



**ANNUAL FINANCIAL REPORT  
LAWRENCE COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2012**



**ANNUAL FINANCIAL REPORT**  
**LAWRENCE COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
*JAMES R. ARNETTE*  
*Director*

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*Audit Manager*

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*DONYA WADE, CFE*  
*MARK HARVILL, CFE*  
*JACOB KENNEDY*  
*State Auditors*

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

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## LAWRENCE COUNTY, TENNESSEE

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# ***Audit Highlights***

Annual Financial Report  
Lawrence County, Tennessee  
For the Year Ended June 30, 2012

## ***Scope***

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2012.

## ***Results***

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

Our audit resulted in nine 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**

- ◆ Competitive bids were not solicited for office furniture purchased for the Circuit Court Clerk's Office.
- ◆ Drug Control Fund appropriations exceeded estimated available funding.
- ◆ General Fund expenditures exceeded appropriations.

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### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Competitive bids were not solicited for roofing materials.

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### **OFFICE OF TRUSTEE**

- ◆ The trustee did not require a depository to adequately collateralize funds.
-

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

- ◆ Execution docket trial balances were not prepared.
- 

## **OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK AND THE CLERK AND MASTER**

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

## **OFFICE OF CLERK AND MASTER**

- ◆ Usernames and passwords were known by all employees.
- 

## **OFFICE OF SHERIFF**

- ◆ Some collections were not deposited within three days.
- 

## **BEST PRACTICE**

Lawrence County does not have a central system of accounting, budgeting, and purchasing. The Division of Local Government Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Lawrence County.

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# INTRODUCTORY SECTION

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Lawrence County Officials  
June 30, 2012

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**Officials**

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

**Board of County Commissioners**

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

**Board of Education**

Jerry Campbell, Chairman	Donna Wells
Kevin Caruso	Michael Kilburn
Robertta Brazier	Nicky Hartsfield
Ricky Mabry	Brenda Jacobs
Duke Snider	

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## **FINANCIAL SECTION**

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

INDEPENDENT AUDITOR'S REPORT

February 22, 2013

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, 2012, 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 1.6 percent of the assets and 2.2 percent of 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, 2012, 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 February 22, 2013, 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.

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

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

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

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Lawrence County, Tennessee  
Statement of Net Assets  
June 30, 2012

	Primary Government Governmental Activities	Component Units	
		Lawrence County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 94,961	\$ 1,100	\$ 190,937
Equity in Pooled Cash and Investments	7,367,380	8,442,228	0
Inventories	0	92,189	0
Accounts Receivable	3,068,681	2,826	74,427
Allowance for Uncollectibles	(1,209,713)	0	0
Due from Other Governments	1,077,701	1,910,240	0
Property Taxes Receivable	10,700,186	6,129,316	0
Allowance for Uncollectible Property Taxes	(265,871)	(152,297)	0
Prepaid Items	0	0	36,550
Notes Receivable	107,512	0	0
Deferred Charges - Debt Issuance Costs	445,848	0	1,641
Capital Assets:			
Assets Not Depreciated:			
Land	1,009,453	676,454	0
Construction in Progress	307,301	689,441	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	21,183,978	38,601,842	443,876
Infrastructure	34,620,638	0	0
Other Capital Assets	2,349,966	4,353,346	266,343
Total Assets	<u>\$ 80,858,021</u>	<u>\$ 60,746,685</u>	<u>\$ 1,013,774</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 317,308	\$ 24,111	\$ 18,354
Accrued Liabilities	0	0	47,896
Payroll Deductions Payable	6	1,631,153	0
Contracts Payable	17,376	0	0
Accrued Interest Payable	284,055	0	0
Due to Litigants, Heirs, and Others	28	0	0
Deferred Revenue - Current Property Taxes	10,025,688	5,742,948	0
Noncurrent Liabilities:			
Due Within One Year	5,151,122	53,394	43,837
Due in More Than One Year (net of deferred amount on refunding and unamortized discounts on debt)	43,071,129	6,267,969	299,264
Total Liabilities	<u>\$ 58,866,712</u>	<u>\$ 13,719,575</u>	<u>\$ 409,351</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 35,389,136	\$ 0	\$ 471,118
Invested in Capital Assets	0	44,321,083	0
Restricted for:			
General Government	4,028	0	0
Administration of Justice	238,781	0	0
Public Safety	77,018	0	0
Social, Cultural, and Recreational Services	75,799	0	0
Highway/Public Works	401,307	0	0
Instruction	0	93,014	0
Operation of Non-Instructional Services	0	656,576	0
Unrestricted	(14,194,760)	1,956,437	133,305
Total Net Assets	<u>\$ 21,991,309</u>	<u>\$ 47,027,110</u>	<u>\$ 604,423</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, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Primary Government Total Governmental Activities	Component Units		Emergency Communi- cations District
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Lawrence County School Department	
Primary Government:							
Governmental Activities:							
General Government	\$ 1,451,948	\$ 273,389	\$ 16,164	\$ 0	\$ (1,162,395)	\$ 0	\$ 0
Finance	1,382,891	981,032	15,000	0	(386,859)	0	0
Administration of Justice	1,207,256	925,727	46,590	0	(234,939)	0	0
Public Safety	6,999,501	1,299,903	374,408	0	(5,325,190)	0	0
Public Health and Welfare	4,339,619	3,326,052	331,094	291,753	(390,720)	0	0
Social, Cultural, and Recreational Services	293,048	9,922	81,084	0	(202,042)	0	0
Agriculture and Natural Resources	176,114	0	16,668	0	(159,446)	0	0
Other Operations	702,642	0	321,806	0	(380,836)	0	0
Highways/Public Works	6,587,369	106,486	2,230,911	316,142	(3,933,830)	0	0
Interest on Long-term Debt	1,800,601	0	0	0	(1,800,601)	0	0
Other Debt Service	111,011	0	300,000	0	188,989	0	0
Total Primary Government	\$ 25,052,000	\$ 6,922,511	\$ 3,733,725	\$ 607,895	\$ (13,787,869)	\$ 0	\$ 0
Component Units:							
Lawrence County School Department	\$ 56,656,287	\$ 1,502,604	\$ 8,288,841	\$ 653,730	\$ 0	\$ (46,211,112)	\$ 0
Emergency Communications District	1,254,913	426,345	786,112	0	0	0	(42,456)
Total Component Units	\$ 57,911,200	\$ 1,928,949	\$ 9,074,953	\$ 653,730	\$ 0	\$ (46,211,112)	\$ (42,456)

(Continued)

Exhibit B

Lawrence County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary		Emergency Communi- cations District
					Governmental Activities	Lawrence County School Department	
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes		\$ 8,167,748			\$ 5,872,366	\$ 0	0
Property Taxes Levied for Debt Service		2,089,292			0	0	0
Local Option Sales Tax		1,432,916			4,718,756	0	0
Hotel/Motel Tax		92,207			0	0	0
Wheel Tax		904,995			0	0	0
Litigation Tax - General		105,268			0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse		91,405			0	0	0
Business Tax		301,479			0	0	0
Mineral Severance Tax		94,218			0	0	0
Wholesale Beer Tax		120,260			0	0	0
Other Local Taxes		52,995			2,332	0	0
Grants and Contributions Not Restricted to Specific Programs		1,253,660			33,954,419	0	0
Unrestricted Investment Earnings		55,559			1,234	192	0
E-Rate Funding		0			13,952	0	0
Miscellaneous		29,309			28,466	0	0
Insurance Recovery		176,938			77,495	0	0
Total General Revenues		\$ 14,968,249			\$ 44,669,020	\$ 192	
Change in Net Assets		\$ 1,180,380			\$ (1,542,092)	\$ (42,264)	
Net Assets, July 1, 2011		20,810,929			48,569,202	646,687	
Net Assets, June 30, 2012		\$ 21,991,309			\$ 47,027,110	\$ 604,423	

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, 2012

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<b>ASSETS</b>					
Cash	\$ 1,050	\$ 0	\$ 0	\$ 93,911	\$ 94,961
Equity in Pooled Cash and Investments	2,919,118	94,365	3,169,556	1,184,341	7,367,380
Accounts Receivable	1,922,150	0	92,100	1,054,431	3,068,681
Allowance for Uncollectibles	(538,140)	0	0	(671,573)	(1,209,713)
Due from Other Governments	407,105	390,368	182,729	97,499	1,077,701
Property Taxes Receivable	6,988,428	1,538,782	2,172,976	0	10,700,186
Allowance for Uncollectible Property Taxes	(173,644)	(38,234)	(53,993)	0	(265,871)
Notes Receivable - Long-term	0	0	0	107,512	107,512
<b>Total Assets</b>	<b>\$ 11,526,067</b>	<b>\$ 1,985,281</b>	<b>\$ 5,563,368</b>	<b>\$ 1,866,121</b>	<b>\$ 20,940,837</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 130,548	\$ 101,409	\$ 0	\$ 85,351	\$ 317,308
Payroll Deductions Payable	0	6	0	0	6
Contracts Payable	0	0	0	17,376	17,376
Due to Litigants, Heirs, and Others	0	0	0	28	28
Deferred Revenue - Current Property Taxes	6,547,905	1,441,783	2,036,000	0	10,025,688
Deferred Revenue - Delinquent Property Taxes	230,805	50,821	71,766	0	353,392
Other Deferred Revenues	1,153,234	191,207	91,656	325,990	1,762,087
<b>Total Liabilities</b>	<b>\$ 8,062,492</b>	<b>\$ 1,785,226</b>	<b>\$ 2,199,422</b>	<b>\$ 428,745</b>	<b>\$ 12,475,885</b>
<b>Fund Balances</b>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 75,799	\$ 75,799
Restricted:					
Restricted for General Government	4,028	0	0	0	4,028
Restricted for Administration of Justice	212,929	0	0	25,852	238,781
Restricted for Public Safety	7,438	0	0	69,877	77,315
Restricted for Highways/Public Works	0	200,055	0	0	200,055
Committed:					
Committed for General Government	10,934	0	0	73,224	84,158
Committed for Finance	0	0	0	27,500	27,500
Committed for Public Safety	110,091	0	0	125,149	235,240
Committed for Public Health and Welfare	0	0	0	1,011,290	1,011,290
Committed for Debt Service	0	0	3,363,946	0	3,363,946
Committed for Capital Projects	0	0	0	28,685	28,685
Assigned:					
Assigned for General Government	2,009	0	0	0	2,009
Assigned for Administration of Justice	384	0	0	0	384
Assigned for Public Safety	3,283	0	0	0	3,283
Assigned for Public Health and Welfare	360	0	0	0	360
Assigned for Social, Cultural, and Recreational Services	1,323	0	0	0	1,323
Unassigned	3,110,796	0	0	0	3,110,796
<b>Total Fund Balances</b>	<b>\$ 3,463,575</b>	<b>\$ 200,055</b>	<b>\$ 3,363,946</b>	<b>\$ 1,437,376</b>	<b>\$ 8,464,952</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,526,067</b>	<b>\$ 1,985,281</b>	<b>\$ 5,563,368</b>	<b>\$ 1,866,121</b>	<b>\$ 20,940,837</b>

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, 2012

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)		\$ 8,464,952
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,009,453	
Add: construction in progress	307,301	
Add: buildings and improvements net of accumulated depreciation	21,183,978	
Add: infrastructure net of accumulated depreciation	34,620,638	
Add: other capital assets net of accumulated depreciation	<u>2,349,966</u>	59,471,336
(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	\$ (1,404,333)	
Less: capital leases payable	(443,422)	
Less: bonds payable	(44,452,000)	
Add: deferred amount on refunding	18,488	
Add: deferred charges - debt issuance costs	445,848	
Add: deferred charges - discount on debt issues	70,968	
Less: compensated absences payable	(624,437)	
Less: landfill postclosure care costs	(1,111,246)	
Less: other postemployment benefits liability	(276,269)	
Less: accrued interest on bonds, notes, and capital leases	<u>(284,055)</u>	(48,060,458)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,115,479</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 21,991,309</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, 2012

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<b>Revenues</b>					
Local Taxes	\$ 7,626,958	\$ 1,561,959	\$ 4,559,821	\$ 93,640	\$ 13,842,378
Licenses and Permits	38,380	0	0	0	38,380
Fines, Forfeitures, and Penalties	224,384	0	0	75,406	299,790
Charges for Current Services	2,006,144	0	0	1,547,736	3,553,880
Other Local Revenues	70,020	139,532	90,000	161,139	460,691
Fees Received from County Officials	1,272,356	0	0	0	1,272,356
State of Tennessee	1,599,651	2,307,413	692,513	30,654	4,630,231
Federal Government	616,146	230,106	0	359,245	1,205,497
Other Governments and Citizens Groups	122,381	0	300,000	0	422,381
<b>Total Revenues</b>	<b>\$ 13,576,420</b>	<b>\$ 4,239,010</b>	<b>\$ 5,642,334</b>	<b>\$ 2,267,820</b>	<b>\$ 25,725,584</b>
<b>Expenditures</b>					
Current:					
General Government	\$ 1,175,384	\$ 0	\$ 0	\$ 0	\$ 1,175,384
Finance	862,237	0	0	484,564	1,346,801
Administration of Justice	1,120,452	0	0	43,667	1,164,119
Public Safety	5,699,065	0	0	119,640	5,818,705
Public Health and Welfare	2,685,468	0	0	1,674,313	4,359,781
Social, Cultural, and Recreational Services	301,039	0	0	0	301,039
Agriculture and Natural Resources	171,692	0	0	0	171,692
Other Operations	1,390,977	0	0	11,686	1,402,663
Highways	0	4,354,986	0	0	4,354,986
Debt Service:					
Principal on Debt	141,553	178,301	4,164,667	0	4,484,521
Interest on Debt	9,801	14,299	1,817,470	0	1,841,570
Other Debt Service	0	0	78,963	0	78,963
Capital Projects	0	0	0	606,021	606,021
<b>Total Expenditures</b>	<b>\$ 13,557,668</b>	<b>\$ 4,547,586</b>	<b>\$ 6,061,100</b>	<b>\$ 2,939,891</b>	<b>\$ 27,106,245</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 18,752	\$ (308,576)	\$ (418,766)	\$ (672,071)	\$ (1,380,661)
<b>Other Financing Sources (Uses)</b>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 297,000	\$ 297,000
Capital Leases Issued	185,855	0	0	0	185,855
Insurance Recovery	175,102	1,836	0	0	176,938
Transfers In	0	0	0	50,000	50,000
Transfers Out	(50,000)	0	0	0	(50,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 310,957</b>	<b>\$ 1,836</b>	<b>\$ 0</b>	<b>\$ 347,000</b>	<b>\$ 659,793</b>
Net Change in Fund Balances	\$ 329,709	\$ (306,740)	\$ (418,766)	\$ (325,071)	\$ (720,868)
Fund Balance, July 1, 2011	3,133,866	506,795	3,782,712	1,762,447	9,185,820
Fund Balance, June 30, 2012	\$ 3,463,575	\$ 200,055	\$ 3,363,946	\$ 1,437,376	\$ 8,464,952

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, 2012

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)		\$ (720,868)
(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	\$ 2,127,523	
Less: current-year depreciation expense	<u>(4,449,417)</u>	(2,321,894)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		(73,191)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$ (1,765,768)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>2,115,479</u>	349,711
(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	\$ (185,855)	
Less: bond proceeds	(297,000)	
Less: change in deferred discount on debt issuance	(3,755)	
Less: change in deferred debt issuance costs	(24,872)	
Add: principal payments on bonds	3,505,000	
Add: principal payments on notes	659,667	
Add: principal payments on capital leases	319,854	
Less: change in deferred amount on refunding	<u>(3,421)</u>	3,969,618
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 40,969	
Change in compensated absences payable	(6,011)	
Change in other postemployment benefits liability	(54,328)	
Change in landfill postclosure care costs	<u>(3,626)</u>	<u>(22,996)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,180,380</u>

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

Exhibit D

Lawrence County, Tennessee  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,864
Equity in Pooled Cash and Investments	1,109,403
Accounts Receivable	241
Due from Other Governments	<u>729,669</u>
Total Assets	<u>\$ 1,843,177</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 729,669
Due to Litigants, Heirs, and Others	1,009,212
Due to Joint Ventures	<u>104,296</u>
Total Liabilities	<u>\$ 1,843,177</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, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

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

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

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

Administrative Office:

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

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

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

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

Lawrence County issues all debt for the discretely presented Lawrence County School Department. No debt issues were contributed by the county to the School Department during the year ended June 30, 2012.

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

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

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

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

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

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

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

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

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

Lawrence County reports the following major governmental funds:

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

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

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

Additionally, Lawrence County reports the following fund types:

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

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

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

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

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

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

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

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

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.

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

**1. Deposits and Investments**

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

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

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

## **2. Receivables and Payables**

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

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

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

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

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

uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

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

**3. Inventories**

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

**4. Capital Assets**

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

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

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

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

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are

depreciated using the straight-line method over the following estimated useful lives:

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

**5. Compensated Absences**

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

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

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

**6. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs

are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

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

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

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

As of June 30, 2012, Lawrence County had \$21,785,000 in outstanding debt for capital purposes for the discretely presented Lawrence County School Department. This debt is a liability of Lawrence County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Lawrence County

has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

**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) and the Constitutional Officers

- Fees Fund (special revenue fund), which are not budgeted, and the capital projects funds, which adopt 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, Beer Board, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2012, the Lawrence County School Department reported the following significant encumbrances:

Fund	Description	Amount
Major Fund:		
General Purpose School	Custodial Supplies	\$ 93,045
"	Tires	35,075

**B. Appropriations Exceeded Estimated Available Funding**

The budget and subsequent amendments approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$25,128. Sound budgetary principles dictate that appropriations be held within estimated available funding.

**C. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the following funds' major appropriation categories (the legal level of control):

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Transfers Out	\$ 14,748
Highway/Public Works:	
Principal on Debt - Highway and Streets	43

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

**D. The County Had Deposits Exposed to Custodial Credit Risk**

The trustee did not require a depository holding county funds in interest bearing accounts to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At December 31, 2011, deposits at one depository exceeded FDIC coverage by \$334,695. Section 5-8-201, *Tennessee Code Annotated*, provides for county officials to require any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of funds exceeding FDIC coverage into an escrow account in a second bank.

**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, 2012.

### **B. Notes Receivable**

Notes receivable in the Industrial/Economic Development Fund resulted from financing a project for the Lawrenceburg-Lawrence County Airport (Joint Venture). The amount of the note that is not expected to be collected within one year is \$107,512 and is offset by committed fund balance.

### **C. Capital Assets**

Capital assets activity for the year ended June 30, 2012, was as follows:

## Primary Government

### Governmental Activities:

	Balance		Balance	
	7-1-11	Increases	Decreases	6-30-12
Capital Assets Not Depreciated:				
Land	\$ 1,009,453	\$ 0	\$ 0	\$ 1,009,453
Construction in Progress	0	307,301	0	307,301
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 1,009,453</b>	<b>\$ 307,301</b>	<b>\$ 0</b>	<b>\$ 1,316,754</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 24,780,284	\$ 249,304	\$ 0	\$ 25,029,588
Infrastructure	75,536,691	1,167,599	0	76,704,290
Other Capital Assets	9,511,160	403,319	489,399	9,425,080
<b>Total Capital Assets Depreciated</b>	<b>\$ 109,828,135</b>	<b>\$ 1,820,222</b>	<b>\$ 489,399</b>	<b>\$ 111,158,958</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,216,311	\$ 629,299	\$ 0	\$ 3,845,610
Infrastructure	38,896,527	3,187,125	0	42,083,652
Other Capital Assets	6,858,329	632,993	416,208	7,075,114
<b>Total Accumulated Depreciation</b>	<b>\$ 48,971,167</b>	<b>\$ 4,449,417</b>	<b>\$ 416,208</b>	<b>\$ 53,004,376</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 60,856,968</b>	<b>\$ (2,629,195)</b>	<b>\$ 73,191</b>	<b>\$ 58,154,582</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 61,866,421</b>	<b>\$ (2,321,894)</b>	<b>\$ 73,191</b>	<b>\$ 59,471,336</b>

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

**Governmental Activities:**

General Government	\$ 171,749
Finance	5,587
Administration of Justice	16,035
Public Safety	603,147
Public Health and Welfare	155,489
Social, Cultural, and Recreational Services	50,773
Agriculture and Natural Resources	1,265
Other Operations	128
Highways	<u>3,445,244</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,449,417</u>

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

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 676,454	\$ 0	\$ 0	\$ 676,454
Construction in Progress	56,967	882,800	250,326	689,441
Total Capital Assets Not Depreciated	<u>\$ 733,421</u>	<u>\$ 882,800</u>	<u>\$ 250,326</u>	<u>\$ 1,365,895</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 61,280,329	\$ 647,374	\$ 52,491	\$ 61,875,212
Other Capital Assets	11,561,608	1,258,236	245,734	12,574,110
Total Capital Assets Depreciated	<u>\$ 72,841,937</u>	<u>\$ 1,905,610</u>	<u>\$ 298,225</u>	<u>\$ 74,449,322</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 21,737,098	\$ 1,566,777	\$ 30,505	\$ 23,273,370
Other Capital Assets	7,808,300	658,198	245,734	8,220,764
Total Accumulated Depreciation	<u>\$ 29,545,398</u>	<u>\$ 2,224,975</u>	<u>\$ 276,239</u>	<u>\$ 31,494,134</u>
Total Capital Assets Depreciated, Net	<u>\$ 43,296,539</u>	<u>\$ (319,365)</u>	<u>\$ 21,986</u>	<u>\$ 42,955,188</u>
Governmental Activities Capital Assets, Net	<u>\$ 44,029,960</u>	<u>\$ 563,435</u>	<u>\$ 272,312</u>	<u>\$ 44,321,083</u>

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

**Governmental Activities:**

Instruction	\$ 1,476,100
Support Services	573,433
Operation of Non-Instructional Services	<u>175,442</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,224,975</u>

**D. Construction Commitments**

At June 30, 2012, the discretely presented Lawrence County School Department had uncompleted construction contracts of approximately \$240,370 in the General Purpose School Fund for various renovations. Funding has been received for these future expenditures.

