction | \$ 1,304,744 |
| Support Services | 854,332 |
| Operation of Non-Instructional Services | <u>207,596</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 2,366,672</u></u> |

D. Construction Commitments

At June 30, 2010, Lawrence County had uncompleted construction contracts of approximately \$205,788 in the General Capital Projects Fund for construction of the county jail. Funding has been received for these future expenditures.

At June 30, 2010, the discretely presented Lawrence County School Department had uncompleted construction contracts of approximately \$1,058,958 in the Education Capital Projects Fund for classroom additions at various elementary schools. Funding has been received for these future expenditures.

E. Interfund Transfers

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

Primary Government

| <u>Transfers Out</u> | <u>Transfers In</u> | |
|-------------------------------|------------------------------|-----------------------------------|
| | General Fund | Nonmajor Governmental Funds |
| General Fund | \$ 0 | \$ 218,173 |
| General Capital Projects Fund | 0 | 224,000 |
| Nonmajor governmental funds | <u>151,770</u> | <u>0</u> |
| Total | <u><u>\$ 151,770</u></u> | <u><u>\$ 442,173</u></u> |

Discretely Presented Lawrence County School Department

| Transfer Out | Transfer In |
|------------------------------|--------------------------------------|
| | General Purpose School Fund |
| School Federal Projects Fund | \$ 31,306 |

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 \$151,770 from the Public Library Fund to the General Fund to consolidate operations.

F. Capital Leases

On July 1, 2009, Lawrence County entered into a two-year lease-purchase agreement for a backhoe. The terms of the agreement require total lease payments of \$53,361 plus interest of 5.25 percent. Title to the equipment transfers to Lawrence County at the end of the lease period. The lease payments are made from the Highway/Public Works Fund.

On July 30, 2009, Lawrence County entered into a two-year lease-purchase agreement for two compactors. The terms of the agreement require total lease payments of \$201,205 plus interest of 3.45 percent. Titles to the equipment transfer to Lawrence County at the end of the lease period. The lease payments are made from the Highway/Public Works Fund. This lease-purchase agreement was not entered into in compliance with state statutes.

On September 14, 2009, Lawrence County entered into a three-year lease-purchase agreement for three ambulances. The terms of the agreement require total lease payments of \$280,500 plus interest of 4.947 percent. Titles to the ambulances transfer to Lawrence County at the end of the lease period. The lease payments are made from the General Fund. This lease-purchase agreement was not entered into in compliance with state statutes.

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

The lease payments are made from the General Fund. This lease-purchase agreement was not entered into in compliance with state statutes.

On April 1, 2010, Lawrence County entered into a four-year lease-purchase agreement for a grapple loader. The terms of the agreement require total lease payments of \$108,835 plus interest of 4.45 percent. Title to the equipment transfers to Lawrence County at the end of the lease period. The lease payments are made from the Highway/Public Works Fund. This lease-purchase agreement was not entered into in compliance with state statutes.

On June 1, 2010, Lawrence County entered into a five-year lease-purchase agreement for a road reclaimer/mixer. The terms of the agreement require total lease payments of \$367,000 plus interest of 2.951 percent. Title to the equipment transfers to Lawrence County at the end of the lease period. The lease payments are made from the General Fund. This lease-purchase agreement was not entered into in compliance with state statutes.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

| Year Ending June 30 | Governmental Funds |
|--------------------------------------------|-----------------------|
| 2011 | \$ 340,547 |
| 2012 | 305,611 |
| 2013 | 159,959 |
| 2014 | 84,864 |
| 2015 | 65,700 |
| Total Minimum Lease Payments | \$ 956,681 |
| Less: Amount Representing Interest | (70,590) |
| Present Value of Minimum Lease Payments | \$ 886,091 |

G. Long-term Debt

Primary Government

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 30 years for bonds and 12 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2010, for governmental activities are as follows:

| Type | Interest Rate | Original Amount of Issue | Balance 6-30-10 |
|--------------------------------------|---------------|--------------------------|-----------------|
| General Obligation Bonds | 3.6 to 4.28 % | \$ 34,410,000 | \$ 30,865,000 |
| General Obligation Bonds - Refunding | 2.599 to 5.05 | 40,550,000 | 20,185,000 |
| Capital Outlay Notes | 1.55 to 4.125 | 6,425,000 | 2,495,000 |
| Capital Outlay Notes - Refunding | 2.74 | 2,195,000 | 175,000 |

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2010, including interest payments, are presented in the following tables:

| Year Ending June 30 | Bonds | | |
|---------------------|----------------------|----------------------|----------------------|
| | Principal | Interest | Total |
| 2011 | \$ 3,390,000 | \$ 1,865,765 | \$ 5,255,765 |
| 2012 | 3,505,000 | 1,748,672 | 5,253,672 |
| 2013 | 3,630,000 | 1,629,576 | 5,259,576 |
| 2014 | 3,025,000 | 1,517,367 | 4,542,367 |
| 2015 | 2,925,000 | 1,415,446 | 4,340,446 |
| 2016-2020 | 13,465,000 | 5,509,669 | 18,974,669 |
| 2021-2025 | 7,830,000 | 3,589,063 | 11,419,063 |
| 2026-2030 | 6,740,000 | 2,116,903 | 8,856,903 |
| 2031-2035 | 4,840,000 | 909,272 | 5,749,272 |
| 2036-2037 | 1,700,000 | 106,500 | 1,806,500 |
| Total | \$ 51,050,000 | \$ 20,408,233 | \$ 71,458,233 |

| Year Ending June 30 | Notes | | |
|------------------------|--------------|------------|--------------|
| | Principal | Interest | Total |
| 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 | \$ 2,670,000 | \$ 218,008 | \$ 2,888,008 |

There is \$4,198,601 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,279, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$1,368, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

| | Bonds | Notes | Capital Leases |
|-----------------------------|---------------|--------------|-------------------|
| Balance, July 1, 2009 | \$ 52,105,000 | \$ 3,540,000 | \$ 0 |
| Additions | 4,860,000 | 0 | 1,231,107 |
| Deductions | (5,915,000) | (870,000) | (345,016) |
| Balance, June 30, 2010 | \$ 51,050,000 | \$ 2,670,000 | \$ 886,091 |
| Balance Due Within One Year | \$ 3,390,000 | \$ 755,000 | \$ 308,712 |

| | Compensated Absences | Landfill Postclosure Care Costs | Other Postemployment Benefits |
|-----------------------------|-------------------------|---------------------------------------|-------------------------------------|
| Balance, July 1, 2009 | \$ 466,391 | \$ 1,108,382 | \$ 7,697 |
| Prior-period Adjustment | 0 | 0 | 61,289 |
| Additions | 601,990 | 13,076 | 94,164 |
| Deductions | (519,677) | (18,755) | (18,356) |
| Balance, June 30, 2010 | \$ 548,704 | \$ 1,102,703 | \$ 144,794 |
| Balance Due Within One Year | \$ 548,704 | \$ 20,000 | \$ 0 |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|-----------------------------------------------------------------------|---------------------------------|
| Total Noncurrent Liabilities, June 30, 2010 | \$ 56,402,292 |
| Less: Due Within One Year | (5,022,416) |
| Less: Unamortized Discount on Debt | (78,478) |
| Less: Deferred Amount on Refunding | <u>(25,352)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u><u>\$ 51,276,046</u></u> |

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

Current Refunding

On January 13, 2010, Lawrence County currently refunded a general obligation bond issue with a separate general obligation bond issue. The county issued \$2,700,000 of general obligation refunding bonds to provide resources to retire the refunded debt. As a result, the refunded bonds have been removed from the county's long-term debt. As a result of the current refunding, total debt service payments over the next 16 years will be reduced by \$462,322, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$272,822 was obtained.

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, 2010, 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, 2010, was as follows:

Governmental Activities:

| | Compensated Absences | Other Postemployment Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2009 | \$ 45,043 | \$ 3,301,811 |
| Additions | 58,227 | 1,404,846 |
| Deductions | (50,419) | (690,825) |
| Balance, June 30, 2010 | <u>\$ 52,851</u> | <u>\$ 4,015,832</u> |
| Balance Due Within One Year | <u>\$ 52,851</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|-------------------------------------------------------------------|---------------------|
| Total Noncurrent Liabilities, June 30, 2010 | \$ 4,068,683 |
| Less: Balance Due Within One Year | <u>(52,851)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 4,015,832</u> |

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

H. 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, 2010, were \$142,210 and \$43,598, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Lawrence County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the Highway/Public Works Fund. These notes were necessary because funds were not available to meet operating expenses coming due before current tax collections. Short-term debt activity for the year ended June 30, 2010, was as follows:

| | Balance | | | Balance |
|------------------------|---------|------------|--------------|---------|
| | 7-1-09 | Issued | Paid | 6-30-10 |
| Tax Anticipation Notes | \$ 0 | \$ 450,000 | \$ (450,000) | \$ 0 |

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

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

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

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

Discretely Presented Lawrence County School Department

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. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance; nonfinancial in nature; and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Lawrence County and the Lawrence County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably

expected that Lawrence County and/or the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Lawrence County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e., effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Lawrence County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Lawrence County may enter into derivative transactions in subsequent years.

C. Subsequent Events

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

On October 29, 2010, the county's General Debt Service Fund issued a \$400,000 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

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Lawrence County closed its sanitary landfill in 2001. The \$1,102,703 reported as postclosure care liability at June 30, 2010, represents amounts based on what it would cost to perform all postclosure care in 2010. 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, 2010.

The Lawrence County Joint Economic Development Board is a joint venture between Lawrence County, the City of Loretto, and the City of Lawrenceburg. The board comprises the county executive, the mayors of the cities of Loretto and Lawrenceburg, and 11 additional members representing county and city governments, private citizens, industry, and business. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Lawrence County contributed \$260,000 to the Lawrence County Joint Economic Development Board during the year ended June 30, 2010.

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, 2010.

H. Retirement Commitments

Employees

Plan Description

General and Public Library Employees

Employees of Lawrence County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty.

Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Lawrence County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

General Employees

Lawrence County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 8.94 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Lawrence County is established and may be amended by the TCRS Board of Trustees.

Public Library Employees

Lawrence County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 10.3 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Lawrence County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

General Employees

For the year ended June 30, 2010, Lawrence County's annual pension cost of \$1,106,831 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent

annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Lawrence County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 11 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6-30-10 | \$1,106,831 | 100% | \$0 |
| 6-30-09 | 1,086,470 | 100 | 0 |
| 6-30-08 | 1,071,720 | 100 | 0 |

Public Library Employees

For the year ended June 30, 2010, Lawrence County's annual pension cost of \$12,385 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Lawrence County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 14 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6-30-10 | \$12,385 | 100% | \$0 |
| 6-30-09 | 12,927 | 100 | 0 |
| 6-30-08 | 16,576 | 100 | 0 |

Funded Status and Funding Progress

General Employees

As of July 1, 2009, the most recent actuarial valuation date, the plan was 81.9 percent funded. The actuarial accrued liability for benefits was \$32.88 million, and the actuarial value of assets was \$26.93 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.95 million. The covered payroll (annual payroll of active employees covered by the plan) was \$11.93 million, and the ratio of the UAAL to the covered payroll was 49.87 percent.

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

The TCRS uses the frozen entry age actuarial cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

Public Library Employees

As of July 1, 2009, the most recent actuarial valuation date, the plan was 96.59 percent funded. The actuarial accrued liability for benefits was \$.52 million, and the actuarial value of assets was \$.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.02 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.11 million, and the ratio of the UAAL to the covered payroll was 16.88 percent.

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

The TCRS uses the frozen entry age actuarial cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their 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, 2010, was 6.42 percent of annual covered payroll. The employer contribution requirement for the Lawrence County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2010, 2009, and 2008, were \$1,487,423, \$1,495,725, and \$1,415,792, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

Lawrence County and the Lawrence County School Department participate in the state-administered Local Education Group Insurance Plan and the Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by

| Fiscal Year Ended | Plans | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|-------------------|-------------------------|------------------|--------------------------------------------|---------------------------------|
| 6-30-08 | Local Education Group | \$ 2,152,000 | 23 % | \$ 1,660,366 |
| 6-30-09 | " | 2,177,995 | 25 | 3,301,811 |
| 6-30-10 | " | 1,404,846 | 49 | 4,015,832 |
| 6-30-09 | Local Government Group* | 94,000 | 27 | 68,986 |
| 6-30-10 | " | 94,164 | 19 | 144,794 |

* Local Government Group data only available for two years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

| (dollars in thousands) | Local Education Group Plan | Local Government Group Plan |
|---------------------------------------------|----------------------------|-----------------------------|
| Actuarial valuation date | 7-1-09 | 7-1-09 |
| Actuarial accrued liability (AAL) | \$ 13,415 | \$ 670 |
| Actuarial value of plan assets | \$ 0 | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 13,415 | \$ 670 |
| Actuarial value of assets as a % of the AAL | 0% | 0% |
| Covered payroll (active plan members) | \$ 29,229 | \$ 7,018 |
| UAAL as a % of covered payroll | 46 | 10 |

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

Actuarial Methods and Assumptions

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

are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2009, 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). The Local Education Plan had an annual healthcare cost trend rate of four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was three percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

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). Also, purchasing procedures for the Road Department are governed by the Uniform Road Law, Section 54-7-113, TCA. These statutes require purchase orders to be issued for all purchases and sealed bids to be solicited on purchases exceeding \$10,000. 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 7-1-09 | Additions | Balance 6-30-10 |
|-------------------------------|---------------------|-------------|---------------------|
| Communications Equipment | \$ 508,168 | \$ 0 | \$ 508,168 |
| Building | 400,000 | 0 | 400,000 |
| Leasehold Improvements | 274,014 | 0 | 274,014 |
| Equipment and Furniture | 35,480 | 0 | 35,480 |
| | <u>\$ 1,217,662</u> | <u>\$ 0</u> | <u>\$ 1,217,662</u> |
| Less Accumulated Depreciation | <u>(380,464)</u> | | <u>(458,643)</u> |
| Utility Plant - Net | <u>\$ 837,198</u> | | <u>\$ 759,019</u> |

Accumulated depreciation consists of communications equipment (\$263,719), furniture and equipment (\$24,906), building (\$80,000), and leaseholds (\$90,018). All assets are being depreciated.

D. Long-term Debt

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

| | Balance 7-1-09 | Retirements | Balance 6-30-10 |
|-------------|-------------------|-------------|--------------------|
| Series 2005 | \$ 359,948 | \$ (38,580) | \$ 321,368 |

Future maturities of note principal and interest are as follows:

| Year Ending June 30 | Principal | Interest |
|------------------------|-------------------|------------------|
| 2011 | \$ 40,258 | \$ 13,979 |
| 2012 | 42,009 | 12,228 |
| 2013 | 43,837 | 10,400 |
| 2014 | 45,744 | 8,493 |
| 2015 | 47,734 | 6,503 |
| 2016-2017 | 101,786 | 6,688 |
| Total | <u>\$ 321,368</u> | <u>\$ 58,291</u> |

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

E. Risk Management

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

F. Pension Plan

Plan Description

Certain employees of the district are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years

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

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

Funding Policy

The district requires employees to contribute five percent of their earned compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 8.46 percent of annual covered payroll. The contribution requirements of plan members are set by state statute. Contribution requirements for the district are established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, the district's annual pension cost of \$42,505 to TCRS was equal to the required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent per year compounded annually, (b) projected salary increases of 4.75 percent annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of equities over a five-year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was nine years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6-30-10 | \$42,505 | 100% | \$0 |
| 6-30-09 | 44,025 | 100 | 0 |
| 6-30-08 | 42,786 | 100 | 0 |

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 74.04 percent funded. The actuarial accrued liability for benefits was \$810,000, and the actuarial value of assets was \$600,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$210,000. The covered payroll (annual payroll of active employees covered by the plan) was \$520,000, and the ratio of the UAAL to the covered payroll was 39.94 percent.

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

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

G. Liability for Compensated Absences

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

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

H. Commitments and Contingencies

Federal and State Grants

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

I. Budgets and Budgetary Accounting

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

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

J. Other Postretirement Benefits (OPEB)

Plan Description

The district participates in the state-administered Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-701, Tennessee Code Annotated (TCA). Prior to reaching the age of 65, all members have the

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

| | |
|----------------------------------|-----------------------------|
| ARC | \$ 10,000 |
| Interest on the NPO | 3,150 |
| Adjustment to the ARC | <u>(3,150)</u> |
| Annual OPEB cost | \$ 10,000 |
| Amount of contribution | <u>0</u> |
| Increase/decrease in NPO | \$ 10,000 |
| Prior-period adjustment | 74,000 |
| Net OPEB obligation, 7-1-09 | <u>0</u> |
| Net OPEB obligation, 6-30-10 | <u><u>\$ 84,000</u></u> |

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

* Medicare Supplement Plan data only available for one year.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements,

presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2009, actuarial valuation the annual healthcare cost trend for the Medicare Supplement Plan was one percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period.

K. Prior-period Adjustment

As a result of the new accounting standards related to postretirement benefits, the district has restated its net assets by \$74,000 (the estimated liability for these benefits) effective July 1, 2009.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Lawrence County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 General Fund
 For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|----------------------|----------------------|----------------------|--------------------------------------------------------------|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 7,412,035 | \$ 7,066,892 | \$ 7,357,531 | \$ 54,504 |
| Licenses and Permits | 33,921 | 42,618 | 42,882 | (8,961) |
| Fines, Forfeitures, and Penalties | 162,549 | 157,558 | 172,913 | (10,364) |
| Charges for Current Services | 1,612,494 | 1,628,050 | 1,644,115 | (31,621) |
| Other Local Revenues | 266,623 | 384,337 | 407,920 | (141,297) |
| Fees Received from County Officials | 990,925 | 952,988 | 979,462 | 11,463 |
| State of Tennessee | 836,555 | 734,711 | 800,869 | 35,686 |
| Federal Government | 99,221 | 66,021 | 116,657 | (17,436) |
| Other Governments and Citizens Groups | 24,563 | 20,200 | 20,200 | 4,363 |
| Total Revenues | <u>\$ 11,438,886</u> | <u>\$ 11,053,375</u> | <u>\$ 11,542,549</u> | <u>\$ (103,663)</u> |
| <u>Expenditures</u> | | | | |
| <u>General Government</u> | | | | |
| County Commission | \$ 86,121 | \$ 94,632 | \$ 94,835 | \$ 8,714 |
| County Mayor/Executive | 171,322 | 175,029 | 177,348 | 6,026 |
| County Attorney | 7,140 | 7,176 | 7,178 | 38 |
| Election Commission | 224,518 | 237,632 | 244,462 | 19,944 |
| Register of Deeds | 55,314 | 78,443 | 78,443 | 23,129 |
| Codes Compliance | 19,542 | 22,000 | 22,000 | 2,458 |
| County Buildings | 377,955 | 435,749 | 435,749 | 57,794 |
| Preservation of Records | 48,983 | 48,332 | 51,452 | 2,469 |
| <u>Finance</u> | | | | |
| Accounting and Budgeting | 135,076 | 145,213 | 138,229 | 3,153 |
| Purchasing | 84,654 | 88,519 | 85,713 | 1,059 |
| Property Assessor's Office | 301,157 | 306,559 | 306,559 | 5,402 |
| County Trustee's Office | 47,904 | 51,592 | 51,592 | 3,688 |
| County Clerk's Office | 89,933 | 80,143 | 89,933 | 0 |
| Data Processing | 82,287 | 85,287 | 85,287 | 3,000 |
| <u>Administration of Justice</u> | | | | |
| Circuit Court | 432,858 | 453,035 | 455,198 | 22,340 |
| General Sessions Court | 319,686 | 334,179 | 338,599 | 18,913 |
| Chancery Court | 249,869 | 259,648 | 259,848 | 9,979 |
| Juvenile Court | 48,117 | 51,258 | 51,258 | 3,141 |
| District Attorney General | 31,535 | 30,000 | 32,500 | 965 |
| Courtroom Security | 1,200 | 9,000 | 9,000 | 7,800 |
| Victims Assistance Programs | 4,086 | 5,000 | 5,000 | 914 |
| <u>Public Safety</u> | | | | |
| Sheriff's Department | 2,849,724 | 2,640,810 | 2,888,592 | 38,868 |
| Jail | 1,911,067 | 2,194,464 | 2,109,030 | 197,963 |
| Workhouse | 40,198 | 40,201 | 40,201 | 3 |
| Work Release Program | 6,400 | 7,400 | 10,550 | 4,150 |
| Fire Prevention and Control | 2,000 | 2,000 | 2,000 | 0 |
| Civil Defense | 9,336 | 10,000 | 13,283 | 3,947 |

(Continued)

Exhibit E-1

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|----------------------------------------------------|----------------------|----------------------|-----------------------|--------------------------------------------------|
| | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | |
| <u>Public Safety (Cont.)</u> | | | | |
| Rescue Squad | \$ 245,500 | \$ 245,500 | \$ 245,500 | \$ 0 |
| Other Emergency Management | 285,000 | 285,000 | 285,000 | 0 |
| County Coroner/Medical Examiner | 10,883 | 11,594 | 12,494 | 1,611 |
| Other Public Safety | 63,427 | 59,907 | 64,107 | 680 |
| <u>Public Health and Welfare</u> | | | | |
| Local Health Center | 100,292 | 103,713 | 103,713 | 3,421 |
| Ambulance/Emergency Medical Services | 1,826,642 | 1,679,715 | 1,906,263 | 79,621 |
| Regional Mental Health Center | 10,000 | 0 | 10,000 | 0 |
| Appropriation to State | 224,243 | 230,800 | 230,802 | 6,559 |
| Aid to Dependent Children | 7,993 | 8,000 | 8,000 | 7 |
| Other Public Health and Welfare | 42,717 | 42,717 | 42,717 | 0 |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Other Social, Cultural, and Recreational | 7,400 | 0 | 7,400 | 0 |
| <u>Agriculture and Natural Resources</u> | | | | |
| Agriculture Extension Service | 105,718 | 114,482 | 114,482 | 8,764 |
| Soil Conservation | 43,955 | 44,693 | 44,693 | 738 |
| Other Agriculture and Natural Resources | 2,488 | 9,000 | 9,000 | 6,512 |
| <u>Other Operations</u> | | | | |
| Tourism | 36,500 | 40,500 | 40,500 | 4,000 |
| Industrial Development | 260,000 | 160,000 | 260,000 | 0 |
| Airport | 60,000 | 60,000 | 60,000 | 0 |
| Veterans' Services | 81,784 | 85,068 | 86,193 | 4,409 |
| Other Charges | 421,361 | 433,288 | 435,576 | 14,215 |
| ARRA Grant No. 2 | 64,421 | 64,421 | 85,391 | 20,970 |
| <u>Highways</u> | | | | |
| Capital Outlay | 367,000 | 0 | 367,000 | 0 |
| <u>Principal on Debt</u> | | | | |
| General Government | 151,355 | 0 | 151,355 | 0 |
| Highways and Streets | 65,699 | 0 | 65,699 | 0 |
| <u>Other Debt Service</u> | | | | |
| Highways and Streets | 720 | 0 | 720 | 0 |
| Total Expenditures | <u>\$ 12,123,080</u> | <u>\$ 11,571,699</u> | <u>\$ 12,720,444</u> | <u>\$ 597,364</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (684,194)</u> | <u>\$ (518,324)</u> | <u>\$ (1,177,895)</u> | <u>\$ 493,701</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Capital Leases Issued | \$ 867,706 | \$ 0 | \$ 867,706 | \$ 0 |
| Transfers In | 151,770 | 0 | 151,770 | 0 |
| Transfers Out | (218,173) | (212,540) | (218,173) | 0 |
| Total Other Financing Sources (Uses) | <u>\$ 801,303</u> | <u>\$ (212,540)</u> | <u>\$ 801,303</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 117,109 | \$ (730,864) | \$ (376,592) | \$ 493,701 |
| Fund Balance, July 1, 2009 | 3,568,616 | 3,125,177 | 3,125,177 | 443,439 |
| Fund Balance, June 30, 2010 | <u>\$ 3,685,725</u> | <u>\$ 2,394,313</u> | <u>\$ 2,748,585</u> | <u>\$ 937,140</u> |

Exhibit E-2

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------------------------------------------|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 1,465,267 | \$ 1,415,171 | \$ 1,447,027 | \$ 18,240 |
| Charges for Current Services | 13,500 | 1,500 | 15,000 | (1,500) |
| Other Local Revenues | 12,338 | 2,500 | 11,799 | 539 |
| State of Tennessee | 2,214,799 | 2,300,543 | 2,293,213 | (78,414) |
| Federal Government | 273,523 | 0 | 149,673 | 123,850 |
| Other Governments and Citizens Groups | 161,554 | 0 | 161,554 | 0 |
| Total Revenues | \$ 4,140,981 | \$ 3,719,714 | \$ 4,078,266 | \$ 62,715 |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 193,808 | \$ 244,713 | \$ 244,713 | \$ 50,905 |
| Highway and Bridge Maintenance | 2,297,144 | 2,417,845 | 2,624,173 | 327,029 |
| Operation and Maintenance of Equipment | 614,130 | 785,261 | 786,014 | 171,884 |
| Other Charges | 85,767 | 87,408 | 87,408 | 1,641 |
| Capital Outlay | 849,820 | 740,000 | 1,136,589 | 286,769 |
| <u>Principal on Debt</u> | | | | |
| Highways and Streets | 127,962 | 0 | 127,962 | 0 |
| <u>Interest on Debt</u> | | | | |
| Highways and Streets | 4,394 | 0 | 4,394 | 0 |
| Total Expenditures | \$ 4,173,025 | \$ 4,275,227 | \$ 5,011,253 | \$ 838,228 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (32,044) | \$ (555,513) | \$ (932,987) | \$ 900,943 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Capital Leases Issued | \$ 363,401 | \$ 0 | \$ 363,401 | \$ 0 |
| Total Other Financing Sources (Uses) | \$ 363,401 | \$ 0 | \$ 363,401 | \$ 0 |
| Net Change in Fund Balance | \$ 331,357 | \$ (555,513) | \$ (569,586) | \$ 900,943 |
| Fund Balance, July 1, 2009 | 639,778 | 611,070 | 611,070 | 28,708 |
| Fund Balance, June 30, 2010 | \$ 971,135 | \$ 55,557 | \$ 41,484 | \$ 929,651 |

Exhibit E-3

Lawrence County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Lawrence County School Department
June 30, 2010

(Dollar amounts in thousands)

| Plan Description | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Liability (AAL) (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|--------------------------|-------------------------------|-------------------------------|-----------------------------|--------------------|---------------------|---------------------------------------------------|
| General Employees | 7-1-09 | \$ 26,929 | \$ 32,882 | \$ 5,953 | 81.9 % | \$ 11,935 | 49.87 % |
| " | 7-1-07 | 25,125 | 29,788 | 4,663 | 84.35 | 11,657 | 40 |
| Public Library Employees | 7-1-09 | 503 | 521 | 18 | 96.59 | 105 | 16.88 |
| " | 7-1-07 | 444 | 449 | 5 | 98.89 | 123 | 4.07 |

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method was a change made during the year of the 2007, actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit E-4

Lawrence County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Lawrence County Emergency Communications District
June 30, 2010

(Dollar amounts in thousands)

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

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method was a change made during the year of the 2007, actuarial valuation; therefore, only the two most recent valuations are presented.

