

# **ANNUAL FINANCIAL REPORT**

## **LAWRENCE COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2016**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**LAWRENCE COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

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

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***Auditor 4***

***KINSLEY HAYES***  
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***JACOB KENNEDY, CISA***  
***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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## ***Summary of Audit Findings***

Annual Financial Report  
Lawrence County, Tennessee  
For the Year Ended June 30, 2016

### ***Scope***

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2016.

### ***Results***

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

Our audit resulted in no findings.

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## INTRODUCTORY SECTION

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## Lawrence County Officials

### June 30, 2016

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#### **Officials**

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

#### **Board of County Commissioners**

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

#### **Board of Education**

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

#### **Audit Committee**

Karen Woodall, Chairman  
Scott Franks  
Jerry Putman  
Polly Marsh



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## FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Executive and County Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, 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, 2016, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As described in Note V.B., Lawrence County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68*, and *Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 79-86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

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

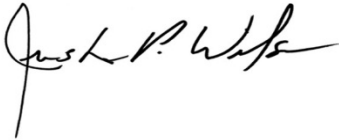
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and miscellaneous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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2016, on our consideration of Lawrence County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lawrence County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 27, 2016

JPW/sb

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## **BASIC FINANCIAL STATEMENTS**

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Exhibit A

Lawrence County, Tennessee  
Statement of Net Position  
June 30, 2016

	Primary Governmental Activities	Component Unit Lawrence County School Department
<u>ASSETS</u>		
Cash	\$ 87,058	\$ 1,130
Equity in Pooled Cash and Investments	12,478,915	10,153,274
Inventories	0	64,043
Accounts Receivable	5,172,115	24,279
Allowance for Uncollectibles	(2,097,683)	0
Due from Other Governments	912,617	1,139,467
Property Taxes Receivable	13,131,021	6,257,860
Allowance for Uncollectible Property Taxes	(343,742)	(163,815)
Notes Receivable	64,612	0
Net Pension Asset - Agent Plan	262,065	196,170
Net Pension Asset - Teacher Retirement Plan	0	6,696
Capital Assets:		
Assets Not Depreciated:		
Land	1,011,243	1,276,454
Construction in Progress	408,062	1,044,626
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	19,495,793	34,082,369
Infrastructure	26,651,017	0
Other Capital Assets	3,133,485	3,164,628
Total Assets	<u>\$ 80,366,578</u>	<u>\$ 57,247,181</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 145,094	\$ 0
Pension Changes in Experience	0	221,894
Pension Contribution after Measurement Date	817,697	3,449,112
Pension Changes in Proportionate Share of NPL	0	329,356
Total Deferred Inflows of Resources	<u>\$ 962,791</u>	<u>\$ 4,000,362</u>

LIABILITIES

Accounts Payable	\$ 454,632	\$ 43,534
Accrued Payable	0	578
Payroll Deductions Payable	67	1,775,443
Accrued Interest Payable	204,173	0
Due to Litigants, Heirs, and Others	15	0
Due to State of Tennessee	18,803	0
Noncurrent Liabilities:		
Due Within One Year	4,617,772	66,028
Due in More Than One Year (net of unamortized)		
Due in More Than One Year	39,177,907	11,717,937
Total Liabilities	<u>\$ 44,473,369</u>	<u>\$ 13,603,520</u>

(Continued)

Exhibit A

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

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	Component Unit
Primary Government	Lawrence County
Governmental Activities	School Department

DEFERRED INFLOWS OF RESOURCES

Pension Changes in Experience	\$ 589,687	\$ 4,747,194
Pension Changes in Investment Earnings	270,110	1,986,755
Deferred Current Property Taxes	12,339,802	5,880,789
Total Deferred Inflows of Resources	<u>\$ 13,199,599</u>	<u>\$ 12,614,738</u>