**E. Interfund Transfers**

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

**Primary Government**

<u>Transfer Out</u>	<u>Transfer In</u> Nonmajor Governmental Fund
General Fund	\$ 50,000

**Discretely Presented Lawrence County School Department**

<u>Transfer Out</u>	<u>Transfer In</u> General Purpose School Fund
School Federal Projects Fund	\$ 21,257

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

**F. Capital Leases**

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

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

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

The assets acquired through capital leases are as follows:

Assets	Governmental Activities
Machinery and Equipment	\$ 367,000
Less: Accumulated Depreciation	(151,082)
Vehicles	466,355
Less: Accumulated Depreciation	<u>(155,591)</u>
 Total Book Value	 <u><u>\$ 526,682</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

Year Ending June 30	Governmental Funds
2013	\$ 206,867
2014	131,772
2015	<u>131,773</u>
Total Minimum Lease Payments	\$ 470,412
Less: Amount Representing Interest	<u>(26,990)</u>
 Present Value of Minimum Lease Payments	 <u><u>\$ 443,422</u></u>

**G. Long-term Debt**

**Primary Government**

**General Obligation Bonds and Notes**

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 38 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, 2012, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2012, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-12</u>
General Obligation Bonds	3.375 to 4.28 %	6-21-50	\$ 34,707,000	\$ 28,892,000
General Obligation Bonds - Refunding	2.599 to 3.79	10-1-34	30,750,000	15,560,000
Capital Outlay Notes	1.55 to 4.125	6-1-14	6,574,000	1,404,333
Capital Leases	2.951 to 5.75	6-15-15	833,355	443,422

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2012, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 3,633,962	\$ 1,629,576	\$ 5,263,538
2014	3,029,096	1,517,367	4,546,463
2015	2,929,234	1,415,446	4,344,680
2016	3,024,377	1,312,694	4,337,071
2017	2,694,525	1,193,948	3,888,473
2018-2022	10,730,021	4,657,318	15,387,339
2023-2027	7,834,537	3,007,545	10,842,082
2028-2032	6,044,870	1,636,253	7,681,123
2033-2037	4,386,165	563,467	4,949,632
2038-2042	48,598	21,333	69,931
2043-2047	57,370	12,561	69,931
2048-2050	39,245	2,676	41,921
<b>Total</b>	<b>\$ 44,452,000</b>	<b>\$ 16,970,184</b>	<b>\$ 61,422,184</b>

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 684,667	\$ 43,899	\$ 728,566
2014	719,666	17,946	737,612
<b>Total</b>	<b>\$ 1,404,333</b>	<b>\$ 61,845</b>	<b>\$ 1,466,178</b>

There is \$3,363,946 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,062, based on the 2010 federal census. Debt per capita, including bonds, notes, and capital leases totaled \$1,106, based on the 2010 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

##### Governmental Activities:

	Bonds	Notes	Capital Leases
Balance, July 1, 2011	\$ 47,660,000	\$ 2,064,000	\$ 577,421
Additions	297,000	0	185,855
Reductions	(3,505,000)	(659,667)	(319,854)
<b>Balance, June 30, 2012</b>	<b>\$ 44,452,000</b>	<b>\$ 1,404,333</b>	<b>\$ 443,422</b>
<b>Balance Due Within One Year</b>	<b>\$ 3,633,962</b>	<b>\$ 684,667</b>	<b>\$ 196,056</b>

Governmental Activities (Cont.)

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2011	\$ 618,426	\$ 1,107,620	\$ 221,941
Additions	648,001	14,326	66,455
Reductions	(641,990)	(10,700)	(12,127)
Balance, June 30, 2012	<u>\$ 624,437</u>	<u>\$ 1,111,246</u>	<u>\$ 276,269</u>
Balance Due Within One Year	<u>\$ 624,437</u>	<u>\$ 12,000</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 48,311,707
Less: Due Within One Year	(5,151,122)
Less: Unamortized Discount on Debt	(70,968)
Less: Deferred Amount on Refunding	<u>(18,488)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 43,071,129</u>
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill postclosure costs will be paid from the Solid Waste/Sanitation Fund.

**Discretely Presented Lawrence County School Department**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Lawrence County School Department for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 53,776	\$ 4,666,844
Additions	65,893	2,334,706
Reductions	(52,770)	(747,086)
Balance, June 30, 2012	<u>\$ 66,899</u>	<u>\$ 6,254,464</u>
Balance Due Within One Year	<u>\$ 53,394</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 6,321,363
Less: Balance Due Within One Year	<u>(53,394)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 6,267,969</u>

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

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

**Primary Government**

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Lawrence County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2012, were \$129. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

**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, 2012, were \$281,949 and \$46,848, 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, 2012, was as follows:

	Balance 7-1-11	Issued	Paid	Balance 6-30-12
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**

Effective July 1, 2010, the School Department purchased commercial insurance coverage for general liability, property, casualty, and workers' compensation insurance coverage. Settled claims have not exceeded the commercial insurance coverage in any of the past two fiscal years.

The discretely presented Lawrence County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *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. Subsequent Events**

On August 10, 2012, the General Debt Service Fund issued a \$400,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

On December 18, 2012, Lawrence County issued \$2,750,000 in general obligation public improvement bonds.

### **C. 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.

**D. Change in Administration**

Carla Burden left the Office of Purchasing Agent on May 31, 2012. The Lawrence County Commission appointed Susan Luna on June 26, 2012, and she started work on July 23, 2012.

**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 \$1,111,246 reported as postclosure care liability at June 30, 2012, represents amounts based on what it would cost to perform all postclosure care in 2012. 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, 2012.

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 \$138,427 to the Lawrence County Joint Economic Development Board during the year ended June 30, 2012.

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 executive/mayor of Giles and Maury counties, a representative appointed by the respective County Commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Lawrence County did not appropriate any funds to the authority for the year ended June 30, 2012.

**H. Retirement Commitments**

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

**Plan Description**

General Employees

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

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

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

#### Public Library Employees

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

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

## **Funding Policy**

### General Employees

The county requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 9.88 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

### Public Library Employees

The library requires employees to contribute five percent of their earnable compensation to the plan. The library is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 2.41 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the library is established and may be amended by the TCRS Board of Trustees.

## **Annual Pension Cost**

### General Employees

For the year ended June 30, 2012, the county's annual pension cost of \$1,329,766 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level

dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was nine years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$1,329,766	100%	\$0
6-30-11	1,106,831	100	0
6-30-10	1,318,429	100	0

Public Library Employees

For the year ended June 30, 2012, the library's annual pension cost of \$2,980 to TCRS was equal to the library's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The library's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 12 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$2,980	100%	\$0
6-30-11	12,385	100	0
6-30-10	3,144	100	0

## **Funded Status and Funding Progress**

### General Employees

As of July 1, 2011, the most recent actuarial valuation date, the plan was 89.88 percent funded. The actuarial accrued liability for benefits was \$36.57 million, and the actuarial value of assets was \$32.87 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$13.58 million, and the ratio of the UAAL to the covered payroll was 27.26 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.

### Public Library Employees

As of July 1, 2011, the most recent actuarial valuation date, the plan was 100 percent funded. The actuarial accrued liability for benefits was \$.64 million, and the actuarial value of assets was \$.64 million, resulting in an unfunded actuarial accrued liability (UAAL) of zero. The covered payroll (annual payroll of active employees covered by the plan) was \$.13 million, and the ratio of the UAAL to the covered payroll was zero 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.

## **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](http://www.tn.gov/treasury/tcrs/Schools).

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2012, 2011, and 2010, were \$2,196,734, \$2,148,270, and \$1,487,423, respectively, equal to the required contributions for each year.

## **2. Deferred Compensation**

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

## I. Other Postemployment Benefits (OPEB)

### Plan Description

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

### Funding Policy

The premium requirements of the plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select, ranging from \$49 to \$423 per month. During the year ended June 30, 2012, Lawrence County and the School Department recognized expenditures of \$12,127 and \$747,086, respectively, for postemployment health care during the year ended June 30, 2012.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
	<hr/>	<hr/>
ARC	\$ 2,347,000	\$ 67,000
Interest on the NPO	186,674	8,878
Adjustment to the ARC	(198,968)	(9,423)
Annual OPEB cost	<hr/> \$ 2,334,706	<hr/> \$ 66,455
Amount of contribution	(747,086)	(12,127)
Increase/decrease in NPO	\$ 1,587,620	\$ 54,328
Net OPEB obligation, 7-1-11	<hr/> 4,666,844	<hr/> 221,941
 Net OPEB obligation, 6-30-12	 <hr/> <u>\$ 6,254,464</u>	 <hr/> <u>\$ 276,269</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
		<hr/>		<hr/>
6-30-10	Local Education Group	\$ 1,404,846	49 %	\$ 4,015,832
6-30-11	"	1,424,542	54	4,666,844
6-30-12	"	2,334,706	32	6,254,464
6-30-10	Local Government Group	94,164	19	144,794
6-30-11	"	98,344	22	221,941
6-30-12	"	66,455	18	276,269

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:  
(dollars in thousands)

	Local Education Group Plan	Local Government Group Plan
	<hr/>	<hr/>
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 19,237	\$ 405
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 19,237	\$ 405
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 31,047	\$ 7,553
UAAL as a % of covered payroll	62	5

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, 2011, actuarial valuation for the Local Education Plan and the Local Government Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

#### **J. Office of Central Accounting and Budgeting**

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

#### **K. Purchasing Laws**

##### Office of Central Purchasing

Purchasing procedures for the Office of County Executive and the Highway Department are governed by the County Purchasing Law of 1957, Section 5-14-101 et seq., *Tennessee Code Annotated (TCA)*. Purchases for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. Section 5-14-101 et seq., *TCA*, provides for a purchasing

agent, appointed by the county executive and approved by the Lawrence County Commission, to make all purchases. This statute also provides for a County Purchasing Committee to assist the purchasing agent in the determination of overall purchasing policies. These statutes require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids. Additionally, the County Commission requires three quotes for purchases estimated to be between \$5,000 and \$10,000.

#### Office of Director of Schools

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

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

### **A. Summary of Significant Accounting Policies**

#### **1. Reporting Entity**

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

#### **2. Basis of Accounting**

The accompanying financial statements of the district have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred.

Expenditures are recognized in the accounting period in which the liability is incurred and is measurable.

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

**3. Cash and Cash Equivalents**

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

**4. Supply Inventory**

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

**5. Capital Assets**

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

**6. Estimates**

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

**7. Annual Budget**

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

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

**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 7-1-11	Additions	Balance 6-30-12
Communications Equipment	\$ 508,168	\$ 117,070	\$ 625,238
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>\$ 117,070</u>	<u>\$ 1,334,732</u>
Less Accumulated Depreciation	<u>(536,399)</u>		<u>(624,513)</u>
Utility Plant - Net	<u>\$ 681,263</u>		<u>\$ 710,219</u>

Depreciation expense consists of communications equipment (\$55,729), furniture and equipment (\$2,325), building (\$13,333), and leaseholds (\$16,727). All assets are being depreciated.

**D. Long-term Debt**

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

	Balance 7-1-11	Retirements	Balance 6-30-12
Series 2005	\$ 281,110	\$ (42,009)	\$ 239,101

Future maturities of note principal and interest are as follows:

Year Ending June 30	Principal	Interest
2013	\$ 43,837	\$ 10,400
2014	45,744	8,493
2015	47,734	6,503
2016	49,810	4,427
2017	51,976	2,261
Total	<u>\$ 239,101</u>	<u>\$ 32,084</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/](http://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, 2012, was 8.79 percent of annual covered payroll. The contribution requirements of plan members are set by state statute. Contribution requirements for the district are established and may be amended by the TCRS Board of Trustees.

**Annual Pension Cost**

For the year ended June 30, 2012, the district’s annual pension cost of \$50,366 to TCRS was equal to the required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent per year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a ten-year period. The district’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was seven years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$50,366	100%	\$0
6-30-11	42,505	100	0
6-30-10	47,445	100	0

## **Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 88.48 percent funded. The actuarial accrued liability for benefits was \$.96 million, and the actuarial value of assets was \$.85 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.11 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.53 million, and the ratio of the UAAL to the covered payroll was 20.99 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.

### **G. Liability for Compensated Absences**

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

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

**H. Commitments and Contingencies**

**Federal and State Grants**

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

**I. Budgets and Budgetary Accounting**

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

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

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

**Plan Description**

The district participates in the state-administered Medicare Supplement Plan for healthcare benefits. For accounting purposes, the 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://tennessee.gov/finance/act/cafr.html>.

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

ARC	\$ 10,000
Interest on the NPO	3,150
Adjustment to the ARC	(3,150)
Annual OPEB cost	<u>\$ 10,000</u>
Amount of contribution	<u>0</u>
Increase/decrease in NPO	\$ 10,000
Net OPEB obligation, 7-1-11	<u>94,000</u>
Net OPEB obligation, 6-30-12	<u><u>\$ 104,000</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Medicare Supplement	\$ 10,000	0%	\$ 84,000
6-30-11	"	10,000	0	94,000
6-30-12	"	10,000	0	104,000

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

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2009, actuarial valuation the annual healthcare cost trend for the Medicare Supplement was one percent for fiscal year 2012. The trend will rise to ten percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. These rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 7,626,958	\$ 0	\$ 0	\$ 7,626,958	\$ 7,479,410	\$ 7,544,329	\$ 82,629
Licenses and Permits	38,380	0	0	38,380	37,119	37,119	1,261
Fines, Forfeitures, and Penalties	224,384	0	0	224,384	164,839	205,839	18,545
Charges for Current Services	2,006,144	0	0	2,006,144	2,014,405	2,014,405	(8,261)
Other Local Revenues	70,020	0	0	70,020	124,025	125,025	(55,005)
Fees Received from County Officials	1,272,356	0	0	1,272,356	1,082,392	1,139,591	132,765
State of Tennessee	1,599,651	0	0	1,599,651	1,134,756	1,733,819	(134,168)
Federal Government	616,146	0	0	616,146	0	599,710	16,436
Other Governments and Citizens Groups	122,381	0	0	122,381	107,533	112,810	9,571
<b>Total Revenues</b>	<b>\$ 13,576,420</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,576,420</b>	<b>\$ 12,144,479</b>	<b>\$ 13,512,647</b>	<b>\$ 63,773</b>
<b>Expenditures</b>							
<u>General Government</u>							
County Commission	\$ 104,102	\$ 0	\$ 27	\$ 104,129	\$ 103,622	\$ 106,289	\$ 2,160
Beer Board	29	0	0	29	0	300	271
County Mayor/Executive	168,535	0	0	168,535	177,267	177,087	8,552
County Attorney	7,179	0	0	7,179	7,267	7,267	88
Election Commission	204,572	0	0	204,572	209,715	218,210	13,638
Register of Deeds	176,682	0	0	176,682	178,247	179,266	2,584
County Buildings	456,102	(3,031)	1,842	454,913	406,653	467,451	12,538
Preservation of Records	58,183	0	140	58,323	51,288	63,274	4,951
<u>Finance</u>							
Accounting and Budgeting	179,290	0	0	179,290	158,407	181,044	1,754
Purchasing	100,571	(26)	0	100,545	85,665	101,433	888
Property Assessor's Office	299,607	(46)	0	299,561	304,772	312,772	13,211

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Trustee's Office	\$ 62,283	\$ 0	\$ 0	\$ 62,283	\$ 65,335	\$ 64,635	\$ 2,352
County Clerk's Office	92,776	(14)	0	92,762	104,081	104,081	11,319
Data Processing	127,710	0	0	127,710	151,368	151,368	23,658
<u>Administration of Justice</u>							
Circuit Court	483,502	(1,032)	384	482,854	471,311	485,272	2,418
General Sessions Court	280,839	(272)	0	280,567	285,069	285,069	4,502
Chancery Court	248,222	0	0	248,222	266,983	266,983	18,761
Juvenile Court	102,692	0	0	102,692	93,507	109,661	6,969
Courtroom Security	0	0	0	0	6,000	6,000	6,000
Victims Assistance Programs	5,197	0	0	5,197	4,200	5,400	203
<u>Public Safety</u>							
Sheriff's Department	2,805,593	(5,373)	1,550	2,801,770	2,676,703	2,882,272	80,502
Jail	2,238,114	(100)	1,733	2,239,747	2,095,215	2,244,752	5,005
Workhouse	59,356	0	0	59,356	58,706	59,356	0
Work Release Program	4,307	(950)	0	3,357	7,000	7,000	3,643
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	12,283	(6,875)	0	5,408	10,000	10,000	4,592
Rescue Squad	271,500	0	0	271,500	271,500	271,500	0
Other Emergency Management	285,000	0	0	285,000	285,000	285,000	0
County Coroner/Medical Examiner	9,453	0	0	9,453	12,390	12,390	2,937
Other Public Safety	11,459	0	0	11,459	12,000	12,000	541
<u>Public Health and Welfare</u>							
Local Health Center	110,225	(50)	0	110,175	114,452	114,452	4,277
Ambulance/Emergency Medical Services	2,233,806	(3,766)	360	2,230,400	1,937,567	2,263,338	32,938

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Other Local Health Services	\$ 5,000	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ 0	0
Regional Mental Health Center	10,000	0	0	10,000	10,000	0	0
Appropriation to State	242,134	0	0	242,134	251,800	9,666	9,666
Aid to Dependent Children	9,321	0	0	9,321	8,000	0	0
Other Public Health and Welfare	74,982	0	0	74,982	74,983	1	1
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	1,500	0	0	1,500	1,500	0	0
Libraries	285,139	(779)	1,323	285,683	297,691	313,767	28,084
Other Social, Cultural, and Recreational	14,400	0	0	14,400	10,000	14,400	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	123,812	(135)	0	123,677	114,984	127,873	4,196
Soil Conservation	46,882	0	0	46,882	44,749	50,417	3,535
Other Agriculture and Natural Resources	998	0	0	998	0	1,000	2
<u>Other Operations</u>							
Tourism	26,950	0	0	26,950	23,400	27,350	400
Industrial Development	138,427	0	0	138,427	138,427	138,427	0
Airport	60,000	0	0	60,000	60,000	60,000	0
Veterans' Services	87,087	(75)	0	87,012	98,613	98,613	11,601
Other Charges	1,078,384	(9,690)	0	1,068,694	444,164	1,115,928	47,234
Employee Benefits	129	0	0	129	0	129	0
Principal on Debt							
General Government	141,553	0	0	141,553	141,545	141,553	0
<u>Interest on Debt</u>							
General Government	9,801	0	0	9,801	9,811	9,801	0
Total Expenditures	\$ 13,557,668	\$ (32,214)	\$ 7,359	\$ 13,532,813	\$ 12,347,957	\$ 13,908,784	\$ 375,971

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 18,752	\$ 32,214	\$ (7,359)	\$ 43,607	\$ (203,478)	\$ (396,137)	\$ 439,744
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 185,855	0	0	\$ 185,855	0	\$ 185,855	0
Insurance Recovery	175,102	0	0	175,102	0	170,151	4,951
Transfers Out	(50,000)	0	0	(50,000)	0	(35,252)	(14,748)
Total Other Financing Sources (Uses)	\$ 310,957	0	0	\$ 310,957	0	\$ 320,754	(9,797)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 329,709	\$ 32,214	\$ (7,359)	\$ 354,564	\$ (203,478)	\$ (75,383)	\$ 429,947
	3,133,866	(32,214)	0	3,101,652	3,030,783	3,030,783	70,869
Fund Balance, June 30, 2012	\$ 3,463,575	0	\$ (7,359)	\$ 3,456,216	\$ 2,827,305	\$ 2,955,400	\$ 500,816

Exhibit E-2

Lawrence County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Highway/Public Works Fund  
 For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Local Taxes	\$ 1,561,959	\$ 0	\$ 1,561,959	\$ 1,559,683	\$ 1,559,683	\$ 2,276
Other Local Revenues	139,532	0	139,532	2,500	139,502	30
State of Tennessee	2,307,413	0	2,307,413	2,434,359	2,391,602	(84,189)
Federal Government	230,106	0	230,106	269,151	230,106	0
<b>Total Revenues</b>	<b>\$ 4,239,010</b>	<b>\$ 0</b>	<b>\$ 4,239,010</b>	<b>\$ 4,265,693</b>	<b>\$ 4,320,893</b>	<b>\$ (81,883)</b>
<b>Expenditures</b>						
<b>Highways</b>						
Administration	\$ 201,296	\$ 0	\$ 201,296	\$ 245,470	\$ 245,470	\$ 44,174
Highway and Bridge Maintenance	2,624,466	0	2,624,466	2,308,845	2,695,339	70,873
Operation and Maintenance of Equipment	626,245	(6,108)	620,137	785,461	696,984	76,847
Other Charges	87,233	0	87,233	88,299	87,913	680
Capital Outlay	815,746	0	815,746	1,120,000	843,515	27,769
<u>Principal on Debt</u>						
Highways and Streets	178,301	0	178,301	142,344	178,258	(43)
<u>Interest on Debt</u>						
Highways and Streets	14,299	0	14,299	11,912	14,327	28
<u>Other Debt Service</u>						
Highways and Streets	0	0	0	0	15	15
<b>Total Expenditures</b>	<b>\$ 4,547,586</b>	<b>\$ (6,108)</b>	<b>\$ 4,541,478</b>	<b>\$ 4,702,331</b>	<b>\$ 4,761,821</b>	<b>\$ 220,343</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (308,576)</b>	<b>\$ 6,108</b>	<b>\$ (302,468)</b>	<b>\$ (436,638)</b>	<b>\$ (440,928)</b>	<b>\$ 138,460</b>

(Continued)

Exhibit E-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 1,836 \$	0 \$	1,836 \$	0 \$	4,292 \$	(2,456)
Total Other Financing Sources (Uses)	\$ 1,836 \$	0 \$	1,836 \$	0 \$	4,292 \$	(2,456)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (306,740) \$	6,108 \$	(300,632) \$	(436,638) \$	(436,636) \$	136,004
Fund Balance, June 30, 2012	\$ 200,055 \$	0 \$	200,055 \$	129,882 \$	129,884 \$	70,171

Exhibit E-3

Lawrence County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Lawrence County School Department  
June 30, 2012

(Dollar amounts in thousands)

Plan Description	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
General Employees	7-1-11	\$ 32,873	\$ 36,573	\$ 3,700	89.88 %	\$ 13,576	27.26 %
"	7-1-09	26,929	27,527	597	97.83	11,935	5.01
"	7-1-07	25,125	25,811	686	97.34	11,657	5.88
Library Employees	7-1-11	639	639	0	100	130	0
"	7-1-09	503	512	9	98.23	105	8.6
"	7-1-07	444	454	10	97.8	123	8.13

Exhibit E-4

Lawrence County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Discretely Presented Lawrence County Emergency Communications District  
June 30, 2012

(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)
7-1-11	\$ 847	\$ 958	\$ 110	88.48	% \$ 526	20.99
7-1-09	598	655	57	91.23	525	10.95
7-1-07	461	531	70	86.82	473	14.8

Exhibit E-5

Lawrence County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government, Discretely Presented Lawrence County School Department,  
and Discretely Presented Lawrence County Emergency Communications District  
June 30, 2012

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-09	\$ 0	\$ 670	\$ 670	0	\$ 7,274	9 %
"	7-1-10	0	704	704	0	7,018	10
"	7-1-11	0	405	405	0	7,553	5
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	13,415	13,415	0	28,108	48
"	7-1-10	0	13,554	13,554	0	29,229	46
"	7-1-11	0	19,237	19,237	0	31,047	62
<u>DISCRETELY PRESENTED LAWRENCE COUNTY EMERGENCY COMMUNICATIONS DISTRICT</u>							
Medicare Supplement*	7-1-09	0	74	74	0	505	15

\* Data only available for one year.