Lawrence County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government, Discretely Presented Lawrence County School Department,
and Discretely Presented Lawrence County Emergency Communications District
June 30, 2010

(Dollar amounts in thousands)

| Plans | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial | | Unfunded AAL (UAAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAAL as a Percentage of Covered Payroll ((b-a)/c) |
|-------------------------------------------------------------------------------|--------------------------|-------------------------------|-----------------------------|--------|------------------------------|--------------------|---------------------|----------------------------------------------------|
| | | | Accrued Liability (AAL) (b) | % | | | | |
| <u>PRIMARY GOVERNMENT</u> | | | | | | | | |
| Local Government Group** | 7-1-07 | \$ 0 | \$ 233 | \$ 233 | 0 | 0 % | 7,274 | 3 % |
| " | 7-1-09 | 0 | 670 | 670 | 0 | 0 | 7,018 | 10 |
| <u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u> | | | | | | | | |
| Local Education Group** | 7-1-07 | 0 | 18,465 | 18,465 | 0 | 0 | 28,108 | 66 |
| " | 7-1-09 | 0 | 13,415 | 13,415 | 0 | 0 | 29,229 | 46 |
| <u>DISCRETELY PRESENTED LAWRENCE COUNTY EMERGENCY COMMUNICATIONS DISTRICT</u> | | | | | | | | |
| Medicare Supplement* | 7-1-09 | 0 | 74 | 74 | 0 | 0 | 505 | 15 |

* Data only available for one year.

** Data only available for two years.

LAWRENCE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

BUDGETARY INFORMATION

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

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

Permanent Fund

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

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

Exhibit F-1

Lawrence County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2010

| | | Special Revenue Funds | | | | | | |
|---------------------------------------|----|---------------------------------------|--------------------------------|-----------------------------------------|-----------------|---------------------------------|-------------------------------------------|--------------|
| | | Courthouse and Jail Maintenance | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control | District Attorney General | Constitu- tional Officers - Fees | Total |
| Cash | \$ | 0 | 525 | 0 | 0 | 0 | 126,932 | \$ 127,457 |
| Equity in Pooled Cash and Investments | | 20,056 | 1,193,778 | 164,066 | 21,577 | 34,977 | 0 | 1,434,454 |
| Accounts Receivable | | 920 | 801,893 | 0 | 3,504 | 0 | 5,646 | 811,963 |
| Allowance for Uncollectibles | | 0 | (582,845) | 0 | 0 | 0 | 0 | (582,845) |
| Due from Other Governments | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Notes Receivable - Long-term | | 0 | 0 | 128,362 | 0 | 0 | 0 | 128,362 |
| Total Assets | \$ | 20,976 | 1,413,351 | 292,428 | 25,081 | 34,977 | 132,578 | \$ 1,919,391 |

ASSETS

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

LIABILITIES AND FUND BALANCES

| | | | | | | | | | |
|-----------------------------------------|----|--------|-----------|---------|--------|--------|---------|---|-----------|
| Liabilities | \$ | 496 | 4,553 | 0 | 587 | 0 | 0 | 0 | 5,636 |
| Accounts Payable | | 0 | 184,545 | 0 | 0 | 0 | 0 | 0 | 184,545 |
| Other Deferred Revenues | | 496 | 189,098 | 0 | 587 | 0 | 0 | 0 | 190,181 |
| Total Liabilities | \$ | 496 | 189,098 | 0 | 587 | 0 | 0 | 0 | 190,181 |
| Fund Balances | \$ | 0 | 0 | 128,362 | 0 | 0 | 0 | 0 | 128,362 |
| Reserved for Long-term Notes Receivable | | 20,480 | 1,224,253 | 164,066 | 24,494 | 34,977 | 132,578 | 0 | 1,600,848 |
| Unreserved | | 20,480 | 1,224,253 | 292,428 | 24,494 | 34,977 | 132,578 | 0 | 1,729,210 |
| Total Fund Balances | \$ | 20,480 | 1,224,253 | 292,428 | 24,494 | 34,977 | 132,578 | 0 | 1,729,210 |
| Total Liabilities and Fund Balances | \$ | 20,976 | 1,413,351 | 292,428 | 25,081 | 34,977 | 132,578 | 0 | 1,919,391 |

Total Liabilities and Fund Balances

(Continued)

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

| | Capital Projects Funds | | | Total | Permanent Fund | | Total Nonmajor Governmental Funds |
|---------------------------------------|--------------------------|------------------------|---------|--------|----------------|---|-----------------------------------|
| | Highway Capital Projects | Other Capital Projects | | | Endowment | | |
| \$ | 0 | 0 | 0 | 0 | 0 | 0 | \$ 127,457 |
| Equity in Pooled Cash and Investments | 49,110 | 47,259 | 96,369 | 75,799 | | | 1,606,622 |
| Accounts Receivable | 0 | 0 | 0 | 0 | | | 811,963 |
| Allowance for Uncollectibles | 0 | 0 | 0 | 0 | | | (582,845) |
| Due from Other Governments | 0 | 27,741 | 27,741 | 0 | | | 27,741 |
| Notes Receivable - Long-term | 0 | 0 | 0 | 0 | | | 128,362 |
| Total Assets | 49,110 | 75,000 | 124,110 | 75,799 | | | 2,119,300 |

ASSETS

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

LIABILITIES AND FUND BALANCES

| | Capital Projects Funds | | | Total | Permanent Fund | | Total Nonmajor Governmental Funds |
|-----------------------------------------|--------------------------|------------------------|---------|--------|----------------|---|-----------------------------------|
| | Highway Capital Projects | Other Capital Projects | | | Endowment | | |
| \$ | 49,110 | 0 | 49,110 | 0 | 0 | 0 | \$ 54,746 |
| Accounts Payable | 0 | 0 | 0 | 0 | | | 184,545 |
| Other Deferred Revenues | 0 | 0 | 0 | 0 | | | 239,291 |
| Total Liabilities | 49,110 | 0 | 49,110 | 0 | | | 239,291 |
| <u>Fund Balances</u> | | | | | | | |
| Reserved for Long-term Notes Receivable | 0 | 0 | 0 | 0 | | | 128,362 |
| Unreserved | 0 | 75,000 | 75,000 | 75,799 | | | 1,751,647 |
| Total Fund Balances | 0 | 75,000 | 75,000 | 75,799 | | | 1,880,009 |
| Total Liabilities and Fund Balances | 49,110 | 75,000 | 124,110 | 75,799 | | | 2,119,300 |

Exhibit F-2

Lawrence County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2010

| | Special Revenue Funds | | | | | |
|------------------------------------------------------|---------------------------------------|-------------------|--------------------------------|-----------------------------------------|-----------------|---------------------------------|
| | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control | District Attorney General |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 10,949 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Fines, Forfeitures, and Penalties | 739 | 0 | 0 | 0 | 69,977 | 41,738 |
| Charges for Current Services | 0 | 10,321 | 1,209,868 | 9,400 | 0 | 0 |
| Other Local Revenues | 0 | 1,232 | 206,434 | 0 | 3,743 | 0 |
| State of Tennessee | 0 | 4,600 | 20,700 | 99,185 | 5,706 | 0 |
| Federal Government | 0 | 0 | 0 | 460,887 | 0 | 0 |
| Other Governments and Citizens Groups | 0 | 79,082 | 0 | 0 | 0 | 0 |
| Total Revenues | \$ 11,688 | \$ 95,235 | \$ 1,437,002 | \$ 569,472 | \$ 79,426 | \$ 41,738 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| General Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Finance | 0 | 0 | 0 | 0 | 0 | 0 |
| Administration of Justice | 0 | 0 | 0 | 0 | 0 | 37,716 |
| Public Safety | 0 | 0 | 0 | 0 | 111,133 | 0 |
| Public Health and Welfare | 0 | 0 | 1,554,630 | 0 | 0 | 0 |
| Social, Cultural, and Recreational Services | 0 | 270,862 | 0 | 0 | 0 | 0 |
| Other Operations | 8,411 | 0 | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 716,324 | 0 | 0 |
| Total Expenditures | \$ 8,411 | \$ 270,862 | \$ 1,554,630 | \$ 716,324 | \$ 111,133 | \$ 37,716 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 3,277 | \$ (175,627) | \$ (117,628) | \$ (146,852) | \$ (31,707) | \$ 4,022 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers In | \$ 0 | \$ 212,540 | \$ 0 | \$ 229,633 | \$ 0 | \$ 0 |
| Transfers Out | 0 | (151,770) | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 60,770 | \$ 0 | \$ 229,633 | \$ 0 | \$ 0 |
| Net Change in Fund Balances | \$ 3,277 | \$ (114,857) | \$ (117,628) | \$ 82,781 | \$ (31,707) | \$ 4,022 |
| Fund Balance, July 1, 2009 | 17,203 | 114,857 | 1,341,881 | 209,647 | 56,201 | 30,955 |
| Fund Balance, June 30, 2010 | \$ 20,480 | \$ 0 | \$ 1,224,253 | \$ 292,428 | \$ 24,494 | \$ 34,977 |

(Continued)

Exhibit F-2

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

| | Special Revenue Funds (Cont.) | | | Capital Projects Funds | | | Permanent Fund | | Total Nonmajor Governmental Funds |
|--------------------------------------------------------------|-------------------------------------------|--------------|--------------------------------|------------------------------|------------|-----------|-------------------|-----------|--------------------------------------------|
| | Constitu- tional Officers - Fees | Total | Highway Capital Projects | Other Capital Projects | Total | Endowment | Total | | |
| | | | | | | | | | |
| Revenues | | | | | | | | | |
| Local Taxes | \$ 0 | \$ 10,949 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 10,949 |
| Fines, Forfeitures, and Penalties | 0 | 112,454 | 0 | 0 | 0 | 0 | 0 | 0 | 112,454 |
| Charges for Current Services | 632,084 | 1,861,673 | 0 | 0 | 0 | 0 | 0 | 0 | 1,861,673 |
| Other Local Revenues | 0 | 211,409 | 0 | 0 | 0 | 0 | 0 | 0 | 211,409 |
| State of Tennessee | 0 | 130,191 | 50,000 | 0 | 50,000 | 0 | 0 | 0 | 180,191 |
| Federal Government | 0 | 460,887 | 0 | 144,846 | 144,846 | 0 | 0 | 0 | 605,733 |
| Other Governments and Citizens Groups | 0 | 79,082 | 0 | 0 | 0 | 0 | 0 | 0 | 79,082 |
| Total Revenues | \$ 632,084 | \$ 2,866,645 | \$ 50,000 | \$ 144,846 | \$ 194,846 | \$ 0 | \$ 0 | \$ 0 | \$ 3,061,491 |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | \$ 152,198 | \$ 152,198 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 152,198 |
| Finance | 472,860 | 472,860 | 0 | 0 | 0 | 0 | 0 | 0 | 472,860 |
| Administration of Justice | 5,239 | 42,955 | 0 | 0 | 0 | 0 | 0 | 0 | 42,955 |
| Public Safety | 0 | 111,133 | 0 | 0 | 0 | 0 | 0 | 0 | 111,133 |
| Public Health and Welfare | 0 | 1,554,630 | 0 | 0 | 0 | 0 | 0 | 0 | 1,554,630 |
| Social, Cultural, and Recreational Services | 0 | 270,862 | 0 | 0 | 0 | 0 | 0 | 0 | 270,862 |
| Other Operations | 0 | 8,411 | 0 | 0 | 0 | 0 | 0 | 0 | 8,411 |
| Capital Projects | 0 | 716,324 | 53,027 | 144,846 | 197,873 | 0 | 0 | 0 | 914,197 |
| Total Expenditures | \$ 630,297 | \$ 3,329,373 | \$ 53,027 | \$ 144,846 | \$ 197,873 | \$ 0 | \$ 0 | \$ 0 | \$ 3,527,246 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 1,787 | \$ (462,728) | \$ (3,027) | \$ 0 | \$ (3,027) | \$ 0 | \$ 0 | \$ 0 | \$ (465,755) |
| Other Financing Sources (Uses) | | | | | | | | | |
| Transfers In | \$ 0 | \$ 442,173 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 442,173 |
| Transfers Out | 0 | (151,770) | 0 | 0 | 0 | 0 | 0 | 0 | (151,770) |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 290,403 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 290,403 |
| Net Change in Fund Balances | \$ 1,787 | \$ (172,325) | \$ (3,027) | \$ 0 | \$ (3,027) | \$ 0 | \$ 0 | \$ 0 | \$ (175,352) |
| Fund Balance, July 1, 2009 | 130,791 | 1,901,535 | 3,027 | 75,000 | 78,027 | 75,799 | 75,799 | 75,799 | 2,055,361 |
| Fund Balance, June 30, 2010 | \$ 132,578 | \$ 1,729,210 | \$ 0 | \$ 75,000 | \$ 75,000 | \$ 75,799 | \$ 75,799 | \$ 75,799 | \$ 1,880,009 |

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, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|------------------------------------------------------|-------------------------|-------------------------|------------------------|--------------------------------------------------------------|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 10,949 | \$ 10,200 | \$ 11,181 | \$ (232) |
| Fines, Forfeitures, and Penalties | 739 | 400 | 482 | 257 |
| Total Revenues | <u>\$ 11,688</u> | <u>\$ 10,600</u> | <u>\$ 11,663</u> | <u>\$ 25</u> |
| <u>Expenditures</u> | | | | |
| <u>Other Operations</u> | | | | |
| Other Charges | \$ 8,411 | \$ 3,650 | \$ 11,454 | \$ 3,043 |
| Total Expenditures | <u>\$ 8,411</u> | <u>\$ 3,650</u> | <u>\$ 11,454</u> | <u>\$ 3,043</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 3,277</u> | <u>\$ 6,950</u> | <u>\$ 209</u> | <u>\$ 3,068</u> |
| Net Change in Fund Balance | \$ 3,277 | \$ 6,950 | \$ 209 | \$ 3,068 |
| Fund Balance, July 1, 2009 | <u>17,203</u> | <u>7,188</u> | <u>7,188</u> | <u>10,015</u> |
| Fund Balance, June 30, 2010 | <u><u>\$ 20,480</u></u> | <u><u>\$ 14,138</u></u> | <u><u>\$ 7,397</u></u> | <u><u>\$ 13,083</u></u> |

Exhibit F-4

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|----------------------------------------------------|---------------------|---------------------|---------------------|--------------------------------------------------|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Charges for Current Services | \$ 10,321 | \$ 10,961 | \$ 10,321 | \$ 0 |
| Other Local Revenues | 1,232 | 2,200 | 1,232 | 0 |
| State of Tennessee | 4,600 | 0 | 4,600 | 0 |
| Other Governments and Citizens Groups | 79,082 | 73,541 | 79,082 | 0 |
| Total Revenues | <u>\$ 95,235</u> | <u>\$ 86,702</u> | <u>\$ 95,235</u> | <u>\$ 0</u> |
| <u>Expenditures</u> | | | | |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Libraries | \$ 270,862 | \$ 295,275 | \$ 270,862 | \$ 0 |
| Total Expenditures | <u>\$ 270,862</u> | <u>\$ 295,275</u> | <u>\$ 270,862</u> | <u>\$ 0</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (175,627)</u> | <u>\$ (208,573)</u> | <u>\$ (175,627)</u> | <u>\$ 0</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 212,540 | \$ 212,540 | \$ 212,540 | \$ 0 |
| Transfers Out | (151,770) | 0 | (151,770) | 0 |
| Total Other Financing Sources (Uses) | <u>\$ 60,770</u> | <u>\$ 212,540</u> | <u>\$ 60,770</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ (114,857) | \$ 3,967 | \$ (114,857) | \$ 0 |
| Fund Balance, July 1, 2009 | <u>114,857</u> | <u>109,341</u> | <u>114,857</u> | <u>0</u> |
| Fund Balance, June 30, 2010 | <u>\$ 0</u> | <u>\$ 113,308</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Exhibit F-5

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------------------------------------------|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Charges for Current Services | \$ 1,209,868 | \$ 1,465,000 | \$ 1,465,000 | \$ (255,132) |
| Other Local Revenues | 206,434 | 220,000 | 220,000 | (13,566) |
| State of Tennessee | 20,700 | 40,000 | 40,000 | (19,300) |
| Total Revenues | <u>\$ 1,437,002</u> | <u>\$ 1,725,000</u> | <u>\$ 1,725,000</u> | <u>\$ (287,998)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Landfill Operation and Maintenance | \$ 1,554,630 | \$ 1,773,841 | \$ 1,831,551 | \$ 276,921 |
| Total Expenditures | <u>\$ 1,554,630</u> | <u>\$ 1,773,841</u> | <u>\$ 1,831,551</u> | <u>\$ 276,921</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (117,628)</u> | <u>\$ (48,841)</u> | <u>\$ (106,551)</u> | <u>\$ (11,077)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers Out | \$ 0 | \$ (15,000) | \$ 0 | \$ 0 |
| Total Other Financing Sources (Uses) | <u>\$ 0</u> | <u>\$ (15,000)</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ (117,628) | \$ (63,841) | \$ (106,551) | \$ (11,077) |
| Fund Balance, July 1, 2009 | <u>1,341,881</u> | <u>1,448,733</u> | <u>1,448,733</u> | <u>(106,852)</u> |
| Fund Balance, June 30, 2010 | <u>\$ 1,224,253</u> | <u>\$ 1,384,892</u> | <u>\$ 1,342,182</u> | <u>\$ (117,929)</u> |

Exhibit F-6

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------------------|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Charges for Current Services | \$ 9,400 | \$ 0 | \$ 9,400 | \$ 0 |
| State of Tennessee | 99,185 | 0 | 99,185 | 0 |
| Federal Government | 460,887 | 0 | 475,887 | (15,000) |
| Total Revenues | <u>\$ 569,472</u> | <u>\$ 0</u> | <u>\$ 584,472</u> | <u>\$ (15,000)</u> |
| <u>Expenditures</u> | | | | |
| <u>Capital Projects</u> | | | | |
| General Administration Projects | \$ 0 | \$ 0 | \$ 1 | \$ 1 |
| Public Safety Projects | 32,228 | 0 | 32,228 | 0 |
| Public Utility Projects | 684,096 | 224,000 | 684,096 | 0 |
| Total Expenditures | <u>\$ 716,324</u> | <u>\$ 224,000</u> | <u>\$ 716,325</u> | <u>\$ 1</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (146,852)</u> | <u>\$ (224,000)</u> | <u>\$ (131,853)</u> | <u>\$ (14,999)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 229,633 | \$ 224,000 | \$ 229,633 | \$ 0 |
| Total Other Financing Sources (Uses) | <u>\$ 229,633</u> | <u>\$ 224,000</u> | <u>\$ 229,633</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 82,781 | \$ 0 | \$ 97,780 | \$ (14,999) |
| Fund Balance, July 1, 2009 | <u>209,647</u> | <u>196,726</u> | <u>196,726</u> | <u>12,921</u> |
| Fund Balance, June 30, 2010 | <u><u>\$ 292,428</u></u> | <u><u>\$ 196,726</u></u> | <u><u>\$ 294,506</u></u> | <u><u>\$ (2,078)</u></u> |

Exhibit F-7

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|------------------------------------------------------|--------------------|-------------------|--------------------|--------------------------------------------------------------|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Fines, Forfeitures, and Penalties | \$ 69,977 | \$ 115,938 | \$ 125,001 | \$ (55,024) |
| Other Local Revenues | 3,743 | 0 | 0 | 3,743 |
| State of Tennessee | 5,706 | 0 | 0 | 5,706 |
| Total Revenues | <u>\$ 79,426</u> | <u>\$ 115,938</u> | <u>\$ 125,001</u> | <u>\$ (45,575)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Drug Enforcement | \$ 111,133 | \$ 104,845 | \$ 138,932 | \$ 27,799 |
| Total Expenditures | <u>\$ 111,133</u> | <u>\$ 104,845</u> | <u>\$ 138,932</u> | <u>\$ 27,799</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (31,707)</u> | <u>\$ 11,093</u> | <u>\$ (13,931)</u> | <u>\$ (17,776)</u> |
| Net Change in Fund Balance | \$ (31,707) | \$ 11,093 | \$ (13,931) | \$ (17,776) |
| Fund Balance, July 1, 2009 | <u>56,201</u> | <u>54,297</u> | <u>54,297</u> | <u>1,904</u> |
| Fund Balance, June 30, 2010 | <u>\$ 24,494</u> | <u>\$ 65,390</u> | <u>\$ 40,366</u> | <u>\$ (15,872)</u> |

Exhibit F-8

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|------------------------------------------------------|------------|------------------|------------|--------------------------------------------------------------|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| State of Tennessee | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 0 |
| Total Revenues | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 0 |
| <u>Expenditures</u> | | | | |
| <u>Capital Projects</u> | | | | |
| Highway and Street Capital Projects | \$ 53,027 | \$ 53,417 | \$ 53,417 | \$ 390 |
| Total Expenditures | \$ 53,027 | \$ 53,417 | \$ 53,417 | \$ 390 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (3,027) | \$ (3,417) | \$ (3,417) | \$ 390 |
| Net Change in Fund Balance | \$ (3,027) | \$ (3,417) | \$ (3,417) | \$ 390 |
| Fund Balance, July 1, 2009 | 3,027 | 3,417 | 3,417 | (390) |
| Fund Balance, June 30, 2010 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Exhibit F-9

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|------------------------------------------------------|-------------------------|--------------------|--------------------|--------------------------------------------------------------|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Federal Government | \$ 144,846 | \$ 177,500 | \$ 266,341 | \$ (121,495) |
| Total Revenues | <u>\$ 144,846</u> | <u>\$ 177,500</u> | <u>\$ 266,341</u> | <u>\$ (121,495)</u> |
| <u>Expenditures</u> | | | | |
| <u>Capital Projects</u> | | | | |
| Public Safety Projects | \$ 144,846 | \$ 177,500 | \$ 266,341 | \$ 121,495 |
| Total Expenditures | <u>\$ 144,846</u> | <u>\$ 177,500</u> | <u>\$ 266,341</u> | <u>\$ 121,495</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Fund Balance, July 1, 2009 | <u>75,000</u> | <u>0</u> | <u>0</u> | <u>75,000</u> |
| Fund Balance, June 30, 2010 | <u><u>\$ 75,000</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 75,000</u></u> |

Major Governmental Funds

Debt Service Fund

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

Capital Projects Fund

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

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, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------------------------------------------|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 4,549,660 | \$ 4,461,968 | \$ 4,439,294 | \$ 110,366 |
| Other Local Revenues | 90,000 | 90,000 | 90,000 | 0 |
| State of Tennessee | 577,842 | 471,615 | 577,842 | 0 |
| Other Governments and Citizens Groups | 1,050,000 | 300,000 | 1,050,000 | 0 |
| Total Revenues | \$ 6,267,502 | \$ 5,323,583 | \$ 6,157,136 | \$ 110,366 |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 1,699,250 | \$ 1,940,000 | \$ 1,699,250 | \$ 0 |
| Highways and Streets | 541,000 | 310,000 | 541,000 | 0 |
| Education | 1,934,750 | 1,925,000 | 1,934,750 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 1,031,621 | 1,157,688 | 1,031,621 | 0 |
| Highways and Streets | 119,356 | 13,289 | 119,356 | 0 |
| Education | 888,981 | 894,326 | 888,981 | 0 |
| <u>Other Debt Service</u> | | | | |
| General Government | 82,047 | 74,756 | 82,255 | 208 |
| Highways and Streets | 1,000 | 500 | 1,000 | 0 |
| Education | 49,589 | 1,000 | 50,239 | 650 |
| Total Expenditures | \$ 6,347,594 | \$ 6,316,559 | \$ 6,348,452 | \$ 858 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (80,092) | \$ (992,976) | \$ (191,316) | \$ 111,224 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Refunding Debt Issued | \$ 2,700,000 | \$ 0 | \$ 2,700,000 | \$ 0 |
| Payments to Refunded Debt Escrow Agent | (2,680,761) | 0 | (2,680,761) | 0 |
| Total Other Financing Sources (Uses) | \$ 19,239 | \$ 0 | \$ 19,239 | \$ 0 |
| Net Change in Fund Balance | \$ (60,853) | \$ (992,976) | \$ (172,077) | \$ 111,224 |
| Fund Balance, July 1, 2009 | 4,259,454 | 4,070,569 | 4,070,569 | 188,885 |
| Fund Balance, June 30, 2010 | \$ 4,198,601 | \$ 3,077,593 | \$ 3,898,492 | \$ 300,109 |