NET POSITION

Net Investment in Capital Assets	\$ 23,908,485	\$ 39,568,077
Restricted for:		
General Government	39,625	0
Administration of Justice	86,080	0
Public Safety	177,369	0
Public Health and Welfare	308,169	0
Highway/Public Works	1,229,741	0
Education	0	1,971,351
Capital Projects	3,236,269	0
Other Purposes	262,065	0
Unrestricted	<u>(5,591,402)</u>	<u>(6,510,143)</u>
Total Net Position	<u>\$ 23,656,401</u>	<u>\$ 35,029,285</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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Lawrence County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 4,123,961	\$ 285,729	\$ 442,091	\$ 0	\$ (3,396,141)	\$ 0
Finance	1,563,832	1,087,841	0	0	(475,991)	0
Administration of Justice	1,454,217	827,764	9,000	0	(617,453)	0
Public Safety	6,604,484	1,572,517	157,142	16,000	(4,858,825)	0
Public Health and Welfare	4,247,375	2,992,597	790,351	0	(464,427)	0
Social, Cultural, and Recreational Services	895,517	3,898	22,511	0	(869,108)	0
Agriculture and Natural Resources	171,322	0	990	0	(170,332)	0
Highways/Public Works	6,467,134	5,019	2,169,656	0	(4,292,459)	0
Education	676,750	0	0	0	(676,750)	0
Total Primary Government	\$ 26,204,592	\$ 6,775,365	\$ 3,591,741	\$ 16,000	\$ (15,821,486)	\$ 0
Component Unit:						
Lawrence County School Department	\$ 54,608,435	\$ 1,076,206	\$ 7,483,549	\$ 2,925	\$ 0	\$ (46,045,755)

(Continued)

Exhibit B

Lawrence County, Tennessee  
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position	
		Program Revenues			Primary	Component
		Charges	Operating	Capital	Government	Unit
		for	Grants	Grants	Total	Lawrence
Functions/Programs	Expenses	Services	Contributions	Contributions	Governmental	County
					Activities	School
						Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 9,833,842	\$ 6,014,625
Property Taxes Levied for Debt Service					2,602,268	0
Local Option Sales Tax					1,579,858	5,326,913
Hotel/Motel Tax					107,106	0
Wheel Tax					946,386	0
Litigation Tax - General					122,014	0
Litigation Tax - Jail, Workhouse, or Courthouse					107,875	0
Business Tax					358,803	0
Mineral Severance Tax					40,848	0
Wholesale Beer Tax					144,428	0
Other Local Taxes					90,894	11,232
Grants and Contributions Not Restricted to Specific Programs					1,265,512	37,137,076
Unrestricted Investment Earnings					45,566	759
Miscellaneous					38,908	86,304
Insurance Recovery					24,547	0
Total General Revenues					<u>\$ 17,308,855</u>	<u>\$ 48,576,909</u>
Change in Net Position						
Net Position, July 1, 2015					<u>\$ 1,487,369</u>	<u>\$ 2,531,154</u>
Net Position, June 30, 2016					<u>\$ 23,656,401</u>	<u>\$ 35,029,285</u>

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, 2016

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 1,050	\$ 0	\$ 0	\$ 86,008	\$ 87,058
Equity in Pooled Cash and Investments	3,826,040	880,450	2,793,841	4,978,584	12,478,915
Accounts Receivable	3,186,802	62	93,796	1,891,455	5,172,115
Allowance for Uncollectibles	(782,649)	0	0	(1,315,034)	(2,097,683)
Due from Other Governments	296,536	401,892	194,557	19,632	912,617
Property Taxes Receivable	8,318,694	1,752,201	2,031,347	1,028,779	13,131,021
Allowance for Uncollectible Property Taxes	(217,766)	(45,869)	(53,176)	(26,931)	(343,742)
Notes Receivable - Long-term	0	0	0	64,612	64,612
Total Assets	\$ 14,628,707	\$ 2,988,736	\$ 5,060,365	\$ 6,727,105	\$ 29,404,913
<u>LIABILITIES</u>					
Accounts Payable	\$ 136,042	\$ 54,516	\$ 0	\$ 264,074	\$ 454,632
Payroll Deductions Payable	67	0	0	0	67
Due to State of Tennessee	18,803	0	0	0	18,803
Due to Litigants, Heirs, and Others	0	0	0	15	15
Total Liabilities	\$ 154,912	\$ 54,516	\$ 0	\$ 264,089	\$ 473,517
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 7,817,445	\$ 1,646,621	\$ 1,908,947	\$ 966,789	\$ 12,339,802
Deferred Delinquent Property Taxes	283,483	59,711	69,224	35,059	447,477
Other Deferred/Unavailable Revenue	2,015,435	203,691	97,765	389,575	2,706,466
Total Deferred Inflows of Resources	\$ 10,116,363	\$ 1,910,023	\$ 2,075,936	\$ 1,391,423	\$ 15,493,745