**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2012**

**A. 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, Beer Board, County Mayor/Executive, County Attorney, 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.

**B. EXPENDITURES EXCEEDED APPROPRIATIONS**

Expenditures exceeded appropriations approved by the County Commission in the following funds' major appropriation categories (the legal level of control):

Fund/Major Appropriation Category	Amount Overspent
General:	
Transfers Out	\$ 14,748
Highway/Public Works:	
Principal on Debt:	
Highway and Streets	43

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

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

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

# Capital Projects Funds

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

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

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

# Permanent Fund

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

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



Exhibit F-1

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

Special Revenue Funds							
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Total
\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
\$	31,869 \$	817,755 \$	193,535 \$	38,008 \$	25,852 \$	100,724 \$	1,207,743
\$	31,869 \$	1,206,904 \$	193,535 \$	38,157 \$	25,852 \$	100,752 \$	1,597,069

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)  
 Committed (Cont.):  
 Committed for Capital Projects  
 Total Fund Balances  
 Total Liabilities and Fund Balances

(Continued)

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

	Capital Projects Funds			Permanent Fund		Total Nonmajor Governmental Funds
	General Capital Projects	Other Capital Projects	Total	Endowment		
\$	0	0	0	0	0	93,911
Cash	67,584	28,786	96,370	75,799		1,184,341
Equity in Pooled Cash and Investments	0	0	0	0		1,054,431
Accounts Receivable	0	0	0	0		(671,573)
Allowance for Uncollectibles	0	96,883	96,883	0		97,499
Due from Other Governments	0	0	0	0		107,512
Notes Receivable - Long-term						
Total Assets	\$ 67,584	\$ 125,669	\$ 193,253	\$ 75,799	\$	1,866,121

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities						
Accounts Payable	\$ 21,523	\$ 520	\$ 22,043	\$ 0	\$	85,351
Contracts Payable	17,376	0	17,376	0		17,376
Due to Litigants, Heirs, and Others	0	0	0	0		28
Other Deferred Revenues	0	0	0	0		325,990
Total Liabilities	\$ 38,899	\$ 520	\$ 39,419	\$ 0	\$	428,745
Fund Balances						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 75,799	\$	75,799
Restricted:						
Restricted for Administration of Justice	0	0	0	0		25,852
Restricted for Public Safety	0	0	0	0		69,877
Committed:						
Committed for General Government	0	0	0	0		73,224
Committed for Finance	0	0	0	0		27,500
Committed for Public Safety	0	125,149	125,149	0		125,149
Committed for Public Health and Welfare	0	0	0	0		1,011,290

(Continued)

Exhibit F-1

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

Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
General Capital Projects	Other Capital Projects	Total	Endowment	
\$ 28,685	\$ 0	\$ 28,685	\$ 0	\$ 28,685
\$ 28,685	\$ 125,149	\$ 153,834	\$ 75,799	\$ 1,437,376
\$ 67,584	\$ 125,669	\$ 193,253	\$ 75,799	\$ 1,866,121

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)  
 Committed (Cont.):  
 Committed for Capital Projects  
 Total Fund Balances  
 Total Liabilities and Fund Balances

Exhibit F-2

Lawrence County, Tennessee  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2012

	Special Revenue Funds							Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General	Consti- tional Officers - Fees		
<b>Revenues</b>								
Local Taxes	\$ 13,640	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 53,640	
Fines, Forfeitures, and Penalties	328	0	0	39,209	35,869	0	75,406	
Charges for Current Services	0	1,061,628	0	0	0	486,108	1,547,736	
Other Local Revenues	0	157,367	0	0	2,934	0	160,301	
State of Tennessee	0	30,654	0	0	0	0	30,654	
Federal Government	0	124,000	0	0	0	0	124,000	
<b>Total Revenues</b>	<b>\$ 13,968</b>	<b>\$ 1,373,649</b>	<b>\$ 40,000</b>	<b>\$ 39,209</b>	<b>\$ 38,803</b>	<b>\$ 486,108</b>	<b>\$ 1,991,737</b>	
<b>Expenditures</b>								
Current:								
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 484,564	\$ 484,564	
Administration of Justice	0	0	0	0	42,122	1,545	43,667	
Public Safety	0	0	0	119,640	0	0	119,640	
Public Health and Welfare	0	1,674,313	0	0	0	0	1,674,313	
Other Operations	11,686	0	0	0	0	0	11,686	
Capital Projects	0	0	79,190	0	0	0	79,190	
<b>Total Expenditures</b>	<b>\$ 11,686</b>	<b>\$ 1,674,313</b>	<b>\$ 79,190</b>	<b>\$ 119,640</b>	<b>\$ 42,122</b>	<b>\$ 486,109</b>	<b>\$ 2,413,060</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 2,282</b>	<b>\$ (300,664)</b>	<b>\$ (39,190)</b>	<b>\$ (80,431)</b>	<b>\$ (3,319)</b>	<b>\$ (1)</b>	<b>\$ (421,323)</b>	
<b>Other Financing Sources (Uses)</b>								
Bonds Issued	\$ 0	\$ 132,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 132,000	
Transfers In	0	0	0	0	0	0	0	
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 132,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 132,000</b>	
<b>Net Change in Fund Balances</b>	<b>\$ 2,282</b>	<b>\$ (168,664)</b>	<b>\$ (39,190)</b>	<b>\$ (80,431)</b>	<b>\$ (3,319)</b>	<b>\$ (1)</b>	<b>\$ (289,323)</b>	
<b>Fund Balance, July 1, 2011</b>	<b>29,587</b>	<b>986,419</b>	<b>232,725</b>	<b>118,439</b>	<b>29,171</b>	<b>100,725</b>	<b>1,497,066</b>	
<b>Fund Balance, June 30, 2012</b>	<b>\$ 31,869</b>	<b>\$ 817,755</b>	<b>\$ 193,535</b>	<b>\$ 38,008</b>	<b>\$ 25,852</b>	<b>\$ 100,724</b>	<b>\$ 1,207,743</b>	

(Continued)

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

	Capital Projects Funds			Permanent Fund		Total Nonmajor Governmental Funds
	General Capital Projects	Other Capital Projects	Total	Endowment		
<b>Revenues</b>						
Local Taxes	\$ 40,000	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 93,640
Fines, Forfeitures, and Penalties	0	0	0	0	0	75,406
Charges for Current Services	0	0	0	0	0	1,547,736
Other Local Revenues	838	0	838	0	0	161,139
State of Tennessee	0	0	0	0	0	30,654
Federal Government	17,120	218,125	235,245	0	0	359,245
<b>Total Revenues</b>	<b>\$ 57,958</b>	<b>\$ 218,125</b>	<b>\$ 276,083</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,267,820</b>
<b>Expenditures</b>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 484,564
Administration of Justice	0	0	0	0	0	43,667
Public Safety	0	0	0	0	0	119,640
Public Health and Welfare	0	0	0	0	0	1,674,313
Other Operations	0	0	0	0	0	11,686
Capital Projects	334,605	192,226	526,831	0	0	606,021
<b>Total Expenditures</b>	<b>\$ 334,605</b>	<b>\$ 192,226</b>	<b>\$ 526,831</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,939,891</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (276,647)	\$ 25,899	\$ (250,748)	\$ 0	\$ 0	\$ (672,071)
<b>Other Financing Sources (Uses)</b>						
Bonds Issued	\$ 165,000	\$ 0	\$ 165,000	\$ 0	\$ 0	\$ 297,000
Transfers In	0	50,000	50,000	0	0	50,000
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 165,000</b>	<b>\$ 50,000</b>	<b>\$ 215,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 347,000</b>
Net Change in Fund Balances	\$ (111,647)	\$ 75,899	\$ (35,748)	\$ 0	\$ 0	\$ (325,071)
Fund Balance, July 1, 2011	140,332	49,250	189,582	75,799		1,762,447
Fund Balance, June 30, 2012	\$ 28,685	\$ 125,149	\$ 153,834	\$ 75,799	\$ 0	\$ 1,437,376

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 13,640	\$ 10,200	\$ 12,443	\$ 1,197
Fines, Forfeitures, and Penalties	328	725	725	(397)
Total Revenues	<u>\$ 13,968</u>	<u>\$ 10,925</u>	<u>\$ 13,168</u>	<u>\$ 800</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 11,686	\$ 9,650	\$ 11,702	\$ 16
Total Expenditures	<u>\$ 11,686</u>	<u>\$ 9,650</u>	<u>\$ 11,702</u>	<u>\$ 16</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,282</u>	<u>\$ 1,275</u>	<u>\$ 1,466</u>	<u>\$ 816</u>
Net Change in Fund Balance	\$ 2,282	\$ 1,275	\$ 1,466	\$ 816
Fund Balance, July 1, 2011	<u>29,587</u>	<u>21,755</u>	<u>21,755</u>	<u>7,832</u>
Fund Balance, June 30, 2012	<u>\$ 31,869</u>	<u>\$ 23,030</u>	<u>\$ 23,221</u>	<u>\$ 8,648</u>

Exhibit F-4

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2011	Encumbrances			Original	Final	
<u>Revenues</u>								
Charges for Current Services	\$ 1,061,628	\$ 0	\$ 0	\$ 0	\$ 1,061,628	\$ 1,222,000	\$ 1,222,000	\$ (160,372)
Other Local Revenues	157,367	0	0	0	157,367	240,000	240,000	(82,633)
State of Tennessee	30,654	0	0	0	30,654	40,000	40,000	(9,346)
Federal Government	124,000	0	0	0	124,000	0	124,000	0
Total Revenues	\$ 1,373,649	\$ 0	\$ 0	\$ 0	\$ 1,373,649	\$ 1,502,000	\$ 1,626,000	\$ (252,351)
<u>Expenditures</u>								
Public Health and Welfare								
Landfill Operation and Maintenance	\$ 1,674,313	\$ (2,718)	\$ 155	\$ 155	\$ 1,671,750	\$ 1,677,214	\$ 1,916,838	\$ 245,088
Total Expenditures	\$ 1,674,313	\$ (2,718)	\$ 155	\$ 155	\$ 1,671,750	\$ 1,677,214	\$ 1,916,838	\$ 245,088
Excess (Deficiency) of Revenues Over Expenditures	\$ (300,664)	\$ 2,718	\$ (155)	\$ (155)	\$ (298,101)	\$ (175,214)	\$ (290,838)	\$ (7,263)
<u>Other Financing Sources (Uses)</u>								
Bonds Issued	\$ 132,000	\$ 0	\$ 0	\$ 0	\$ 132,000	\$ 0	\$ 132,000	\$ 0
Total Other Financing Sources (Uses)	\$ 132,000	\$ 0	\$ 0	\$ 0	\$ 132,000	\$ 0	\$ 132,000	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (168,664)	\$ 2,718	\$ (155)	\$ (155)	\$ (166,101)	\$ (175,214)	\$ (158,838)	\$ (7,263)
	986,419	(2,718)	0	983,701	1,099,642	1,099,642	1,099,642	(115,941)
Fund Balance, June 30, 2012	\$ 817,755	\$ 0	\$ (155)	\$ (155)	\$ 817,600	\$ 924,428	\$ 940,804	\$ (123,204)

Exhibit F-5

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Industrial/Economic Development Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 40,000	\$ 40,000	\$ 40,000	\$ 0
Federal Government	0	500,000	0	0
Total Revenues	<u>\$ 40,000</u>	<u>\$ 540,000</u>	<u>\$ 40,000</u>	<u>\$ 0</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 35,051	\$ 0	\$ 35,051	\$ 0
Public Utility Projects	44,139	637,000	44,139	0
Total Expenditures	<u>\$ 79,190</u>	<u>\$ 637,000</u>	<u>\$ 79,190</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (39,190)</u>	<u>\$ (97,000)</u>	<u>\$ (39,190)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (39,190)	\$ (97,000)	\$ (39,190)	\$ 0
Fund Balance, July 1, 2011	<u>232,725</u>	<u>127,713</u>	<u>127,713</u>	<u>105,012</u>
Fund Balance, June 30, 2012	<u>\$ 193,535</u>	<u>\$ 30,713</u>	<u>\$ 88,523</u>	<u>\$ 105,012</u>

Exhibit F-6

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 39,209 \$	0 \$	39,209 \$	67,500 \$	67,500 \$	(28,291)
Total Revenues	\$ 39,209 \$	0 \$	39,209 \$	67,500 \$	67,500 \$	(28,291)
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 119,640 \$	(831) \$	118,809 \$	67,500 \$	141,289 \$	22,480
Total Expenditures	\$ 119,640 \$	(831) \$	118,809 \$	67,500 \$	141,289 \$	22,480
Excess (Deficiency) of Revenues Over Expenditures	\$ (80,431) \$	831 \$	(79,600) \$	0 \$	(73,789) \$	(5,811)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (80,431) \$	831 \$	(79,600) \$	0 \$	(73,789) \$	(5,811)
	118,439	(831)	117,608	48,661	48,661	68,947
Fund Balance, June 30, 2012	\$ 38,008 \$	0 \$	38,008 \$	48,661 \$	(25,128) \$	63,136

# Major Governmental Fund

## Debt Service Fund

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

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Exhibit G

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,559,821	\$ 4,489,244	\$ 4,489,244	\$ 70,577
Other Local Revenues	90,000	90,000	90,000	0
State of Tennessee	692,513	625,000	625,000	67,513
Other Governments and Citizens Groups	300,000	300,000	300,000	0
Total Revenues	<u>\$ 5,642,334</u>	<u>\$ 5,504,244</u>	<u>\$ 5,504,244</u>	<u>\$ 138,090</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,864,017	\$ 2,124,667	\$ 1,864,017	\$ 0
Highways and Streets	250,400	0	250,400	0
Education	2,050,250	2,040,000	2,050,250	0
<u>Interest on Debt</u>				
General Government	1,070,304	1,177,278	1,070,345	41
Highways and Streets	87,723	0	87,723	0
Education	659,443	640,234	659,444	1
<u>Other Debt Service</u>				
General Government	78,113	75,000	80,000	1,887
Highways and Streets	0	1,000	1,000	1,000
Education	850	1,000	1,000	150
Total Expenditures	<u>\$ 6,061,100</u>	<u>\$ 6,059,179</u>	<u>\$ 6,064,179</u>	<u>\$ 3,079</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (418,766)</u>	<u>\$ (554,935)</u>	<u>\$ (559,935)</u>	<u>\$ 141,169</u>
Net Change in Fund Balance	\$ (418,766)	\$ (554,935)	\$ (559,935)	\$ 141,169
Fund Balance, July 1, 2011	<u>3,782,712</u>	<u>3,735,814</u>	<u>3,735,814</u>	<u>46,898</u>
Fund Balance, June 30, 2012	<u>\$ 3,363,946</u>	<u>\$ 3,180,879</u>	<u>\$ 3,175,879</u>	<u>\$ 188,067</u>

# Fiduciary Funds

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

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register; 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, 2012

	<u>Agency Funds</u>			Total
	Cities - Sales Tax	Judicial District Drug	Constitu- tional Officers - Agency	
<u>ASSETS</u>				
Cash	\$ 0	\$ 2,864	\$ 1,008,229	\$ 1,011,093
Equity in Pooled Cash and Investments	0	102,174	0	102,174
Accounts Receivable	0	32	209	241
Due from Other Governments	729,669	0	0	729,669
Total Assets	<u>\$ 729,669</u>	<u>\$ 105,070</u>	<u>\$ 1,008,438</u>	<u>\$ 1,843,177</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 729,669	\$ 0	\$ 0	\$ 729,669
Due to Litigants, Heirs, and Others	0	774	1,008,438	1,009,212
Due to Joint Ventures	0	104,296	0	104,296
Total Liabilities	<u>\$ 729,669</u>	<u>\$ 105,070</u>	<u>\$ 1,008,438</u>	<u>\$ 1,843,177</u>

## Exhibit H-2

Lawrence County, Tennessee  
 Combining Statement of Changes in Assets and  
 Liabilities - All Agency Funds  
 For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,186,470	\$ 4,186,470	\$ 0
Due from Other Governments	700,433	729,669	700,433	729,669
<b>Total Assets</b>	<b>\$ 700,433</b>	<b>\$ 4,916,139</b>	<b>\$ 4,886,903</b>	<b>\$ 729,669</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 700,433	\$ 4,916,139	\$ 4,886,903	\$ 729,669
<b>Total Liabilities</b>	<b>\$ 700,433</b>	<b>\$ 4,916,139</b>	<b>\$ 4,886,903</b>	<b>\$ 729,669</b>
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 1,788	\$ 2,864	\$ 1,788	\$ 2,864
Equity in Pooled Cash and Investments	68,435	102,174	68,435	102,174
Accounts Receivable	3,193	32	3,193	32
<b>Total Assets</b>	<b>\$ 73,416</b>	<b>\$ 105,070</b>	<b>\$ 73,416</b>	<b>\$ 105,070</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,011	\$ 774	\$ 2,011	\$ 774
Due to Joint Ventures	71,405	104,296	71,405	104,296
<b>Total Liabilities</b>	<b>\$ 73,416</b>	<b>\$ 105,070</b>	<b>\$ 73,416</b>	<b>\$ 105,070</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 912,591	\$ 1,008,229	\$ 912,591	\$ 1,008,229
Accounts Receivable	1,008	209	1,008	209
<b>Total Assets</b>	<b>\$ 913,599</b>	<b>\$ 1,008,438</b>	<b>\$ 913,599</b>	<b>\$ 1,008,438</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 913,599	\$ 1,008,438	\$ 913,599	\$ 1,008,438
<b>Total Liabilities</b>	<b>\$ 913,599</b>	<b>\$ 1,008,438</b>	<b>\$ 913,599</b>	<b>\$ 1,008,438</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 914,379	\$ 1,011,093	\$ 914,379	\$ 1,011,093
Equity in Pooled Cash and Investments	68,435	4,288,644	4,254,905	102,174
Accounts Receivable	4,201	241	4,201	241
Due from Other Governments	700,433	729,669	700,433	729,669
<b>Total Assets</b>	<b>\$ 1,687,448</b>	<b>\$ 6,029,647</b>	<b>\$ 5,873,918</b>	<b>\$ 1,843,177</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 700,433	\$ 4,916,139	\$ 4,886,903	\$ 729,669
Due to Litigants, Heirs, and Others	915,610	1,009,212	915,610	1,009,212
Due to Joint Ventures	71,405	104,296	71,405	104,296
<b>Total Liabilities</b>	<b>\$ 1,687,448</b>	<b>\$ 6,029,647</b>	<b>\$ 5,873,918</b>	<b>\$ 1,843,177</b>

# Lawrence County School Department

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

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

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

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

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

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

Exhibit I-1

Lawrence County, Tennessee  
Statement of Activities  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities:					
Instruction	\$ 34,672,204	\$ 140,227	\$ 5,281,671	\$ 653,730	\$ (28,596,576)
Support Services	16,520,172	93,313	242,177	0	(16,184,682)
Operation of Non-Instructional Services	5,463,911	1,269,064	2,764,993	0	(1,429,854)
Total Governmental Activities	\$ 56,656,287	\$ 1,502,604	\$ 8,288,841	\$ 653,730	\$ (46,211,112)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,872,366
Local Option Sales Tax					4,718,756
Other Local Taxes					2,332
Grants and Contributions Not Restricted to Specific Programs					33,954,419
Unrestricted Investment Earnings					1,234
E-Rate Funding					13,952
Miscellaneous					28,466
Insurance Recovery					77,495
Total General Revenues					\$ 44,669,020
Change in Net Assets					\$ (1,542,092)
Net Assets, July 1, 2011					48,569,202
Net Assets, June 30, 2012					\$ 47,027,110