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, 2010

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2009 | Add: Encumbrances 6/30/2010 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|----------------------------------------------------------|---------------------------|-----------------------------------|-----------------------------------|-------------------------------------------------------------|------------------|----------------|--------------------------------------------------------------|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Other Local Revenues | \$ 1,356 | \$ 0 | \$ 0 | \$ 1,356 | \$ 800 | \$ 800 | \$ 556 |
| Total Revenues | \$ 1,356 | \$ 0 | \$ 0 | \$ 1,356 | \$ 800 | \$ 800 | \$ 556 |
| <u>Expenditures</u> | | | | | | | |
| <u>Capital Projects</u> | | | | | | | |
| General Administration Projects | \$ 23,750 | \$ 0 | \$ 0 | \$ 23,750 | \$ 52,239 | \$ 75,989 | \$ 52,239 |
| Public Safety Projects | 1,429,696 | (1,501,146) | 205,788 | 134,338 | 1,919,174 | 1,919,174 | 1,784,836 |
| Education Capital Projects | 2,160,000 | 0 | 0 | 2,160,000 | 0 | 2,160,000 | 0 |
| Total Expenditures | \$ 3,613,446 | \$ (1,501,146) | \$ 205,788 | \$ 2,318,088 | \$ 1,971,413 | \$ 4,155,163 | \$ 1,837,075 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (3,612,090) | \$ 1,501,146 | \$ (205,788) | \$ (2,316,732) | \$ (1,970,613) | \$ (4,154,363) | \$ 1,837,631 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Bonds Issued | \$ 2,160,000 | \$ 0 | \$ 0 | \$ 2,160,000 | \$ 0 | \$ 2,160,000 | \$ 0 |
| Transfers Out | (224,000) | 0 | 0 | (224,000) | (224,000) | (224,000) | 0 |
| Total Other Financing Sources (Uses) | \$ 1,936,000 | \$ 0 | \$ 0 | \$ 1,936,000 | \$ (224,000) | \$ 1,936,000 | \$ 0 |
| Net Change in Fund Balance Fund Balance, July 1, 2009 | \$ (1,676,090) | \$ 1,501,146 | \$ (205,788) | \$ (380,732) | \$ (2,194,613) | \$ (2,218,363) | \$ 1,837,631 |
| | 1,991,338 | (1,501,146) | 0 | 490,192 | 2,327,149 | 2,327,149 | (1,836,957) |
| Fund Balance, June 30, 2010 | \$ 315,248 | \$ 0 | \$ (205,788) | \$ 109,460 | \$ 132,536 | \$ 108,786 | \$ 674 |

Fiduciary Funds

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

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

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

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

Exhibit H-1

Lawrence County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

| | <u>Agency Funds</u> | | | Total |
|---------------------------------------|--------------------------|------------------------------|---------------------------------------------|---------------------|
| | Cities - Sales Tax | Judicial District Drug | Constitu- tional Officers - Agency | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 0 | \$ 2,375 | \$ 1,252,824 | \$ 1,255,199 |
| Equity in Pooled Cash and Investments | 0 | 71,803 | 0 | 71,803 |
| Accounts Receivable | 0 | 7,899 | 0 | 7,899 |
| Due from Other Governments | 688,757 | 0 | 0 | 688,757 |
| Total Assets | \$ 688,757 | \$ 82,077 | \$ 1,252,824 | \$ 2,023,658 |
| <u>LIABILITIES</u> | | | | |
| Due to Other Taxing Units | \$ 688,757 | \$ 0 | \$ 0 | \$ 688,757 |
| Due to Litigants, Heirs, and Others | 0 | 1,451 | 1,252,824 | 1,254,275 |
| Due to Joint Ventures | 0 | 80,626 | 0 | 80,626 |
| Total Liabilities | \$ 688,757 | \$ 82,077 | \$ 1,252,824 | \$ 2,023,658 |

Exhibit H-2

Lawrence County, Tennessee
 Combining Statement of Changes in Assets and
 Liabilities - All Agency Funds
 For the Year Ended June 30, 2010

| | Beginning Balance | Additions | Deductions | Ending Balance |
|----------------------------------------------|----------------------|---------------------|---------------------|---------------------|
| <u>Cities - Sales Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 3,897,470 | \$ 3,897,470 | \$ 0 |
| Due from Other Governments | 663,816 | 688,757 | 663,816 | 688,757 |
| Total Assets | \$ 663,816 | \$ 4,586,227 | \$ 4,561,286 | \$ 688,757 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 663,816 | \$ 4,586,227 | \$ 4,561,286 | \$ 688,757 |
| Total Liabilities | \$ 663,816 | \$ 4,586,227 | \$ 4,561,286 | \$ 688,757 |
| <u>Judicial District Drug Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 4,671 | \$ 2,375 | \$ 4,671 | \$ 2,375 |
| Equity in Pooled Cash and Investments | 78,618 | 71,803 | 78,618 | 71,803 |
| Accounts Receivable | 0 | 7,899 | 0 | 7,899 |
| Total Assets | \$ 83,289 | \$ 82,077 | \$ 83,289 | \$ 82,077 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 7,146 | \$ 1,451 | \$ 7,146 | \$ 1,451 |
| Due to Joint Ventures | 76,143 | 80,626 | 76,143 | 80,626 |
| Total Liabilities | \$ 83,289 | \$ 82,077 | \$ 83,289 | \$ 82,077 |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,102,261 | \$ 1,252,824 | \$ 1,102,261 | \$ 1,252,824 |
| Accounts Receivable | 3,227 | 0 | 3,227 | 0 |
| Total Assets | \$ 1,105,488 | \$ 1,252,824 | \$ 1,105,488 | \$ 1,252,824 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 1,105,488 | \$ 1,252,824 | \$ 1,105,488 | \$ 1,252,824 |
| Total Liabilities | \$ 1,105,488 | \$ 1,252,824 | \$ 1,105,488 | \$ 1,252,824 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,106,932 | \$ 1,255,199 | \$ 1,106,932 | \$ 1,255,199 |
| Equity in Pooled Cash and Investments | 78,618 | 3,969,273 | 3,976,088 | 71,803 |
| Accounts Receivable | 3,227 | 7,899 | 3,227 | 7,899 |
| Due from Other Governments | 663,816 | 688,757 | 663,816 | 688,757 |
| Total Assets | \$ 1,852,593 | \$ 5,921,128 | \$ 5,750,063 | \$ 2,023,658 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 663,816 | \$ 4,586,227 | \$ 4,561,286 | \$ 688,757 |
| Due to Litigants, Heirs, and Others | 1,112,634 | 1,254,275 | 1,112,634 | 1,254,275 |
| Due to Joint Ventures | 76,143 | 80,626 | 76,143 | 80,626 |
| Total Liabilities | \$ 1,852,593 | \$ 5,921,128 | \$ 5,750,063 | \$ 2,023,658 |

Lawrence County School Department

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

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

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

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

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

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

Exhibit I-1

Lawrence County, Tennessee
Statement of Activities
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2010

| Functions/Programs | Program Revenues | | | Expenses | Net (Expense) Revenue and Changes in Net Assets | |
|--------------------------------------------------------------|----------------------|------------------------------------|----------------------------------|--------------|-------------------------------------------------|-------------------------|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | Total | Governmental Activities |
| Governmental Activities: | | | | | | |
| Instruction | \$ 32,250,647 | \$ 152,119 | \$ 4,951,937 | \$ 2,119,188 | \$ | \$ (25,027,403) |
| Support Services | 15,720,028 | 72,131 | 120,255 | 0 | | (15,527,642) |
| Operation of Non-Instructional Services | 5,286,965 | 1,205,303 | 2,497,123 | 0 | | (1,584,539) |
| Total Governmental Activities | \$ 53,257,640 | \$ 1,429,553 | \$ 7,569,315 | \$ 2,119,188 | \$ | \$ (42,139,584) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ | 5,774,806 |
| Local Option Sales Taxes | | | | | | 4,422,912 |
| Other Local Taxes | | | | | | 3,289 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | | 33,207,714 |
| Unrestricted Investment Earnings | | | | | | 10,880 |
| E-Rate Funding | | | | | | 55,341 |
| Miscellaneous | | | | | | 12,626 |
| Loss on Disposal of Capital Assets | | | | | | (12,539) |
| Total General Revenues | | | | | \$ | 43,475,029 |
| Change in Net Assets | | | | | \$ | 1,335,445 |
| Net Assets, July 1, 2009 | | | | | | 48,613,319 |
| Net Assets, June 30, 2010 | | | | | \$ | 49,948,764 |

Exhibit I-2

Lawrence County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Lawrence County School Department
 June 30, 2010

| | Major Funds | | | Nonmajor Funds | Total Governmental Funds |
|---------------------------------------------------|------------------------|-------------------------|----------------------------|--------------------------|--------------------------|
| | General Purpose School | School Federal Projects | Education Capital Projects | Other Governmental Funds | |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 1,100 | \$ 1,100 |
| Equity in Pooled Cash and Investments | 6,529,941 | 4,433 | 2,064,676 | 678,393 | 9,277,443 |
| Inventories | 0 | 0 | 0 | 171,939 | 171,939 |
| Accounts Receivable | 26,178 | 0 | 0 | 2,949 | 29,127 |
| Due from Other Governments | 1,416,036 | 154,960 | 0 | 41,116 | 1,612,112 |
| Property Taxes Receivable | 5,949,513 | 0 | 0 | 0 | 5,949,513 |
| Allowance for Uncollectible Property Taxes | (180,493) | 0 | 0 | 0 | (180,493) |
| Total Assets | \$ 13,741,175 | \$ 159,393 | \$ 2,064,676 | \$ 895,497 | \$ 16,860,741 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| <u>Liabilities</u> | | | | | |
| Accounts Payable | \$ 22,389 | \$ 0 | \$ 0 | \$ 304 | \$ 22,693 |
| Payroll Deductions Payable | 1,290,093 | 159,197 | 0 | 54,134 | 1,503,424 |
| Contracts Payable | 0 | 0 | 365,308 | 0 | 365,308 |
| Retainage Payable | 0 | 0 | 18,859 | 0 | 18,859 |
| Deferred Revenue - Current Property Taxes | 5,534,244 | 0 | 0 | 0 | 5,534,244 |
| Deferred Revenue - Delinquent Property Taxes | 211,509 | 0 | 0 | 0 | 211,509 |
| Other Deferred Revenues | 412,867 | 0 | 0 | 0 | 412,867 |
| Total Liabilities | \$ 7,471,102 | \$ 159,197 | \$ 384,167 | \$ 54,438 | \$ 8,068,904 |
| <u>Fund Balances</u> | | | | | |
| Reserved for Encumbrances | \$ 675,472 | \$ 0 | \$ 1,058,958 | \$ 63,713 | \$ 1,798,143 |
| Other Local Education Reserves | 32,122 | 0 | 0 | 0 | 32,122 |
| Reserved for Career Ladder - Extended Contract | 45,606 | 0 | 0 | 0 | 45,606 |
| Reserved for Career Ladder Program | 19,614 | 0 | 0 | 0 | 19,614 |
| Reserved for Special Education - Grants to States | 0 | 115 | 0 | 0 | 115 |
| Other Federal Reserves | 0 | 81 | 0 | 0 | 81 |
| Unreserved, Reported In: | | | | | |
| General Fund | 5,497,259 | 0 | 0 | 0 | 5,497,259 |
| Special Revenue Funds | 0 | 0 | 0 | 777,346 | 777,346 |
| Capital Projects Funds | 0 | 0 | 621,551 | 0 | 621,551 |
| Total Fund Balances | \$ 6,270,073 | \$ 196 | \$ 1,680,509 | \$ 841,059 | \$ 8,791,837 |
| Total Liabilities and Fund Balances | \$ 13,741,175 | \$ 159,393 | \$ 2,064,676 | \$ 895,497 | \$ 16,860,741 |

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, 2010

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

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|--------------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit I-2) | | \$ | 8,791,837 |
| (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 | | 1,342,263 | |
| Add: buildings and improvements net of accumulated depreciation | | 38,392,071 | |
| Add: other capital assets net of accumulated depreciation | | <u>4,190,446</u> | 44,601,234 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Less: compensated absences payable | \$ | (52,851) | |
| Less: other postemployment benefits liability | | <u>(4,015,832)</u> | (4,068,683) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>624,376</u> |
| Net assets of governmental activities (Exhibit A) | | \$ | <u><u>49,948,764</u></u> |

Exhibit I-4

Lawrence County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2010

| | Major Funds | | | Nonmajor Funds | Total Governmental Funds |
|------------------------------------------------------|------------------------------|-------------------------------|----------------------------------|-------------------------------------|--------------------------------|
| | General Purpose School | School Federal Projects | Education Capital Projects | Other Govern- mental Funds | |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 10,228,093 | \$ 0 | \$ 0 | \$ 0 | \$ 10,228,093 |
| Licenses and Permits | 1,530 | 0 | 0 | 0 | 1,530 |
| Charges for Current Services | 88,753 | 0 | 0 | 1,340,800 | 1,429,553 |
| Other Local Revenues | 85,055 | 0 | 0 | 10,880 | 95,935 |
| State of Tennessee | 32,675,901 | 0 | 0 | 46,967 | 32,722,868 |
| Federal Government | 297,484 | 5,297,194 | 0 | 2,456,451 | 8,051,129 |
| Other Governments and Citizens Groups | 0 | 0 | 2,119,188 | 0 | 2,119,188 |
| Total Revenues | \$ 43,376,816 | \$ 5,297,194 | \$ 2,119,188 | \$ 3,855,098 | \$ 54,648,296 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| Instruction | \$ 25,962,058 | \$ 4,023,640 | \$ 0 | \$ 0 | \$ 29,985,698 |
| Support Services | 13,649,808 | 1,408,892 | 0 | 0 | 15,058,700 |
| Operation of Non-Instructional Services | 1,138,482 | 0 | 0 | 3,925,028 | 5,063,510 |
| Capital Outlay | 1,259,338 | 0 | 0 | 0 | 1,259,338 |
| Debt Service: | | | | | |
| Other Debt Service | 1,050,000 | 0 | 0 | 0 | 1,050,000 |
| Capital Projects | 0 | 0 | 551,878 | 0 | 551,878 |
| Total Expenditures | \$ 43,059,686 | \$ 5,432,532 | \$ 551,878 | \$ 3,925,028 | \$ 52,969,124 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | |
| | \$ 317,130 | \$ (135,338) | \$ 1,567,310 | \$ (69,930) | \$ 1,679,172 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | \$ 31,306 | \$ 0 | \$ 0 | \$ 0 | \$ 31,306 |
| Transfers Out | 0 | (31,306) | 0 | 0 | (31,306) |
| Total Other Financing Sources (Uses) | \$ 31,306 | \$ (31,306) | \$ 0 | \$ 0 | \$ 0 |
| Net Change in Fund Balances | | | | | |
| Fund Balance, July 1, 2009 | \$ 5,921,637 | \$ (166,644) | \$ 1,567,310 | \$ (69,930) | \$ 7,112,665 |
| Fund Balance, June 30, 2010 | \$ 6,270,073 | \$ 196 | \$ 1,680,509 | \$ 841,059 | \$ 8,791,837 |

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, 2010

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

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------|
| Net change in fund balances - total governmental funds (Exhibit I-4) | | \$ 1,679,172 |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 2,799,984 | |
| Less: current year depreciation expense | <u>(2,366,672)</u> | 433,312 |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets. | | (28,124) |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2010 | \$ 624,376 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2009 | <u>(651,462)</u> | (27,086) |
| (4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in compensated absences payable | \$ (7,808) | |
| Change in other postemployment benefits liability | <u>(714,021)</u> | <u>(721,829)</u> |
| Change in net assets of governmental activities (Exhibit B) | | <u><u>\$ 1,335,445</u></u> |

Exhibit I-6

Lawrence County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Lawrence County School Department
June 30, 2010

| | <u>Special Revenue Funds</u> | | Total |
|---------------------------------------|------------------------------|------------------|-------------------|
| | Central | Extended | Nonmajor |
| | Cafeteria | School | Governmental |
| | | Program | Funds |
| <u>ASSETS</u> | | | |
| Cash | \$ 1,100 | \$ 0 | \$ 1,100 |
| Equity in Pooled Cash and Investments | 655,727 | 22,666 | 678,393 |
| Inventories | 171,939 | 0 | 171,939 |
| Accounts Receivable | 40 | 2,909 | 2,949 |
| Due from Other Governments | 41,116 | 0 | 41,116 |
| Total Assets | <u>\$ 869,922</u> | <u>\$ 25,575</u> | <u>\$ 895,497</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>Liabilities</u> | | | |
| Accounts Payable | \$ 304 | \$ 0 | \$ 304 |
| Payroll Deductions Payable | 54,134 | 0 | 54,134 |
| Total Liabilities | <u>\$ 54,438</u> | <u>\$ 0</u> | <u>\$ 54,438</u> |
| <u>Fund Balances</u> | | | |
| Reserved for Encumbrances | \$ 63,713 | \$ 0 | \$ 63,713 |
| Unreserved | 751,771 | 25,575 | 777,346 |
| Total Fund Balances | <u>\$ 815,484</u> | <u>\$ 25,575</u> | <u>\$ 841,059</u> |
| Total Liabilities and Fund Balances | <u>\$ 869,922</u> | <u>\$ 25,575</u> | <u>\$ 895,497</u> |

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, 2010

| | <u>Special Revenue Funds</u> | | Total Nonmajor Governmental Funds |
|------------------------------------------------------|------------------------------|-------------------------------|--------------------------------------------|
| | Central Cafeteria | Extended School Program | |
| <u>Revenues</u> | | | |
| Charges for Current Services | \$ 1,203,031 | \$ 137,769 | \$ 1,340,800 |
| Other Local Revenues | 10,880 | 0 | 10,880 |
| State of Tennessee | 40,672 | 6,295 | 46,967 |
| Federal Government | 2,456,451 | 0 | 2,456,451 |
| Total Revenues | <u>\$ 3,711,034</u> | <u>\$ 144,064</u> | <u>\$ 3,855,098</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Operation of Non-Instructional Services | \$ 3,780,807 | \$ 144,221 | \$ 3,925,028 |
| Total Expenditures | <u>\$ 3,780,807</u> | <u>\$ 144,221</u> | <u>\$ 3,925,028</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (69,773)</u> | <u>\$ (157)</u> | <u>\$ (69,930)</u> |
| Net Change in Fund Balances | \$ (69,773) | \$ (157) | \$ (69,930) |
| Fund Balance, July 1, 2009 | <u>885,257</u> | <u>25,732</u> | <u>910,989</u> |
| Fund Balance, June 30, 2010 | <u>\$ 815,484</u> | <u>\$ 25,575</u> | <u>\$ 841,059</u> |

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, 2010

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2009 | Add: Encumbrances 6/30/2010 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------|---------------------------|-----------------------------------|-----------------------------------|-------------------------------------------------------------|------------------|---------------|--------------------------------------------------------------|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 10,228,093 | \$ 0 | \$ 0 | \$ 10,228,093 | \$ 9,820,736 | \$ 9,820,737 | \$ 407,356 |
| Licenses and Permits | 1,530 | 0 | 0 | 1,530 | 0 | 0 | 1,530 |
| Charges for Current Services | 88,753 | 0 | 0 | 88,753 | 103,000 | 93,000 | (4,247) |
| Other Local Revenues | 85,055 | 0 | 0 | 85,055 | 0 | 59,528 | 25,527 |
| State of Tennessee | 32,675,901 | 0 | 0 | 32,675,901 | 30,764,459 | 32,715,414 | (39,513) |
| Federal Government | 297,484 | 0 | 0 | 297,484 | 0 | 330,664 | (33,180) |
| Total Revenues | \$ 43,376,816 | \$ 0 | \$ 0 | \$ 43,376,816 | \$ 40,688,195 | \$ 43,019,343 | \$ 357,473 |
| <u>Expenditures</u> | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 20,985,234 | \$ (24,239) | \$ 6,410 | \$ 20,967,405 | \$ 21,404,550 | \$ 21,013,362 | \$ 45,957 |
| Alternative Instruction Program | 239,653 | (3,152) | 536 | 237,037 | 121,231 | 263,979 | 26,942 |
| Special Education Program | 2,372,156 | 0 | 0 | 2,372,156 | 2,532,809 | 2,414,688 | 42,532 |
| Vocational Education Program | 2,285,187 | (558) | 3,466 | 2,288,095 | 2,261,692 | 2,305,059 | 16,964 |
| Student Body Education Program | 343 | 0 | 0 | 343 | 0 | 2,400 | 2,057 |
| Adult Education Program | 79,485 | 0 | 423 | 79,908 | 4,892 | 92,608 | 12,700 |
| <u>Support Services</u> | | | | | | | |
| Attendance | 94,702 | 0 | 0 | 94,702 | 99,029 | 99,444 | 4,742 |
| Health Services | 339,682 | (300) | 0 | 339,382 | 344,333 | 341,652 | 2,270 |
| Other Student Support | 1,049,769 | 0 | 70 | 1,049,839 | 917,363 | 1,092,009 | 42,170 |
| Regular Instruction Program | 1,141,359 | (508) | 0 | 1,140,851 | 1,167,715 | 1,152,781 | 11,930 |
| Alternative Instruction Program | 32,065 | 0 | 0 | 32,065 | 27,000 | 40,156 | 8,091 |
| Special Education Program | 179,120 | 0 | 0 | 179,120 | 249,410 | 179,120 | 0 |
| Vocational Education Program | 128,631 | 0 | 0 | 128,631 | 123,793 | 131,361 | 2,730 |

(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 7/1/2009 | Add: Encumbrances 6/30/2010 | 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 | \$ 94,070 | \$ 0 | \$ 0 | \$ 94,070 | \$ 4,500 | \$ 97,487 | \$ 3,417 |
| Other Programs | 185,808 | 0 | 0 | 185,808 | 0 | 185,808 | 0 |
| Board of Education | 815,374 | (38) | 814 | 816,150 | 883,836 | 844,496 | 28,346 |
| Director of Schools | 282,437 | (2,347) | 833 | 280,923 | 304,431 | 299,278 | 18,355 |
| Office of the Principal | 2,311,387 | (599) | 96 | 2,310,884 | 2,430,898 | 2,313,513 | 2,629 |
| Fiscal Services | 184,442 | 0 | 50 | 184,492 | 200,015 | 189,050 | 4,558 |
| Operation of Plant | 3,212,186 | (2,848) | 72,997 | 3,282,335 | 3,497,186 | 3,348,845 | 66,510 |
| Maintenance of Plant | 926,582 | (11,563) | 68,297 | 983,316 | 689,876 | 998,496 | 15,180 |
| Transportation | 2,518,817 | (40,006) | 270,937 | 2,749,748 | 2,667,757 | 2,863,309 | 113,561 |
| Central and Other | 153,377 | 0 | 856 | 154,233 | 117,546 | 154,233 | 0 |
| <u>Operation of Non-Instructional Services</u> | | | | | | | |
| Community Services | 97,741 | 0 | 150 | 97,891 | 83,000 | 99,450 | 1,559 |
| Early Childhood Education | 1,040,741 | (20,017) | 23,906 | 1,044,630 | 0 | 1,046,011 | 1,381 |
| <u>Capital Outlay</u> | | | | | | | |
| Regular Capital Outlay | 1,259,338 | (170,489) | 225,631 | 1,314,480 | 276,408 | 1,352,554 | 38,074 |
| Principal on Debt | 0 | 0 | 0 | 0 | 300,000 | 0 | 0 |
| Education | | | | | | | |
| Other Debt Service | 1,050,000 | 0 | 0 | 1,050,000 | 0 | 1,050,000 | 0 |
| Education | \$ 43,059,686 | \$ (276,664) | \$ 675,472 | \$ 43,458,494 | \$ 40,709,270 | \$ 43,971,149 | \$ 512,655 |
| Total Expenditures | | | | | | | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 317,130 | \$ 276,664 | \$ (675,472) | \$ (81,678) | \$ (21,075) | \$ (951,806) | \$ 870,128 |

(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 (ConL)

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2009 | Add: Encumbrances 6/30/2010 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|-------------------------------------------------------------|------------------|--------------|--------------------------------------------------------------|
| | | | | | Original | Final | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers In | \$ 31,306 \$ | 0 \$ | 0 \$ | 31,306 \$ | 30,803 \$ | 28,088 \$ | 3,218 |
| Total Other Financing Sources (Uses) | \$ 31,306 \$ | 0 \$ | 0 \$ | 31,306 \$ | 30,803 \$ | 28,088 \$ | 3,218 |
| Net Change in Fund Balance | \$ 348,436 \$ | 276,664 \$ | (675,472) \$ | (50,372) \$ | 9,728 \$ | (923,718) \$ | 873,346 |
| Fund Balance, July 1, 2009 | 5,921,637 | (276,664) | 0 | 5,644,973 | 5,910,945 | 5,910,945 | (265,972) |
| Fund Balance, June 30, 2010 | \$ 6,270,073 \$ | 0 \$ | (675,472) \$ | 5,594,601 \$ | 5,920,673 \$ | 4,987,227 \$ | 607,374 |

Exhibit I-9

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lawrence County School Department
School Federal Projects Fund
For the Year Ended June 30, 2010

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2009 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|----------------------------------------------------------|---------------------------|-----------------------------------|-------------------------------------------------------------|------------------|--------------|--------------------------------------------------------------|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Federal Government | \$ 5,297,194 | \$ 0 | \$ 5,297,194 | \$ 6,694,659 | \$ 6,736,308 | \$ (1,439,114) |
| Total Revenues | \$ 5,297,194 | \$ 0 | \$ 5,297,194 | \$ 6,694,659 | \$ 6,736,308 | \$ (1,439,114) |
| <u>Expenditures</u> | | | | | | |
| <u>Instruction</u> | | | | | | |
| Regular Instruction Program | \$ 2,318,959 | \$ (15,685) | \$ 2,303,274 | \$ 2,498,275 | \$ 2,530,533 | \$ 227,259 |
| Alternative Instruction Program | 89,557 | 0 | 89,557 | 191,133 | 172,884 | 83,327 |
| Special Education Program | 1,518,225 | 0 | 1,518,225 | 1,735,328 | 1,775,727 | 257,502 |
| Vocational Education Program | 96,899 | 0 | 96,899 | 97,174 | 101,968 | 5,069 |
| <u>Support Services</u> | | | | | | |
| Other Student Support | 262,739 | 0 | 262,739 | 554,359 | 546,117 | 283,378 |
| Regular Instruction Program | 361,312 | 0 | 361,312 | 493,992 | 486,375 | 125,063 |
| Special Education Program | 447,564 | (15,018) | 432,546 | 871,802 | 870,112 | 437,566 |
| Transportation | 337,277 | (130,408) | 206,869 | 218,474 | 218,474 | 11,605 |
| Total Expenditures | \$ 5,432,532 | \$ (161,111) | \$ 5,271,421 | \$ 6,660,537 | \$ 6,702,190 | \$ 1,430,769 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (135,338) | \$ 161,111 | \$ 25,773 | \$ 34,122 | \$ 34,118 | \$ (8,345) |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers Out | \$ (31,306) | \$ 0 | \$ (31,306) | \$ (31,439) | \$ (31,439) | \$ 133 |
| Total Other Financing Sources (Uses) | \$ (31,306) | \$ 0 | \$ (31,306) | \$ (31,439) | \$ (31,439) | \$ 133 |
| Net Change in Fund Balance Fund Balance, July 1, 2009 | \$ (166,644) | \$ 161,111 | \$ (5,533) | \$ 2,683 | \$ 2,679 | \$ (8,212) |
| Fund Balance, June 30, 2010 | \$ 166,840 | \$ (161,111) | \$ 5,729 | \$ 0 | \$ 0 | \$ 5,729 |
| | \$ 196 | \$ 0 | \$ 196 | \$ 2,683 | \$ 2,679 | \$ (2,483) |

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, 2010

| | Actual (GAAP Basis) | Add: Encumbrances 6/30/2010 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|----------------------------------------------------------|---------------------------|-----------------------------------|-------------------------------------------------------------|------------------|--------------|--------------------------------------------------------------|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Charges for Current Services | \$ 1,203,031 | \$ 0 | \$ 1,203,031 | \$ 1,523,000 | \$ 1,523,000 | \$ (319,969) |
| Other Local Revenues | 10,880 | 0 | 10,880 | 11,000 | 11,000 | (120) |
| State of Tennessee | 40,672 | 0 | 40,672 | 40,540 | 40,540 | 132 |
| Federal Government | 2,456,451 | 0 | 2,456,451 | 2,030,000 | 2,338,348 | 118,103 |
| Total Revenues | \$ 3,711,034 | \$ 0 | \$ 3,711,034 | \$ 3,604,540 | \$ 3,912,888 | \$ (201,854) |
| <u>Expenditures</u> | | | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | | | |
| Food Service | \$ 3,780,807 | \$ 63,713 | \$ 3,844,520 | \$ 3,813,395 | \$ 4,121,743 | \$ 277,223 |
| Total Expenditures | \$ 3,780,807 | \$ 63,713 | \$ 3,844,520 | \$ 3,813,395 | \$ 4,121,743 | \$ 277,223 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (69,773) | \$ (63,713) | \$ (133,486) | \$ (208,855) | \$ (208,855) | \$ 75,369 |
| Net Change in Fund Balance Fund Balance, July 1, 2009 | \$ (69,773) | \$ (63,713) | \$ (133,486) | \$ (208,855) | \$ (208,855) | \$ 75,369 |
| | 885,257 | 0 | 885,257 | 863,018 | 863,018 | 22,239 |
| Fund Balance, June 30, 2010 | \$ 815,484 | \$ (63,713) | \$ 751,771 | \$ 654,163 | \$ 654,163 | \$ 97,608 |

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, 2010

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2009 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|----------------------------------------------------------|---------------------------|-----------------------------------|-------------------------------------------------------------|------------------|------------|--------------------------------------------------------------|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Charges for Current Services | \$ 137,769 | 0 | \$ 137,769 | \$ 173,000 | \$ 171,800 | \$ (34,031) |
| State of Tennessee | 6,295 | 0 | 6,295 | 5,000 | 8,250 | (1,955) |
| Total Revenues | \$ 144,064 | 0 | \$ 144,064 | \$ 178,000 | \$ 180,050 | \$ (35,986) |
| <u>Expenditures</u> | | | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | | | |
| Community Services | \$ 144,221 | (281) | \$ 143,940 | \$ 178,000 | \$ 180,050 | \$ 36,110 |
| Total Expenditures | \$ 144,221 | (281) | \$ 143,940 | \$ 178,000 | \$ 180,050 | \$ 36,110 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (157) | 281 | \$ 124 | 0 | 0 | 124 |
| Net Change in Fund Balance Fund Balance, July 1, 2009 | \$ (157) | 281 | \$ 124 | 0 | 0 | 124 |
| | 25,732 | (281) | 25,451 | 25,013 | 25,013 | 438 |
| Fund Balance, June 30, 2010 | \$ 25,575 | 0 | \$ 25,575 | \$ 25,013 | \$ 25,013 | \$ 562 |

MISCELLANEOUS SCHEDULES

Exhibit J-1

Lawrence County, Tennessee
 Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
 For the Year Ended June 30, 2010

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-09 | Issued During Period | Paid and/or Matured During Period | Debt Refunded | Outstanding 6-30-10 |
|--------------------------------------------------|--------------------------|---------------|---------------|--------------------|--------------------|----------------------|-----------------------------------|---------------|---------------------|
| NOTES PAYABLE | | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | | |
| General Obligation, Series 2001A | \$ 4,575,000 | 3.8 % | 9-1-01 | 9-1-13 | \$ 2,185,000 | 0 \$ | 400,000 \$ | 0 \$ | 1,785,000 |
| General Obligation, Series 2002 | 1,850,000 | 1.55 to 4.125 | 6-1-02 | 6-1-14 | 870,000 | 0 | 160,000 | 0 | 710,000 |
| Refunding Capital Outlay Note Series 2003 | 2,195,000 | 2.74 | 2-1-03 | 2-1-11 | 485,000 | 0 | 310,000 | 0 | 175,000 |
| Total Notes Payable | \$ 3,540,000 | | | | \$ 3,540,000 | 0 \$ | 870,000 \$ | 0 \$ | 2,670,000 |
| CAPITAL LEASES PAYABLE | | | | | | | | | |
| <u>Payable through General Fund</u> | | | | | | | | | |
| Ambulances | 280,500 | 4.947 | 9-14-09 | 8-1-12 | 0 \$ | 280,500 \$ | 75,095 \$ | 0 \$ | 205,405 |
| Patrol Cars for Sheriff's Department | 220,206 | 3.95 | 10-26-09 | 10-26-11 | 0 | 220,206 | 76,260 | 0 | 143,946 |
| Road Reclaimer for Highway Department | 367,000 | 2.951 | 6-1-10 | 6-15-15 | 0 | 367,000 | 65,699 | 0 | 301,301 |
| Total Payable through General Fund | | | | | \$ 0 | \$ 867,706 | \$ 217,054 | 0 \$ | \$ 650,652 |
| <u>Payable through Highway/Public Works Fund</u> | | | | | | | | | |
| Highway Equipment - Compactors | 201,205 | 3.45 | 7-30-09 | 8-5-11 | 0 \$ | 201,205 \$ | 69,392 \$ | 0 \$ | 131,813 |
| Highway Equipment - Truck/Grapple Loader | 108,835 | 4.45 | 4-1-10 | 4-1-14 | 0 | 108,835 | 40,000 | 0 | 68,835 |
| Highway Equipment - Backhoe | 53,361 | 5.25 | 7-1-09 | 8-14-10 | 0 | 53,361 | 18,570 | 0 | 34,791 |
| Total Payable through Highway/Public Works Fund | | | | | \$ 0 | \$ 363,401 | \$ 127,962 | 0 \$ | \$ 235,439 |
| Total Capital Leases Payable | | | | | \$ 0 | \$ 1,231,107 | \$ 345,016 | 0 \$ | \$ 886,091 |
| BONDS PAYABLE | | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | | |
| Refunding, Series 2000 | 8,300,000 | 5.05 | 12-1-00 | 12-1-10 | \$ 510,000 | 0 \$ | 250,000 \$ | 0 \$ | 260,000 |
| Refunding, Series 2001 | 1,500,000 | 5.05 | 12-1-00 | 12-1-10 | 90,000 | 0 | 45,000 | 0 | 45,000 |
| School, Series 2001 | 3,340,000 | 2.2 to 4.85 | 10-1-01 | 1-13-10 | 2,715,000 | 0 | 105,000 | 2,610,000 | 0 |
| Refunding, Series 2003 | 8,100,000 | 3.04 | 1-1-03 | 8-1-13 | 3,635,000 | 0 | 820,000 | 0 | 2,815,000 |
| School Refunding, Series 2003 | 8,820,000 | 3.33 | 4-29-03 | 5-1-16 | 5,730,000 | 0 | 740,000 | 0 | 4,990,000 |
| School Refunding, Series 2004 | 3,375,000 | 2.599 | 4-13-04 | 5-1-16 | 2,075,000 | 0 | 275,000 | 0 | 1,800,000 |
| School Bond, Series 2004 | 8,000,000 | 3.6 | 8-12-04 | 9-1-19 | 6,255,000 | 0 | 465,000 | 0 | 5,790,000 |
| Refunding, Series 2005 | 7,755,000 | 3.79 | 3-15-05 | 12-1-25 | 7,620,000 | 0 | 45,000 | 0 | 7,575,000 |
| General Obligation, Series 2006 | 10,000,000 | 3.95 | 2-1-06 | 6-1-31 | 9,225,000 | 0 | 275,000 | 0 | 8,950,000 |
| General Obligation, Series 2007 | 10,000,000 | 4 | 12-4-07 | 6-1-37 | 10,000,000 | 0 | 195,000 | 0 | 9,805,000 |
| General Obligation, Series 2008 | 4,250,000 | 4.28 | 3-18-08 | 3-1-37 | 4,250,000 | 0 | 90,000 | 0 | 4,160,000 |
| School Refunding, Series 2010 | 2,700,000 | 3.7 | 1-13-10 | 10-1-34 | 0 | 2,700,000 | 0 | 0 | 2,700,000 |
| School Improvement, Series 2010 | 2,160,000 | 3.7 | 1-13-10 | 10-1-34 | 0 | 2,160,000 | 0 | 0 | 2,160,000 |
| Total Bonds Payable | \$ 52,105,000 | | | | \$ 4,860,000 | \$ 3,305,000 | \$ 2,610,000 | \$ 51,050,000 | |

Exhibit J-2

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

| Year Ending June 30 | Notes | | |
|---------------------------|--------------|------------|--------------|
| | Principal | Interest | Total |
| 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 | \$ 2,670,000 | \$ 218,008 | \$ 2,888,008 |

| Year Ending June 30 | Capital Leases | | |
|---------------------------|----------------|-----------|------------|
| | Principal | Interest | Total |
| 2011 | \$ 308,712 | \$ 31,835 | \$ 340,547 |
| 2012 | 283,897 | 21,714 | 305,611 |
| 2013 | 149,331 | 10,628 | 159,959 |
| 2014 | 80,334 | 4,530 | 84,864 |
| 2015 | 63,817 | 1,883 | 65,700 |
| Total | \$ 886,091 | \$ 70,590 | \$ 956,681 |

| Year Ending June 30 | Bonds | | |
|---------------------------|---------------|---------------|---------------|
| | Principal | Interest | Total |
| 2011 | \$ 3,390,000 | \$ 1,865,765 | \$ 5,255,765 |
| 2012 | 3,505,000 | 1,748,672 | 5,253,672 |
| 2013 | 3,630,000 | 1,629,576 | 5,259,576 |
| 2014 | 3,025,000 | 1,517,367 | 4,542,367 |
| 2015 | 2,925,000 | 1,415,446 | 4,340,446 |
| 2016 | 3,020,000 | 1,312,694 | 4,332,694 |
| 2017 | 2,690,000 | 1,193,948 | 3,883,948 |
| 2018 | 2,780,000 | 1,097,871 | 3,877,871 |
| 2019 | 2,895,000 | 998,248 | 3,893,248 |
| 2020 | 2,080,000 | 906,908 | 2,986,908 |
| 2021 | 1,445,000 | 838,490 | 2,283,490 |
| 2022 | 1,505,000 | 780,200 | 2,285,200 |
| 2023 | 1,565,000 | 719,216 | 2,284,216 |
| 2024 | 1,625,000 | 657,572 | 2,282,572 |
| 2025 | 1,690,000 | 593,585 | 2,283,585 |
| 2026 | 1,760,000 | 526,804 | 2,286,804 |
| 2027 | 1,165,000 | 469,975 | 1,634,975 |
| 2028 | 1,215,000 | 423,219 | 1,638,219 |
| 2029 | 1,270,000 | 374,172 | 1,644,172 |
| 2030 | 1,330,000 | 322,733 | 1,652,733 |
| 2031 | 1,390,000 | 268,866 | 1,658,866 |
| 2032 | 805,000 | 212,203 | 1,017,203 |
| 2033 | 840,000 | 178,515 | 1,018,515 |
| 2034 | 880,000 | 143,363 | 1,023,363 |
| 2035 | 925,000 | 106,325 | 1,031,325 |
| 2036 | 830,000 | 70,450 | 900,450 |
| 2037 | 870,000 | 36,050 | 906,050 |
| Total | \$ 51,050,000 | \$ 20,408,233 | \$ 71,458,233 |

Exhibit J-3

Lawrence County, Tennessee
Schedule of Notes Receivable
June 30, 2010

| <u>Description</u> | <u>Debtor</u> | <u>Original Amount of Note</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance 6-30-10</u> |
|-------------------------------------------------------------------|--------------------------------------|----------------------------------------|------------------------------|---------------------------------|--------------------------|----------------------------|
| <u>Industrial/Economic Development Fund</u> Airport Renovation | Lawrenceburg-Lawrence County Airport | \$ 150,000 | 5-18-07 | Variable | 0% | \$ 128,362 |
| Total Notes Receivable | | | | | | <u>\$ 128,362</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, 2010

| <u>From Fund</u> | <u>To Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|---------------------------------------------------------------------------|---------------------------------|--------------------|-------------------|
| <u>PRIMARY GOVERNMENT</u> | | | |
| General | Public Library | Operations | \$ 212,540 |
| General | Industrial/Economic Development | " | 5,633 |
| Public Library | General | Close fund | 151,770 |
| General Capital Projects | Industrial/Economic Development | Waterline projects | 224,000 |
| Total Transfers Primary Government | | | <u>\$ 593,943</u> |
| <u>DISCRETELY PRESENTED LAWRENCE</u> <u>COUNTY SCHOOL DEPARTMENT</u> | | | |
| School Federal Projects | General Purpose School | Indirect costs | \$ 31,306 |
| Total Transfers Discretely Presented Lawrence County School Department | | | <u>\$ 31,306</u> |

Lawrence County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2010

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|------------------------------------------------------|--------------------------------------------------------|---------------------------|-----------|---------------------------------------------|
| County Executive | Section 8-24-102, TCA | \$ 78,191 | \$ 50,000 | Auto-Owners Insurance Company |
| Road Superintendent | Section 8-24-102, TCA | 70,350 | 100,000 | " |
| Director of Schools | State Board of Education and County Board of Education | 96,509 (1) | 150,000 | (6) |
| Trustee | Section 8-24-102, TCA | 63,954 | 1,559,000 | Auto-Owners Insurance Company |
| Assessor of Property | Section 8-24-102, TCA | 63,954 | 10,000 | " |
| Director of Accounts and Budgets | County Commission | 50,000 (2) | 25,000 | " |
| County Clerk | Section 8-24-102, TCA | 63,954 | 50,000 | " |
| Circuit, General Sessions, and Juvenile Courts Clerk | Section 8-24-102, TCA | 63,954 | 50,000 | " |
| Clerk and Master | Section 8-24-102, TCA | 63,954 (3) | 50,000 | " |
| Register | Section 8-24-102, TCA | 63,954 | 25,000 | " |
| Sheriff | Section 8-24-102, TCA | 73,867 (4) | 25,000 | " |
| Purchasing Agent | County Commission | 30,400 (5) | 25,000 | " |
| Employee Blanket Bonds | | | | |
| Public Employee Dishonesty - County Departments | | | 150,000 | Local Government Property and Casualty Fund |
| Public Employee Dishonesty - School Departments | | | 150,000 | Tennessee Risk Management Trust |

(1) Includes chief executive officer training supplement of \$1,000 and accrued vacation leave of \$4,443.

Does not include a \$600 cell phone allowance.

(2) Includes \$10,000 salary paid from the Solid Waste/Sanitation Fund.

(3) Does not include special commissioner fees of \$5,100.

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

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

(6) 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, 2010

| | Special Revenue Funds | | | | | | | District Attorney General |
|---------------------------------------------------|-----------------------|---------------------------------------|-------------------|--------------------------------|----------------------------------------|-----------------|------|---------------------------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Industrial/ Economic Development | Drug Control | | |
| <u>Local Taxes</u> | | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | | |
| Current Property Tax | \$ 6,062,675 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Trustee's Collections - Prior Year | 315,362 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trustee's Collections - Bankruptcy | 82,276 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Circuit/Clerk & Master Collections - Prior Years | 73,234 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest and Penalty | 70,667 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pick-up Taxes | 41 | 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 | 293,436 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - Other | 1,840 | 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 | 82,983 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wheel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - General | 98,138 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 27,610 | 10,949 | 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 | 2,322 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Business Tax | 261,037 | 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 | 36,013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interstate Telecommunications Tax | 2,111 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 7,412,035 | \$ 10,949 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Licenses and Permits</u> | | | | | | | | |
| <u>Licenses</u> | | | | | | | | |
| Marriage Licenses | \$ 1,530 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Cable TV Franchise | 29,953 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit J-6

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

| | Special Revenue Funds | | | | | | | District Attorney General |
|------------------------------------------|-----------------------|---------------------------------------|-------------------|--------------------------------|----------------------------------------|-----------------|-------|---------------------------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Industrial/ Economic Development | Drug Control | | |
| <u>Licenses and Permits (Cont.)</u> | | | | | | | | |
| <u>Permits</u> | | | | | | | | |
| Beer Permits | 2,438 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Licenses and Permits | \$ 33,921 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | | |
| <u>Circuit Court</u> | | | | | | | | |
| Fines | 10,624 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 14,717 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 499 | 0 | 0 | 0 | 0 | 33,042 | 0 | 0 |
| Drug Court Fees | 2,650 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 16,726 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District Attorney General Fees | 0 | 0 | 0 | 0 | 0 | 0 | 2,834 | 0 |
| DUI Treatment Fines | 3,135 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 2,194 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 0 | 714 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | | | |
| Fines | 19,080 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 58,852 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 636 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 1,335 | 0 | 0 | 0 | 0 | 13,040 | 0 | 0 |
| Drug Court Fees | 7,920 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 2,707 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District Attorney General Fees | 0 | 0 | 0 | 0 | 0 | 0 | 8,225 | 0 |
| DUI Treatment Fines | 8,092 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 5,882 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | | | |
| Fines | 182 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 2,235 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 158 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Juvenile Court | 108 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | | District Attorney General |
|---------------------------------------------------|-----------------------|---------------------------------------|-------------------|--------------------------------|----------------------------------------|------------------|------------------|---------------------------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Industrial/ Economic Development | Drug Control | | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | | | |
| <u>Juvenile Court (Cont.)</u> | | | | | | | | |
| Courtroom Security Fee | \$ 0 | \$ 23 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Chancery Court</u> | | | | | | | | |
| Officers Costs | 2,451 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 2,342 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Courts - In-county</u> | | | | | | | | |
| District Attorney General Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,679 |
| <u>Judicial District Drug Program</u> | | | | | | | | |
| Drug Task Force Forfeitures and Seizures | 0 | 0 | 0 | 0 | 0 | 1,906 | 0 | 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 0 | 21,989 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 162,549 | \$ 739 | \$ 0 | \$ 0 | \$ 0 | \$ 69,977 | \$ 41,738 | 0 |
| <u>Charges for Current Services</u> | | | | | | | | |
| <u>General Service Charges</u> | | | | | | | | |
| Commercial and Industrial Waste Collection Charge | \$ 0 | \$ 0 | \$ 0 | \$ 366,697 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Residential Waste Collection Charge | 0 | 0 | 0 | 763,974 | 0 | 0 | 0 | 0 |
| Tipping Fees | 0 | 0 | 0 | 1,216 | 0 | 0 | 0 | 0 |
| Solid Waste Disposal Fees | 0 | 0 | 0 | 77,981 | 0 | 0 | 0 | 0 |
| Patient Charges | 1,525,736 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Past Due Collections - Ambulance | 5,190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Work Release Charges for Board | 33,865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other General Service Charges | 438 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Water Tap Sales | 0 | 0 | 0 | 9,400 | 0 | 0 | 0 | 0 |
| Service Charges | 1,930 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees</u> | | | | | | | | |
| Copy Fees | 245 | 0 | 5,701 | 0 | 0 | 0 | 0 | 0 |
| Library Fees | 0 | 0 | 4,620 | 0 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 24,151 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | | District Attorney General |
|-----------------------------------------------|-----------------------|---------------------------------------|-------------------|--------------------------------|----------------------------------------|-----------------|------|---------------------------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Industrial/ Economic Development | Drug Control | | |
| <u>Charges for Current Services (Cont.)</u> | | | | | | | | |
| <u>Fees (Cont.)</u> | | | | | | | | |
| Special Commissioner Fees/Special Master Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Data Processing Fee - Register | 13,030 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 2,644 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fees - Sheriff | 1,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 2,052 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Education Charges</u> | | | | | | | | |
| TBI Criminal Background Fees | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Charges for Services</u> | | | | | | | | |
| Other Charges for Services | 1,998 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 1,612,494 | \$ 0 | \$ 10,321 | \$ 1,209,868 | \$ 9,400 | \$ 0 | \$ 0 | 0 |
| <u>Other Local Revenues</u> | | | | | | | | |
| <u>Recurring Items</u> | | | | | | | | |
| Investment Income | \$ 195,486 | \$ 0 | \$ 1,115 | \$ 24,235 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Lease/Rentals | 250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Materials and Supplies | 1,152 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commissary Sales | 398 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Recycled Materials | 27,666 | 0 | 0 | 182,164 | 0 | 0 | 0 | 0 |
| Miscellaneous Refunds | 23,516 | 0 | 108 | 35 | 0 | 3,743 | 0 | 0 |
| <u>Nonrecurring Items</u> | | | | | | | | |
| Sale of Equipment | 16,050 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Property | 550 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contributions and Gifts | 130 | 0 | 9 | 0 | 0 | 0 | 0 | 0 |
| Performance Bond Forfeitures | 1,425 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Local Revenues | \$ 266,623 | \$ 0 | \$ 1,232 | \$ 206,434 | \$ 0 | \$ 3,743 | \$ 0 | 0 |
| <u>Fees Received from County Officials</u> | | | | | | | | |
| <u>Excess Fees</u> | | | | | | | | |
| County Clerk | \$ 66,107 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Register | 1,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit J-6

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

| | Special Revenue Funds | | | | | | | District Attorney General |
|----------------------------------------------------|-----------------------|---------------------------------------|-------------------|--------------------------------|----------------------------------------|-----------------|-------------|---------------------------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Industrial/ Economic Development | Drug Control | | |
| <u>Fees Received from County Officials (Cont.)</u> | | | | | | | | |
| <u>Excess Fees (Cont.)</u> | | | | | | | | |
| Trustee | \$ 390,475 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Fees in-Lieu-of Salary</u> | | | | | | | | |
| Circuit Court Clerk | 150,007 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 176,346 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerk and Master | 161,873 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Juvenile Court Clerk | 33,598 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 10,919 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received from County Officials | \$ 990,925 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>State of Tennessee</u> | | | | | | | | |
| <u>General Government Grants</u> | | | | | | | | |
| Juvenile Services Program | \$ 9,270 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| State Reappraisal Grant | 11,572 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Solid Waste Grants | 0 | 0 | 0 | 20,700 | 0 | 0 | 0 | 0 |
| <u>Public Safety Grants</u> | | | | | | | | |
| Law Enforcement Training Programs | 24,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Health and Welfare Grants | 189,234 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Health Department Programs</u> | | | | | | | | |
| Public Works Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| State Aid Program | 47,531 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litter Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee Industrial Infrastructure Program | 0 | 0 | 0 | 0 | 99,185 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | | | | |
| Income Tax | 57,562 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Beer Tax | 17,778 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 68,333 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| State Revenue Sharing - T.V.A. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Board of Jurors | 72 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 391,440 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

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

| | Special Revenue Funds | | | | | | | District Attorney General |
|----------------------------------------------|-----------------------|---------------------------------------|-------------------|--------------------------------|-----------------------------------------|-----------------|-----------|---------------------------------|
| | General | Courthouse and Jail Maintenance | Public Library | Solid Waste / Sanitation | Industrial / Economic Development | Drug Control | | |
| <u>State of Tennessee (Cont.)</u> | | | | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | | | | |
| Petroleum Special Tax | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Registrar's Salary Supplement | 16,380 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other State Grants | 2,488 | 0 | 4,600 | 0 | 0 | 0 | 0 | 0 |
| Other State Revenues | 295 | 0 | 0 | 0 | 0 | 5,706 | 0 | 0 |
| Total State of Tennessee | \$ 836,555 | \$ 0 | \$ 4,600 | \$ 20,700 | \$ 99,185 | \$ 5,706 | \$ 0 | 0 |
| <u>Federal Government</u> | | | | | | | | |
| <u>Federal Through State</u> | | | | | | | | |
| Community Development | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 460,887 | \$ 0 | \$ 0 | 0 |
| Homeland Security Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ARRA Grant No. 2 | 64,421 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Federal through State | 33,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Direct Federal Revenue | 1,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Direct Federal Revenue | 99,221 | 0 | 0 | 0 | 460,887 | 0 | 0 | 0 |
| Total Federal Government | \$ 99,221 | \$ 0 | \$ 0 | \$ 0 | \$ 460,887 | \$ 0 | \$ 0 | 0 |
| <u>Other Governments and Citizens Groups</u> | | | | | | | | |
| <u>Other Governments</u> | | | | | | | | |
| Paving and Maintenance | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Contributions | 15,000 | 0 | 67,341 | 0 | 0 | 0 | 0 | 0 |
| Citizens Groups | 9,563 | 0 | 8,887 | 0 | 0 | 0 | 0 | 0 |
| Donations | 0 | 0 | 2,854 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 79,082 | 0 | 0 | 0 | 0 | 0 |
| Total Other Governments and Citizens Groups | \$ 24,563 | \$ 0 | \$ 79,082 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Total | \$ 11,438,886 | \$ 11,688 | \$ 95,235 | \$ 1,437,002 | \$ 569,472 | \$ 79,426 | \$ 41,738 | 0 |