Exhibit I-2

Lawrence County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Lawrence County School Department  
June 30, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,100	\$ 1,100
Equity in Pooled Cash and Investments	7,386,813	1,055,415	8,442,228
Inventories	0	92,189	92,189
Accounts Receivable	2,230	596	2,826
Due from Other Governments	1,781,692	128,548	1,910,240
Property Taxes Receivable	6,129,316	0	6,129,316
Allowance for Uncollectible Property Taxes	(152,297)	0	(152,297)
Total Assets	<u>\$ 15,147,754</u>	<u>\$ 1,277,848</u>	<u>\$ 16,425,602</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 4,656	\$ 19,455	\$ 24,111
Payroll Deductions Payable	1,429,935	201,218	1,631,153
Deferred Revenue - Current Property Taxes	5,742,948	0	5,742,948
Deferred Revenue - Delinquent Property Taxes	202,432	0	202,432
Other Deferred Revenues	423,619	17,225	440,844
Total Liabilities	<u>\$ 7,803,590</u>	<u>\$ 237,898</u>	<u>\$ 8,041,488</u>
<u>Fund Balances</u>			
Nonspendable:			
Inventory	\$ 0	\$ 92,189	\$ 92,189
Restricted:			
Restricted for Instruction	92,953	61	93,014
Restricted for Operation of Non-Instructional Services	0	656,576	656,576
Committed:			
Committed for Operation of Non-Instructional Services	0	30,442	30,442
Committed for Capital Outlay	0	260,682	260,682
Assigned:			
Assigned for Instruction	52,521	0	52,521
Assigned for Support Services	192,704	0	192,704
Assigned for Operation of Non-Instructional Services	600	0	600
Assigned for Capital Outlay	522,056	0	522,056
Assigned for Other Purposes	8,722	0	8,722
Unassigned	6,474,608	0	6,474,608
Total Fund Balances	<u>\$ 7,344,164</u>	<u>\$ 1,039,950</u>	<u>\$ 8,384,114</u>
Total Liabilities and Fund Balances	<u>\$ 15,147,754</u>	<u>\$ 1,277,848</u>	<u>\$ 16,425,602</u>

Exhibit I-3

Lawrence County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
Discretely Presented Lawrence County School Department  
June 30, 2012

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)		\$ 8,384,114
(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	689,441	
Add: buildings and improvements net of accumulated depreciation	38,601,842	
Add: other capital assets net of accumulated depreciation	<u>4,353,346</u>	44,321,083
(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	\$ (66,899)	
Less: other postemployment benefits liability	<u>(6,254,464)</u>	(6,321,363)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>643,276</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 47,027,110</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, 2012

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 10,534,148	\$ 0	\$ 10,534,148
Licenses and Permits	1,715	0	1,715
Charges for Current Services	115,261	1,387,343	1,502,604
Other Local Revenues	48,241	2,616	50,857
State of Tennessee	34,317,590	41,110	34,358,700
Federal Government	797,813	7,717,498	8,515,311
<b>Total Revenues</b>	<b>\$ 45,814,768</b>	<b>\$ 9,148,567</b>	<b>\$ 54,963,335</b>
<u>Expenditures</u>			
Current:			
Instruction	\$ 27,397,979	\$ 4,084,109	\$ 31,482,088
Support Services	15,890,336	884,266	16,774,602
Operation of Non-Instructional Services	1,199,320	4,065,123	5,264,443
Capital Outlay	1,254,435	0	1,254,435
Debt Service:			
Other Debt Service	300,000	0	300,000
Capital Projects	0	284,214	284,214
<b>Total Expenditures</b>	<b>\$ 46,042,070</b>	<b>\$ 9,317,712</b>	<b>\$ 55,359,782</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (227,302)	\$ (169,145)	\$ (396,447)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 77,495	\$ 0	\$ 77,495
Transfers In	21,257	0	21,257
Transfers Out	0	(21,257)	(21,257)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 98,752</b>	<b>\$ (21,257)</b>	<b>\$ 77,495</b>
Net Change in Fund Balances	\$ (128,550)	\$ (190,402)	\$ (318,952)
Fund Balance, July 1, 2011	7,472,714	1,230,352	8,703,066
<b>Fund Balance, June 30, 2012</b>	<b>\$ 7,344,164</b>	<b>\$ 1,039,950</b>	<b>\$ 8,384,114</b>

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, 2012

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)		\$ (318,952)
(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	\$ 2,538,084	
Less: current-year depreciation expense	<u>(2,224,975)</u>	313,109
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		(21,986)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$ (556,796)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>643,276</u>	86,480
(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	\$ (13,123)	
Change in other postemployment benefits liability	<u>(1,587,620)</u>	<u>(1,600,743)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,542,092)</u>

Lawrence County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Lawrence County School Department  
June 30, 2012

	Special Revenue Funds			Capital Projects		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Fund	
\$	0	1,100	0	1,100	0	1,100
Equity in Pooled Cash and Investments	83,021	681,866	29,846	794,733	260,682	1,055,415
Inventories	0	92,189	0	92,189	0	92,189
Accounts Receivable	0	0	596	596	0	596
Due from Other Governments	72,331	56,217	0	128,548	0	128,548
Total Assets	\$ 155,352	\$ 831,372	\$ 30,442	\$ 1,017,166	\$ 260,682	\$ 1,277,848

ASSETS

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

LIABILITIES AND FUND BALANCES

\$	2,230	17,225	0	19,455	0	19,455
Accounts Payable	153,061	48,157	0	201,218	0	201,218
Payroll Deductions Payable	0	17,225	0	17,225	0	17,225
Other Deferred Revenues	\$ 155,291	\$ 82,607	\$ 0	\$ 237,898	\$ 0	\$ 237,898
Total Liabilities	\$	\$	\$	\$	\$	\$
	0	92,189	0	92,189	0	92,189
Fund Balances	61	0	0	61	0	61
Nonspendable:	0	656,576	0	656,576	0	656,576
Inventory						
Restricted:						
Restricted for Instruction	0	0	30,442	30,442	0	30,442
Restricted for Operation of Non-Instructional Services	0	0	0	0	260,682	260,682
Committed:	61	748,765	30,442	779,268	260,682	1,039,950
Committed for Operation of Non-Instructional Services						
Committed for Capital Outlay	\$ 155,352	\$ 831,372	\$ 30,442	\$ 1,017,166	\$ 260,682	\$ 1,277,848
Total Fund Balances						
Total Liabilities and Fund Balances						

Exhibit I--7

Lawrence County, Tennessee  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 Discretely Presented Lawrence County School Department  
 For the Year Ended June 30, 2012

	Special Revenue Funds				Capital Projects		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects		
<b>Revenues</b>							
Charges for Current Services	\$ 0	\$ 1,251,771	\$ 135,572	\$ 1,387,343	\$ 0	\$ 0	\$ 1,387,343
Other Local Revenues	0	1,616	0	1,616	1,000	0	2,616
State of Tennessee	0	39,288	1,822	41,110	0	0	41,110
Federal Government	5,009,018	2,708,480	0	7,717,498	0	0	7,717,498
<b>Total Revenues</b>	<b>\$ 5,009,018</b>	<b>\$ 4,001,155</b>	<b>\$ 137,394</b>	<b>\$ 9,147,567</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 9,148,567</b>
<b>Expenditures</b>							
Current:							
Instruction	\$ 4,084,109	\$ 0	\$ 0	\$ 4,084,109	\$ 0	\$ 0	\$ 4,084,109
Support Services	884,266	0	0	884,266	0	0	884,266
Operation of Non-Instructional Services	22,652	3,915,575	126,896	4,065,123	0	0	4,065,123
Capital Projects	0	0	0	0	284,214	0	284,214
<b>Total Expenditures</b>	<b>\$ 4,991,027</b>	<b>\$ 3,915,575</b>	<b>\$ 126,896</b>	<b>\$ 9,033,498</b>	<b>\$ 284,214</b>	<b>\$ 284,214</b>	<b>\$ 9,317,712</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 17,991	\$ 85,580	\$ 10,498	\$ 114,069	\$ (283,214)	\$ (169,145)	\$ (169,145)
<b>Other Financing Sources (Uses)</b>							
Transfers Out	\$ (21,257)	\$ 0	\$ 0	\$ (21,257)	\$ 0	\$ 0	\$ (21,257)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (21,257)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (21,257)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (21,257)</b>
Net Change in Fund Balances	\$ (3,266)	\$ 85,580	\$ 10,498	\$ 92,812	\$ (283,214)	\$ (190,402)	\$ (190,402)
Fund Balance, July 1, 2011	3,327	663,185	19,944	686,456	543,896	1,230,352	1,230,352
<b>Fund Balance, June 30, 2012</b>	<b>\$ 61</b>	<b>\$ 748,765</b>	<b>\$ 30,442</b>	<b>\$ 779,268</b>	<b>\$ 260,682</b>	<b>\$ 1,039,950</b>	<b>\$ 1,039,950</b>

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,534,148	\$ 0	\$ 0	\$ 10,534,148	\$ 9,945,000	\$ 9,945,000	\$ 589,148
Licenses and Permits	1,715	0	0	1,715	1,000	1,000	715
Charges for Current Services	115,261	0	0	115,261	85,000	83,200	32,061
Other Local Revenues	48,241	0	0	48,241	5,000	65,529	(17,288)
State of Tennessee	34,317,590	0	0	34,317,590	32,468,678	34,383,789	(66,199)
Federal Government	797,813	0	0	797,813	0	309,744	488,069
<b>Total Revenues</b>	<b>\$ 45,814,768</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 45,814,768</b>	<b>\$ 42,504,678</b>	<b>\$ 44,788,262</b>	<b>\$ 1,026,506</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 22,334,237	\$ (726,240)	\$ 181	\$ 21,608,178	\$ 21,103,000	\$ 21,826,179	\$ 218,001
Alternative Instruction Program	249,866	(3,597)	0	246,269	102,979	291,772	45,503
Special Education Program	2,568,062	0	0	2,568,062	2,507,092	2,568,062	0
Vocational Education Program	2,156,848	(100)	75	2,156,823	2,359,685	2,172,898	16,075
Student Body Education Program	1,076	0	0	1,076	0	1,077	1
Adult Education Program	87,890	(1,552)	0	86,338	2,669	86,338	0
<u>Support Services</u>							
Attendance	101,461	0	0	101,461	105,783	102,431	970
Health Services	453,045	(121)	0	452,924	440,715	453,958	1,034
Other Student Support	1,121,938	(3,868)	0	1,118,070	1,073,630	1,120,941	2,871
Regular Instruction Program	1,395,830	(938)	0	1,394,892	1,291,651	1,396,852	1,960
Alternative Instruction Program	32,070	0	0	32,070	23,000	39,229	7,159
Special Education Program	230,247	0	0	230,247	196,299	231,572	1,325
Vocational Education Program	86,482	0	0	86,482	75,775	86,482	0

(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 7/1/2011	Add: Encumbrances 6/30/2012	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	\$ 107,589	\$ 0	\$ 0	\$ 107,589	\$ 0	\$ 107,589	\$ 0
Other Programs	328,797	0	0	328,797	0	328,797	0
Board of Education	1,004,828	(2,260)	450	1,003,018	985,293	1,014,015	10,997
Director of Schools	374,168	(3,306)	325	371,187	378,280	378,880	7,693
Office of the Principal	2,715,555	(835)	0	2,714,720	2,814,190	2,733,749	19,029
Fiscal Services	218,744	0	0	218,744	222,371	218,976	232
Operation of Plant	3,244,597	(79,849)	95,535	3,260,283	3,517,010	3,287,751	27,468
Maintenance of Plant	1,169,505	(4,803)	31,786	1,196,488	1,030,583	1,215,523	19,035
Transportation	3,171,661	(325,510)	44,911	2,891,062	2,675,240	2,970,621	79,559
Central and Other	133,819	(60)	0	133,759	134,388	148,245	14,486
<u>Operation of Non-Instructional Services</u>							
Community Services	93,030	(662)	600	92,968	92,000	95,902	2,934
Early Childhood Education	1,106,290	(13,577)	1,067	1,093,780	0	1,094,611	831
<u>Capital Outlay</u>							
Regular Capital Outlay	1,254,435	(500)	240,370	1,494,305	1,095,574	1,671,313	177,008
Principal on Debt	0	0	0	0	300,000	0	0
Education							
<u>Other Debt Service</u>							
Education	300,000	0	0	300,000	0	300,000	0
Total Expenditures	\$ 46,042,070	\$ (1,167,778)	\$ 415,300	\$ 45,289,592	\$ 42,527,207	\$ 45,943,763	\$ 654,171
Excess (Deficiency) of Revenues Over Expenditures	\$ (227,302)	\$ 1,167,778	\$ (415,300)	\$ 525,176	\$ (22,529)	\$ (1,155,501)	\$ 1,680,677

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 77,495	\$ 0	\$ 0	\$ 77,495	\$ 0	\$ 64,979	\$ 12,516
Transfers In	21,257	0	0	21,257	22,530	22,530	(1,273)
Transfers Out	0	0	0	0	0	(1,626)	1,626
Total Other Financing Sources (Uses)	\$ 98,752	\$ 0	\$ 0	\$ 98,752	\$ 22,530	\$ 85,883	\$ 12,869
Net Change in Fund Balance	\$ (128,550)	\$ 1,167,778	\$ (415,300)	\$ 623,928	\$ 1	\$ (1,069,618)	\$ 1,693,546
Fund Balance, July 1, 2011	7,472,714	(1,167,778)	0	6,304,936	6,645,947	6,645,947	(341,011)
Fund Balance, June 30, 2012	\$ 7,344,164	\$ 0	\$ (415,300)	\$ 6,928,864	\$ 6,645,948	\$ 5,576,329	\$ 1,352,535

Exhibit I-9

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Lawrence County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,009,018	\$ 4,225,267	\$ 5,282,866	\$ (273,848)
Total Revenues	\$ 5,009,018	\$ 4,225,267	\$ 5,282,866	\$ (273,848)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,425,913	\$ 2,024,188	\$ 2,468,236	\$ 42,323
Alternative Instruction Program	0	78,707	0	0
Special Education Program	1,566,244	1,364,359	1,569,526	3,282
Vocational Education Program	91,952	87,177	94,477	2,525
<u>Support Services</u>				
Health Services	11,077	30,097	11,223	146
Other Student Support	214,427	210,580	259,406	44,979
Regular Instruction Program	329,869	174,886	506,782	176,913
Special Education Program	236,874	231,284	236,874	0
Office of the Principal	83,191	0	83,191	0
Transportation	8,828	4,000	10,337	1,509
<u>Operation of Non-Instructional Services</u>				
Food Service	22,652	0	22,652	0
Total Expenditures	\$ 4,991,027	\$ 4,205,278	\$ 5,262,704	\$ 271,677
Excess (Deficiency) of Revenues Over Expenditures	\$ 17,991	\$ 19,989	\$ 20,162	\$ (2,171)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (21,257)	\$ (22,890)	\$ (21,257)	\$ 0
Total Other Financing Sources (Uses)	\$ (21,257)	\$ (22,890)	\$ (21,257)	\$ 0
Net Change in Fund Balance	\$ (3,266)	\$ (2,901)	\$ (1,095)	\$ (2,171)
Fund Balance, July 1, 2011	3,327	3,327	1,161	2,166
Fund Balance, June 30, 2012	\$ 61	\$ 426	\$ 66	\$ (5)

Exhibit I-10

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Lawrence County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,251,771	\$ 1,365,000	\$ 1,271,000	\$ (19,229)
Other Local Revenues	1,616	8,000	1,700	(84)
State of Tennessee	39,288	40,000	40,000	(712)
Federal Government	2,708,480	2,286,600	2,705,594	2,886
Total Revenues	<u>\$ 4,001,155</u>	<u>\$ 3,699,600</u>	<u>\$ 4,018,294</u>	<u>\$ (17,139)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	<u>\$ 3,915,575</u>	<u>\$ 3,976,000</u>	<u>\$ 4,089,522</u>	<u>\$ 173,947</u>
Total Expenditures	<u>\$ 3,915,575</u>	<u>\$ 3,976,000</u>	<u>\$ 4,089,522</u>	<u>\$ 173,947</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 85,580</u>	<u>\$ (276,400)</u>	<u>\$ (71,228)</u>	<u>\$ 156,808</u>
Net Change in Fund Balance	\$ 85,580	\$ (276,400)	\$ (71,228)	\$ 156,808
Fund Balance, July 1, 2011	<u>663,185</u>	<u>824,985</u>	<u>548,585</u>	<u>114,600</u>
Fund Balance, June 30, 2012	<u>\$ 748,765</u>	<u>\$ 548,585</u>	<u>\$ 477,357</u>	<u>\$ 271,408</u>

Exhibit I-11

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Lawrence County School Department  
Extended School Program Fund  
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 135,572	0 \$	135,572 \$	141,000	\$ 152,300	\$ (16,728)
State of Tennessee	1,822	0	1,822	7,500	7,500	(5,678)
<b>Total Revenues</b>	<b>\$ 137,394</b>	<b>0 \$</b>	<b>137,394 \$</b>	<b>148,500</b>	<b>\$ 159,800</b>	<b>\$ (22,406)</b>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Community Services	\$ 126,896	(423) \$	126,473 \$	148,500	\$ 159,800	\$ 33,327
<b>Total Expenditures</b>	<b>\$ 126,896</b>	<b>(423) \$</b>	<b>126,473 \$</b>	<b>148,500</b>	<b>\$ 159,800</b>	<b>\$ 33,327</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 10,498</b>	<b>\$ 423</b>	<b>\$ 10,921</b>	<b>0</b>	<b>\$ 0</b>	<b>\$ 10,921</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2011</b>	<b>\$ 10,498</b>	<b>\$ 423</b>	<b>\$ 10,921</b>	<b>0</b>	<b>\$ 0</b>	<b>\$ 10,921</b>
	19,944	(423)	19,521	40,505	40,505	(20,984)
<b>Fund Balance, June 30, 2012</b>	<b>\$ 30,442</b>	<b>0 \$</b>	<b>\$ 30,442</b>	<b>\$ 40,505</b>	<b>\$ 40,505</b>	<b>\$ (10,063)</b>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Lawrence County, Tennessee  
 Schedule of Changes in Long-term Notes, Capital Leases, and Bonds  
 For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<b>NOTES PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
General Obligation, Series 2001A	\$ 4,575,000	3.8 %	9-1-01	9-1-13	\$ 1,370,000	0	\$ 435,000	\$ 935,000
General Obligation, Series 2002	1,850,000	1.55 to 4.125	6-1-02	6-1-14	545,000	0	175,000	370,000
General Obligation Capital Outlay Note Series 2011	149,000	1.99	3-16-11	3-16-14	149,000	0	49,667	99,333
Total Notes Payable					\$ 2,064,000	0	\$ 659,667	\$ 1,404,333
<b>CAPITAL LEASES PAYABLE</b>								
<u>Payable through General Fund</u>								
Ambulances	280,500	4.947	9-14-09	8-1-12	\$ 139,737	0	\$ 68,182	\$ 71,555
Patrol Cars for Sheriff's Department	220,206	3.95	10-26-09	10-28-11	73,371	0	73,371	0
Patrol Cars for Sheriff's Department	185,855	5.75	5-30-12	7-30-14	0	185,855	0	185,855
Total Payable through General Fund					\$ 213,108	\$ 185,855	\$ 141,553	\$ 257,410
<u>Payable through Highway/Public Works Fund</u>								
Highway Equipment - Compactors	201,205	3.45	7-30-09	8-3-11	\$ 67,042	0	\$ 67,042	0
Highway Equipment - Truck/Grapple Loader	108,835	4.45	4-1-10	4-1-12	52,776	0	52,776	0
Road Reclaimer for Highway Department	367,000	2.951	6-1-10	6-15-15	244,495	0	58,483	186,012
Total Payable through Highway/Public Works Fund					\$ 364,313	0	\$ 178,301	\$ 186,012
Total Capital Leases Payable					\$ 577,421	\$ 185,855	\$ 319,854	\$ 443,422
<b>BONDS PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
Refunding, Series 2003	8,100,000	3.04	1-1-03	8-1-13	\$ 1,970,000	0	\$ 870,000	\$ 1,100,000
School Refunding, Series 2003	8,820,000	3.33	4-29-03	5-1-16	4,225,000	0	790,000	3,435,000
School Refunding, Series 2004	3,375,000	2.599	4-13-04	5-1-16	1,515,000	0	290,000	1,225,000
School Bond, Series 2004	8,000,000	3.6	8-12-04	9-1-19	5,305,000	0	500,000	4,805,000
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-1-25	7,530,000	0	380,000	7,150,000
General Obligation, Series 2006	10,000,000	3.95	2-1-06	6-1-31	8,665,000	0	295,000	8,370,000
General Obligation, Series 2007	10,000,000	4	12-4-07	6-1-37	9,605,000	0	205,000	9,400,000
General Obligation, Series 2008	4,250,000	4.28	3-18-08	3-1-37	4,065,000	0	95,000	3,970,000
School Refunding, Series 2010	2,700,000	3.7	1-13-10	10-1-34	2,675,000	0	25,000	2,650,000
School Improvement, Series 2010	2,160,000	3.7	1-13-10	10-1-34	2,105,000	0	55,000	2,050,000
General Obligation, Series 2012	132,000	3.375	4-26-12	4-26-50	0	132,000	0	132,000
General Obligation, Series 2012	165,000	3.375	6-21-12	6-21-50	0	165,000	0	165,000
Total Bonds Payable					\$ 47,660,000	\$ 297,000	\$ 3,505,000	\$ 44,452,000

Exhibit J-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2013	\$ 684,667	\$ 43,899	\$ 728,566
2014	719,666	17,946	737,612
Total	\$ 1,404,333	\$ 61,845	\$ 1,466,178

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2013	\$ 196,056	\$ 10,811	\$ 206,867
2014	121,069	10,703	131,772
2015	126,297	5,476	131,773
Total	\$ 443,422	\$ 26,990	\$ 470,412

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2013	\$ 3,633,962	\$ 1,629,576	\$ 5,263,538
2014	3,029,096	1,517,367	4,546,463
2015	2,929,234	1,415,446	4,344,680
2016	3,024,377	1,312,694	4,337,071
2017	2,694,525	1,193,948	3,888,473
2018	2,784,678	1,097,871	3,882,549
2019	2,899,835	1,007,399	3,907,234
2020	2,084,999	915,895	3,000,894
2021	1,450,167	847,309	2,297,476
2022	1,510,342	788,844	2,299,186
2023	1,570,522	727,680	2,298,202
2024	1,630,708	665,850	2,296,558
2025	1,695,901	601,670	2,297,571
2026	1,766,100	534,690	2,300,790
2027	1,171,306	477,655	1,648,961
2028	1,221,519	430,686	1,652,205
2029	1,276,739	381,419	1,658,158
2030	1,336,966	329,753	1,666,719
2031	1,397,201	275,651	1,672,852
2032	812,445	218,744	1,031,189
2033	847,696	184,805	1,032,501
2034	887,955	149,393	1,037,348
2035	933,224	112,087	1,045,311
2036	838,502	75,934	914,436
2037	878,788	41,248	920,036
2038	9,085	4,901	13,986
2039	9,392	4,594	13,986
2040	9,709	4,277	13,986
2041	10,037	3,950	13,987
2042	10,375	3,611	13,986
2043	10,725	3,261	13,986
2044	11,087	2,899	13,986
2045	11,462	2,525	13,987
2046	11,848	2,138	13,986
2047	12,248	1,738	13,986
2048	12,661	1,324	13,985
2049	13,089	897	13,986
2050	13,495	455	13,950
Total	\$ 44,452,000	\$ 16,970,184	\$ 61,422,184

Lawrence County, Tennessee  
Schedule of Notes Receivable  
June 30, 2012

Exhibit J-3

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-12
<u>Industrial/Economic Development Fund</u> Airport Renovation	Lawrenceburg-Lawrence County Airport	\$ 150,000	5-18-07	Various	0%	\$ 107,512
Total Notes Receivable						<u>\$ 107,512</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, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Other Capital Projects Fund	Operations	\$ <u>50,000</u>
Total Transfers Primary Government			\$ <u><u>50,000</u></u>
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	\$ <u>21,257</u>
Total Transfers Discretely Presented Lawrence County School Department			\$ <u><u>21,257</u></u>

Exhibit J-5

Lawrence County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2012

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	112,254 (1)	50,000	(6)
Trustee	Section 8-24-102, TCA	63,954	1,630,400	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, TCA	63,954 (2)	50,000	"
Director of Accounts and Budgets	County Commission	60,756 (3)	25,000	"
County Clerk	Section 8-24-102, TCA	63,954	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	63,954	50,000	"
Clerk and Master	Section 8-24-102, TCA	63,954	50,000	"
Register	Section 8-24-102, TCA	63,954	25,000	"
Sheriff	Section 8-24-102, TCA	73,867 (4)	25,000	"
Purchasing Agent (7)	County Commission	37,108 (5)	25,000	"
<u>Employee Blanket Bonds</u>				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Departments			50,000	Netherland Insurance Company

(1) Includes a chief executive officer training supplement of \$1,000 and accrued vacation leave of \$5,298.

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

(3) Does not include \$1,000 for a salary supplement.

(4) Does not include \$550 received for longevity pay.

(5) Does not include \$600 received for a law enforcement training supplement.

(6) Does not include \$250 longevity pay or \$4,898 in accrued vacation leave.

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

(8) Carla Burden left office May 31, 2012. Susan Luna was appointed June 26, 2012, and began work July 23, 2012.

Exhibit J-6

Lawrence County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2012

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 6,266,827	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	257,304	0	0	0	0	0	0
Trustee's Collections - Bankruptcy	3,168	0	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	108,221	0	0	0	0	0	0
Interest and Penalty	50,555	0	0	0	0	0	0
Pick-up Taxes	197	0	0	0	0	0	0
Payments in-Lieu-of Taxes - T. V.A.	2,290	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	354,023	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	5,827	0	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	92,207	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0	0
Litigation Tax - General	105,268	0	0	0	0	0	0
Litigation Tax - Special Purpose	34,727	13,640	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	3,016	0	0	0	0	0	0
Business Tax	301,479	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	0	0
Wholesale Beer Tax	40,260	0	0	40,000	0	0	0
Interstate Telecommunications Tax	1,589	0	0	0	0	0	0
Total Local Taxes	\$ 7,626,958	\$ 13,640	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 1,691	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	34,599	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General	
<u>Licenses and Permits (Cont.)</u>							
<u>Permits</u>							
Beer Permits	\$ 2,090	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 38,380	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 26,135	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	33,979	0	0	0	0	0	0
Drug Control Fines	810	0	0	0	12,906	0	0
Drug Court Fees	8,636	0	0	0	0	0	0
Jail Fees	31,936	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	2,405	0
Judicial Commissioner Fees	880	0	0	0	0	0	0
DUI Treatment Fines	1,769	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,748	0	0	0	0	0	0
Courtroom Security Fee	0	326	0	0	0	0	0
<u>Criminal Court</u>							
Officers Costs	2,497	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	1,734	0
<u>General Sessions Court</u>							
Fines	22,670	0	0	0	0	0	0
Fines for Littering	95	0	0	0	0	0	0
Officers Costs	57,429	0	0	0	0	0	0
Game and Fish Fines	441	0	0	0	0	0	0
Drug Control Fines	1,727	0	0	0	7,315	0	0
Drug Court Fees	10,091	0	0	0	0	0	0
Jail Fees	364	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	3,909	0
DUI Treatment Fines	6,995	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	7,433	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Fines	\$ 1,276	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	1,439	0	0	0	0	0	0
Game and Fish Fines	22	0	0	0	0	0	0
Jail Fees	497	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	45	0
Data Entry Fee - Juvenile Court	288	0	0	0	0	0	0
Courtroom Security Fee	0	2	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	2,323	0	0	0	0	0	0
Data Entry Fee - Chancery Court	2,904	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
District Attorney General Fees	0	0	0	0	0	0	27,776
Judicial District Drug Program							
Drug Task Force Forfeitures and Seizures	0	0	0	0	9,922	0	0
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property	0	0	0	0	9,066	0	0
Total Fines, Forfeitures, and Penalties	\$ 224,384	\$ 328	\$ 0	\$ 0	\$ 39,209	\$ 35,869	0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 338,286	\$ 0	\$ 0	\$ 0	0
Residential Waste Collection Charge	0	0	712,077	0	0	0	0
Tippling Fees	0	0	810	0	0	0	0
Solid Waste Disposal Fees	0	0	10,455	0	0	0	0
Patient Charges	1,880,507	0	0	0	0	0	0
Past Due Collections - Ambulance	325	0	0	0	0	0	0
Work Release Charges for Board	26,164	0	0	0	0	0	0
Service Charges	2,105	0	0	0	0	0	0
<u>Fees</u>							
Copy Fees	5,984	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General	
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Library Fees	\$ 4,253	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Greenbelt Late Application Fee	50	0	0	0	0	0	0
Telephone Commissions	62,073	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	0
Data Processing Fee - Register	11,832	0	0	0	0	0	0
Data Processing Fee - Sheriff	4,257	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,600	0	0	0	0	0	0
Data Processing Fee - County Clerk	2,940	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	2,054	0	0	0	0	0	0
Total Charges for Current Services	\$ 2,006,144	\$ 0	\$ 1,061,628	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 56,237	\$ 0	\$ 7,502	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	0	0	0	0	0	0	0
Sale of Materials and Supplies	134	0	0	0	0	0	0
Commissary Sales	483	0	0	0	0	0	0
Sale of Recycled Materials	0	0	149,865	0	0	0	0
Miscellaneous Refunds	6,414	0	0	0	0	0	2,934
Expenditure Credits	250	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	6,293	0	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	0	0	0
Contributions and Gifts	209	0	0	0	0	0	0
Total Other Local Revenues	\$ 70,020	\$ 0	\$ 157,367	\$ 0	\$ 0	\$ 0	\$ 2,934

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General	
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 91,919	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	399,149	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>							
Circuit Court Clerk	199,411	0	0	0	0	0	0
General Sessions Court Clerk	230,670	0	0	0	0	0	0
Clerk and Master	168,273	0	0	0	0	0	0
Juvenile Court Clerk	35,104	0	0	0	0	0	0
Register	132,680	0	0	0	0	0	0
Sheriff	15,150	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,272,356	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	30,654	0	0	0	0
On-Behalf Contributions for OPEB	129	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	25,800	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	139,419	0	0	0	0	0	0
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0	0
Litter Program	73,279	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	57,289	0	0	0	0	0	0
Beer Tax	18,421	0	0	0	0	0	0
Alcoholic Beverage Tax	73,484	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0
Emergency Hospital - Prisoners	91,998	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial/ Economic Development	Drug Control	District Attorney General	
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues (Cont.)</u>							
Board of Jurors	\$ 515	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Prisoner Boarding	1,092,980	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	998	0	0	0	0	0	0
Other State Revenues	1,175	0	0	0	0	0	0
Total State of Tennessee	\$ 1,599,651	\$ 0	\$ 30,654	\$ 0	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0	0	0
Other Federal through State	427,718	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	188,428	0	124,000	0	0	0	0
Total Federal Government	\$ 616,146	\$ 0	\$ 124,000	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 108,086	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>							
Donations	10,357	0	0	0	0	0	0
<u>Other</u>							
Other	3,938	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 122,381	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 13,576,420	\$ 13,968	\$ 1,373,649	\$ 40,000	\$ 39,209	\$ 38,803	\$ 38,803

(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	Other Capital Projects			
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 0	\$ 1,385,436	\$ 1,963,798	\$ 0	\$ 0	\$ 0	\$ 9,616,061		
Trustee's Collections - Prior Year	0	51,321	72,847	0	0	0	381,472		
Trustee's Collections - Bankruptcy	0	694	984	0	0	0	4,846		
Circuit/Clerk & Master Collections - Prior Years	0	23,502	33,567	0	0	0	165,290		
Interest and Penalty	0	11,063	15,685	0	0	0	77,303		
Pick-up Taxes	0	0	0	0	0	0	197		
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	2,290		
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	354,023		
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	5,827		
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	1,430,244	0	0	0	1,430,244		
Hotel/Motel Tax	0	0	0	0	0	0	92,207		
Wheel Tax	0	0	904,995	0	0	0	904,995		
Litigation Tax - General	0	0	0	0	0	0	105,268		
Litigation Tax - Special Purpose	0	0	0	0	0	0	48,367		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	91,405	0	0	0	91,405		
Litigation Tax - Victim/Offender Mediation Center	0	0	23	0	0	0	3,039		
Business Tax	0	0	0	0	0	0	301,479		
Mineral Severance Tax	0	89,943	0	0	0	0	89,943		
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	46,273	0	0	0	46,273		
Wholesale Beer Tax	0	0	0	40,000	0	0	120,260		
Interstate Telecommunications Tax	0	0	0	0	0	0	1,589		
Total Local Taxes	\$ 0	\$ 1,561,959	\$ 4,559,821	\$ 40,000	\$ 0	\$ 0	\$ 13,842,378		
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,691		
Cable TV Franchise	0	0	0	0	0	0	34,599		

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects		
<u>Licenses and Permits (Cont.)</u>							
<u>Permits</u>							
Beer Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	2,090
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	38,380
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	26,135
Officers Costs	0	0	0	0	0	0	33,979
Drug Control Fines	0	0	0	0	0	0	13,716
Drug Court Fees	0	0	0	0	0	0	8,636
Jail Fees	0	0	0	0	0	0	31,936
District Attorney General Fees	0	0	0	0	0	0	2,405
Judicial Commissioner Fees	0	0	0	0	0	0	880
DUI Treatment Fines	0	0	0	0	0	0	1,769
Data Entry Fee - Circuit Court	0	0	0	0	0	0	1,748
Courtroom Security Fee	0	0	0	0	0	0	326
<u>Criminal Court</u>							
Officers Costs	0	0	0	0	0	0	2,497
District Attorney General Fees	0	0	0	0	0	0	1,734
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	22,670
Fines for Littering	0	0	0	0	0	0	95
Officers Costs	0	0	0	0	0	0	57,429
Game and Fish Fines	0	0	0	0	0	0	441
Drug Control Fines	0	0	0	0	0	0	9,042
Drug Court Fees	0	0	0	0	0	0	10,091
Jail Fees	0	0	0	0	0	0	364
District Attorney General Fees	0	0	0	0	0	0	3,909
DUI Treatment Fines	0	0	0	0	0	0	6,995
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	7,433

(Continued)

Exhibit J-6

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,276
Officers Costs	0	0	0	0	0	0	1,439
Game and Fish Fines	0	0	0	0	0	0	22
Jail Fees	0	0	0	0	0	0	497
District Attorney General Fees	0	0	0	0	0	0	45
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	288
Courtroom Security Fee	0	0	0	0	0	0	2
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	2,323
Data Entry Fee - Chancery Court	0	0	0	0	0	0	2,904
<u>Other Courts - In-county</u>							
District Attorney General Fees	0	0	0	0	0	0	27,776
Judicial District Drug Program							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	9,922
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property	0	0	0	0	0	0	9,066
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 299,790
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	338,286
Residential Waste Collection Charge	0	0	0	0	0	0	712,077
Tipping Fees	0	0	0	0	0	0	810
Solid Waste Disposal Fees	0	0	0	0	0	0	10,455
Patient Charges	0	0	0	0	0	0	1,880,507
Past Due Collections - Ambulance	0	0	0	0	0	0	325
Work Release Charges for Board	0	0	0	0	0	0	26,164
Service Charges	0	0	0	0	0	0	2,105
<u>Fees</u>							
Copy Fees	0	0	0	0	0	0	5,984

(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	Other Capital Projects			
<u>Charges for Current Services (Cont.)</u>								
<u>Fees (Cont.)</u>								
Library Fees	0	0	0	0	0	0	0	4,253
Greenbelt Late Application Fee	0	0	0	0	0	0	0	50
Telephone Commissions	0	0	0	0	0	0	0	62,073
Constitutional Officers' Fees and Commissions	484,563	0	0	0	0	0	0	484,563
Special Commissioner Fees/Special Master Fees	1,545	0	0	0	0	0	0	1,545
Data Processing Fee - Register	0	0	0	0	0	0	0	11,832
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	4,257
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	3,600
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	2,940
<u>Other Charges for Services</u>								
Other Charges for Services	0	0	0	0	0	0	0	2,054
Total Charges for Current Services	\$ 486,108	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,553,880
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	0	0	0	0	0	0	0	64,352
Lease/Rentals	0	0	90,000	0	0	0	0	90,000
Sale of Materials and Supplies	0	126,568	0	0	0	0	0	126,702
Commissary Sales	0	0	0	0	0	0	0	483
Sale of Recycled Materials	0	0	0	0	0	0	0	149,865
Miscellaneous Refunds	0	0	0	0	225	0	0	9,573
Expenditure Credits	0	0	0	0	0	0	0	250
<u>Nonrecurring Items</u>								
Sale of Equipment	0	12,480	0	0	0	0	0	18,773
Damages Recovered from Individuals	0	484	0	0	0	0	0	484
Contributions and Gifts	0	0	0	0	0	0	0	209
Total Other Local Revenues	\$ 0	\$ 139,532	\$ 90,000	\$ 838	\$ 0	\$ 0	\$ 0	\$ 460,691

(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	Other Capital Projects		
<u>Fees Received from County Officials</u>								
<u>Excess Fees</u>								
County Clerk Trustee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 91,919
Fees in-Lieu-of Salary	0	0	0	0	0	0	0	399,149
Circuit Court Clerk	0	0	0	0	0	0	0	199,411
General Sessions Court Clerk	0	0	0	0	0	0	0	230,670
Clerk and Master	0	0	0	0	0	0	0	168,273
Juvenile Court Clerk	0	0	0	0	0	0	0	35,104
Register	0	0	0	0	0	0	0	132,680
Sheriff	0	0	0	0	0	0	0	15,150
<b>Total Fees Received from County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,272,356</b>
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Solid Waste Grants	0	0	0	0	0	0	0	30,654
On-Behalf Contributions for OPEB	0	0	0	0	0	0	0	129
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	0	0	0	0	0	0	0	25,800
<u>Health and Welfare Grants</u>								
Health Department Programs	0	0	0	0	0	0	0	139,419
<u>Public Works Grants</u>								
Bridge Program	0	78,153	0	0	0	0	0	78,153
State Aid Program	0	237,989	0	0	0	0	0	237,989
Litter Program	0	0	0	0	0	0	0	73,279
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	0	57,289
Beer Tax	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	0	0	0	0	0	0	0	73,484
State Revenue Sharing - T.V.A.	0	0	692,513	0	0	0	0	692,513
Emergency Hospital - Prisoners	0	0	0	0	0	0	0	91,998

(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	Other Capital Projects	Other Capital Projects		
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues (Cont.)</u>								
Board of Jurors	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 515	
Contracted Prisoner Boarding	0	0	0	0	0	0	1,092,980	
Gasoline and Motor Fuel Tax	0	1,961,061	0	0	0	0	1,961,061	
Petroleum Special Tax	0	30,210	0	0	0	0	30,210	
Registrar's Salary Supplement	0	0	0	0	0	0	15,164	
Other State Grants	0	0	0	0	0	0	998	
Other State Revenues	0	0	0	0	0	0	1,175	
Total State of Tennessee	\$ 0	\$ 2,307,413	\$ 692,513	\$ 0	\$ 0	\$ 0	\$ 4,630,231	
<u>Federal Government</u>								
<u>Federal Through State</u>								
Disaster Relief	\$ 0	230,106	0	0	0	0	230,106	
Homeland Security Grants	0	0	0	0	0	218,125	218,125	
Other Federal through State	0	0	0	0	0	0	427,718	
<u>Direct Federal Revenue</u>								
Other Direct Federal Revenue	0	0	0	17,120	0	0	329,548	
Total Federal Government	\$ 0	\$ 230,106	\$ 0	\$ 17,120	\$ 218,125	\$ 0	\$ 1,205,497	
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	\$ 0	0	300,000	0	0	0	408,086	
<u>Citizens Groups</u>								
Donations	0	0	0	0	0	0	10,357	
<u>Other</u>								
Other	0	0	0	0	0	0	3,938	
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 422,381	
Total	\$ 486,108	\$ 4,239,010	\$ 5,642,334	\$ 57,958	\$ 218,125	\$ 218,125	\$ 25,725,584	

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, 2012

	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	\$ 5,518,964	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,518,964
Trustee's Collections - Prior Year	204,900	0	0	0	0	204,900
Trustee's Collections - Bankruptcy	2,776	0	0	0	0	2,776
Circuit/Clerk & Master Collections - Prior Years	94,682	0	0	0	0	94,682
Interest and Penalty	44,243	0	0	0	0	44,243
<u>County Local Option Taxes</u>						
Local Option Sales Tax	4,666,251	0	0	0	0	4,666,251
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	2,332	0	0	0	0	2,332
Total Local Taxes	\$ 10,534,148	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,534,148
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	1,715	0	0	0	0	1,715
Total Licenses and Permits	\$ 1,715	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,715
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	2,855	0	0	0	0	2,855
Tuition - Summer School	1,800	0	0	0	0	1,800
Tuition - Other	0	0	0	135,572	0	135,572
Lunch Payments - Children	0	0	695,456	0	0	695,456
Lunch Payments - Adults	0	0	162,448	0	0	162,448
Income from Breakfast	0	0	120,009	0	0	120,009
A la carte Sales	0	0	267,951	0	0	267,951
Contract for Instructional Staff Support with Other LEAs	12,225	0	0	0	0	12,225
Receipts from Individual Schools	75,481	0	5,607	0	0	81,088
Community Service Fees - Children	22,866	0	0	0	0	22,866
<u>Other Charges for Services</u>						
Other Charges for Services	34	0	300	0	0	334
Total Charges for Current Services	\$ 115,261	\$ 0	\$ 1,251,771	\$ 135,572	\$ 0	\$ 1,502,604

(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 \$	1,234 \$	0 \$	0 \$	1,234
Lease/Rentals	1	0	0	0	0	1
Sale of Materials and Supplies	3,487	0	182	0	0	3,669
Refund of Telecommunication and Internet Fees (E-Rate)	13,952	0	0	0	0	13,952
Miscellaneous Refunds	5,563	0	200	0	0	5,763
<u>Nonrecurring Items</u>						
Sale of Equipment	13,115	0	0	0	0	13,115
Damages Recovered from Individuals	2,358	0	0	0	0	2,358
Contributions and Gifts	8,554	0	0	0	1,000	9,554
<u>Other Local Revenues</u>						
Other Local Revenues	1,211	0	0	0	0	1,211
Total Other Local Revenues	48,241 \$	0 \$	1,616 \$	0 \$	1,000 \$	50,857
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	328,797 \$	0 \$	0 \$	0 \$	0 \$	328,797
<u>State Education Funds</u>						
Basic Education Program	31,718,001	0	0	0	0	31,718,001
Early Childhood Education	1,094,611	0	0	0	0	1,094,611
School Food Service	0	0	39,288	0	0	39,288
Energy Efficient School Initiative	146,827	0	0	0	0	146,827
Driver Education	20,036	0	0	0	0	20,036
Other State Education Funds	341,626	0	0	0	0	341,626
Career Ladder Program	300,982	0	0	0	0	300,982
Career Ladder - Extended Contract	90,600	0	0	0	0	90,600
Career Ladder - Extended Contract - ARRA	1,167	0	0	0	0	1,167
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	200,000	0	0	0	0	200,000
Other State Revenues	74,943	0	0	1,822	0	76,765
Total State of Tennessee	34,317,590 \$	0 \$	39,288 \$	1,822 \$	0 \$	34,358,700