(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 | Other Capital Projects | | | |
| <u>Local Taxes</u> | | | | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | | | | |
| Current Property Tax | \$ 0 | \$ 1,269,672 | \$ 1,868,865 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 9,201,212 | |
| Trustee's Collections - Prior Year | 0 | 84,435 | 123,837 | 0 | 0 | 0 | 0 | 0 | 523,634 | |
| Trustee's Collections - Bankruptcy | 0 | 17,238 | 25,368 | 0 | 0 | 0 | 0 | 0 | 124,882 | |
| Circuit/Clerk & Master Collections - Prior Years | 0 | 15,548 | 22,733 | 0 | 0 | 0 | 0 | 0 | 111,515 | |
| Interest and Penalty | 0 | 14,844 | 21,817 | 0 | 0 | 0 | 0 | 0 | 107,328 | |
| Pick-up Taxes | 0 | 9 | 13 | 0 | 0 | 0 | 0 | 0 | 63 | |
| Payments in-Lieu-of Taxes - T.V.A. | 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 | 293,436 | |
| Payments in-Lieu-of Taxes - Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,840 | |
| <u>County Local Option Taxes</u> | | | | | | | | | | |
| Local Option Sales Tax | 0 | 0 | 1,373,622 | 0 | 0 | 0 | 0 | 0 | 1,373,622 | |
| Hotel/Motel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 82,983 | |
| Wheel Tax | 0 | 0 | 907,003 | 0 | 0 | 0 | 0 | 0 | 907,003 | |
| Litigation Tax - General | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 98,138 | |
| Litigation Tax - Special Purpose | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38,559 | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 76,727 | 0 | 0 | 0 | 0 | 0 | 76,727 | |
| Litigation Tax - Victim/Offender Mediation Center | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,322 | |
| Business Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 261,037 | |
| Mineral Severance Tax | 0 | 63,521 | 0 | 0 | 0 | 0 | 0 | 0 | 63,521 | |
| <u>Statutory Local Taxes</u> | | | | | | | | | | |
| Bank Excise Tax | 0 | 0 | 79,675 | 0 | 0 | 0 | 0 | 0 | 79,675 | |
| Wholesale Beer Tax | 0 | 0 | 50,000 | 0 | 0 | 0 | 0 | 0 | 86,013 | |
| Interstate Telecommunications Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,111 | |
| Total Local Taxes | \$ 0 | \$ 1,465,267 | \$ 4,549,660 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 13,437,911 | |
| <u>Licenses and Permits</u> | | | | | | | | | | |
| <u>Licenses</u> | | | | | | | | | | |
| Marriage Licenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,530 | |
| Cable TV Franchise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 29,953 | |

(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 | Other Capital Projects | | |
| <u>Licenses and Permits (Cont.)</u> | | | | | | | | |
| <u>Permits</u> | | | | | | | | |
| Beer Permits | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 2,438 |
| Total Licenses and Permits | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 33,921 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | | |
| <u>Circuit Court</u> | | | | | | | | |
| Fines | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 10,624 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,717 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,541 |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,650 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,726 |
| District Attorney General Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,834 |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,135 |
| Data Entry Fee - Circuit Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,194 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 714 |
| <u>General Sessions Court</u> | | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19,080 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 58,852 |
| Game and Fish Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 636 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,375 |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,920 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,707 |
| District Attorney General Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,225 |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,092 |
| Data Entry Fee - General Sessions Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,882 |
| <u>Juvenile Court</u> | | | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 182 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,235 |
| Game and Fish Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 158 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24 |
| Data Entry Fee - Juvenile Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 108 |

(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 | Other Capital Projects | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | | | |
| <u>Juvenile Court (Cont.)</u> | | | | | | | | |
| Courtroom Security Fee | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 23 |
| <u>Chancery Court</u> | | | | | | | | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,451 |
| Data Entry Fee - Chancery Court | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,342 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| <u>Other Courts - In-county</u> | | | | | | | | |
| District Attorney General Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,679 |
| <u>Judicial District Drug Program</u> | | | | | | | | |
| Drug Task Force Forfeitures and Seizures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,906 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,989 |
| <u>Total Fines, Forfeitures, and Penalties</u> | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 275,003 |
| <u>Charges for Current Services</u> | | | | | | | | |
| <u>General Service Charges</u> | | | | | | | | |
| Commercial and Industrial Waste Collection Charge | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 366,697 |
| Residential Waste Collection Charge | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 763,974 |
| Tippling Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,216 |
| Solid Waste Disposal Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 77,981 |
| Patient Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,525,736 |
| Past Due Collections - Ambulance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,190 |
| Work Release Charges for Board | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,865 |
| Other General Service Charges | 0 | 13,500 | 0 | 0 | 0 | 0 | 0 | 13,938 |
| Water Tap Sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,400 |
| Service Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,930 |
| <u>Fees</u> | | | | | | | | |
| Copy Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,946 |
| Library Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,620 |
| Telephone Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,151 |
| Constitutional Officers' Fees and Commissions | 626,984 | 0 | 0 | 0 | 0 | 0 | 0 | 626,984 |

(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 | Other Capital Projects | | | | |
| <u>Charges for Current Services (Cont.)</u> | | | | | | | | | | |
| <u>Fees (Cont.)</u> | | | | | | | | | | |
| Special Commissioner Fees/Special Master Fees | \$ 5,100 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 5,100 |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13,030 |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,644 |
| Sexual Offender Registration Fees - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,200 |
| Data Processing Fee - County Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,052 |
| <u>Education Charges</u> | | | | | | | | | | |
| TBI Criminal Background Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 |
| <u>Other Charges for Services</u> | | | | | | | | | | |
| Other Charges for Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,998 |
| Total Charges for Current Services | \$ 632,084 | \$ 13,500 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 3,487,667 |
| <u>Other Local Revenues</u> | | | | | | | | | | |
| <u>Recurring Items</u> | | | | | | | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,356 | \$ 0 | \$ 0 | \$ 0 | \$ 222,192 |
| Lease/Rentals | 0 | 0 | 90,000 | 0 | 0 | 0 | 0 | 0 | 0 | 90,250 |
| Sale of Materials and Supplies | 0 | 3,997 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,149 |
| Commissary Sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 398 |
| Sale of Recycled Materials | 0 | 7,802 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 217,632 |
| Miscellaneous Refunds | 0 | 539 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 27,941 |
| <u>Nonrecurring Items</u> | | | | | | | | | | |
| Sale of Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,050 |
| Sale of Property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 550 |
| Contributions and Gifts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 139 |
| Performance Bond Forfeitures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,425 |
| Total Other Local Revenues | \$ 0 | \$ 12,338 | \$ 90,000 | \$ 1,356 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 581,726 |
| <u>Fees Received from County Officials</u> | | | | | | | | | | |
| Excess Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 66,107 |
| County Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,600 |
| Register | | | | | | | | | | |

(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 | Other Capital Projects | | | |
| <u>Fees Received from County Officials (Cont.)</u> | | | | | | | | | | |
| <u>Excess Fees (Cont.)</u> | | | | | | | | | | |
| Trustee | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 390,475 | |
| Fees in-Lieu-of Salary | | | | | | | | | | |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 150,007 | |
| General Sessions Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 176,346 | |
| Clerk and Master | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 161,873 | |
| Juvenile Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,598 | |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,919 | |
| Total Fees Received from County Officials | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 990,925 | |
| <u>State of Tennessee</u> | | | | | | | | | | |
| <u>General Government Grants</u> | | | | | | | | | | |
| Juvenile Services Program | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 9,270 | |
| State Reappraisal Grant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,572 | |
| Solid Waste Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,700 | |
| <u>Public Safety Grants</u> | | | | | | | | | | |
| Law Enforcement Training Programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,600 | |
| Health and Welfare Grants | | | | | | | | | | |
| <u>Health Department Programs</u> | | | | | | | | | | |
| Public Works Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 189,234 | |
| <u>State Aid Program</u> | | | | | | | | | | |
| Litter Program | 0 | 232,671 | 0 | 0 | 0 | 0 | 0 | 0 | 232,671 | |
| <u>Tennessee Industrial Infrastructure Program</u> | | | | | | | | | | |
| Other State Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 47,531 | |
| Income Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 99,185 | |
| Beer Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 57,562 | |
| Alcoholic Beverage Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,778 | |
| State Revenue Shaving - T.V.A. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 68,333 | |
| Board of Jurors | 0 | 0 | 577,842 | 0 | 0 | 50,000 | 0 | 0 | 627,842 | |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 72 | |
| Gasoline and Motor Fuel Tax | 0 | 1,950,063 | 0 | 0 | 0 | 0 | 0 | 0 | 391,440 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,950,063 | |

(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 | Other Capital Projects | |
| <u>State of Tennessee (Cont.)</u> | | | | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | | | | |
| Petroleum Special Tax | \$ 0 | \$ 32,065 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 32,065 |
| Registrar's Salary Supplement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,380 |
| Other State Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,088 |
| Other State Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,001 |
| Total State of Tennessee | \$ 0 | \$ 2,214,799 | \$ 577,842 | \$ 0 | \$ 0 | \$ 50,000 | \$ 0 | \$ 3,809,387 |
| <u>Federal Government</u> | | | | | | | | |
| <u>Federal Through State</u> | | | | | | | | |
| Community Development | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 460,887 |
| Homeland Security Grants | 0 | 0 | 0 | 0 | 0 | 0 | 144,846 | 144,846 |
| ARRA Grant No. 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 64,421 |
| Other Federal through State | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,200 |
| <u>Direct Federal Revenue</u> | | | | | | | | |
| Other Direct Federal Revenue | 0 | 273,523 | 0 | 0 | 0 | 0 | 0 | 275,123 |
| Total Federal Government | \$ 0 | \$ 273,523 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 144,846 | \$ 978,477 |
| <u>Other Governments and Citizens Groups</u> | | | | | | | | |
| <u>Other Governments</u> | | | | | | | | |
| Paving and Maintenance | \$ 0 | \$ 161,554 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 161,554 |
| Contributions | 0 | 0 | 1,050,000 | 0 | 0 | 0 | 0 | 1,132,341 |
| <u>Citizens Groups</u> | | | | | | | | |
| Donations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,450 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,854 |
| Total Other Governments and Citizens Groups | \$ 0 | \$ 161,554 | \$ 1,050,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,315,199 |
| <u>Total</u> | \$ 632,084 | \$ 4,140,981 | \$ 6,267,502 | \$ 1,356 | \$ 50,000 | \$ 144,846 | \$ 24,910,216 | |

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, 2010

| | General Purpose School | School Federal Projects | Central Cafeteria | Extended School Program | Education Capital Projects | Total |
|--------------------------------------------------|------------------------|-------------------------|-------------------|-------------------------|----------------------------|---------------|
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 5,313,267 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 5,313,267 |
| Trustee's Collections - Prior Year | 307,590 | 0 | 0 | 0 | 0 | 307,590 |
| Trustee's Collections - Bankruptcy | 71,555 | 0 | 0 | 0 | 0 | 71,555 |
| Circuit/Clerk & Master Collections - Prior Years | 90,701 | 0 | 0 | 0 | 0 | 90,701 |
| Interest and Penalty | 61,609 | 0 | 0 | 0 | 0 | 61,609 |
| Pick-up Taxes | 37 | 0 | 0 | 0 | 0 | 37 |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 4,380,045 | 0 | 0 | 0 | 0 | 4,380,045 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Interstate Telecommunications Tax | 3,289 | 0 | 0 | 0 | 0 | 3,289 |
| Total Local Taxes | \$ 10,228,093 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 10,228,093 |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Marriage Licenses | \$ 1,530 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,530 |
| Total Licenses and Permits | \$ 1,530 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,530 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>Education Charges</u> | | | | | | |
| Tuition - Regular Day Students | \$ 14,350 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 14,350 |
| Tuition - Other | 0 | 0 | 0 | 137,769 | 0 | 137,769 |
| Lunch Payments - Children | 0 | 0 | 661,484 | 0 | 0 | 661,484 |
| Lunch Payments - Adults | 0 | 0 | 160,143 | 0 | 0 | 160,143 |
| Income from Breakfast | 0 | 0 | 103,332 | 0 | 0 | 103,332 |
| A la carte Sales | 0 | 0 | 271,161 | 0 | 0 | 271,161 |
| Receipts from Individual Schools | 65,680 | 0 | 6,451 | 0 | 0 | 72,131 |
| Community Service Fees - Children | 8,723 | 0 | 0 | 0 | 0 | 8,723 |
| <u>Other Charges for Services</u> | | | | | | |
| Other Charges for Services | 0 | 0 | 460 | 0 | 0 | 460 |
| Total Charges for Current Services | \$ 88,753 | \$ 0 | \$ 1,203,031 | \$ 137,769 | \$ 0 | \$ 1,429,553 |

(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 \$ | 10,880 \$ | 0 \$ | 0 \$ | 10,880 |
| Lease/Rentals | 2 | 0 | 0 | 0 | 0 | 2 |
| Sale of Materials and Supplies | 179 | 0 | 0 | 0 | 0 | 179 |
| Refund of Telecommunication and Internet Fees (E-Rate) | 55,341 | 0 | 0 | 0 | 0 | 55,341 |
| Miscellaneous Refunds | 4,188 | 0 | 0 | 0 | 0 | 4,188 |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | 17,285 | 0 | 0 | 0 | 0 | 17,285 |
| Damages Recovered from Individuals | 5,252 | 0 | 0 | 0 | 0 | 5,252 |
| Contributions and Gifts | 1,502 | 0 | 0 | 0 | 0 | 1,502 |
| <u>Other Local Revenues</u> | | | | | | |
| Other Local Revenues | 1,306 | 0 | 0 | 0 | 0 | 1,306 |
| Total Other Local Revenues | \$ 85,055 \$ | 0 \$ | 10,880 \$ | 0 \$ | 0 \$ | 95,935 |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| On-Behalf Contributions for OPEB | \$ 185,808 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 185,808 |
| <u>State Education Funds</u> | | | | | | |
| Basic Education Program | 29,180,498 | 0 | 0 | 0 | 0 | 29,180,498 |
| Basic Education Program - ARRA | 1,226,500 | 0 | 0 | 0 | 0 | 1,226,500 |
| Early Childhood Education | 1,044,306 | 0 | 0 | 0 | 0 | 1,044,306 |
| School Food Service | 0 | 0 | 40,672 | 0 | 0 | 40,672 |
| Driver Education | 27,653 | 0 | 0 | 0 | 0 | 27,653 |
| Other State Education Funds | 173,563 | 0 | 0 | 0 | 0 | 173,563 |
| Coordinated School Health - ARRA | 100,000 | 0 | 0 | 0 | 0 | 100,000 |
| Internet Connectivity - ARRA | 19,195 | 0 | 0 | 0 | 0 | 19,195 |
| Family Resource Centers - ARRA | 32,974 | 0 | 0 | 0 | 0 | 32,974 |
| Statewide Student Management System (SSMS) - ARRA | 16,733 | 0 | 0 | 0 | 0 | 16,733 |
| Career Ladder Program | 302,365 | 0 | 0 | 0 | 0 | 302,365 |
| Career Ladder - Extended Contract - ARRA | 73,647 | 0 | 0 | 0 | 0 | 73,647 |
| <u>Other State Revenues</u> | | | | | | |
| State Revenue Sharing - T.V.A. | 200,000 | 0 | 0 | 0 | 0 | 200,000 |
| Safe Schools - ARRA | 20,254 | 0 | 0 | 0 | 0 | 20,254 |
| Other State Revenues | 72,405 | 0 | 0 | 6,295 | 0 | 78,700 |
| Total State of Tennessee | \$ 32,675,901 \$ | 0 \$ | 40,672 \$ | 6,295 \$ | 0 \$ | 32,722,868 |

(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</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 1,514,340 | \$ 0 | \$ 0 | \$ 1,514,340 |
| USDA - Commodities | 0 | 0 | 280,348 | 0 | 0 | 280,348 |
| Breakfast | 0 | 0 | 633,763 | 0 | 0 | 633,763 |
| USDA Food Service Equipment Grant - ARRA | 0 | 0 | 28,000 | 0 | 0 | 28,000 |
| Adult Education State Grant Program | 113,098 | 0 | 0 | 0 | 0 | 113,098 |
| Vocational Education - Basic Grants to States | 63,480 | 124,878 | 0 | 0 | 0 | 188,358 |
| Title I Grants to Local Education Agencies | 0 | 2,411,876 | 0 | 0 | 0 | 2,411,876 |
| Special Education - Grants to States | 0 | 2,149,713 | 0 | 0 | 0 | 2,149,713 |
| Special Education Preschool Grants | 0 | 71,909 | 0 | 0 | 0 | 71,909 |
| English Language Acquisition Grants | 3,829 | 0 | 0 | 0 | 0 | 3,829 |
| Safe and Drug-free Schools - State Grants | 0 | 26,994 | 0 | 0 | 0 | 26,994 |
| Rural Education | 0 | 138,567 | 0 | 0 | 0 | 138,567 |
| Education for Homeless Children and Youth | 0 | 2,118 | 0 | 0 | 0 | 2,118 |
| Eisenhower Professional Development State Grants | 0 | 328,861 | 0 | 0 | 0 | 328,861 |
| Other Federal through State | 105,027 | 42,278 | 0 | 0 | 0 | 147,305 |
| <u>Direct Federal Revenue</u> | | | | | | |
| Other Direct Federal Revenue | 12,050 | 0 | 0 | 0 | 0 | 12,050 |
| Total Federal Government | \$ 297,484 | \$ 5,297,194 | \$ 2,456,451 | \$ 0 | \$ 0 | \$ 8,051,129 |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Contributions | 0 | 0 | 0 | 0 | 2,119,188 | 2,119,188 |
| Total Other Governments and Citizens Groups | 0 | 0 | 0 | 0 | 2,119,188 | 2,119,188 |
| Total | \$ 43,376,816 | \$ 5,297,194 | \$ 3,711,034 | \$ 144,064 | \$ 2,119,188 | \$ 54,648,296 |

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

| | | | |
|----------------------------------|----|--------|-----------|
| Board and Committee Members Fees | \$ | 43,700 | |
| Social Security | | 2,709 | |
| State Retirement | | 2,768 | |
| Employer Medicare | | 633 | |
| Advertising | | 770 | |
| Audit Services | | 17,903 | |
| Contracts with Private Agencies | | 1,625 | |
| Dues and Memberships | | 8,314 | |
| Postal Charges | | 547 | |
| Travel | | 6,935 | |
| Office Supplies | | 118 | |
| Other Supplies and Materials | | 86 | |
| Other Charges | | 13 | |
| Total County Commission | | | \$ 86,121 |

County Mayor/Executive

| | | | |
|-------------------------------------------|----|--------|---------|
| County Official/Administrative Officer | \$ | 78,191 | |
| Secretary(ies) | | 51,659 | |
| Social Security | | 7,958 | |
| State Retirement | | 11,609 | |
| Employee and Dependent Insurance | | 325 | |
| Life Insurance | | 134 | |
| Medical Insurance | | 5,673 | |
| Disability Insurance | | 522 | |
| Unemployment Compensation | | 180 | |
| Employer Medicare | | 1,861 | |
| Dues and Memberships | | 1,590 | |
| Legal Notices, Recording, and Court Costs | | 22 | |
| Maintenance Agreements | | 780 | |
| Pest Control | | 176 | |
| Postal Charges | | 366 | |
| Printing, Stationery, and Forms | | 388 | |
| Travel | | 6,208 | |
| Office Supplies | | 1,537 | |
| Periodicals | | 59 | |
| Workers' Compensation Insurance | | 235 | |
| Other Charges | | 105 | |
| Data Processing Equipment | | 1,744 | |
| Total County Mayor/Executive | | | 171,322 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

| | | | |
|----------------------------------------|----|-------|----------|
| County Official/Administrative Officer | \$ | 6,000 | |
| Social Security | | 372 | |
| State Retirement | | 536 | |
| Unemployment Compensation | | 60 | |
| Employer Medicare | | 87 | |
| Workers' Compensation Insurance | | 85 | |
| Total County Attorney | | | \$ 7,140 |

Election Commission

| | | |
|-------------------------------------------|----|--------|
| County Official/Administrative Officer | \$ | 57,559 |
| Deputy(ies) | | 48,172 |
| Longevity Pay | | 250 |
| Overtime Pay | | 406 |
| Election Commission | | 3,775 |
| Election Workers | | 14,052 |
| Social Security | | 5,847 |
| State Retirement | | 9,511 |
| Employee and Dependent Insurance | | 360 |
| Life Insurance | | 67 |
| Medical Insurance | | 11,347 |
| Dental Insurance | | 222 |
| Disability Insurance | | 261 |
| Unemployment Compensation | | 180 |
| Employer Medicare | | 1,367 |
| Contracts with Private Agencies | | 35,915 |
| Data Processing Services | | 5,668 |
| Dues and Memberships | | 150 |
| Legal Notices, Recording, and Court Costs | | 1,866 |
| Maintenance Agreements | | 290 |
| Pest Control | | 264 |
| Postal Charges | | 6,342 |
| Printing, Stationery, and Forms | | 2,634 |
| Rentals | | 700 |
| Travel | | 5,028 |
| Disposal Fees | | 100 |
| Data Processing Supplies | | 925 |
| Office Supplies | | 2,302 |
| Utilities | | 3,803 |
| Other Supplies and Materials | | 24 |
| Workers' Compensation Insurance | | 256 |

(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.)

| | | |
|---------------------------|----------|------------|
| Data Processing Equipment | \$ 4,875 | |
| Total Election Commission | | \$ 224,518 |

Register of Deeds

| | | |
|---------------------------------|-----------|--------|
| State Retirement | \$ 12,681 | |
| Medical Insurance | 22,693 | |
| Unemployment Compensation | 317 | |
| Dues and Memberships | 637 | |
| Operating Lease Payments | 11,690 | |
| Maintenance Agreements | 1,140 | |
| Pest Control | 176 | |
| Postal Charges | 881 | |
| Printing, Stationery, and Forms | 1,625 | |
| Travel | 844 | |
| Office Supplies | 1,988 | |
| Other Supplies and Materials | 300 | |
| Workers' Compensation Insurance | 342 | |
| Total Register of Deeds | | 55,314 |

Codes Compliance

| | | |
|------------------------------|-----------|--------|
| Other Supplies and Materials | \$ 19,542 | |
| Total Codes Compliance | | 19,542 |

County Buildings

| | |
|---------------------------------------------|-----------|
| Supervisor/Director | \$ 25,355 |
| Custodial Personnel | 60,266 |
| Longevity Pay | 1,400 |
| Social Security | 5,102 |
| State Retirement | 7,779 |
| Medical Insurance | 22,693 |
| Unemployment Compensation | 360 |
| Employer Medicare | 1,193 |
| Communication | 40,961 |
| Maintenance Agreements | 19,876 |
| Maintenance and Repair Services - Buildings | 36,409 |
| Maintenance and Repair Services - Equipment | 1,284 |
| Maintenance and Repair Services - Vehicles | 773 |
| Pest Control | 1,112 |
| Postal Charges | 158 |
| Disposal Fees | 914 |

(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.)

| | | | |
|---------------------------------|----|---------|------------|
| Other Contracted Services | \$ | 276 | |
| Custodial Supplies | | 11,473 | |
| Food Supplies | | 321 | |
| Gasoline | | 3,132 | |
| Uniforms | | 469 | |
| Utilities | | 133,771 | |
| Other Supplies and Materials | | 259 | |
| Workers' Compensation Insurance | | 2,169 | |
| Other Capital Outlay | | 450 | |
| Total County Buildings | | | \$ 377,955 |

Preservation of Records

| | | | |
|---------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 26,971 | |
| Longevity Pay | | 700 | |
| Social Security | | 1,083 | |
| State Retirement | | 2,474 | |
| Medical Insurance | | 5,673 | |
| Unemployment Compensation | | 90 | |
| Employer Medicare | | 253 | |
| Communication | | 1,665 | |
| Contracts with Private Agencies | | 300 | |
| Maintenance Agreements | | 360 | |
| Pest Control | | 520 | |
| Office Supplies | | 491 | |
| Utilities | | 5,683 | |
| Other Supplies and Materials | | 924 | |
| Workers' Compensation Insurance | | 85 | |
| Office Equipment | | 1,711 | |
| Total Preservation of Records | | | 48,983 |

Finance

Accounting and Budgeting

| | | | |
|----------------------------------------|----|--------|--|
| County Official/Administrative Officer | \$ | 40,000 | |
| Accountants/Bookkeepers | | 45,851 | |
| Longevity Pay | | 1,350 | |
| In-Service Training | | 1,034 | |
| Social Security | | 5,709 | |
| State Retirement | | 9,413 | |
| Medical Insurance | | 17,020 | |
| Unemployment Compensation | | 270 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

| | | | |
|----------------------------------------------------|----|-------|---------|
| Employer Medicare | \$ | 1,335 | |
| Communication | | 610 | |
| Data Processing Services | | 146 | |
| Maintenance Agreements | | 1,114 | |
| Maintenance and Repair Services - Office Equipment | | 88 | |
| Pest Control | | 132 | |
| Printing, Stationery, and Forms | | 1,502 | |
| Travel | | 815 | |
| Disposal Fees | | 100 | |
| Office Supplies | | 2,037 | |
| Utilities | | 5,712 | |
| Other Supplies and Materials | | 90 | |
| Workers' Compensation Insurance | | 256 | |
| Other Charges | | 35 | |
| Data Processing Equipment | | 457 | |
| Total Accounting and Budgeting | \$ | | 135,076 |

Purchasing

| | | | |
|----------------------------------------|----|--------|--------|
| County Official/Administrative Officer | \$ | 30,400 | |
| Purchasing Personnel | | 22,925 | |
| Longevity Pay | | 750 | |
| In-Service Training | | 355 | |
| Social Security | | 3,977 | |
| State Retirement | | 5,875 | |
| Medical Insurance | | 11,347 | |
| Unemployment Compensation | | 180 | |
| Employer Medicare | | 930 | |
| Data Processing Services | | 3,185 | |
| Pest Control | | 132 | |
| Postal Charges | | 1,920 | |
| Printing, Stationery, and Forms | | 104 | |
| Travel | | 424 | |
| Office Supplies | | 763 | |
| Other Supplies and Materials | | 364 | |
| Workers' Compensation Insurance | | 171 | |
| Other Charges | | 352 | |
| Data Processing Equipment | | 500 | |
| Total Purchasing | | | 84,654 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

| | | | |
|--------------------------------------------|----|---------|------------|
| County Official/Administrative Officer | \$ | 63,954 | |
| Deputy(ies) | | 103,318 | |
| Longevity Pay | | 2,150 | |
| Other Salaries and Wages | | 29,101 | |
| Board and Committee Members Fees | | 1,011 | |
| Social Security | | 12,015 | |
| State Retirement | | 17,748 | |
| Employee and Dependent Insurance | | 351 | |
| Life Insurance | | 67 | |
| Medical Insurance | | 28,366 | |
| Dental Insurance | | 222 | |
| Unemployment Compensation | | 460 | |
| Employer Medicare | | 2,810 | |
| Data Processing Services | | 22,565 | |
| Dues and Memberships | | 1,665 | |
| Maintenance Agreements | | 4,851 | |
| Maintenance and Repair Services - Vehicles | | 1,256 | |
| Pest Control | | 176 | |
| Postal Charges | | 1,718 | |
| Travel | | 2,216 | |
| Gasoline | | 1,995 | |
| Office Supplies | | 2,530 | |
| Other Supplies and Materials | | 99 | |
| Workers' Compensation Insurance | | 513 | |
| Total Property Assessor's Office | | | \$ 301,157 |

County Trustee's Office

| | | |
|----------------------------------|----|--------|
| State Retirement | \$ | 15,146 |
| Employee and Dependent Insurance | | 1,221 |
| Life Insurance | | 230 |
| Medical Insurance | | 9,535 |
| Dental Insurance | | 760 |
| Disability Insurance | | 926 |
| Unemployment Compensation | | 360 |
| Data Processing Services | | 4,296 |
| Dues and Memberships | | 697 |
| Pest Control | | 176 |
| Postal Charges | | 6,229 |
| Printing, Stationery, and Forms | | 6,527 |
| Office Supplies | | 1,263 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

| | | | |
|---------------------------------|----|-----|-----------|
| Other Supplies and Materials | \$ | 111 | |
| Workers' Compensation Insurance | | 427 | |
| Total County Trustee's Office | | | \$ 47,904 |

County Clerk's Office

| | | | |
|---------------------------------------------|----|--------|--------|
| State Retirement | \$ | 23,719 | |
| Employee and Dependent Insurance | | 1,425 | |
| Life Insurance | | 286 | |
| Medical Insurance | | 26,969 | |
| Dental Insurance | | 103 | |
| Disability Insurance | | 568 | |
| Unemployment Compensation | | 762 | |
| Communication | | 436 | |
| Data Processing Services | | 13,491 | |
| Dues and Memberships | | 1,258 | |
| Legal Notices, Recording, and Court Costs | | 70 | |
| Maintenance and Repair Services - Equipment | | 85 | |
| Pest Control | | 176 | |
| Postal Charges | | 8,503 | |
| Printing, Stationery, and Forms | | 3,554 | |
| Travel | | 2,937 | |
| Other Contracted Services | | 790 | |
| Office Supplies | | 3,935 | |
| Other Supplies and Materials | | 97 | |
| Workers' Compensation Insurance | | 769 | |
| Total County Clerk's Office | | | 89,933 |

Data Processing

| | | | |
|---------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 65,000 | |
| Social Security | | 3,932 | |
| State Retirement | | 5,140 | |
| Medical Insurance | | 5,673 | |
| Unemployment Compensation | | 90 | |
| Employer Medicare | | 919 | |
| Pest Control | | 126 | |
| Other Supplies and Materials | | 852 | |
| Workers' Compensation Insurance | | 85 | |
| Data Processing Equipment | | 470 | |
| Total Data Processing | | | 82,287 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)Administration of JusticeCircuit Court

| | | | |
|----------------------------------------|----|---------|------------|
| County Official/Administrative Officer | \$ | 63,954 | |
| Deputy(ies) | | 231,323 | |
| Longevity Pay | | 4,150 | |
| Jury and Witness Expense | | 10,656 | |
| In-Service Training | | 716 | |
| Social Security | | 17,457 | |
| State Retirement | | 26,769 | |
| Employee and Dependent Insurance | | 1,099 | |
| Life Insurance | | 202 | |
| Medical Insurance | | 39,713 | |
| Dental Insurance | | 445 | |
| Disability Insurance | | 763 | |
| Unemployment Compensation | | 810 | |
| Employer Medicare | | 4,083 | |
| Data Processing Services | | 9,432 | |
| Dues and Memberships | | 2,083 | |
| Maintenance Agreements | | 1,560 | |
| Pest Control | | 126 | |
| Postal Charges | | 3,579 | |
| Printing, Stationery, and Forms | | 4,044 | |
| Travel | | 2,436 | |
| Office Supplies | | 5,301 | |
| Workers' Compensation Insurance | | 876 | |
| Other Charges | | 591 | |
| Data Processing Equipment | | 690 | |
| Total Circuit Court | | | \$ 432,858 |

General Sessions Court

| | | |
|---------------------------|----|---------|
| Judge(s) | \$ | 138,675 |
| Deputy(ies) | | 57,765 |
| Guards | | 46,792 |
| Part-time Personnel | | 4,080 |
| Longevity Pay | | 1,517 |
| Overtime Pay | | 2,706 |
| In-Service Training | | 70 |
| Social Security | | 12,984 |
| State Retirement | | 20,216 |
| Medical Insurance | | 23,030 |
| Unemployment Compensation | | 408 |
| Employer Medicare | | 3,222 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

| | | | |
|---------------------------------|----|-------|------------|
| Dues and Memberships | \$ | 1,630 | |
| Pest Control | | 126 | |
| Postal Charges | | 591 | |
| Printing, Stationery, and Forms | | 568 | |
| Travel | | 2,911 | |
| Office Supplies | | 703 | |
| Other Supplies and Materials | | 354 | |
| Workers' Compensation Insurance | | 427 | |
| Other Charges | | 388 | |
| Data Processing Equipment | | 523 | |
| Total General Sessions Court | | | \$ 319,686 |

Chancery Court

| | | | |
|----------------------------------------|----|---------|---------|
| County Official/Administrative Officer | \$ | 63,954 | |
| Deputy(ies) | | 103,318 | |
| Part-time Personnel | | 15,538 | |
| Longevity Pay | | 2,500 | |
| Social Security | | 11,222 | |
| State Retirement | | 15,178 | |
| Employee and Dependent Insurance | | 1,080 | |
| Life Insurance | | 202 | |
| Medical Insurance | | 11,347 | |
| Dental Insurance | | 445 | |
| Disability Insurance | | 783 | |
| Unemployment Compensation | | 437 | |
| Employer Medicare | | 2,625 | |
| Data Processing Services | | 6,007 | |
| Dues and Memberships | | 682 | |
| Maintenance Agreements | | 780 | |
| Pest Control | | 126 | |
| Postal Charges | | 6,580 | |
| Printing, Stationery, and Forms | | 2,472 | |
| Travel | | 377 | |
| Office Supplies | | 3,693 | |
| Other Supplies and Materials | | 10 | |
| Workers' Compensation Insurance | | 513 | |
| Total Chancery Court | | | 249,869 |

Juvenile Court

| | | | |
|-------------|----|--------|--|
| Deputy(ies) | \$ | 24,355 | |
|-------------|----|--------|--|

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

| | | | |
|---------------------------------|----|-------|-----------|
| Youth Service Officer(s) | \$ | 8,638 | |
| Social Security | | 1,992 | |
| State Retirement | | 2,144 | |
| Medical Insurance | | 6,268 | |
| Unemployment Compensation | | 198 | |
| Employer Medicare | | 466 | |
| Other Contracted Services | | 3,971 | |
| Workers' Compensation Insurance | | 85 | |
| Total Juvenile Court | | | \$ 48,117 |

District Attorney General

| | | | |
|---------------------------------|----|--------|--------|
| Other Contracted Services | \$ | 31,535 | |
| Total District Attorney General | | | 31,535 |

Courtroom Security

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

Victims Assistance Programs

| | | | |
|-----------------------------------|----|-------|-------|
| Contracts with Private Agencies | \$ | 4,086 | |
| Total Victims Assistance Programs | | | 4,086 |

Public Safety

Sheriff's Department

| | | | |
|----------------------------------------|----|---------|--|
| County Official/Administrative Officer | \$ | 73,867 | |
| Supervisor/Director | | 55,021 | |
| Deputy(ies) | | 903,435 | |
| Investigator(s) | | 142,410 | |
| Captain(s) | | 50,917 | |
| Lieutenant(s) | | 43,986 | |
| Sergeant(s) | | 241,021 | |
| Secretary(ies) | | 118,697 | |
| Part-time Personnel | | 16,400 | |
| Longevity Pay | | 13,000 | |
| Overtime Pay | | 21,874 | |
| In-Service Training | | 33,953 | |
| Social Security | | 104,443 | |
| State Retirement | | 145,046 | |
| Employee and Dependent Insurance | | 4,957 | |
| Life Insurance | | 892 | |

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

| | | |
|----------------------------------------------------|----|---------|
| Medical Insurance | \$ | 180,627 |
| Dental Insurance | | 1,779 |
| Disability Insurance | | 2,843 |
| Unemployment Compensation | | 4,643 |
| Employer Medicare | | 24,423 |
| Communication | | 86 |
| Contracts with Private Agencies | | 1,046 |
| Data Processing Services | | 359 |
| Dues and Memberships | | 2,687 |
| Evaluation and Testing | | 5,713 |
| Operating Lease Payments | | 4,763 |
| Legal Notices, Recording, and Court Costs | | 258 |
| Maintenance Agreements | | 10,362 |
| Maintenance and Repair Services - Buildings | | 2,648 |
| Maintenance and Repair Services - Equipment | | 196 |
| Maintenance and Repair Services - Office Equipment | | 99 |
| Maintenance and Repair Services - Vehicles | | 85,675 |
| Pest Control | | 822 |
| Postal Charges | | 1,499 |
| Printing, Stationery, and Forms | | 2,078 |
| Rentals | | 2,400 |
| Tow-in Services | | 1,505 |
| Travel | | 13,463 |
| Other Contracted Services | | 193 |
| Custodial Supplies | | 5,758 |
| Food Supplies | | 73 |
| Gasoline | | 121,319 |
| Law Enforcement Supplies | | 10,574 |
| Office Supplies | | 9,215 |
| Tires and Tubes | | 988 |
| Uniforms | | 28,932 |
| Utilities | | 8,485 |
| Other Supplies and Materials | | 2,084 |
| Workers' Compensation Insurance | | 20,911 |
| Liability Claims | | 1,000 |
| Other Self-Insured Claims | | 2,067 |
| Other Charges | | 461 |
| Data Processing Equipment | | 16,902 |
| Furniture and Fixtures | | 434 |
| Law Enforcement Equipment | | 80,229 |

(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.)

| | | |
|----------------------------|------------|--------------|
| Motor Vehicles | \$ 220,206 | |
| Total Sheriff's Department | | \$ 2,849,724 |

Jail

| | |
|---------------------------------------------|-----------|
| Lieutenant(s) | \$ 37,904 |
| Sergeant(s) | 93,033 |
| Medical Personnel | 84,226 |
| Guards | 651,061 |
| Clerical Personnel | 279 |
| Longevity Pay | 550 |
| Overtime Pay | 4,877 |
| In-Service Training | 6,502 |
| Social Security | 51,933 |
| State Retirement | 57,710 |
| Employee and Dependent Insurance | 1,523 |
| Life Insurance | 227 |
| Medical Insurance | 155,142 |
| Dental Insurance | 371 |
| Disability Insurance | 876 |
| Unemployment Compensation | 4,678 |
| Employer Medicare | 12,146 |
| Communication | 1,731 |
| Contracts with Private Agencies | 162,465 |
| Evaluation and Testing | 7,912 |
| Maintenance Agreements | 335 |
| Maintenance and Repair Services - Buildings | 1,988 |
| Maintenance and Repair Services - Equipment | 966 |
| Maintenance and Repair Services - Vehicles | 263 |
| Pest Control | 676 |
| Printing, Stationery, and Forms | 1,225 |
| Travel | 1,473 |
| Custodial Supplies | 23,302 |
| Drugs and Medical Supplies | 49,061 |
| Food Supplies | 208,960 |
| Gasoline | 1,654 |
| Law Enforcement Supplies | 53 |
| Office Supplies | 1,701 |
| Uniforms | 22,521 |
| Utilities | 135,365 |
| Other Supplies and Materials | 26,897 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

| | | | |
|---------------------------------|----|--------|--------------|
| Judgments | \$ | 500 | |
| Medical Claims | | 78,976 | |
| Workers' Compensation Insurance | | 16,484 | |
| Other Self-Insured Claims | | 295 | |
| Other Charges | | 598 | |
| Data Processing Equipment | | 138 | |
| Furniture and Fixtures | | 2,490 | |
| Total Jail | | | \$ 1,911,067 |

Workhouse

| | | | |
|--------------------------------------------|----|--------|--------|
| Accountants/Bookkeepers | \$ | 4,000 | |
| Guards | | 14,145 | |
| Social Security | | 1,013 | |
| Employer Medicare | | 237 | |
| Maintenance and Repair Services - Vehicles | | 37 | |
| Travel | | 258 | |
| Food Supplies | | 7,888 | |
| Gasoline | | 2,277 | |
| Other Supplies and Materials | | 8,108 | |
| Other Charges | | 2,235 | |
| Total Workhouse | | | 40,198 |

Work Release Program

| | | | |
|---------------------------------------------|----|-------|-------|
| Maintenance and Repair Services - Equipment | \$ | 411 | |
| Maintenance and Repair Services - Vehicles | | 2,221 | |
| Food Supplies | | 2,382 | |
| Gasoline | | 1,336 | |
| Other Supplies and Materials | | 50 | |
| Total Work Release Program | | | 6,400 |

Fire Prevention and Control

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

Civil Defense

| | | | |
|------------------------------|----|-------|-------|
| Matching Share | \$ | 3,000 | |
| Other Contracted Services | | 1,053 | |
| Other Supplies and Materials | | 5,283 | |
| Total Civil Defense | | | 9,336 |

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

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

Other Emergency Management

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

County Coroner/Medical Examiner

| | | |
|---------------------------------------|--------|--------|
| Social Security | \$ 232 | |
| State Retirement | 335 | |
| Unemployment Compensation | 12 | |
| Employer Medicare | 54 | |
| Medical and Dental Services | 6,500 | |
| Other Contracted Services | 3,750 | |
| Total County Coroner/Medical Examiner | | 10,883 |

Other Public Safety

| | | |
|------------------------------|-----------|--------|
| Other Supplies and Materials | \$ 11,520 | |
| Other Construction | 51,907 | |
| Total Other Public Safety | | 63,427 |

Public Health and Welfare

Local Health Center

| | | |
|---------------------------------------------|-----------|--|
| Secretary(ies) | \$ 43,059 | |
| Longevity Pay | 450 | |
| Social Security | 2,537 | |
| State Retirement | 3,047 | |
| Employee and Dependent Insurance | 360 | |
| Life Insurance | 67 | |
| Medical Insurance | 5,185 | |
| Dental Insurance | 221 | |
| Disability Insurance | 172 | |
| Unemployment Compensation | 243 | |
| Employer Medicare | 593 | |
| Communication | 1,730 | |
| Dues and Memberships | 200 | |
| Janitorial Services | 13,000 | |
| Legal Notices, Recording, and Court Costs | 103 | |
| Maintenance Agreements | 390 | |
| Maintenance and Repair Services - Buildings | 2,693 | |

(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.)

| | | | |
|---------------------------------|----|--------|------------|
| Pest Control | \$ | 538 | |
| Printing, Stationery, and Forms | | 116 | |
| Disposal Fees | | 1,040 | |
| Food Supplies | | 154 | |
| Office Supplies | | 15 | |
| Utilities | | 23,772 | |
| Other Supplies and Materials | | 436 | |
| Workers' Compensation Insurance | | 171 | |
| Total Local Health Center | | | \$ 100,292 |

Ambulance/Emergency Medical Services

| | | |
|---------------------------------------------|----|---------|
| County Official/Administrative Officer | \$ | 53,977 |
| Medical Personnel | | 504,419 |
| Secretary(ies) | | 26,971 |
| Part-time Personnel | | 105,340 |
| Longevity Pay | | 4,750 |
| Overtime Pay | | 286,380 |
| In-Service Training | | 3,877 |
| Social Security | | 58,827 |
| State Retirement | | 74,288 |
| Employee and Dependent Insurance | | 923 |
| Life Insurance | | 185 |
| Medical Insurance | | 99,790 |
| Dental Insurance | | 556 |
| Disability Insurance | | 435 |
| Unemployment Compensation | | 3,092 |
| Employer Medicare | | 13,758 |
| Communication | | 4,467 |
| Contracts with Private Agencies | | 1,689 |
| Dues and Memberships | | 560 |
| Laundry Service | | 325 |
| Licenses | | 3,330 |
| Maintenance Agreements | | 2,250 |
| Maintenance and Repair Services - Buildings | | 1,800 |
| Maintenance and Repair Services - Equipment | | 2,214 |
| Maintenance and Repair Services - Vehicles | | 37,419 |
| Medical and Dental Services | | 3,500 |
| Pest Control | | 370 |
| Postal Charges | | 4,352 |
| Printing, Stationery, and Forms | | 1,573 |

(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.)

| | | | |
|--------------------------------------------|----|---------|--------------|
| Tow-in Services | \$ | 1,100 | |
| Travel | | 2,440 | |
| Disposal Fees | | 2,326 | |
| Other Contracted Services | | 2,313 | |
| Custodial Supplies | | 2,880 | |
| Drugs and Medical Supplies | | 75,820 | |
| Food Supplies | | 771 | |
| Gasoline | | 53,655 | |
| Office Supplies | | 5,145 | |
| Tires and Tubes | | 6,339 | |
| Uniforms | | 9,663 | |
| Utilities | | 12,648 | |
| Other Supplies and Materials | | 1,478 | |
| Liability Insurance | | 9,072 | |
| Vehicle and Equipment Insurance | | 18,286 | |
| Workers' Compensation Insurance | | 15,223 | |
| Other Self-Insured Claims | | 425 | |
| Other Charges | | 737 | |
| Data Processing Equipment | | 6,381 | |
| Motor Vehicles | | 289,024 | |
| Office Equipment | | 8,790 | |
| Other Equipment | | 709 | |
| Total Ambulance/Emergency Medical Services | | | \$ 1,826,642 |

Regional Mental Health Center

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

Appropriation to State

| | | | |
|------------------------------------|----|---------|--|
| Other Salaries and Wages | \$ | 147,806 | |
| Social Security | | 6,588 | |
| State Retirement | | 5,503 | |
| Life Insurance | | 135 | |
| Medical Insurance | | 3,833 | |
| Dental Insurance | | 447 | |
| Disability Insurance | | 502 | |
| Unemployment Compensation | | 667 | |
| Employer Medicare | | 1,541 | |
| Contracts with Government Agencies | | 30,000 | |
| Travel | | 5,162 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State (Cont.)

| | | |
|------------------------------|-----------|------------|
| Other Charges | \$ 22,059 | |
| Total Appropriation to State | | \$ 224,243 |

Aid to Dependent Children

| | | |
|------------------------------------|----------|-------|
| Contracts with Government Agencies | \$ 7,993 | |
| Total Aid to Dependent Children | | 7,993 |

Other Public Health and Welfare

| | | |
|---------------------------------------|----------|--------|
| Dues and Memberships | \$ 9,117 | |
| Other Contracted Services | 33,600 | |
| Total Other Public Health and Welfare | | 42,717 |

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

| | | |
|------------------------------------------------|----------|-------|
| Contributions | \$ 7,400 | |
| Total Other Social, Cultural, and Recreational | | 7,400 |

Agriculture and Natural Resources

Agriculture Extension Service

| | | |
|--------------------------------------------|-----------|---------|
| Salary Supplements | \$ 81,018 | |
| Secretary(ies) | 10,611 | |
| Board and Committee Members Fees | 75 | |
| Social Security | 936 | |
| State Retirement | 243 | |
| Unemployment Compensation | 151 | |
| Employer Medicare | 219 | |
| Communication | 1,514 | |
| Dues and Memberships | 400 | |
| Maintenance Agreements | 351 | |
| Maintenance and Repair Services - Vehicles | 214 | |
| Pest Control | 216 | |
| Travel | 264 | |
| Disposal Fees | 500 | |
| Gasoline | 543 | |
| Office Supplies | 53 | |
| Utilities | 7,242 | |
| Other Supplies and Materials | 947 | |
| Workers' Compensation Insurance | 221 | |
| Total Agriculture Extension Service | | 105,718 |

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

| | | | |
|---------------------------------|----|--------|-----------|
| Salary Supplements | \$ | 26,971 | |
| Social Security | | 1,614 | |
| State Retirement | | 2,411 | |
| Medical Insurance | | 5,673 | |
| Unemployment Compensation | | 90 | |
| Employer Medicare | | 378 | |
| Dues and Memberships | | 1,080 | |
| Postal Charges | | 185 | |
| Travel | | 5,431 | |
| Workers' Compensation Insurance | | 85 | |
| Other Charges | | 37 | |
| Total Soil Conservation | | | \$ 43,955 |

Other Agriculture and Natural Resources

| | | | |
|-----------------------------------------------|----|-------|-------|
| Advertising | \$ | 2,488 | |
| Total Other Agriculture and Natural Resources | | | 2,488 |

Other Operations

Tourism

| | | | |
|----------------------|----|--------|--------|
| Contributions | \$ | 36,000 | |
| Dues and Memberships | | 500 | |
| Total Tourism | | | 36,500 |

Industrial Development

| | | | |
|------------------------------|----|---------|---------|
| Contributions | \$ | 260,000 | |
| Total Industrial Development | | | 260,000 |

Airport

| | | | |
|---------------|----|--------|--------|
| Contributions | \$ | 60,000 | |
| Total Airport | | | 60,000 |

Veterans' Services

| | | | |
|----------------------------------|----|--------|--|
| Supervisor/Director | \$ | 26,971 | |
| Secretary(ies) | | 24,688 | |
| Longevity Pay | | 250 | |
| Social Security | | 3,047 | |
| State Retirement | | 4,641 | |
| Employee and Dependent Insurance | | 360 | |
| Life Insurance | | 67 | |
| Medical Insurance | | 5,673 | |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

| | | | |
|--------------------------------------------|----|-------|-----------|
| Dental Insurance | \$ | 222 | |
| Disability Insurance | | 261 | |
| Unemployment Compensation | | 180 | |
| Employer Medicare | | 713 | |
| Communication | | 536 | |
| Dues and Memberships | | 25 | |
| Maintenance Agreements | | 760 | |
| Maintenance and Repair Services - Vehicles | | 129 | |
| Pest Control | | 216 | |
| Postal Charges | | 370 | |
| Printing, Stationery, and Forms | | 40 | |
| Travel | | 2,072 | |
| Disposal Fees | | 500 | |
| Gasoline | | 2,871 | |
| Office Supplies | | 330 | |
| Utilities | | 2,577 | |
| Other Supplies and Materials | | 2,541 | |
| Workers' Compensation Insurance | | 171 | |
| Office Equipment | | 1,573 | |
| Total Veterans' Services | | | \$ 81,784 |

Other Charges

| | | | |
|-------------------------------------------|----|---------|---------|
| Contracts with Private Agencies | \$ | 14,057 | |
| Data Processing Services | | 1,198 | |
| Legal Services | | 8,570 | |
| Legal Notices, Recording, and Court Costs | | 263 | |
| Postal Charges | | 3,089 | |
| Other Supplies and Materials | | 119 | |
| Building and Contents Insurance | | 43,258 | |
| Liability Insurance | | 75,346 | |
| Trustee's Commission | | 162,787 | |
| Vehicle and Equipment Insurance | | 34,400 | |
| Liability Claims | | 2,500 | |
| Other Self-Insured Claims | | 57,379 | |
| Other Charges | | 12,195 | |
| Other Capital Outlay | | 6,200 | |
| Total Other Charges | | | 421,361 |

ARRA Grant # 2

| | | | |
|---------------------------|----|--------|--------|
| Law Enforcement Equipment | \$ | 64,421 | |
| Total ARRA Grant # 2 | | | 64,421 |

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Highways

Capital Outlay

| | | |
|----------------------|------------|------------|
| Highway Equipment | \$ 367,000 | |
| Total Capital Outlay | | \$ 367,000 |

Principal on Debt

General Government

| | | |
|-----------------------------|------------|---------|
| Principal on Capital Leases | \$ 151,355 | |
| Total General Government | | 151,355 |

Highways and Streets

| | | |
|-----------------------------|-----------|--------|
| Principal on Capital Leases | \$ 65,699 | |
| Total Highways and Streets | | 65,699 |

Other Debt Service

Highways and Streets

| | | |
|-----------------------------|--------|------------|
| Other Debt Issuance Charges | \$ 720 | |
| Total Highways and Streets | | <u>720</u> |

| | | |
|--------------------|--|---------------|
| Total General Fund | | \$ 12,123,080 |
|--------------------|--|---------------|

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

| | | |
|---------------------------------------------|----------|-----------------|
| Architects | \$ 7,804 | |
| Maintenance and Repair Services - Buildings | 496 | |
| Trustee's Commission | 111 | |
| Total Other Charges | | <u>\$ 8,411</u> |

| | | |
|--------------------------------------------|--|-------|
| Total Courthouse and Jail Maintenance Fund | | 8,411 |
|--------------------------------------------|--|-------|

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

| | |
|----------------------------------|-----------|
| Supervisor/Director | \$ 38,649 |
| Deputy(ies) | 26,781 |
| Librarians | 58,296 |
| Part-time Personnel | 22,457 |
| Longevity Pay | 3,000 |
| Social Security | 8,869 |
| State Retirement | 12,385 |
| Employee and Dependent Insurance | 359 |

(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.)