(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
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,786,003	\$ 0	\$ 0	\$ 1,786,003
USDA - Commodities	0	0	204,694	0	0	204,694
Breakfast	0	0	691,985	0	0	691,985
USDA - Other	0	0	25,798	0	0	25,798
Adult Education State Grant Program	131,768	0	0	0	0	131,768
Vocational Education - Basic Grants to States	0	120,061	0	0	0	120,061
Title I Grants to Local Education Agencies	0	1,696,352	0	0	0	1,696,352
Special Education - Grants to States	23,163	1,715,523	0	0	0	1,738,686
Special Education Preschool Grants	0	38,588	0	0	0	38,588
English Language Acquisition Grants	2,741	0	0	0	0	2,741
Rural Education	0	108,136	0	0	0	108,136
Eisenhower Professional Development State Grants	0	327,358	0	0	0	327,358
ARRA Grant # 1	506,903	0	0	0	0	506,903
Race-to-the-Top - ARRA	0	427,006	0	0	0	427,006
Other Federal through State	133,238	575,994	0	0	0	709,232
Total Federal Government	\$ 797,813	\$ 5,009,018	\$ 2,708,480	\$ 0	\$ 0	\$ 8,515,311
Total	\$ 45,814,768	\$ 5,009,018	\$ 4,001,155	\$ 137,394	\$ 1,000	\$ 54,963,335

Exhibit J-8

Lawrence County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	44,151	
In-Service Training		970	
Social Security		2,736	
State Retirement		3,346	
Life Insurance		1	
Disability Insurance		3	
Unemployment Compensation		3	
Employer Medicare		640	
Advertising		307	
Audit Services		21,196	
Contracts with Private Agencies		600	
Dues and Memberships		10,223	
Postal Charges		995	
Travel		14,729	
Office Supplies		186	
Other Supplies and Materials		76	
Other Charges		448	
Data Processing Equipment		3,492	
Total County Commission			\$ 104,102

Beer Board

Criminal Investigation of Applicants - TBI	\$	29	
Total Beer Board			29

County Mayor/Executive

County Official/Administrative Officer	\$	78,191	
Secretary(ies)		51,286	
Other Salaries and Wages		4,639	
In-Service Training		125	
Social Security		8,272	
State Retirement		11,347	
Employee and Dependent Insurance		1,020	
Life Insurance		143	
Medical Insurance		984	
Dental Insurance		613	
Disability Insurance		661	
Unemployment Compensation		347	
Employer Medicare		1,935	
Dues and Memberships		1,582	
Maintenance Agreements		780	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Pest Control	\$	176	
Postal Charges		668	
Printing, Stationery, and Forms		502	
Travel		1,681	
Office Supplies		1,218	
Workers' Compensation Insurance		1,199	
Other Charges		785	
Data Processing Equipment		381	
Total County Mayor/Executive			\$ 168,535

County Attorney

County Official/Administrative Officer	\$	6,000	
Social Security		372	
State Retirement		593	
Unemployment Compensation		72	
Employer Medicare		87	
Workers' Compensation Insurance		55	
Total County Attorney			7,179

Election Commission

County Official/Administrative Officer	\$	57,559	
Deputy(ies)		54,053	
Longevity Pay		650	
Overtime Pay		316	
Election Commission		3,100	
Election Workers		148	
Social Security		6,310	
State Retirement		11,122	
Employee and Dependent Insurance		360	
Life Insurance		67	
Medical Insurance		11,806	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		216	
Employer Medicare		1,476	
Contracts with Private Agencies		14,677	
Dues and Memberships		150	
Legal Services		7,612	
Legal Notices, Recording, and Court Costs		579	
Maintenance Agreements		2,353	

(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.)

Pest Control	\$	264	
Postal Charges		9,922	
Printing, Stationery, and Forms		8,575	
Rentals		50	
Travel		4,051	
Disposal Fees		100	
Data Processing Supplies		124	
Office Supplies		1,294	
Utilities		5,789	
Other Supplies and Materials		336	
Workers' Compensation Insurance		1,010	
Total Election Commission			\$ 204,572

Register of Deeds

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		53,209	
Longevity Pay		1,300	
Social Security		6,967	
State Retirement		11,704	
Medical Insurance		17,709	
Unemployment Compensation		216	
Employer Medicare		1,629	
Dues and Memberships		937	
Operating Lease Payments		11,462	
Maintenance Agreements		1,140	
Pest Control		176	
Postal Charges		617	
Printing, Stationery, and Forms		1,612	
Travel		1,649	
Office Supplies		1,333	
Workers' Compensation Insurance		1,068	
Total Register of Deeds			176,682

County Buildings

Supervisor/Director	\$	31,200
Custodial Personnel		62,074
Longevity Pay		1,800
Social Security		5,557
State Retirement		9,394
Medical Insurance		23,612

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Unemployment Compensation	\$	432	
Employer Medicare		1,300	
Communication		49,044	
Maintenance Agreements		26,431	
Maintenance and Repair Services - Buildings		74,480	
Maintenance and Repair Services - Equipment		369	
Maintenance and Repair Services - Vehicles		1,226	
Pest Control		1,112	
Postal Charges		202	
Disposal Fees		914	
Other Contracted Services		276	
Custodial Supplies		10,910	
Food Supplies		6,010	
Gasoline		4,688	
Utilities		137,405	
Other Supplies and Materials		462	
Workers' Compensation Insurance		804	
Building Improvements		5,493	
Other Equipment		907	
Total County Buildings			\$ 456,102

Preservation of Records

Supervisor/Director	\$	27,780
Deputy(ies)		7,140
Longevity Pay		750
Social Security		1,937
State Retirement		3,524
Life Insurance		20
Medical Insurance		5,903
Dental Insurance		74
Disability Insurance		79
Unemployment Compensation		156
Employer Medicare		453
Communication		1,321
Contracts with Private Agencies		323
Dues and Memberships		20
Maintenance Agreements		360
Pest Control		520
Office Supplies		490
Utilities		6,616

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Other Supplies and Materials	\$	464	
Workers' Compensation Insurance		253	
Total Preservation of Records			\$ 58,183

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	60,756	
Accountants/Bookkeepers		55,560	
Longevity Pay		1,650	
In-Service Training		1,345	
Social Security		6,367	
State Retirement		11,655	
Medical Insurance		17,709	
Unemployment Compensation		324	
Employer Medicare		1,489	
Communication		668	
Data Processing Services		3,344	
Maintenance Agreements		1,354	
Maintenance and Repair Services - Office Equipment		115	
Pest Control		132	
Postal Charges		218	
Printing, Stationery, and Forms		1,519	
Travel		2,183	
Disposal Fees		100	
Office Supplies		2,993	
Utilities		6,212	
Other Supplies and Materials		189	
Workers' Compensation Insurance		1,053	
Other Charges		192	
Data Processing Equipment		2,163	
Total Accounting and Budgeting			179,290

Purchasing

County Official/Administrative Officer	\$	37,108
Purchasing Personnel		27,780
Part-time Personnel		1,260
Longevity Pay		1,000
Other Salaries and Wages		4,898
In-Service Training		32
Social Security		4,348

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

State Retirement	\$	6,994	
Employee and Dependent Insurance		360	
Life Insurance		67	
Medical Insurance		5,903	
Dental Insurance		121	
Disability Insurance		283	
Unemployment Compensation		231	
Employer Medicare		1,017	
Data Processing Services		3,344	
Pest Control		132	
Postal Charges		2,000	
Printing, Stationery, and Forms		381	
Travel		945	
Office Supplies		1,381	
Workers' Compensation Insurance		610	
Other Charges		376	
Total Purchasing			\$ 100,571

Property Assessor's Office

County Official/Administrative Officer	\$	63,954
Deputy(ies)		104,149
Salary Supplements		1,000
Longevity Pay		2,100
Other Salaries and Wages		29,974
Board and Committee Members Fees		853
In-Service Training		25
Social Security		12,169
State Retirement		17,516
Employee and Dependent Insurance		351
Life Insurance		67
Medical Insurance		25,965
Dental Insurance		242
Unemployment Compensation		657
Employer Medicare		2,846
Data Processing Services		12,161
Dues and Memberships		2,287
Maintenance Agreements		5,026
Maintenance and Repair Services - Vehicles		505
Pest Control		176
Postal Charges		1,189

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Printing, Stationery, and Forms	\$	264	
Travel		2,881	
Gasoline		2,388	
Office Supplies		2,040	
Workers' Compensation Insurance		1,804	
Other Charges		18	
Motor Vehicles		7,000	
Total Property Assessor's Office			\$ 299,607

County Trustee's Office

State Retirement	\$	17,065	
Employee and Dependent Insurance		1,080	
Life Insurance		202	
Medical Insurance		11,806	
Dental Insurance		727	
Disability Insurance		783	
Unemployment Compensation		432	
Data Processing Services		9,729	
Dues and Memberships		657	
Pest Control		176	
Postal Charges		6,502	
Printing, Stationery, and Forms		7,135	
Office Supplies		1,017	
Other Supplies and Materials		79	
Workers' Compensation Insurance		1,553	
Other Charges		89	
Data Processing Equipment		3,251	
Total County Trustee's Office			62,283

County Clerk's Office

State Retirement	\$	27,307	
Employee and Dependent Insurance		1,440	
Life Insurance		268	
Medical Insurance		29,515	
Dental Insurance		242	
Disability Insurance		771	
Unemployment Compensation		862	
Communication		481	
Data Processing Services		13,444	
Dues and Memberships		836	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Legal Notices, Recording, and Court Costs	\$	233	
Maintenance Agreements		790	
Pest Control		176	
Postal Charges		7,793	
Printing, Stationery, and Forms		468	
Travel		3,718	
Office Supplies		1,851	
Other Supplies and Materials		101	
Workers' Compensation Insurance		2,480	
Total County Clerk's Office			\$ 92,776

Data Processing

Assistant(s)	\$	15,508	
Supervisor/Director		66,950	
Social Security		4,978	
State Retirement		7,040	
Medical Insurance		8,963	
Unemployment Compensation		247	
Employer Medicare		1,164	
Pest Control		151	
Travel		41	
Office Supplies		125	
Other Supplies and Materials		667	
Workers' Compensation Insurance		610	
Data Processing Equipment		21,266	
Total Data Processing			127,710

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		238,264	
Longevity Pay		5,050	
Jury and Witness Expense		16,061	
In-Service Training		1,210	
Social Security		17,941	
State Retirement		30,358	
Employee and Dependent Insurance		450	
Life Insurance		84	
Medical Insurance		48,894	
Dental Insurance		303	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Disability Insurance	\$	326	
Unemployment Compensation		972	
Employer Medicare		4,196	
Data Processing Services		12,923	
Dues and Memberships		512	
Legal Notices, Recording, and Court Costs		34	
Maintenance Agreements		4,576	
Maintenance and Repair Services - Office Equipment		340	
Pest Control		151	
Postal Charges		3,106	
Printing, Stationery, and Forms		4,235	
Travel		3,579	
Office Supplies		6,377	
Other Supplies and Materials		499	
Workers' Compensation Insurance		2,755	
Other Charges		600	
Data Processing Equipment		15,654	
Office Equipment		98	
Total Circuit Court			\$ 483,502

General Sessions Court

Judge(s)	\$	140,894
Deputy(ies)		27,780
Guards		46,369
Longevity Pay		1,350
Overtime Pay		135
Social Security		11,932
State Retirement		20,455
Medical Insurance		19,925
Unemployment Compensation		429
Employer Medicare		2,964
Dues and Memberships		315
Maintenance Agreements		390
Pest Control		151
Postal Charges		477
Printing, Stationery, and Forms		176
Travel		3,587
Office Supplies		747
Other Supplies and Materials		232
Workers' Compensation Insurance		2,259

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Data Processing Equipment	\$ 272	
Total General Sessions Court		\$ 280,839

Chancery Court

County Official/Administrative Officer	\$ 63,954	
Deputy(ies)	100,488	
Part-time Personnel	3,624	
Longevity Pay	2,600	
Social Security	10,302	
State Retirement	16,504	
Employee and Dependent Insurance	1,080	
Life Insurance	202	
Medical Insurance	11,948	
Dental Insurance	485	
Disability Insurance	783	
Unemployment Compensation	448	
Employer Medicare	2,410	
Data Processing Services	6,500	
Dues and Memberships	682	
Maintenance Agreements	780	
Pest Control	151	
Postal Charges	9,885	
Printing, Stationery, and Forms	1,409	
Travel	468	
Office Supplies	2,845	
Other Supplies and Materials	1,704	
Workers' Compensation Insurance	1,595	
Data Processing Equipment	7,375	
Total Chancery Court		248,222

Juvenile Court

Deputy(ies)	\$ 55,561
Youth Service Officer(s)	9,000
Salary Supplements	16,154
In-Service Training	525
Social Security	4,111
State Retirement	5,108
Medical Insurance	9,591
Unemployment Compensation	216
Employer Medicare	962

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Postal Charges	\$	68	
Printing, Stationery, and Forms		78	
Other Contracted Services		660	
Other Supplies and Materials		368	
Workers' Compensation Insurance		290	
Total Juvenile Court			\$ 102,692

Victims Assistance Programs

Contracts with Private Agencies	\$	5,197	
Total Victims Assistance Programs			5,197

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	73,867	
Supervisor/Director		56,672	
Deputy(ies)		864,214	
Investigator(s)		106,693	
Captain(s)		53,238	
Lieutenant(s)		45,306	
Sergeant(s)		299,374	
Secretary(ies)		144,533	
Longevity Pay		14,300	
Overtime Pay		9,906	
Other Salaries and Wages		21,632	
In-Service Training		35,942	
Social Security		103,338	
State Retirement		153,804	
Employee and Dependent Insurance		4,290	
Life Insurance		721	
Medical Insurance		221,286	
Dental Insurance		1,879	
Disability Insurance		2,275	
Unemployment Compensation		5,507	
Employer Medicare		24,168	
Communication		628	
Contracts with Private Agencies		69	
Dues and Memberships		2,780	
Evaluation and Testing		1,110	
Operating Lease Payments		4,345	
Legal Notices, Recording, and Court Costs		240	

(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.)

Maintenance Agreements	\$	5,275	
Maintenance and Repair Services - Buildings		1,760	
Maintenance and Repair Services - Equipment		183	
Maintenance and Repair Services - Vehicles		95,266	
Pest Control		427	
Postal Charges		2,075	
Printing, Stationery, and Forms		3,081	
Rentals		2,400	
Tow-in Services		1,571	
Travel		8,816	
Custodial Supplies		6,718	
Food Supplies		49	
Gasoline		155,601	
Law Enforcement Supplies		8,666	
Office Supplies		12,502	
Tires and Tubes		2,127	
Uniforms		24,527	
Utilities		8,598	
Other Supplies and Materials		767	
Workers' Compensation Insurance		15,789	
Other Self-Insured Claims		500	
Other Charges		937	
Data Processing Equipment		4,167	
Furniture and Fixtures		324	
Law Enforcement Equipment		5,495	
Motor Vehicles		185,855	
Total Sheriff's Department			\$ 2,805,593

Jail

Lieutenant(s)	\$	39,750
Sergeant(s)		128,229
Medical Personnel		118,038
Guards		723,970
Longevity Pay		1,900
Overtime Pay		5,942
Other Salaries and Wages		4,818
In-Service Training		4,990
Social Security		59,498
State Retirement		80,422
Employee and Dependent Insurance		1,113

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Life Insurance	\$	286	
Medical Insurance		199,079	
Dental Insurance		545	
Disability Insurance		1,108	
Unemployment Compensation		5,719	
Employer Medicare		13,915	
Communication		4,986	
Contracts with Private Agencies		438	
Evaluation and Testing		4,361	
Maintenance Agreements		5,354	
Maintenance and Repair Services - Buildings		6,273	
Maintenance and Repair Services - Equipment		1,516	
Maintenance and Repair Services - Vehicles		74	
Pest Control		2,280	
Printing, Stationery, and Forms		1,425	
Travel		4,659	
Custodial Supplies		22,976	
Drugs and Medical Supplies		75,891	
Food Supplies		273,882	
Law Enforcement Supplies		360	
Office Supplies		526	
Uniforms		19,367	
Utilities		205,733	
Other Supplies and Materials		43,663	
Medical Claims		163,468	
Workers' Compensation Insurance		8,829	
Liability Claims		500	
Other Charges		324	
Furniture and Fixtures		1,907	
Total Jail			\$ 2,238,114

Workhouse

Accountants/Bookkeepers	\$	6,000	
Guards		14,318	
Social Security		372	
Employer Medicare		87	
Food Supplies		7,786	
Gasoline		1,649	
Other Supplies and Materials		20,119	
Other Charges		9,025	
Total Workhouse			59,356

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Work Release Program

Maintenance and Repair Services - Equipment	\$	303	
Maintenance and Repair Services - Vehicles		600	
Food Supplies		1,639	
Gasoline		1,447	
Maintenance Equipment		318	
Total Work Release Program			\$ 4,307

Fire Prevention and Control

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

Civil Defense

Maintenance and Repair Services - Equipment	\$	50	
Maintenance and Repair Services - Vehicles		101	
Gasoline		818	
Other Supplies and Materials		2,049	
Building Construction		6,825	
Data Processing Equipment		2,440	
Total Civil Defense			12,283

Rescue Squad

Contributions	\$	271,500	
Total Rescue Squad			271,500

Other Emergency Management

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

County Coroner/Medical Examiner

Social Security	\$	155	
State Retirement		247	
Unemployment Compensation		15	
Employer Medicare		36	
Medical and Dental Services		6,500	
Other Contracted Services		2,500	
Total County Coroner/Medical Examiner			9,453

Other Public Safety

Other Supplies and Materials	\$	11,459	
Total Other Public Safety			11,459

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Secretary(ies)	\$	43,305	
Longevity Pay		550	
Social Security		2,523	
State Retirement		4,333	
Medical Insurance		11,806	
Unemployment Compensation		216	
Employer Medicare		590	
Communication		2,191	
Dues and Memberships		200	
Janitorial Services		12,000	
Maintenance and Repair Services - Buildings		3,711	
Pest Control		538	
Printing, Stationery, and Forms		116	
Disposal Fees		1,168	
Food Supplies		400	
Utilities		25,440	
Other Supplies and Materials		743	
Workers' Compensation Insurance		395	
Total Local Health Center			\$ 110,225

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	56,650
Medical Personnel		682,704
Secretary(ies)		27,780
Part-time Personnel		152,651
Longevity Pay		5,767
Overtime Pay		419,521
In-Service Training		1,191
Social Security		80,201
State Retirement		109,514
Employee and Dependent Insurance		360
Life Insurance		67
Medical Insurance		147,476
Dental Insurance		242
Disability Insurance		44
Unemployment Compensation		4,194
Employer Medicare		18,757
Communication		4,493
Contracts with Private Agencies		1,485
Dues and Memberships		560

(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.)