| | | | |
|---------------------------------------------|----|--------|------------|
| Life Insurance | \$ | 67 | |
| Medical Insurance | | 22,693 | |
| Disability Insurance | | 226 | |
| Unemployment Compensation | | 727 | |
| Employer Medicare | | 2,074 | |
| Communication | | 541 | |
| Data Processing Services | | 743 | |
| Dues and Memberships | | 285 | |
| Janitorial Services | | 6,100 | |
| Legal Notices, Recording, and Court Costs | | 40 | |
| Maintenance Agreements | | 2,392 | |
| Maintenance and Repair Services - Buildings | | 999 | |
| Postal Charges | | 2,787 | |
| Printing, Stationery, and Forms | | 1,129 | |
| Travel | | 747 | |
| Disposal Fees | | 100 | |
| Custodial Supplies | | 662 | |
| Instructional Supplies and Materials | | 2,365 | |
| Library Books/Media | | 16,265 | |
| Office Supplies | | 4,497 | |
| Periodicals | | 3,847 | |
| Utilities | | 20,339 | |
| Building and Contents Insurance | | 3,659 | |
| Liability Insurance | | 1,462 | |
| Refunds | | 146 | |
| Trustee's Commission | | 103 | |
| Workers' Compensation Insurance | | 577 | |
| Data Processing Equipment | | 1,552 | |
| Office Equipment | | 2,942 | |
| Total Libraries | | | \$ 270,862 |

Total Public Library Fund \$ 270,862

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

| | | |
|----------------------------------------|----|---------|
| County Official/Administrative Officer | \$ | 10,000 |
| Deputy(ies) | | 19,737 |
| Salary Supplements | | 39,872 |
| Laborers | | 251,249 |

(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.)

| | | |
|----------------------------------------------------|----|---------|
| Secretary(ies) | \$ | 39,652 |
| Clerical Personnel | | 26,664 |
| Part-time Personnel | | 16,202 |
| Longevity Pay | | 1,500 |
| Overtime Pay | | 1,366 |
| In-Service Training | | 1,300 |
| Social Security | | 19,838 |
| State Retirement | | 27,364 |
| Employee and Dependent Insurance | | 702 |
| Life Insurance | | 117 |
| Medical Insurance | | 58,637 |
| Dental Insurance | | 667 |
| Disability Insurance | | 769 |
| Unemployment Compensation | | 4,287 |
| Employer Medicare | | 4,640 |
| Communication | | 2,669 |
| Contracts with Government Agencies | | 250 |
| Contracts with Private Agencies | | 720,052 |
| Data Processing Services | | 1,180 |
| Dues and Memberships | | 286 |
| Engineering Services | | 9,180 |
| Legal Services | | 13,326 |
| Legal Notices, Recording, and Court Costs | | 194 |
| Maintenance and Repair Services - Buildings | | 3,530 |
| Maintenance and Repair Services - Equipment | | 9,249 |
| Maintenance and Repair Services - Office Equipment | | 806 |
| Maintenance and Repair Services - Vehicles | | 18,814 |
| Pest Control | | 324 |
| Postal Charges | | 16,522 |
| Printing, Stationery, and Forms | | 3,135 |
| Travel | | 6,103 |
| Brokerage Fees - Recyclables | | 83,848 |
| Permits | | 1,075 |
| Other Contracted Services | | 985 |
| Crushed Stone | | 195 |
| Custodial Supplies | | 2,353 |
| Diesel Fuel | | 7,771 |
| Food Supplies | | 7,374 |
| Garage Supplies | | 28,060 |
| Gasoline | | 2,352 |

(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.)

| | | | |
|------------------------------------------|----|--------|---------------------|
| Lubricants | \$ | 6 | |
| Office Supplies | | 2,705 | |
| Propane Gas | | 4,142 | |
| Small Tools | | 327 | |
| Uniforms | | 3,868 | |
| Utilities | | 38,022 | |
| Wire | | 3,425 | |
| Other Supplies and Materials | | 471 | |
| Building and Contents Insurance | | 3,874 | |
| Liability Insurance | | 1,246 | |
| Refunds | | 2,272 | |
| Trustee's Commission | | 12,404 | |
| Vehicle and Equipment Insurance | | 2,173 | |
| Workers' Compensation Insurance | | 8,728 | |
| Other Charges | | 1,015 | |
| Data Processing Equipment | | 605 | |
| Solid Waste Equipment | | 1,870 | |
| Other Equipment | | 3,281 | |
| Total Landfill Operation and Maintenance | | | <u>\$ 1,554,630</u> |

Total Solid Waste/Sanitation Fund \$ 1,554,630

Industrial/Economic Development Fund

Capital Projects

Public Safety Projects

| | | | |
|------------------------------|----|---------------|-----------|
| Contributions | \$ | <u>32,228</u> | |
| Total Public Safety Projects | | | \$ 32,228 |

Public Utility Projects

| | | | |
|-------------------------------------------|----|---------------|----------------|
| Contracts with Private Agencies | \$ | 568,628 | |
| Contributions | | 15,929 | |
| Legal Notices, Recording, and Court Costs | | 354 | |
| Other Construction | | <u>99,185</u> | |
| Total Public Utility Projects | | | <u>684,096</u> |

Total Industrial/Economic Development Fund 716,324

(Continued)

Exhibit J-8

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

Drug Control Fund

Public Safety

Drug Enforcement

| | | | |
|---------------------------------------------|----|--------|-------------------|
| In-Service Training | \$ | 1,000 | |
| Communication | | 11,498 | |
| Contracts with Private Agencies | | 1,381 | |
| Confidential Drug Enforcement Payments | | 33,000 | |
| Dues and Memberships | | 355 | |
| Maintenance and Repair Services - Buildings | | 1,321 | |
| Maintenance and Repair Services - Equipment | | 817 | |
| Maintenance and Repair Services - Vehicles | | 7,110 | |
| Printing, Stationery, and Forms | | 212 | |
| Travel | | 5,330 | |
| Veterinary Services | | 880 | |
| Food Supplies | | 377 | |
| Law Enforcement Supplies | | 2,935 | |
| Office Supplies | | 1,411 | |
| Uniforms | | 380 | |
| Other Supplies and Materials | | 424 | |
| Trustee's Commission | | 721 | |
| Other Charges | | 81 | |
| Law Enforcement Equipment | | 12,045 | |
| Motor Vehicles | | 29,855 | |
| Total Drug Enforcement | | | <u>\$ 111,133</u> |

Total Drug Control Fund \$ 111,133

District Attorney General Fund

Administration of Justice

District Attorney General

| | | | |
|---------------------------------|----|--------|------------------|
| Secretary(ies) | \$ | 30,814 | |
| Dues and Memberships | | 495 | |
| Travel | | 1,622 | |
| Office Supplies | | 255 | |
| Periodicals | | 400 | |
| Trustee's Commission | | 417 | |
| In Service/Staff Development | | 920 | |
| Other Charges | | 1,471 | |
| Office Equipment | | 1,322 | |
| Total District Attorney General | | | <u>\$ 37,716</u> |

Total District Attorney General Fund 37,716

(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 | \$ 152,198 | |
| Total Register of Deeds | | \$ 152,198 |

Finance

County Trustee's Office

| | | |
|---------------------------------------------|------------|---------|
| Constitutional Officers' Operating Expenses | \$ 183,419 | |
| Total County Trustee's Office | | 183,419 |

County Clerk's Office

| | | |
|---------------------------------------------|------------|---------|
| Constitutional Officers' Operating Expenses | \$ 289,441 | |
| Total County Clerk's Office | | 289,441 |

Administration of Justice

Chancery Court

| | | |
|-----------------------------------------------|----------|--------------|
| Special Commissioner Fees/Special Master Fees | \$ 5,100 | |
| Constitutional Officers' Operating Expenses | 139 | |
| Total Chancery Court | | <u>5,239</u> |

| | | |
|-------------------------------------------|--|------------|
| Total Constitutional Officers - Fees Fund | | \$ 630,297 |
|-------------------------------------------|--|------------|

Highway/Public Works Fund

Highways

Administration

| | |
|-------------------------------------------|-----------|
| County Official/Administrative Officer | \$ 70,350 |
| Accountants/Bookkeepers | 54,062 |
| Longevity Pay | 1,150 |
| Social Security | 7,668 |
| State Retirement | 11,225 |
| Employee and Dependent Insurance | 1,078 |
| Life Insurance | 191 |
| Dental Insurance | 630 |
| Unemployment Compensation | 540 |
| Employer Medicare | 1,794 |
| Communication | 12,103 |
| Dues and Memberships | 4,261 |
| Legal Notices, Recording, and Court Costs | 384 |
| Maintenance Agreements | 528 |
| Postal Charges | 132 |
| Travel | 164 |
| Disposal Fees | 288 |

(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.)

| | | | |
|---------------------------------|----|--------|---------|
| Custodial Supplies | \$ | 65 | |
| Office Supplies | | 1,868 | |
| Utilities | | 12,486 | |
| Workers' Compensation Insurance | | 438 | |
| Other Charges | | 8,843 | |
| Office Equipment | | 3,560 | |
| Total Administration | \$ | | 193,808 |

Highway and Bridge Maintenance

| | | | |
|--------------------------------------|----|---------|-----------|
| Foremen | \$ | 181,886 | |
| Equipment Operators | | 207,258 | |
| Equipment Operators - Light | | 221,820 | |
| Truck Drivers | | 246,058 | |
| Laborers | | 24,481 | |
| Longevity Pay | | 14,450 | |
| Social Security | | 53,292 | |
| State Retirement | | 78,008 | |
| Employee and Dependent Insurance | | 1,704 | |
| Life Insurance | | 332 | |
| Medical Insurance | | 143,831 | |
| Dental Insurance | | 1,094 | |
| Disability Insurance | | 1,250 | |
| Unemployment Compensation | | 9,134 | |
| Employer Medicare | | 12,463 | |
| Rentals | | 9,184 | |
| Asphalt | | 459,618 | |
| Asphalt - Cold Mix | | 50,905 | |
| Concrete | | 28,039 | |
| Crushed Stone | | 374,812 | |
| Pipe - Metal | | 125,001 | |
| Road Signs | | 22,993 | |
| Wood Products | | 623 | |
| Gravel and Chert | | 140 | |
| Workers' Compensation Insurance | | 22,430 | |
| Other Self-Insured Claims | | 575 | |
| Other Charges | | 5,763 | |
| Total Highway and Bridge Maintenance | | | 2,297,144 |

Operation and Maintenance of Equipment

| | | | |
|-------------|----|---------|--|
| Mechanic(s) | \$ | 171,294 | |
|-------------|----|---------|--|

(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 (Cont.)

| | | | |
|----------------------------------------------|----|---------|------------|
| Longevity Pay | \$ | 2,350 | |
| Social Security | | 10,416 | |
| State Retirement | | 15,328 | |
| Employee and Dependent Insurance | | 175 | |
| Life Insurance | | 28 | |
| Medical Insurance | | 28,367 | |
| Disability Insurance | | 109 | |
| Unemployment Compensation | | 1,416 | |
| Employer Medicare | | 2,436 | |
| Maintenance and Repair Services - Equipment | | 140,571 | |
| Diesel Fuel | | 130,649 | |
| Garage Supplies | | 2,751 | |
| Gasoline | | 50,408 | |
| Lubricants | | 13,173 | |
| Tires and Tubes | | 28,843 | |
| Workers' Compensation Insurance | | 4,335 | |
| Other Self-Insured Claims | | 130 | |
| Other Charges | | 11,351 | |
| Total Operation and Maintenance of Equipment | | | \$ 614,130 |

Other Charges

| | | | |
|---------------------------------|----|--------|--------|
| Building and Contents Insurance | \$ | 3,468 | |
| Liability Insurance | | 15,482 | |
| Trustee's Commission | | 48,311 | |
| Vehicle and Equipment Insurance | | 16,657 | |
| Other Charges | | 1,849 | |
| Total Other Charges | | | 85,767 |

Capital Outlay

| | | | |
|----------------------|----|---------|---------|
| Highway Construction | \$ | 296,700 | |
| Highway Equipment | | 433,644 | |
| Other Construction | | 119,476 | |
| Total Capital Outlay | | | 849,820 |

Principal on Debt

Highways and Streets

| | | | |
|-----------------------------|----|---------|---------|
| Principal on Capital Leases | \$ | 127,962 | |
| Total Highways and Streets | | | 127,962 |

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Interest on Debt

Highways and Streets

| | | |
|----------------------------|----------|----------|
| Interest on Capital Leases | \$ 4,394 | |
| Total Highways and Streets | | \$ 4,394 |

Total Highway/Public Works Fund \$ 4,173,025

General Debt Service Fund

Principal on Debt

General Government

| | | |
|--------------------------|--------------|--------------|
| Principal on Bonds | \$ 1,315,250 | |
| Principal on Notes | 384,000 | |
| Total General Government | | \$ 1,699,250 |

Highways and Streets

| | | |
|----------------------------|-----------|---------|
| Principal on Bonds | \$ 55,000 | |
| Principal on Notes | 486,000 | |
| Total Highways and Streets | | 541,000 |

Education

| | | |
|--------------------|--------------|-----------|
| Principal on Bonds | \$ 1,934,750 | |
| Total Education | | 1,934,750 |

Interest on Debt

General Government

| | | |
|--------------------------|------------|-----------|
| Interest on Bonds | \$ 954,745 | |
| Interest on Notes | 76,876 | |
| Total General Government | | 1,031,621 |

Highways and Streets

| | | |
|----------------------------|-----------|---------|
| Interest on Bonds | \$ 72,878 | |
| Interest on Notes | 46,478 | |
| Total Highways and Streets | | 119,356 |

Education

| | | |
|-------------------|------------|---------|
| Interest on Bonds | \$ 888,981 | |
| Total Education | | 888,981 |

Other Debt Service

General Government

| | | |
|--------------------------|-----------|--------|
| Trustee's Commission | \$ 72,798 | |
| Other Debt Service | 9,249 | |
| Total General Government | | 82,047 |

(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.)

Highways and Streets

| | | |
|----------------------------|----------|----------|
| Other Debt Service | \$ 1,000 | |
| Total Highways and Streets | | \$ 1,000 |

Education

| | | |
|-----------------------------|-----------|---------------|
| Underwriter's Discount | \$ 22,555 | |
| Other Debt Issuance Charges | 26,684 | |
| Other Debt Service | 350 | |
| Total Education | | <u>49,589</u> |

| | | |
|---------------------------------|--|--------------|
| Total General Debt Service Fund | | \$ 6,347,594 |
|---------------------------------|--|--------------|

General Capital Projects Fund

Capital Projects

General Administration Projects

| | | |
|---------------------------------------------|-----------|-----------|
| Maintenance and Repair Services - Buildings | \$ 23,750 | |
| Total General Administration Projects | | \$ 23,750 |

Public Safety Projects

| | | |
|------------------------------|------------------|-----------|
| Architects | \$ 101,326 | |
| Building Construction | <u>1,328,370</u> | |
| Total Public Safety Projects | | 1,429,696 |

Education Capital Projects

| | | |
|----------------------------------|---------------|------------------|
| Contributions | \$ 2,119,188 | |
| Underwriter's Discount | 19,459 | |
| Other Debt Issuance Charges | <u>21,353</u> | |
| Total Education Capital Projects | | <u>2,160,000</u> |

| | | |
|-------------------------------------|--|-----------|
| Total General Capital Projects Fund | | 3,613,446 |
|-------------------------------------|--|-----------|

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

| | | |
|-------------------------------------------|---------------|------------------|
| Trustee's Commission | \$ 500 | |
| Building Construction | 3,417 | |
| Highway Construction | <u>49,110</u> | |
| Total Highway and Street Capital Projects | | <u>\$ 53,027</u> |

| | | |
|-------------------------------------|--|--------|
| Total Highway Capital Projects Fund | | 53,027 |
|-------------------------------------|--|--------|

Other Capital Projects Fund

Capital Projects

Public Safety Projects

| | | |
|------------------------------|------------|-------------------|
| Other Charges | \$ 144,846 | |
| Total Public Safety Projects | | <u>\$ 144,846</u> |

| | | |
|-----------------------------------|--|----------------|
| Total Other Capital Projects Fund | | <u>144,846</u> |
|-----------------------------------|--|----------------|

| | | |
|-----------------------------------------------|--|----------------------|
| Total Governmental Funds - Primary Government | | <u>\$ 29,784,391</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, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

| | | |
|---------------------------------------------|---------------|---------------|
| Teachers | \$ 14,321,517 | |
| Career Ladder Program | 190,125 | |
| Career Ladder Extended Contracts | 31,896 | |
| Homebound Teachers | 22,965 | |
| Educational Assistants | 679,692 | |
| Other Salaries and Wages | 1,100 | |
| Certified Substitute Teachers | 28,152 | |
| Non-certified Substitute Teachers | 176,223 | |
| Social Security | 912,415 | |
| State Retirement | 984,131 | |
| Medical Insurance | 2,396,403 | |
| Unemployment Compensation | 13,920 | |
| Employer Medicare | 214,420 | |
| Maintenance and Repair Services - Equipment | 2,613 | |
| Other Contracted Services | 394 | |
| Instructional Supplies and Materials | 229,413 | |
| Textbooks | 439,089 | |
| Other Supplies and Materials | 17,717 | |
| Other Charges | 500 | |
| Regular Instruction Equipment | 322,549 | |
| Total Regular Instruction Program | | \$ 20,985,234 |

Alternative Instruction Program

| | | |
|---------------------------------------|------------|---------|
| Teachers | \$ 132,366 | |
| Educational Assistants | 24,526 | |
| Non-certified Substitute Teachers | 408 | |
| Social Security | 9,524 | |
| State Retirement | 9,706 | |
| Medical Insurance | 11,486 | |
| Employer Medicare | 2,227 | |
| Other Contracted Services | 12,300 | |
| Instructional Supplies and Materials | 400 | |
| Other Supplies and Materials | 36,710 | |
| Total Alternative Instruction Program | | 239,653 |

Special Education Program

| | |
|----------------------------------|--------------|
| Teachers | \$ 1,294,349 |
| Career Ladder Program | 19,990 |
| Career Ladder Extended Contracts | 3,182 |

(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.)

| | | | |
|--------------------------------------|----|---------|--------------|
| Homebound Teachers | \$ | 23,485 | |
| Educational Assistants | | 205,891 | |
| Speech Pathologist | | 252,239 | |
| Certified Substitute Teachers | | 3,034 | |
| Non-certified Substitute Teachers | | 12,062 | |
| Social Security | | 105,527 | |
| State Retirement | | 116,438 | |
| Medical Insurance | | 297,258 | |
| Employer Medicare | | 25,051 | |
| Instructional Supplies and Materials | | 13,650 | |
| Total Special Education Program | | | \$ 2,372,156 |

Vocational Education Program

| | | | |
|---------------------------------------------|----|-----------|-----------|
| Teachers | \$ | 1,489,471 | |
| Career Ladder Program | | 15,885 | |
| Career Ladder Extended Contracts | | 4,000 | |
| Certified Substitute Teachers | | 638 | |
| Non-certified Substitute Teachers | | 28,790 | |
| Social Security | | 90,157 | |
| State Retirement | | 95,621 | |
| Medical Insurance | | 250,515 | |
| Employer Medicare | | 21,125 | |
| Contracts with Other School Systems | | 156,681 | |
| Maintenance and Repair Services - Equipment | | 1,489 | |
| Other Contracted Services | | 17,865 | |
| Instructional Supplies and Materials | | 48,984 | |
| Other Supplies and Materials | | 176 | |
| Other Charges | | 378 | |
| Vocational Instruction Equipment | | 63,412 | |
| Total Vocational Education Program | | | 2,285,187 |

Student Body Education Program

| | | | |
|--------------------------------------|----|-----|-----|
| Instructional Supplies and Materials | \$ | 343 | |
| Total Student Body Education Program | | | 343 |

Adult Education Program

| | | | |
|--------------------------|----|--------|--|
| Teachers | \$ | 53,034 | |
| Other Salaries and Wages | | 13,498 | |
| Social Security | | 3,275 | |

(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.)

| | | | |
|---------------------------------------------|----|-------|-----------|
| State Retirement | \$ | 3,623 | |
| Employer Medicare | | 963 | |
| Maintenance and Repair Services - Equipment | | 403 | |
| Other Supplies and Materials | | 4,689 | |
| Total Adult Education Program | | | \$ 79,485 |

Support Services

Attendance

| | | | |
|----------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 59,026 | |
| Career Ladder Program | | 3,000 | |
| Career Ladder Extended Contracts | | 2,000 | |
| Social Security | | 3,784 | |
| State Retirement | | 4,110 | |
| Medical Insurance | | 12,631 | |
| Employer Medicare | | 885 | |
| Other Contracted Services | | 9,266 | |
| Total Attendance | | | 94,702 |

Health Services

| | | | |
|------------------------------|----|---------|---------|
| Medical Personnel | \$ | 225,117 | |
| Social Security | | 12,027 | |
| State Retirement | | 13,900 | |
| Medical Insurance | | 74,799 | |
| Employer Medicare | | 2,813 | |
| Travel | | 1,402 | |
| Drugs and Medical Supplies | | 6,284 | |
| Other Supplies and Materials | | 1,038 | |
| Other Charges | | 2,302 | |
| Total Health Services | | | 339,682 |

Other Student Support

| | | | |
|----------------------------------|----|---------|--|
| Career Ladder Program | \$ | 2,000 | |
| Guidance Personnel | | 654,194 | |
| Career Ladder Extended Contracts | | 1,106 | |
| Social Workers | | 16,524 | |
| Clerical Personnel | | 28,295 | |
| Other Salaries and Wages | | 54,100 | |
| Social Security | | 44,393 | |
| State Retirement | | 47,335 | |

(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.)

| | | | |
|---------------------------------------------|----|---------|--------------|
| Medical Insurance | \$ | 112,863 | |
| Employer Medicare | | 10,382 | |
| Evaluation and Testing | | 32,654 | |
| Maintenance and Repair Services - Equipment | | 468 | |
| Postal Charges | | 1,100 | |
| Travel | | 7,985 | |
| Other Contracted Services | | 11,036 | |
| Other Supplies and Materials | | 17,996 | |
| Other Charges | | 7,338 | |
| Total Other Student Support | | | \$ 1,049,769 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|-----------|
| Supervisor/Director | \$ | 187,535 | |
| Career Ladder Program | | 18,500 | |
| Career Ladder Extended Contracts | | 10,833 | |
| Librarians | | 571,027 | |
| Instructional Computer Personnel | | 50,312 | |
| Other Salaries and Wages | | 28,268 | |
| Social Security | | 51,691 | |
| State Retirement | | 56,340 | |
| Medical Insurance | | 129,804 | |
| Employer Medicare | | 12,089 | |
| Travel | | 12,332 | |
| Other Supplies and Materials | | 2,992 | |
| In Service/Staff Development | | 9,636 | |
| Total Regular Instruction Program | | | 1,141,359 |

Alternative Instruction Program

| | | | |
|---------------------------------------|----|--------|--------|
| Postal Charges | \$ | 645 | |
| Travel | | 3,002 | |
| Other Contracted Services | | 21,240 | |
| Other Supplies and Materials | | 370 | |
| In Service/Staff Development | | 6,695 | |
| Other Charges | | 113 | |
| Total Alternative Instruction Program | | | 32,065 |

Special Education Program

| | | | |
|-----------------------|----|--------|--|
| Supervisor/Director | \$ | 60,226 | |
| Career Ladder Program | | 3,000 | |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

| | | | |
|----------------------------------|----|--------|------------|
| Psychological Personnel | \$ | 44,213 | |
| Career Ladder Extended Contracts | | 2,424 | |
| Clerical Personnel | | 20,829 | |
| Social Security | | 7,198 | |
| State Retirement | | 8,926 | |
| Medical Insurance | | 21,490 | |
| Employer Medicare | | 1,683 | |
| Travel | | 5,747 | |
| In Service/Staff Development | | 3,384 | |
| Total Special Education Program | | | \$ 179,120 |

Vocational Education Program

| | | | |
|------------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 60,226 | |
| Career Ladder Program | | 3,000 | |
| Career Ladder Extended Contracts | | 2,364 | |
| Social Security | | 4,067 | |
| State Retirement | | 4,211 | |
| Medical Insurance | | 5,681 | |
| Employer Medicare | | 951 | |
| Travel | | 45,055 | |
| Other Contracted Services | | 1,000 | |
| In Service/Staff Development | | 2,076 | |
| Total Vocational Education Program | | | 128,631 |

Adult Programs

| | | | |
|------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 4,006 | |
| Clerical Personnel | | 2,000 | |
| Other Salaries and Wages | | 62,277 | |
| Social Security | | 4,109 | |
| State Retirement | | 5,982 | |
| Medical Insurance | | 9,653 | |
| Employer Medicare | | 961 | |
| Other Supplies and Materials | | 2,334 | |
| In Service/Staff Development | | 2,748 | |
| Total Adult Programs | | | 94,070 |

Other Programs

| | | | |
|----------------------------|----|---------|---------|
| On-Behalf Payments to OPEB | \$ | 185,808 | |
| Total Other Programs | | | 185,808 |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

| | | | |
|----------------------------------|----|---------|------------|
| Secretary to Board | \$ | 2,400 | |
| Board and Committee Members Fees | | 21,400 | |
| Social Security | | 1,327 | |
| State Retirement | | 858 | |
| Medical Insurance | | 238,234 | |
| Employer Medicare | | 345 | |
| Audit Services | | 14,500 | |
| Dues and Memberships | | 6,865 | |
| Legal Services | | 18,052 | |
| Travel | | 5,586 | |
| Other Contracted Services | | 12,264 | |
| Liability Insurance | | 46,464 | |
| Trustee's Commission | | 234,709 | |
| Workers' Compensation Insurance | | 212,196 | |
| Other Charges | | 174 | |
| Total Board of Education | | | \$ 815,374 |

Director of Schools

| | | | |
|---------------------------------------------|----|--------|---------|
| County Official/Administrative Officer | \$ | 97,109 | |
| Secretary(ies) | | 71,251 | |
| Other Salaries and Wages | | 1,000 | |
| Social Security | | 10,338 | |
| State Retirement | | 12,668 | |
| Medical Insurance | | 17,682 | |
| Employer Medicare | | 2,418 | |
| Communication | | 30,824 | |
| Dues and Memberships | | 200 | |
| Maintenance and Repair Services - Equipment | | 3,373 | |
| Postal Charges | | 9,305 | |
| Travel | | 4,605 | |
| Office Supplies | | 8,491 | |
| Other Supplies and Materials | | 7,817 | |
| Other Charges | | 904 | |
| Administration Equipment | | 4,452 | |
| Total Director of Schools | | | 282,437 |

Office of the Principal

| | | | |
|-----------------------|----|---------|--|
| Principals | \$ | 676,186 | |
| Career Ladder Program | | 19,690 | |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

| | | | |
|----------------------------------|----|---------|--------------|
| Career Ladder Extended Contracts | \$ | 6,758 | |
| Assistant Principals | | 648,422 | |
| Secretary(ies) | | 429,813 | |
| Social Security | | 105,250 | |
| State Retirement | | 122,800 | |
| Medical Insurance | | 240,224 | |
| Employer Medicare | | 24,959 | |
| Dues and Memberships | | 7,500 | |
| Postal Charges | | 1,549 | |
| Other Contracted Services | | 4,512 | |
| Other Supplies and Materials | | 16,951 | |
| Other Charges | | 6,773 | |
| Total Office of the Principal | | | \$ 2,311,387 |

Fiscal Services

| | | | |
|--------------------------|----|--------|---------|
| Supervisor/Director | \$ | 48,654 | |
| Accountants/Bookkeepers | | 87,655 | |
| Social Security | | 8,360 | |
| State Retirement | | 12,186 | |
| Medical Insurance | | 18,740 | |
| Employer Medicare | | 1,955 | |
| Data Processing Services | | 1,392 | |
| Travel | | 274 | |
| Data Processing Supplies | | 2,491 | |
| Administration Equipment | | 2,735 | |
| Total Fiscal Services | | | 184,442 |

Operation of Plant

| | | | |
|---------------------------|----|---------|--|
| Custodial Personnel | \$ | 623,877 | |
| Other Salaries and Wages | | 139,148 | |
| Social Security | | 45,596 | |
| State Retirement | | 60,959 | |
| Medical Insurance | | 155,841 | |
| Employer Medicare | | 10,664 | |
| Laundry Service | | 12,240 | |
| Travel | | 684 | |
| Disposal Fees | | 35,448 | |
| Other Contracted Services | | 42,519 | |
| Custodial Supplies | | 103,919 | |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

| | | | |
|---------------------------------|----|-----------|--------------|
| Electricity | \$ | 1,283,634 | |
| Natural Gas | | 293,327 | |
| Water and Sewer | | 227,410 | |
| Other Supplies and Materials | | 7,045 | |
| Boiler Insurance | | 7,252 | |
| Building and Contents Insurance | | 132,135 | |
| Plant Operation Equipment | | 30,488 | |
| Total Operation of Plant | | | \$ 3,212,186 |

Maintenance of Plant

| | | | |
|---------------------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 34,160 | |
| Other Salaries and Wages | | 210,031 | |
| Social Security | | 14,832 | |
| State Retirement | | 19,473 | |
| Medical Insurance | | 43,835 | |
| Employer Medicare | | 3,469 | |
| Laundry Service | | 3,026 | |
| Maintenance and Repair Services - Buildings | | 79,049 | |
| Maintenance and Repair Services - Equipment | | 41,082 | |
| Maintenance and Repair Services - Vehicles | | 496 | |
| Travel | | 2,387 | |
| Other Contracted Services | | 45,449 | |
| Other Supplies and Materials | | 386,220 | |
| Other Charges | | 1,460 | |
| Administration Equipment | | 18,632 | |
| Maintenance Equipment | | 21,781 | |
| Plant Operation Equipment | | 1,200 | |
| Total Maintenance of Plant | | | 926,582 |

Transportation

| | | | |
|---------------------------|----|---------|--|
| Supervisor/Director | \$ | 46,757 | |
| Mechanic(s) | | 151,946 | |
| Bus Drivers | | 809,474 | |
| Clerical Personnel | | 21,579 | |
| Other Salaries and Wages | | 43,070 | |
| Social Security | | 64,108 | |
| State Retirement | | 80,763 | |
| Medical Insurance | | 284,145 | |
| Unemployment Compensation | | 1,753 | |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

| | | | |
|--------------------------------------------|----|---------|--------------|
| Employer Medicare | \$ | 15,003 | |
| Communication | | 3,872 | |
| Laundry Service | | 2,292 | |
| Maintenance and Repair Services - Vehicles | | 4,411 | |
| Medical and Dental Services | | 8,832 | |
| Travel | | 17,801 | |
| Other Contracted Services | | 2,458 | |
| Coal | | 1,176 | |
| Diesel Fuel | | 223,380 | |
| Gasoline | | 39,757 | |
| Lubricants | | 8,659 | |
| Tires and Tubes | | 52,825 | |
| Vehicle Parts | | 85,762 | |
| Other Supplies and Materials | | 13,535 | |
| Vehicle and Equipment Insurance | | 41,240 | |
| Transportation Equipment | | 494,219 | |
| Total Transportation | | | \$ 2,518,817 |

Central and Other

| | | | |
|------------------------------|----|--------|---------|
| Other Salaries and Wages | \$ | 33,024 | |
| Social Security | | 2,047 | |
| State Retirement | | 2,952 | |
| Medical Insurance | | 4,686 | |
| Employer Medicare | | 479 | |
| Other Contracted Services | | 93,129 | |
| Other Supplies and Materials | | 17,060 | |
| Total Central and Other | | | 153,377 |

Operation of Non-Instructional Services

Community Services

| | | | |
|------------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 75,522 | |
| Social Security | | 4,596 | |
| State Retirement | | 1,278 | |
| Employer Medicare | | 1,075 | |
| Other Contracted Services | | 12,050 | |
| Food Supplies | | 1,241 | |
| Other Supplies and Materials | | 1,979 | |
| Total Community Services | | | 97,741 |

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

| | | | |
|---------------------------------------------|----|---------|--------------|
| Teachers | \$ | 457,964 | |
| Educational Assistants | | 168,685 | |
| Certified Substitute Teachers | | 204 | |
| Non-certified Substitute Teachers | | 11,067 | |
| Social Security | | 37,510 | |
| State Retirement | | 38,762 | |
| Medical Insurance | | 126,999 | |
| Employer Medicare | | 8,779 | |
| Communication | | 4,355 | |
| Maintenance and Repair Services - Buildings | | 75 | |
| Maintenance and Repair Services - Equipment | | 2,650 | |
| Postal Charges | | 218 | |
| Travel | | 2,447 | |
| Other Contracted Services | | 42,369 | |
| Other Supplies and Materials | | 76,113 | |
| In Service/Staff Development | | 2,773 | |
| Other Charges | | 5,766 | |
| Other Equipment | | 54,005 | |
| Total Early Childhood Education | | | \$ 1,040,741 |

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|-----------|-----------|
| Other Salaries and Wages | \$ | 61,733 | |
| Social Security | | 3,827 | |
| State Retirement | | 3,963 | |
| Medical Insurance | | 5,207 | |
| Employer Medicare | | 895 | |
| Travel | | 10,449 | |
| Other Contracted Services | | 58 | |
| Building Construction | | 137,239 | |
| Building Improvements | | 1,035,967 | |
| Total Regular Capital Outlay | | | 1,259,338 |

Other Debt Service

Education

| | | | |
|-------------------------------------------------|----|-----------|-----------|
| Debt Service Contribution to Primary Government | \$ | 1,050,000 | |
| Total Education | | | 1,050,000 |

Total General Purpose School Fund \$ 43,059,686

(Continued)

Exhibit J-9

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

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | |
|--------------------------------------|--------------|--------------|
| Teachers | \$ 1,075,653 | |
| Educational Assistants | 189,607 | |
| Certified Substitute Teachers | 3,086 | |
| Non-certified Substitute Teachers | 15,428 | |
| Social Security | 75,220 | |
| State Retirement | 84,197 | |
| Medical Insurance | 227,918 | |
| Employer Medicare | 17,602 | |
| Instructional Supplies and Materials | 397,769 | |
| Other Supplies and Materials | 29,716 | |
| Other Charges | 50,331 | |
| Regular Instruction Equipment | 152,432 | |
| Total Regular Instruction Program | | \$ 2,318,959 |

Alternative Instruction Program

| | | |
|---------------------------------------|-----------|--------|
| Teachers | \$ 48,370 | |
| Educational Assistants | 13,480 | |
| Social Security | 3,513 | |
| State Retirement | 4,310 | |
| Medical Insurance | 13,398 | |
| Employer Medicare | 821 | |
| Instructional Supplies and Materials | 5,665 | |
| Total Alternative Instruction Program | | 89,557 |

Special Education Program

| | | |
|--------------------------------------|-----------|-----------|
| Teachers | \$ 46,302 | |
| Educational Assistants | 798,514 | |
| Speech Pathologist | 42,107 | |
| Certified Substitute Teachers | 2,321 | |
| Non-certified Substitute Teachers | 38,097 | |
| Social Security | 55,079 | |
| State Retirement | 66,871 | |
| Medical Insurance | 170,759 | |
| Employer Medicare | 12,892 | |
| Contracts with Private Agencies | 29,700 | |
| Other Contracted Services | 158,966 | |
| Instructional Supplies and Materials | 77,738 | |
| Other Supplies and Materials | 18,879 | |
| Total Special Education Program | | 1,518,225 |

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

| | | | |
|--------------------------------------|----|--------|-----------|
| Instructional Supplies and Materials | \$ | 9,363 | |
| Other Supplies and Materials | | 18,841 | |
| Other Charges | | 894 | |
| Vocational Instruction Equipment | | 67,801 | |
| Total Vocational Education Program | | | \$ 96,899 |

Support Services

Other Student Support

| | | | |
|------------------------------|----|---------|---------|
| Social Workers | \$ | 48,712 | |
| Other Salaries and Wages | | 132,894 | |
| Social Security | | 10,831 | |
| State Retirement | | 11,659 | |
| Medical Insurance | | 29,539 | |
| Employer Medicare | | 2,533 | |
| Travel | | 20,492 | |
| Other Supplies and Materials | | 849 | |
| In Service/Staff Development | | 5,230 | |
| Total Other Student Support | | | 262,739 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 30,113 | |
| Secretary(ies) | | 17,680 | |
| In-Service Training | | 5,437 | |
| Social Security | | 3,161 | |
| State Retirement | | 3,719 | |
| Medical Insurance | | 4,697 | |
| Employer Medicare | | 739 | |
| Travel | | 145 | |
| In Service/Staff Development | | 295,621 | |
| Total Regular Instruction Program | | | 361,312 |

Special Education Program

| | | | |
|-------------------------|----|--------|--|
| Psychological Personnel | \$ | 52,424 | |
| Assessment Personnel | | 48,598 | |
| Clerical Personnel | | 25,137 | |
| Social Security | | 7,139 | |
| State Retirement | | 8,733 | |
| Medical Insurance | | 23,698 | |
| Employer Medicare | | 1,670 | |

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

| | | | |
|---------------------------------|----|---------|------------|
| Travel | \$ | 14,645 | |
| Other Contracted Services | | 111,468 | |
| Other Supplies and Materials | | 107,465 | |
| In Service/Staff Development | | 46,587 | |
| Total Special Education Program | | | \$ 447,564 |

Transportation

| | | | |
|---------------------------|----|---------|----------------|
| Other Salaries and Wages | \$ | 5,822 | |
| Social Security | | 344 | |
| State Retirement | | 520 | |
| Medical Insurance | | 501 | |
| Employer Medicare | | 81 | |
| Other Contracted Services | | 2,931 | |
| Transportation Equipment | | 327,078 | |
| Total Transportation | | | <u>337,277</u> |

Total School Federal Projects Fund \$ 5,432,532

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | | | |
|---------------------------------------------|----|-----------|--|
| Supervisor/Director | \$ | 43,310 | |
| Accountants/Bookkeepers | | 28,568 | |
| Clerical Personnel | | 21,579 | |
| Cafeteria Personnel | | 1,198,253 | |
| Social Security | | 76,960 | |
| State Retirement | | 74,481 | |
| Medical Insurance | | 187,355 | |
| Unemployment Compensation | | 2,172 | |
| Employer Medicare | | 17,999 | |
| Maintenance and Repair Services - Equipment | | 72,634 | |
| Transportation - Other than Students | | 29,444 | |
| Travel | | 7,798 | |
| Other Contracted Services | | 28,174 | |
| Food Preparation Supplies | | 7,513 | |
| Food Supplies | | 1,538,062 | |
| Office Supplies | | 2,079 | |
| Utilities | | 9,655 | |
| USDA - Commodities | | 280,348 | |

(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.)

| | | |
|------------------------------|------------|--------------|
| Other Supplies and Materials | \$ 113,646 | |
| In Service/Staff Development | 6,222 | |
| Other Charges | 960 | |
| Food Service Equipment | 33,595 | |
| Total Food Service | | \$ 3,780,807 |

Total Central Cafeteria Fund \$ 3,780,807

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

| | | |
|------------------------------|------------|------------|
| Other Salaries and Wages | \$ 116,020 | |
| Social Security | 7,162 | |
| State Retirement | 8,123 | |
| Employer Medicare | 1,682 | |
| Other Supplies and Materials | 9,482 | |
| Trustee's Commission | 1,425 | |
| In Service/Staff Development | 327 | |
| Total Community Services | | \$ 144,221 |

Total Extended School Program Fund 144,221

Education Capital Projects Fund

Capital Projects

Education Capital Projects

| | | |
|----------------------------------|-----------|------------|
| Architects | \$ 72,619 | |
| Contracts with Private Agencies | 5,100 | |
| Permits | 4,866 | |
| Building Construction | 469,293 | |
| Total Education Capital Projects | | \$ 551,878 |

Total Education Capital Projects Fund 551,878

Total Governmental Funds - Lawrence County School Department \$ 52,969,124

Lawrence County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2010

| | <u>Cities - Sales Tax Fund</u> |
|------------------------------------------------------------|----------------------------------------|
| <u>Cash Receipts</u> | |
| Local Option Sales Tax | \$ 3,897,470 |
| Total Cash Receipts | <u>\$ 3,897,470</u> |
| <u>Cash Disbursements</u> | |
| Remittance of Revenues Collected | \$ 3,858,495 |
| Trustee's Commission | <u>38,975</u> |
| Total Cash Disbursements | <u>\$ 3,897,470</u> |
| Excess of Cash Receipts Over (Under) Cash Disbursements | \$ 0 |
| Cash Balance, July 1, 2009 | <u>0</u> |
| Cash Balance, June 30, 2010 | <u><u>\$ 0</u></u> |

SINGLE AUDIT SECTION



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

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

January 20, 2011

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

To the County Executive and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Lawrence County's basic financial statements and have issued our report thereon dated January 20, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Lawrence County Emergency Communications District as described in our report on Lawrence County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 10.04 and 10.05. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

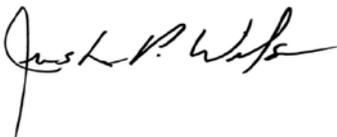
As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.01, 10.02, 10.03, and 10.06.

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

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb



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

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

January 20, 2011

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

To the County Executive and Board of County Commissioners:

Compliance

We have audited the compliance of Lawrence County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Lawrence County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lawrence County's management. Our responsibility is to express an opinion on Lawrence County's compliance based on our audit.

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

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

In our opinion, Lawrence County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Lawrence County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lawrence County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lawrence County's internal control over compliance.

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

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

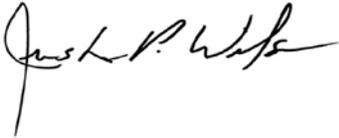
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County as of and for the year ended June 30, 2010, and have issued our report thereon dated January 20, 2011. 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 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 the responses.

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Lawrence County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2010

| Federal/Pass-through Agency/Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------|---------------|
| U.S. Department of Agriculture: | | | |
| Direct Program: | | | |
| Emergency Watershed Protection Program | 10.923 | N/A | \$ 273,523 |
| Passed-through State Department of Agriculture: | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A | 280,348 (3) |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | 633,763 |
| National School Lunch Program | 10.555 | N/A | 1,514,340 (3) |
| ARRA - Child Nutrition Discretionary Grants Limited Availability | 10.579 | N/A | 28,000 |
| Total U.S. Department of Agriculture | | | \$ 2,729,974 |
| U.S. Department of Housing and Urban Development: | | | |
| Passed-through State Department of Economic and Community Development: | | | |
| Community Development Block Grant/State's Program | 14.228 | GG-09-27583-00 | \$ 460,887 |
| Total U.S. Department of Housing and Urban Development | | | \$ 460,887 |
| U.S. Department of Justice: | | | |
| Direct Program: | | | |
| FY 09 Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government | 16.804 | N/A | \$ 64,421 |
| Total U.S. Department of Justice | | | \$ 64,421 |
| U.S. Department of Labor: | | | |
| Passed-through State Department of Labor and Workforce Development: | | | |
| WIA Cluster: | | | |
| WIA Youth Activities | 17.259 | (2) | \$ 86,779 |
| ARRA - WIA Dislocated Workers | 17.260 | Z-09-219690-00 | 17,398 |
| Total U.S. Department of Labor | | | \$ 104,177 |
| U.S. Department of Education: | | | |
| Passed-through State Department of Labor and Workforce Development: | | | |
| Adult Education - Basic Grants to States | 84.002 | Z-09-213482-00 | \$ 113,098 |
| Passed-through State Department of Education: | | | |
| Title I Cluster: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | 1,824,868 |
| Title I Grants to Local Educational Agencies, Recovery Act | 84.389 | N/A | 587,008 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 1,415,299 |
| Special Education - Preschool Grants | 84.173 | (2) | 41,352 |
| Special Education Grants to States, Recovery Act | 84.391 | N/A | 890,582 |
| Special Education - Preschool Grants, Recovery Act | 84.392 | (2) | 35,385 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 188,358 |
| Safe and Drug-free Schools and Communities - State Grants | 84.186 | (2) | 29,142 |
| Education Technology State Grants Cluster: | | | |
| Education Technology State Grants | 84.318 | N/A | 10,637 |
| Education Technology State Grants, Recovery Act | 84.386 | N/A | 32,074 |
| Rural Education | 84.358 | (2) | 141,634 |

(Continued)

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

| Federal/Pass-through Agency/Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------|---------------|
| U.S. Department of Education: (Cont.) | | | |
| Passed-through State Department of Education: (Cont.) | | | |
| English Language Acquisition Grants | 84.365 | N/A | \$ 3,829 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 328,861 |
| Education for Homeless Children and Youth, Recovery Act | 84.387 | (2) | 2,118 |
| State Fiscal Stabilization Fund Cluster: | | | |
| State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act | 84.394 | (2) | 1,226,500 |
| State Fiscal Stabilization Fund (SFSF) - Governmental Services, Recovery Act | 84.397 | (2) | 262,803 |
| Total U.S. Department of Education | | | \$ 7,133,548 |
| U.S. Department of Health and Human Services: | | | |
| Passed-through State Department of Health: | | | |
| Child Support Enforcement | 93.563 | GG-09-25251-00 | \$ 33,200 |
| Cooperative Agreement to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems | 93.938 | (2) | 850 |
| Total U.S. Department of Health and Human Services | | | \$ 34,050 |
| U.S. Department of Homeland Security: | | | |
| Direct Program: | | | |
| Emergency Food and Shelter National Board Program | 97.024 | N/A | \$ 12,050 |
| Passed-through State Department of Military: | | | |
| Homeland Security Grant Program | 97.067 | (4) | 144,846 |
| Total U.S. Department of Homeland Security | | | \$ 156,896 |
| Total Expenditures of Federal Awards | | | \$ 10,683,953 |

| <u>State Grants</u> | | <u>Contract Number</u> | |
|------------------------------------------------------------------------------------------------------|-----|----------------------------|--------------|
| Adult Education - State Department of Labor and Workforce Development | N/A | Z-10-218526-00 | \$ 37,700 |
| Early Childhood Education - State Department of Education | N/A | (2) | 1,044,306 |
| Internet Connectivity - State Department of Education | N/A | (2) | 4,568 |
| Farmers Market Grant Program - State Department of Agriculture | N/A | (2) | 2,488 |
| Gates Library Computer Grants - Tennessee Secretary of State | N/A | N/A | 4,600 |
| Health Department Programs - State Department of Health | N/A | Z-10-219840-00 | 189,234 |
| Juvenile Justice - State Commission on Children and Youth | N/A | GG-10-29764-00 | 9,270 |
| Litter Grant - State Department of Transportation | N/A | (2) | 47,531 |
| Lottery for Education Afterschool Program - State Department of Education | N/A | (2) | 131,295 |
| State Reappraisal Program - Comptroller of the Treasury | N/A | (2) | 11,572 |
| FastTrack Industrial Development Program - State Department of Economic and Community Development | N/A | GG-08-24881-00 | 99,185 |
| Waste Tire Grant - State Department of Environment and Conservation | N/A | Z-08-212962-00 | 20,700 |
| Total State Grants | | | \$ 1,602,449 |

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 \$1,794,688.
(4) GG-08-24219-00: \$116,397; No contract number: \$28,449.

Lawrence County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2010

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, 2009, 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> |
|---------------------------|------------------------|------------------------------------------------------------------------------------------------|
| 09.03 | 210 | Circuit, General Sessions, and Juvenile Courts did not prepare execution docket trial balances |

OFFICE OF REGISTER

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|-----------------------------------------------|
| 09.05 | 211 | The office did not review software audit logs |

OFFICE OF SHERIFF

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|--------------------------------------------------|
| 09.06 | 212 | Collections were not deposited within three days |

LAWRENCE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

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 were 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 Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States Recovery Act, Special Education – Preschool Grants, and Special Education – Preschool Grants Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); and the State Fiscal Stabilization Funds Cluster: State Fiscal Stabilization Funds – Education State Grants Recovery Act and State Fiscal Stabilization Funds – Government Services Recovery Act (CFDA Nos. 84.394 and 84.397) 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 director of accounts and budgets are paraphrased in this report.

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 10.01 **THE OFFICE DID NOT FILE REPORTS ON DEBT OBLIGATIONS WITH THE STATE COMPTROLLER'S OFFICE (Noncompliance Under Government Auditing Standards)**

During the year, the county entered into five capital leases for the purchase of an ambulance (\$280,500), police cars (\$220,206), compactors (\$201,205), a loader (\$108,835), and a reclaimer machine (\$367,000). Officials did not file Reports on Debt Obligation with the state Comptroller's Office for these capital leases. Section 9-21-151, Tennessee Code Annotated, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. Management stated that they were unaware that this debt was considered a capital lease.

RECOMMENDATION

The office should file a Report on Debt Obligation with the state Comptroller's Office for each debt issuance.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Management is aware that debt obligations should be reported to the state Comptroller's Office. However, the capital leases identified in the finding were believed to be operating leases and; therefore, were not reported. Management has since learned the leases should have been reported as debt obligations and in the future will follow the appropriate guidelines and file the Report on Debt Obligations 45 days of issuance. Also, management will now file the appropriate form with the Comptrollers Office for the noted leases in the finding.

FINDING 10.02 **THE COUNTY USED A QUESTIONABLE METHOD OF FUNDING CAPITAL LEASE PAYMENTS FOR HIGHWAY DEPARTMENT EQUIPMENT (Noncompliance Under Government Auditing Standards)**

During the year, the county entered into a lease-purchase agreement for a reclaimer machine for the Highway Department. The County Commission approved funding the

lease payments from the General Fund. The state attorney general has opined that state statutes authorize a county to levy a tax for county general purposes and has defined a county general purpose levy as a levy for all county purposes, except roads, bridges, and schools. Therefore, the legality of using General Fund monies to fund Highway Department expenditures is questionable.

RECOMMENDATION

Expenditures related to the Highway Department's lease-purchase should be paid from the Highway/Public Works Fund or the county's General Debt Service Fund. General Fund monies should not be used to pay Highway Department expenses.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Management concurs with this finding. This was an oversight and will be corrected in the current and future fiscal years as lease payments become due. The lease payments will be budgeted and paid out of the General Debt Service Fund in the future.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 10.03 **EXECUTION DOCKET TRIAL BALANCES WERE NOT PREPARED FOR CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS** (Noncompliance Under Government Auditing Standards)

Trial balances of execution docket cause balances were not prepared for Circuit, General Sessions, and Juvenile Courts as required by Section 18-2-103, Tennessee Code Annotated (TCA). Consequently, we were unable to reconcile cash journal accounts with cause balances. Furthermore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, TCA. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, TCA, further requires these funds to be reported and paid to the state Treasurer's Office. Circuit, General Sessions, and Juvenile Courts had unidentified court funds of \$147,817, \$44,071, and \$3,478, respectively, at June 30, 2010. This deficiency exists due to the failure of management to take corrective action for the finding reported in the prior-year audit report.

RECOMMENDATION

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

**FINDING 10.04 THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOG
(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 provides the only audit trail of these changes, it should be systematically reviewed for inappropriate activity. During the year under examination, management did not consistently review this audit log.

RECOMMENDATION

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

OFFICE OF REGISTER

**FINDING 10.05 THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOG
(Internal Control – Significant Deficiency Under Government Auditing Standards)**

The software application used by the office generated a daily log that displayed changes made by users. This log provides the only audit trail of these changes and should be reviewed daily for inappropriate activity. During prior-year audits, we advised management of the importance of this log and they began reviewing it. However, this review was discontinued during the current year. When its importance was again brought to management’s attention, they began reviewing the log in June 2010.

OFFICE OF SHERIFF

**FINDING 10.06 THE OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION
(Noncompliance Under Government Auditing Standards)**

In some instances, funds were not deposited to the office bank account within three days of collection. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit public funds within three days of receiving the funds. This deficiency is the result of a lack of management oversight, and management’s failure to correct the deficiency noted in the prior-year audit report. This deficiency in internal controls increases the risk of fraud and abuse.

RECOMMENDATION

The sheriff should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

BEST PRACTICE

AN AUDIT COMMITTEE HAS NOT BEEN ESTABLISHED

Lawrence County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

**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, 2010**

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