Licenses	\$	3,245	
Maintenance Agreements		5,178	
Maintenance and Repair Services - Buildings		1,434	
Maintenance and Repair Services - Equipment		1,976	
Maintenance and Repair Services - Vehicles		39,082	
Medical and Dental Services		3,500	
Pest Control		370	
Postal Charges		6,150	
Printing, Stationery, and Forms		690	
Tow-in Services		210	
Travel		2,984	
Disposal Fees		1,368	
Other Contracted Services		1,470	
Custodial Supplies		2,710	
Drugs and Medical Supplies		100,960	
Food Supplies		54	
Gasoline		98,419	
Office Supplies		4,346	
Tires and Tubes		8,135	
Uniforms		6,187	
Utilities		12,265	
Other Supplies and Materials		808	
Liability Insurance		13,863	
Vehicle and Equipment Insurance		22,829	
Workers' Compensation Insurance		9,415	
Other Charges		982	
Communication Equipment		2,235	
Data Processing Equipment		746	
Furniture and Fixtures		300	
Office Equipment		868	
Health Equipment		167,370	
Total Ambulance/Emergency Medical Services			\$ 2,233,806

Other Local Health Services

Contributions	\$	5,000	
Total Other Local Health Services			5,000

Regional Mental Health Center

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

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State

Other Salaries and Wages	\$	156,066	
Social Security		9,366	
State Retirement		10,441	
Employee and Dependent Insurance		240	
Life Insurance		95	
Medical Insurance		19,857	
Dental Insurance		343	
Disability Insurance		361	
Unemployment Compensation		1,018	
Employer Medicare		2,190	
Contracts with Government Agencies		30,350	
Travel		7,527	
Workers' Compensation Insurance		1,423	
Other Charges		2,857	
Total Appropriation to State			\$ 242,134

Aid to Dependent Children

Contracts with Government Agencies	\$	9,321	
Total Aid to Dependent Children			9,321

Other Public Health and Welfare

Contributions	\$	5,000	
Dues and Memberships		9,117	
Other Contracted Services		60,865	
Total Other Public Health and Welfare			74,982

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

Supervisor/Director	\$	39,808	
Deputy(ies)		27,584	
Librarians		59,198	
Part-time Personnel		27,104	
Longevity Pay		3,000	
Social Security		9,313	
State Retirement		2,980	
Employee and Dependent Insurance		360	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Life Insurance	\$	67	
Medical Insurance		23,102	
Disability Insurance		229	
Unemployment Compensation		876	
Employer Medicare		2,178	
Communication		1,526	
Data Processing Services		1,378	
Dues and Memberships		150	
Janitorial Services		6,200	
Maintenance Agreements		2,812	
Maintenance and Repair Services - Buildings		544	
Postal Charges		2,549	
Printing, Stationery, and Forms		62	
Travel		327	
Disposal Fees		100	
Other Contracted Services		1,210	
Custodial Supplies		652	
Instructional Supplies and Materials		2,814	
Library Books/Media		20,876	
Office Supplies		5,141	
Periodicals		3,728	
Utilities		20,331	
Refunds		60	
Workers' Compensation Insurance		1,390	
Liability Claims		348	
Other Charges		15	
Data Processing Equipment		15,942	
Furniture and Fixtures		805	
Office Equipment		380	
Total Libraries			\$ 285,139

Other Social, Cultural, and Recreational

Contributions	\$	14,400	
Total Other Social, Cultural, and Recreational			14,400

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	76,000	
Secretary(ies)		13,291	
Board and Committee Members Fees		150	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Social Security	\$	824	
State Retirement		268	
Unemployment Compensation		137	
Employer Medicare		193	
Communication		1,833	
Dues and Memberships		425	
Maintenance Agreements		341	
Maintenance and Repair Services - Vehicles		66	
Pest Control		216	
Disposal Fees		500	
Gasoline		1,041	
Instructional Supplies and Materials		1,500	
Utilities		8,743	
Other Supplies and Materials		285	
Workers' Compensation Insurance		116	
Building Construction		17,883	
Total Agriculture Extension Service			\$ 123,812

Soil Conservation

Salary Supplements	\$	33,448	
Social Security		2,018	
State Retirement		2,355	
Medical Insurance		5,903	
Unemployment Compensation		190	
Employer Medicare		472	
Dues and Memberships		975	
Postal Charges		180	
Travel		380	
Office Supplies		290	
Workers' Compensation Insurance		253	
Other Charges		418	
Total Soil Conservation			46,882

Other Agriculture and Natural Resources

Advertising	\$	998	
Total Other Agriculture and Natural Resources			998

Other Operations

Tourism

Contributions	\$	25,500	
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(Continued)

Exhibit J-8

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

<u>General Fund (Cont.)</u>		
<u>Other Operations (Cont.)</u>		
<u>Tourism (Cont.)</u>		
Dues and Memberships	\$ 500	
Other Charges	950	
Total Tourism		\$ 26,950
<u>Industrial Development</u>		
Contributions	\$ 138,427	
Total Industrial Development		138,427
<u>Airport</u>		
Contributions	\$ 60,000	
Total Airport		60,000
<u>Veterans' Services</u>		
Supervisor/Director	\$ 30,000	
Secretary(ies)	25,429	
Longevity Pay	600	
Social Security	3,298	
State Retirement	5,536	
Employee and Dependent Insurance	360	
Life Insurance	67	
Medical Insurance	5,903	
Dental Insurance	242	
Disability Insurance	261	
Unemployment Compensation	216	
Employer Medicare	771	
Communication	676	
Dues and Memberships	25	
Maintenance Agreements	760	
Maintenance and Repair Services - Vehicles	82	
Pest Control	216	
Postal Charges	362	
Printing, Stationery, and Forms	134	
Travel	2,646	
Disposal Fees	500	
Gasoline	3,340	
Office Supplies	205	
Utilities	2,456	
Other Supplies and Materials	2,497	
Workers' Compensation Insurance	505	
Total Veterans' Services		87,087

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Contracts with Private Agencies	\$	9,690	
Data Processing Services		3,000	
Legal Notices, Recording, and Court Costs		366	
Postal Charges		498	
Other Contracted Services		34,250	
Other Supplies and Materials		208	
Building and Contents Insurance		47,433	
Liability Insurance		83,485	
Trustee's Commission		168,622	
Vehicle and Equipment Insurance		39,480	
Liability Claims		500	
Other Self-Insured Claims		383,778	
Other Charges		<u>307,074</u>	
Total Other Charges	\$		1,078,384

Employee Benefits

On-Behalf Payments to OPEB	\$	<u>129</u>	
Total Employee Benefits			129

Principal on Debt

General Government

Principal on Capital Leases	\$	<u>141,553</u>	
Total General Government			141,553

Interest on Debt

General Government

Interest on Capital Leases	\$	<u>9,801</u>	
Total General Government			<u>9,801</u>

Total General Fund \$ 13,557,668

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Maintenance and Repair Services - Buildings	\$	11,382	
Maintenance and Repair Services - Equipment		170	
Trustee's Commission		<u>134</u>	
Total Other Charges	\$		<u>11,686</u>

Total Courthouse and Jail Maintenance Fund 11,686

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Salary Supplements	\$	37,529
Laborers		266,163
Secretary(ies)		40,290
Clerical Personnel		23,698
Part-time Personnel		16,214
Longevity Pay		3,100
Overtime Pay		128
Social Security		22,796
State Retirement		33,275
Employee and Dependent Insurance		533
Life Insurance		75
Medical Insurance		65,529
Dental Insurance		606
Disability Insurance		530
Unemployment Compensation		5,037
Employer Medicare		5,319
Architects		11,808
Communication		2,722
Contracts with Private Agencies		664,764
Data Processing Services		1,250
Dues and Memberships		183
Engineering Services		8,050
Legal Notices, Recording, and Court Costs		132
Maintenance and Repair Services - Buildings		1,846
Maintenance and Repair Services - Equipment		10,486
Maintenance and Repair Services - Vehicles		8,419
Pest Control		324
Postal Charges		13,022
Printing, Stationery, and Forms		2,424
Travel		4,426
Brokerage Fees - Recyclables		50,939
Permits		2,575
Other Contracted Services		545
Custodial Supplies		1,627
Diesel Fuel		15,353
Food Supplies		7,103
Garage Supplies		23,337
Gasoline		3,548
Lubricants		135
Office Supplies		2,488

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance (Cont.)

Propane Gas	\$	5,098	
Small Tools		290	
Uniforms		2,927	
Utilities		24,810	
Wire		3,008	
Other Supplies and Materials		926	
Building and Contents Insurance		1,431	
Liability Insurance		1,023	
Refunds		510	
Trustee's Commission		10,526	
Vehicle and Equipment Insurance		3,047	
Workers' Compensation Insurance		3,450	
Other Self-Insured Claims		1,000	
Other Charges		1,689	
Other Debt Issuance Charges		4,000	
Building Construction		237,043	
Data Processing Equipment		2,041	
Furniture and Fixtures		843	
Motor Vehicles		11,128	
Office Equipment		1,195	
Total Landfill Operation and Maintenance			\$ 1,674,313

Total Solid Waste/Sanitation Fund \$ 1,674,313

Industrial/Economic Development Fund

Capital Projects

General Administration Projects

Contributions	\$	35,051	
Total General Administration Projects			\$ 35,051

Public Utility Projects

Contracts with Private Agencies	\$	1,808	
Contributions		41,258	
Legal Notices, Recording, and Court Costs		673	
Trustee's Commission		400	
Total Public Utility Projects			44,139

Total Industrial/Economic Development Fund 79,190

(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	\$	450	
Communication		8,475	
Contracts with Private Agencies		1,351	
Confidential Drug Enforcement Payments		20,000	
Dues and Memberships		300	
Maintenance and Repair Services - Buildings		350	
Maintenance and Repair Services - Equipment		118	
Maintenance and Repair Services - Vehicles		4,800	
Travel		3,457	
Veterinary Services		757	
Food Supplies		501	
Law Enforcement Supplies		11,004	
Office Supplies		1,258	
Uniforms		1,833	
Other Supplies and Materials		240	
Judgments		18,049	
Trustee's Commission		482	
Other Charges		4,979	
Law Enforcement Equipment		2,996	
Motor Vehicles		38,240	
Total Drug Enforcement			\$ 119,640

Total Drug Control Fund \$ 119,640

District Attorney General Fund

Administration of Justice

District Attorney General

Secretary(ies)	\$	29,732	
Other Salaries and Wages		500	
Dues and Memberships		381	
Travel		2,593	
Other Contracted Services		3,778	
Office Supplies		71	
Periodicals		170	
Other Supplies and Materials		668	
Trustee's Commission		358	
In Service/Staff Development		1,349	
Other Charges		178	
Office Equipment		2,344	
Total District Attorney General			\$ 42,122

Total District Attorney General Fund 42,122

(Continued)

Exhibit J-8

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

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 186,956	
Total County Trustee's Office		\$ 186,956

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 297,608	
Total County Clerk's Office		297,608

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 1,545	
Total Chancery Court		<u>1,545</u>

Total Constitutional Officers - Fees Fund		\$ 486,109
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 70,350
Accountants/Bookkeepers	61,228
Longevity Pay	1,250
Social Security	8,151
State Retirement	13,123
Employee and Dependent Insurance	720
Life Insurance	135
Medical Insurance	5,903
Dental Insurance	485
Unemployment Compensation	540
Employer Medicare	1,906
Communication	11,192
Contracts with Private Agencies	182
Dues and Memberships	4,261
Legal Notices, Recording, and Court Costs	423
Maintenance Agreements	528
Postal Charges	44
Travel	170
Disposal Fees	288
Custodial Supplies	110
Office Supplies	1,259
Utilities	11,488
Workers' Compensation Insurance	1,144

(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.)

Liability Claims	\$	500	
Other Charges		3,858	
Office Equipment		2,058	
Total Administration			\$ 201,296

Highway and Bridge Maintenance

Foremen	\$	164,256	
Equipment Operators		241,563	
Equipment Operators - Light		196,241	
Truck Drivers		271,367	
Laborers		92,260	
Longevity Pay		14,850	
Social Security		58,443	
State Retirement		93,380	
Employee and Dependent Insurance		831	
Life Insurance		142	
Medical Insurance		162,781	
Dental Insurance		564	
Disability Insurance		608	
Unemployment Compensation		8,807	
Employer Medicare		13,668	
Rentals		32,173	
Asphalt		791,513	
Asphalt - Cold Mix		59,593	
Concrete		8,242	
Crushed Stone		311,328	
Pipe - Metal		72,223	
Road Signs		9,682	
Wood Products		602	
Gravel and Chert		2,690	
Workers' Compensation Insurance		7,475	
Other Self-Insured Claims		500	
Other Charges		8,684	
Total Highway and Bridge Maintenance			2,624,466

Operation and Maintenance of Equipment

Mechanic(s)	\$	196,789
Longevity Pay		2,750
Social Security		11,958
State Retirement		19,715

(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.)

Medical Insurance	\$	35,419	
Unemployment Compensation		1,620	
Employer Medicare		2,797	
Maintenance and Repair Services - Equipment		97,256	
Diesel Fuel		147,932	
Garage Supplies		1,741	
Gasoline		52,545	
Lubricants		12,493	
Tires and Tubes		30,440	
Workers' Compensation Insurance		4,140	
Other Charges		8,650	
Total Operation and Maintenance of Equipment			\$ 626,245

Other Charges

Building and Contents Insurance	\$	1,100	
Liability Insurance		12,705	
Trustee's Commission		50,058	
Vehicle and Equipment Insurance		22,054	
Other Charges		1,316	
Total Other Charges			87,233

Capital Outlay

Engineering Services	\$	9,667	
Bridge Construction		78,153	
Highway Construction		370,000	
Highway Equipment		18,500	
Other Construction		339,426	
Total Capital Outlay			815,746

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$	178,301	
Total Highways and Streets			178,301

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$	14,284	
Other Debt Service		15	
Total Highways and Streets			14,299

Total Highway/Public Works Fund \$ 4,547,586

(Continued)

Exhibit J-8

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,395,750	
Principal on Notes	468,267	
Total General Government		\$ 1,864,017

Highways and Streets

Principal on Bonds	\$ 59,000	
Principal on Notes	191,400	
Total Highways and Streets		250,400

Education

Principal on Bonds	\$ 2,050,250	
Total Education		2,050,250

Interest on Debt

General Government

Interest on Bonds	\$ 1,020,776	
Interest on Notes	49,528	
Total General Government		1,070,304

Highways and Streets

Interest on Bonds	\$ 68,453	
Interest on Notes	19,270	
Total Highways and Streets		87,723

Education

Interest on Bonds	\$ 659,443	
Total Education		659,443

Other Debt Service

General Government

Trustee's Commission	\$ 73,863	
Other Debt Service	4,250	
Total General Government		78,113

Education

Other Debt Service	\$ 850	
Total Education		850

Total General Debt Service Fund \$ 6,061,100

(Continued)

Exhibit J-8

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

<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Architects	\$	21,572	
Legal Notices, Recording, and Court Costs		99	
Trustee's Commission		401	
Other Debt Issuance Charges		6,000	
Building Construction		178,842	
Data Processing Equipment		4,190	
Furniture and Fixtures		<u>15,710</u>	
Total General Administration Projects			\$ 226,814
<u>Public Health and Welfare Projects</u>			
Architects	\$	15,409	
Building Construction		<u>92,382</u>	
Total Public Health and Welfare Projects			<u>107,791</u>
Total General Capital Projects Fund			\$ 334,605
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Charges	\$	<u>192,226</u>	
Total Public Safety Projects			<u>\$ 192,226</u>
Total Other Capital Projects Fund			<u>192,226</u>
Total Governmental Funds - Primary Government			<u>\$ 27,106,245</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, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 14,845,937	
Career Ladder Program	148,230	
Career Ladder Extended Contracts	30,628	
Homebound Teachers	14,171	
Educational Assistants	689,236	
Other Salaries and Wages	600	
Certified Substitute Teachers	49,521	
Non-certified Substitute Teachers	161,247	
Social Security	940,021	
State Retirement	1,021,855	
Medical Insurance	2,675,294	
Unemployment Compensation	40,897	
Employer Medicare	220,811	
Other Contracted Services	2,095	
Instructional Supplies and Materials	431,267	
Textbooks	560,189	
Other Supplies and Materials	22,639	
Other Charges	55,327	
Regular Instruction Equipment	424,272	
Total Regular Instruction Program		\$ 22,334,237

Alternative Instruction Program

Teachers	\$ 151,574	
Career Ladder Extended Contracts	500	
Educational Assistants	31,547	
Social Security	10,495	
State Retirement	16,896	
Medical Insurance	22,206	
Employer Medicare	2,455	
Instructional Supplies and Materials	464	
Other Supplies and Materials	13,729	
Total Alternative Instruction Program		249,866

Special Education Program

Teachers	\$ 1,258,726
Career Ladder Program	14,000
Career Ladder Extended Contracts	2,485
Homebound Teachers	18,713
Educational Assistants	230,156

(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.)

Speech Pathologist	\$	299,034	
Other Salaries and Wages		9,520	
Certified Substitute Teachers		3,621	
Non-certified Substitute Teachers		24,480	
Social Security		108,471	
State Retirement		95,055	
Medical Insurance		309,254	
Employer Medicare		25,610	
Contracts with Private Agencies		37,600	
Other Contracted Services		103,278	
Instructional Supplies and Materials		27,855	
Other Supplies and Materials		204	
Total Special Education Program			\$ 2,568,062

Vocational Education Program

Teachers	\$	1,436,988	
Career Ladder Program		11,400	
Certified Substitute Teachers		2,091	
Non-certified Substitute Teachers		24,021	
Social Security		87,097	
State Retirement		130,884	
Medical Insurance		259,889	
Employer Medicare		20,407	
Contracts with Other School Systems		115,978	
Maintenance and Repair Services - Equipment		1,450	
Other Contracted Services		10,191	
Instructional Supplies and Materials		46,676	
Textbooks		8,421	
Other Charges		489	
Vocational Instruction Equipment		866	
Total Vocational Education Program			2,156,848

Student Body Education Program

Other Salaries and Wages	\$	1,000	
Social Security		62	
Employer Medicare		14	
Total Student Body Education Program			1,076

(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

Teachers	\$	62,352	
Other Salaries and Wages		920	
Social Security		3,244	
State Retirement		4,757	
Employer Medicare		917	
Maintenance and Repair Services - Equipment		448	
Instructional Supplies and Materials		4,782	
Other Supplies and Materials		5,750	
Regular Instruction Equipment		4,720	
Total Adult Education Program			\$ 87,890

Support Services

Attendance

Supervisor/Director	\$	66,368	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Social Security		4,324	
State Retirement		6,459	
Medical Insurance		7,771	
Employer Medicare		1,011	
Travel		798	
Other Contracted Services		9,730	
Total Attendance			101,461

Health Services

Medical Personnel	\$	310,880	
Social Security		17,149	
State Retirement		26,636	
Medical Insurance		85,178	
Employer Medicare		4,011	
Drugs and Medical Supplies		6,735	
Other Supplies and Materials		784	
In Service/Staff Development		150	
Other Charges		1,522	
Total Health Services			453,045

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		665,631	

(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.)

Social Workers	\$	17,532	
Clerical Personnel		35,492	
Other Salaries and Wages		93,289	
Social Security		46,931	
State Retirement		71,128	
Medical Insurance		113,379	
Employer Medicare		11,411	
Evaluation and Testing		32,868	
Postal Charges		600	
Travel		4,598	
Other Contracted Services		11,202	
Other Supplies and Materials		8,102	
Other Charges		<u>7,775</u>	
Total Other Student Support	\$		1,121,938

Regular Instruction Program

Supervisor/Director	\$	272,159	
Career Ladder Program		17,480	
Career Ladder Extended Contracts		11,000	
Librarians		588,066	
Instructional Computer Personnel		57,429	
Other Salaries and Wages		35,000	
Social Security		58,769	
State Retirement		89,049	
Medical Insurance		140,297	
Employer Medicare		13,744	
Travel		14,462	
Other Contracted Services		19,238	
Other Supplies and Materials		59,196	
In Service/Staff Development		<u>19,941</u>	
Total Regular Instruction Program			1,395,830

Alternative Instruction Program

Postal Charges	\$	264	
Travel		3,246	
Other Contracted Services		25,135	
Other Supplies and Materials		1,097	
In Service/Staff Development		2,203	
Other Charges		<u>125</u>	
Total Alternative Instruction Program			32,070

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	70,010	
Career Ladder Program		2,000	
Assessment Personnel		52,093	
Clerical Personnel		28,075	
Social Security		8,497	
State Retirement		14,005	
Medical Insurance		24,328	
Employer Medicare		1,987	
Travel		6,411	
Other Contracted Services		21,108	
Other Supplies and Materials		1,004	
In Service/Staff Development		729	
Total Special Education Program			\$ 230,247

Vocational Education Program

Supervisor/Director	\$	31,164	
Employer Medicare		452	
Travel		54,866	
Total Vocational Education Program			86,482

Adult Programs

Supervisor/Director	\$	3,218	
Clerical Personnel		2,000	
Other Salaries and Wages		65,549	
Social Security		4,209	
State Retirement		6,992	
Medical Insurance		15,792	
Employer Medicare		984	
Travel		5,002	
Other Contracted Services		737	
Other Supplies and Materials		300	
In Service/Staff Development		2,806	
Total Adult Programs			107,589

Other Programs

On-Behalf Payments to OPEB	\$	328,797	
Total Other Programs			328,797

(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		21,600	
Social Security		1,339	
State Retirement		711	
Medical Insurance		312,491	
Employer Medicare		348	
Audit Services		14,500	
Dues and Memberships		6,979	
Legal Services		27,504	
Travel		4,233	
Other Contracted Services		12,054	
Other Supplies and Materials		40	
Liability Insurance		25,103	
Trustee's Commission		237,376	
Workers' Compensation Insurance		335,881	
Other Charges		2,269	
Total Board of Education			\$ 1,004,828

Director of Schools

County Official/Administrative Officer	\$	112,854	
Secretary(ies)		91,431	
Social Security		12,333	
State Retirement		19,247	
Medical Insurance		20,042	
Employer Medicare		2,946	
Communication		74,075	
Dues and Memberships		2,840	
Maintenance and Repair Services - Equipment		3,794	
Postal Charges		9,866	
Travel		5,919	
Office Supplies		9,135	
Other Supplies and Materials		8,943	
Other Charges		743	
Total Director of Schools			374,168

Office of the Principal

Principals	\$	758,899	
Career Ladder Program		11,000	
Career Ladder Extended Contracts		1,591	

(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.)

Assistant Principals	\$	807,305	
Secretary(ies)		519,602	
Other Salaries and Wages		2,006	
Social Security		125,731	
State Retirement		148,828	
Medical Insurance		275,717	
Employer Medicare		29,552	
Dues and Memberships		8,700	
Postal Charges		1,791	
Other Contracted Services		4,512	
Other Supplies and Materials		9,798	
In Service/Staff Development		2,135	
Other Charges		8,388	
Total Office of the Principal			\$ 2,715,555

Fiscal Services

Supervisor/Director	\$	57,348	
Accountants/Bookkeepers		103,845	
Social Security		9,895	
State Retirement		15,926	
Medical Insurance		15,510	
Employer Medicare		2,314	
Data Processing Services		10,842	
Travel		420	
Data Processing Supplies		2,149	
Other Supplies and Materials		495	
Total Fiscal Services			218,744

Operation of Plant

Custodial Personnel	\$	665,550	
Other Salaries and Wages		147,916	
Social Security		48,933	
State Retirement		73,867	
Medical Insurance		170,198	
Employer Medicare		11,444	
Laundry Service		10,926	
Disposal Fees		34,758	
Other Contracted Services		49,261	
Custodial Supplies		105,761	

(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	\$	1,415,285	
Natural Gas		166,133	
Water and Sewer		221,094	
Other Supplies and Materials		176	
Building and Contents Insurance		65,061	
Other Charges		285	
Plant Operation Equipment		57,949	
Total Operation of Plant			\$ 3,244,597

Maintenance of Plant

Supervisor/Director	\$	41,479	
Other Salaries and Wages		305,812	
Social Security		21,375	
State Retirement		29,864	
Medical Insurance		45,705	
Employer Medicare		4,999	
Laundry Service		3,855	
Maintenance and Repair Services - Buildings		27,362	
Maintenance and Repair Services - Equipment		96,466	
Maintenance and Repair Services - Vehicles		112	
Travel		793	
Other Contracted Services		133,322	
Other Supplies and Materials		427,713	
Other Charges		2,355	
Administration Equipment		4,237	
Maintenance Equipment		20,230	
Plant Operation Equipment		3,826	
Total Maintenance of Plant			1,169,505

Transportation

Supervisor/Director	\$	43,027	
Mechanic(s)		174,987	
Bus Drivers		864,384	
Clerical Personnel		27,080	
Other Salaries and Wages		59,334	
Social Security		67,800	
State Retirement		92,806	
Medical Insurance		304,638	
Unemployment Compensation		2,693	

(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	\$	15,936	
Communication		2,297	
Contracts with Parents		2,718	
Laundry Service		2,562	
Maintenance and Repair Services - Vehicles		3,768	
Medical and Dental Services		9,655	
Travel		11,032	
Other Contracted Services		12,662	
Diesel Fuel		376,849	
Gasoline		45,166	
Lubricants		9,758	
Tires and Tubes		39,614	
Vehicle Parts		98,533	
Other Supplies and Materials		10,756	
Vehicle and Equipment Insurance		55,002	
In Service/Staff Development		2,782	
Other Charges		1,304	
Transportation Equipment		834,518	
Total Transportation			\$ 3,171,661

Central and Other

Other Salaries and Wages	\$	34,426	
Social Security		2,098	
State Retirement		3,401	
Medical Insurance		5,334	
Employer Medicare		491	
Other Contracted Services		79,008	
Other Supplies and Materials		9,061	
Total Central and Other			133,819

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	80,437	
Social Security		4,905	
State Retirement		1,589	
Employer Medicare		1,147	
Other Contracted Services		300	
Food Supplies		1,525	
Other Supplies and Materials		2,935	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

In Service/Staff Development	\$ 192	
Total Community Services		\$ 93,030

Early Childhood Education

Supervisor/Director	\$ 54,231	
Teachers	450,801	
Career Ladder Program	1,000	
Clerical Personnel	13,698	
Educational Assistants	170,995	
Certified Substitute Teachers	8,032	
Non-certified Substitute Teachers	18,182	
Social Security	42,182	
State Retirement	61,046	
Medical Insurance	140,323	
Employer Medicare	9,873	
Communication	2,918	
Maintenance and Repair Services - Equipment	2,913	
Postal Charges	300	
Travel	5,092	
Other Contracted Services	46,543	
Instructional Supplies and Materials	8,266	
Other Supplies and Materials	39,692	
In Service/Staff Development	6,187	
Other Charges	8,049	
Other Equipment	15,967	
Total Early Childhood Education		1,106,290

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$ 63,004	
Social Security	3,754	
State Retirement	5,926	
Medical Insurance	7,859	
Employer Medicare	878	
Other Contracted Services	9,885	
Building Improvements	1,163,129	
Total Regular Capital Outlay		1,254,435

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 300,000	
Total Education		<u>\$ 300,000</u>

Total General Purpose School Fund \$ 46,042,070

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,196,303	
Educational Assistants	174,091	
Certified Substitute Teachers	4,284	
Non-certified Substitute Teachers	12,980	
Social Security	81,866	
State Retirement	498,080	
Medical Insurance	224,188	
Employer Medicare	19,355	
Instructional Supplies and Materials	171,808	
Other Supplies and Materials	14,368	
Other Charges	16,464	
Regular Instruction Equipment	<u>12,126</u>	
Total Regular Instruction Program		\$ 2,425,913

Special Education Program

Teachers	\$ 144,779	
Educational Assistants	792,681	
Speech Pathologist	41,240	
Certified Substitute Teachers	6,350	
Non-certified Substitute Teachers	29,223	
Social Security	59,729	
State Retirement	140,454	
Medical Insurance	228,226	
Employer Medicare	14,002	
Other Contracted Services	108,514	
Other Supplies and Materials	<u>1,046</u>	
Total Special Education Program		1,566,244

Vocational Education Program

Other Contracted Services	\$ 298
Instructional Supplies and Materials	2,456

(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 (Cont.)

Other Supplies and Materials	\$	5,319	
Other Charges		188	
Vocational Instruction Equipment		83,691	
Total Vocational Education Program			\$ 91,952

Support Services

Health Services

Medical Personnel	\$	9,728	
Social Security		603	
Medical Insurance		605	
Employer Medicare		141	
Total Health Services			11,077

Other Student Support

Social Workers	\$	52,972	
Other Salaries and Wages		87,684	
Social Security		8,496	
State Retirement		12,665	
Medical Insurance		22,515	
Employer Medicare		1,987	
Travel		26,721	
In Service/Staff Development		1,387	
Total Other Student Support			214,427

Regular Instruction Program

Other Salaries and Wages	\$	170,015	
In-Service Training		3,174	
Social Security		4,926	
State Retirement		2,980	
Medical Insurance		2,813	
Employer Medicare		2,507	
Travel		11,313	
Other Supplies and Materials		5,128	
In Service/Staff Development		122,821	
Other Charges		799	
Other Equipment		3,393	
Total Regular Instruction Program			329,869

(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

Psychological Personnel	\$	103,045	
Clerical Personnel		31,159	
Social Security		7,876	
State Retirement		12,404	
Medical Insurance		26,217	
Employer Medicare		1,842	
Maintenance and Repair Services - Equipment		920	
Travel		7,099	
Other Contracted Services		33,748	
Other Supplies and Materials		10,414	
In Service/Staff Development		2,150	
Total Special Education Program			\$ 236,874

Office of the Principal

State Retirement	\$	83,191	
Total Office of the Principal			83,191

Transportation

Bus Drivers	\$	810	
Other Salaries and Wages		5,106	
Social Security		367	
State Retirement		73	
Employer Medicare		86	
Contracts with Parents		1,749	
Diesel Fuel		637	
Total Transportation			8,828

Operation of Non-Instructional Services

Food Service

State Retirement	\$	22,652	
Total Food Service			22,652

Total School Federal Projects Fund \$ 4,991,027

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	42,474	
Accountants/Bookkeepers		33,356	

(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.)

Clerical Personnel	\$	30,944	
Cafeteria Personnel		1,254,327	
Bonus Payments		5,500	
Social Security		82,047	
State Retirement		84,869	
Medical Insurance		222,096	
Unemployment Compensation		61	
Employer Medicare		19,188	
Maintenance and Repair Services - Equipment		73,567	
Transportation - Other than Students		17,253	
Travel		3,228	
Other Contracted Services		28,002	
Food Preparation Supplies		1,672	
Food Supplies		1,634,948	
Office Supplies		1,564	
Utilities		12,249	
USDA - Commodities		204,694	
Other Supplies and Materials		139,593	
In Service/Staff Development		2,662	
Other Charges		1,054	
Food Service Equipment		20,227	
Total Food Service			<u>\$ 3,915,575</u>

Total Central Cafeteria Fund \$ 3,915,575

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	98,669	
Social Security		5,995	
State Retirement		8,148	
Employer Medicare		1,431	
Other Supplies and Materials		9,634	
Trustee's Commission		1,383	
In Service/Staff Development		90	
Other Charges		1,546	
Total Community Services			<u>\$ 126,896</u>

Total Extended School Program Fund 126,896

(Continued)

Exhibit J-9

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$	3,353
Contributions		1,000
Maintenance and Repair Services - Buildings		99,287
Building Construction		<u>180,574</u>
Total Education Capital Projects		<u>\$ 284,214</u>
Total Education Capital Projects Fund		<u>\$ 284,214</u>
Total Governmental Funds - Lawrence County School Department		<u>\$ 55,359,782</u>

Exhibit J-10

Lawrence County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2012

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 4,186,470
Total Cash Receipts	<u>\$ 4,186,470</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 4,144,605
Trustee's Commission	41,865
Total Cash Disbursements	<u>\$ 4,186,470</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash, July 1, 2011	<u>0</u>
Cash, June 30, 2012	<u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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

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

February 22, 2013

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, 2012, which collectively comprise Lawrence County's basic financial statements and have issued our report thereon dated February 22, 2013. 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

The management of Lawrence County is responsible for establishing and maintaining effective 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 a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency in internal control over financial reporting: 12.08. 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

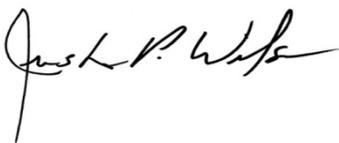
As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 12.01, 12.02, 12.03, 12.04, 12.05, 12.06, 12.07, and 12.09.

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 LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

February 22, 2013

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

To the County Executive and Board of County Commissioners:

Compliance

We have audited Lawrence County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Lawrence County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lawrence County's management. Our responsibility is to express an opinion on Lawrence County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and

material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lawrence County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Lawrence County's compliance with those requirements.

In our opinion, Lawrence County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

#### 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 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

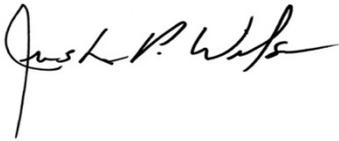
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County as of and for the year ended June 30, 2012, and have issued our report thereon dated February 22, 2013. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial

statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a 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, 2012

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
ARRA - Community Facilities Loans and Grants	10.780	N/A	\$ 438,120 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	204,694 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	691,985
National School Lunch Program	10.555	N/A	1,786,003 (4)
Fresh Fruit and Vegetable Program	10.582	N/A	25,798
Passed-through Memphis Zoo:			
Distance Learning and Telemedicine Loans and Grants	10.855	(2)	<u>128,000</u>
Total U.S. Department of Agriculture			<u>\$ 3,274,600</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(2)	<u>\$ 317,578</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 317,578</u>
U.S. Department of Justice:			
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	<u>28,395</u>
Total U.S. Department of Justice			<u>\$ 28,395</u>
U.S. Department of Labor:			
Passed-through State Department of Education:			
Incentive Grants - WIA Section 503	17.267	(2)	<u>500</u>
Total U.S. Department of Labor			<u>\$ 500</u>
Institute of Museum and Library Services:			
Passed through Tennessee Secretary of State:			
Grants to States	45.310	(2)	<u>\$ 2,000</u>
Total Institute of Museum and Library Services			<u>\$ 2,000</u>
U.S. Department of Energy:			
Passed-through State Department of Education:			
ARRA - Renewable Energy Research and Development	81.087	(2)	<u>\$ 506,903</u>
Total U.S. Department of Energy:			<u>\$ 506,903</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 131,768
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,696,852
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,738,686
Special Education - Preschool Grants	84.173	N/A	38,589
Career and Technical Education - Basic Grants to States	84.048	N/A	120,061
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	5,174
Education Technology State Grants, Recovery Act	84.386	N/A	1,923
Rural Education	84.358	(2)	108,074

(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	\$ 2,741
Improving Teacher Quality State Grants	84.367	N/A	329,758
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	427,363
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	(2)	1,167
Education Jobs Fund	84.410	N/A	568,966
Total U.S. Department of Education			\$ 5,171,122
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Child Support Enforcement	93.563	GG-09-025251-03	\$ 37,590
Grants to States for Operation of Offices of Rural Health	93.913	Z-12-43633-00	70,550
Passed-through Middle Tennessee State University:			
Assistance Programs for Chronic Disease Prevention and Control	93.945	(2)	4,738
Total U.S. Department of Health and Human Services			\$ 112,878
U.S. Department of Homeland Security:			
Direct Program:			
Assistance to Firefighters Grant	97.044	N/A	\$ 150,633
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	230,106
Homeland Security Grant Program	97.067	(5)	218,125
Total U.S. Department of Homeland Security			\$ 598,864
Total Expenditures of Federal Awards			\$ 10,012,840

State Grants		Contract Number	
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	\$ 43,923
Coordinated School Health - State Department of Education	N/A	(2)	100,000
Early Childhood Education - State Department of Education	N/A	(2)	1,094,611
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	146,827
Family Resources Center - State Department of Education	N/A	(2)	29,612
Farmers Market Grant Program - State Department of Agriculture	N/A	(2)	998
Health Department Programs - State Department of Health	N/A	Z-12-43633-00	139,419
Internet Connectivity - State Department of Education	N/A	(2)	23,857
Juvenile Justice - State Commission on Children and Youth	N/A	GG-10-29764-00	9,000
Litter Grant - State Department of Transportation	N/A	(2)	73,279
Lottery for Education - Afterschool Program - State Department of Education	N/A	(2)	75,367
Safe Schools - State Department of Education	N/A	(2)	35,800
Statewide Student Management System - State Department of Education	N/A	(2)	17,603
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212962-02	30,654
Total State Grants			\$ 1,820,950

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) GG11329550 Loan \$165,000, Grant \$17,120; No Contract Number Loan \$132,000, Grant \$124,000.  
(4) Total for CFDA No. 10.555 is \$1,990,697.  
(5) 2008-GE-T8-0048: \$24,125; 2009-SS-T9-0086: \$194,000.

Lawrence County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2012

*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, 2011, 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>
11.03	189	Circuit, General Sessions, and Juvenile Courts did not prepare execution docket trial balances

**OFFICE OF SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.04(B)	190	The office did not deposit some funds within three days of collection

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**LAWRENCE COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2012**

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

1. Our report on Lawrence County's financial statements is unqualified.
2. The audit of the financial statements of Lawrence County disclosed a significant deficiency in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that was 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. ARRA – Community Facilities Loans and Grants (CFDA No. 10.780), HOME Investment Partnerships Program (CFDA No. 14.239), ARRA – Renewable Energy Research and Development Grant (CFDA No. 81.087), Title I Grants to Local Educational Agencies (CFDA No. 84.010), Improving Teacher Quality State Grants (CFDA No. 84.367), and State Fiscal Stabilization Funds – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,385 threshold was used to distinguish between Type A and Type B federal programs.
9. Lawrence County qualified as a low-risk auditee.

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

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

### **OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS**

**FINDING 12.01      **COMPETITIVE BIDS WERE NOT SOLICITED FOR OFFICE FURNITURE PURCHASED FOR THE CIRCUIT COURT CLERK'S OFFICE****  
(Noncompliance Under *Government Auditing Standards*)

Competitive bids were not solicited for 11 workstations and 13 chairs purchased for the Circuit Court Clerk's Office totaling \$15,710. Purchasing procedures for this office are governed by provisions of the County Purchasing Law of 1957, Section 5-14-108, *Tennessee Code Annotated*. This statute requires public advertisement and solicitation of competitive bids on purchases exceeding \$10,000. The failure to solicit competitive bids was management's decision and could result in the county paying more than the most competitive price.

#### **RECOMMENDATION**

Purchases exceeding \$10,000 should be competitively bid as required by state statute.

#### **MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS**

This was an oversight by the previous purchasing agent who has since resigned.

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**FINDING 12.02      **DRUG CONTROL FUND APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDING****  
(Noncompliance Under *Government Auditing Standards*)

The budget and subsequent amendments approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$25,128. Sound budgetary principles dictate that appropriations be held within estimated available funding.

#### **RECOMMENDATION**

Appropriations that exceed estimated available funding should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

## MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

The beginning fund balance number was transposed when preparing the January 31, 2012, budget amendments for the County Commission, which resulted in appropriations exceeding available funding. The budgetary appropriations in various expenditure line items should have been reduced rather than posting the reduction directly to fund balance.

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### FINDING 12.03      **GENERAL FUND EXPENDITURES EXCEEDED APPROPRIATIONS** (Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the County Commission in the Transfers Out major appropriation category (the legal level of control) of the General Fund by \$14,748. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to hold spending to the limits authorized by the County Commission, which resulted in an unauthorized expenditure.

### RECOMMENDATION

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

## MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We learned on June 29, 2012, that Homeland Security Grant funds must be expended by June 30, 2012, or returned to the grantor. Therefore, a transfer was made from the General Fund for cash flow purposes to cover these unanticipated year-end expenditures in the Homeland Security Fund. In previous years, the county had until September of the new fiscal year to pay bills as long as they were encumbered by June 30th. Due to time constraints, a budget amendment could not be submitted and approved.

---

## OFFICE OF DIRECTOR OF SCHOOLS

### FINDING 12.04      **COMPETITIVE BIDS WERE NOT SOLICITED FOR ROOFING MATERIALS** (Noncompliance Under *Government Auditing Standards*)

Competitive bids were not solicited for roofing materials at Leoma Elementary School. Employees were instructed to purchase necessary roofing materials from a local vendor in increments, keeping each invoice below \$5,000, in an apparent attempt to circumvent the bid law. School Department purchasing procedures are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *Tennessee Code Annotated*, which

requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000. The failure to solicit competitive bids could result in the county paying more than the most competitive price.

RECOMMENDATION

Purchases exceeding \$10,000 should be competitively bid as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The facilities manager who instructed the employees to keep each purchase below \$5,000 is no longer employed with Lawrence County School Department. The School Department will educate all departments and current personnel responsible for purchasing about bid laws and will establish internal controls to approve and review all purchases from the Education Capital Projects Fund for compliance in this area.

---

OFFICE OF TRUSTEE

FINDING 12.05      **THE TRUSTEE DID NOT REQUIRE A DEPOSITORY TO ADEQUATELY COLLATERALIZE FUNDS**  
(Material Noncompliance Under *Government Auditing Standards*)

The trustee did not require a depository holding county funds in interest bearing accounts to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At December 31, 2011, deposits at one depository exceeded FDIC coverage by \$334,695. Section 5-8-201, *Tennessee Code Annotated*, provides for county officials to require any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of funds exceeding FDIC coverage into an escrow account in a second bank. The failure to adequately collateralize funds could result in a loss for the county.

RECOMMENDATION

The trustee should require all depositories to pledge adequate securities to protect county funds exceeding FDIC coverage as required by state statute.

MANAGEMENT'S RESPONSE – TRUSTEE

The bank sends me a monthly pledge report analysis and assures me that coverage for the county funds is tracked to ensure the money is adequately protected. Through my review and follow-up with new banking leaders in early February 2012, the lack of collateral pledges were discovered and corrected.

---

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

### FINDING 12.06      **EXECUTION DOCKET TRIAL BALANCES WERE NOT PREPARED** (Noncompliance Under *Government Auditing Standards*)

Trial balances of execution docket cause balances were not prepared for Circuit, General Sessions, and Juvenile Courts as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. Consequently, we were unable to reconcile cash journal accounts with cause balances. Furthermore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, *TCA*. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. Circuit, general sessions, and juvenile courts had unidentified court funds of \$78,322, \$72,445, and \$6,089, respectively, at June 30, 2012. This deficiency exists due to the failure of management to take corrective action for the finding reported in the prior-year audit report.

### RECOMMENDATION

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

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

I have been working with our software company to resolve this matter. The problem in this office is that none of the previous administrations had established a docket trial balance. A lot of the unidentified amounts are false because they are voided checks in which a journal entry hit the general ledger but was not added back to the docket trial balance. Our new software will not let this happen, but we have to research all accounts getting the amount of check, its number and date it was written in order to correct the trial balance. Also, there are a lot of cases where receipts were credited to one account, and a check was debited from another account. Our new software also will not allow this to happen anymore. There are so many cases to go through, but we are making great progress. I truly believe we can have this matter resolved shortly.

---

**OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK AND THE CLERK AND MASTER**

**FINDING 12.07      **THE OFFICES HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES****

(Noncompliance Under *Government Auditing Standards*)

The Offices of Circuit, General Sessions, and Juvenile Courts Clerk and the Office of Clerk and Master began using a new software package in September 2011. Prior to this, the offices had rotated backups of its data to an off-site location on a weekly basis. Because of a misunderstanding regarding the backup process for the new software, the offices discontinued storing backups off-site on a weekly basis. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system should be copied to storage media daily, and media more than one week old should be stored at an off-site location. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. This deficiency was corrected when it was brought to management's attention in March 2012.

**RECOMMENDATION**

Management should ensure backups are rotated off-site on a weekly basis.

---

**OFFICE OF CLERK AND MASTER**

**FINDING 12.08      **USERNAMES AND PASSWORDS WERE KNOWN BY ALL EMPLOYEES****

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Each employee had been assigned a unique username and password for accessing the office's accounting software. However, because of the method used to assign passwords, this information was known by all employees. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because employees had access to each other's username and password. Sound business practice dictates that each transaction be identified to the individual creating the transaction. This practice was discontinued in March 2012. Users now process all transactions using their unique usernames and passwords. Passwords are no longer shared.

**RECOMMENDATION**

Employees should continue to maintain confidentiality of passwords to ensure that transactions are properly identified to that employee.

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## **OFFICE OF SHERIFF**

### **FINDING 12.09      **SOME COLLECTIONS WERE NOT DEPOSITED WITHIN THREE DAYS****

(Noncompliance Under *Government Auditing Standards*)

In some instances, funds were not deposited with the county trustee 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 can be attributed to the failure of management to correct the finding 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 with the county trustee within three days of collection as required by state statute.

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### **BEST PRACTICE**

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

Lawrence County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds of the county; however, the acts also provide a provision for the exclusion of the School Department. The School Department is excluded from these provisions in Lawrence County; therefore, only the funds administered by the county executive and highway superintendent utilize centralized accounting, budgeting, and purchasing. These centralized functions are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

**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, 2012**

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