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 75,799	\$ 75,799
Restricted:					
Restricted for General Government	39,625	0	0	0	39,625
Restricted for Administration of Justice	86,080	0	0	0	86,080
Restricted for Public Safety	20,089	0	0	157,280	177,369
Restricted for Public Health and Welfare	308,169	0	0	0	308,169
Restricted for Highways/Public Works	0	1,024,197	0	0	1,024,197
Restricted for Capital Projects	0	0	0	3,236,269	3,236,269
Committed:					
Committed for General Government	332,289	0	0	70,644	402,933
Committed for Finance	0	0	0	27,500	27,500
Committed for Public Safety	256,344	0	0	0	256,344
Committed for Public Health and Welfare	0	0	0	723,409	723,409
Committed for Debt Service	0	0	2,984,429	780,692	3,765,121
Assigned:					
Assigned for General Government	17,548	0	0	0	17,548
Assigned for Finance	8,006	0	0	0	8,006
Assigned for Administration of Justice	1,183	0	0	0	1,183
Assigned for Public Safety	27,041	0	0	0	27,041
Assigned for Public Health and Welfare	22,944	0	0	0	22,944
Assigned for Social, Cultural, and Recreational Services	65	0	0	0	65
Assigned for Agriculture and Natural Resources	200	0	0	0	200
Assigned for Other Operations	1,265	0	0	0	1,265
Unassigned	3,236,584	0	0	0	3,236,584
Total Fund Balances	\$ 4,357,432	\$ 1,024,197	\$ 2,984,429	\$ 5,071,593	\$ 13,437,651
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,628,707	\$ 2,988,736	\$ 5,060,365	\$ 6,727,105	\$ 29,404,913

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

Exhibit C-2

Lawrence County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2016

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 13,437,651
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,011,243	
Add: construction in progress	408,062	
Add: buildings and improvements net of accumulated depreciation	19,495,793	
Add: infrastructure net of accumulated depreciation	26,651,017	
Add: other capital assets net of accumulated depreciation	<u>3,133,485</u>	50,699,600
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital leases payable	\$ (302,509)	
Less: notes payable	(7,250,000)	
Less: bonds payable	(33,975,331)	
Less: deferred charges - premium on debt	(368,724)	
Add: deferred charges - discount on debt	55,949	
Add: deferred amount on refunding	145,094	
Less: compensated absences payable	(755,210)	
Less: landfill postclosure care costs	(780,238)	
Less: other postemployment benefits liability	(419,616)	
Less: accrued interest on bonds, notes, and capital leases	<u>(204,173)</u>	(43,854,758)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 817,697	
Less: deferred inflows of resources related to pensions	<u>(859,797)</u>	(42,100)
(4) Net pension assets of the county's agent plan are not current financial resources and therefore are not reported in the governmental funds.		262,065
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,153,943</u>
Net position of governmental activities (Exhibit A)		<u>\$ 23,656,401</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, 2016

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 8,884,843	\$ 1,717,301	\$ 5,278,544	\$ 381,963	\$ 16,262,651
Licenses and Permits	51,458	0	0	0	51,458
Fines, Forfeitures, and Penalties	195,410	0	0	55,624	251,034
Charges for Current Services	1,871,896	0	0	1,537,568	3,409,464
Other Local Revenues	65,699	48,566	45,000	160,897	320,162
Fees Received From County Officials	1,369,206	0	0	0	1,369,206
State of Tennessee	2,587,990	2,132,029	314,610	2,541	5,037,170
Federal Government	231,406	0	0	273,329	504,735
Other Governments and Citizens Groups	449,543	30,909	0	19,380	499,832
Total Revenues	<u>\$ 15,707,451</u>	<u>\$ 3,928,805</u>	<u>\$ 5,638,154</u>	<u>\$ 2,431,302</u>	<u>\$ 27,705,712</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,171,929	\$ 0	\$ 0	\$ 0	\$ 1,171,929
Finance	989,505	0	0	480,710	1,470,215
Administration of Justice	1,469,951	0	0	0	1,469,951
Public Safety	6,798,775	0	0	46,458	6,845,233
Public Health and Welfare	2,749,276	0	0	1,391,117	4,140,393
Social, Cultural, and Recreational Services	332,806	0	0	0	332,806
Agriculture and Natural Resources	171,352	0	0	0	171,352
Other Operations	949,094	0	0	8,032	957,126
Highways	0	3,839,443	0	0	3,839,443
Debt Service:					
Principal on Debt	0	101,416	3,134,377	0	3,235,793
Interest on Debt	0	5,180	1,245,191	0	1,250,371
Other Debt Service	0	0	7,763,793	0	7,763,793

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 21,501	\$ 0	\$ 0	\$ 3,055,080	\$ 3,076,581
Total Expenditures	\$ 14,654,189	\$ 3,946,039	\$ 12,143,361	\$ 4,981,397	\$ 35,724,986
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 1,053,262	 \$ (17,234)	 \$ (6,505,207)	 \$ (2,550,095)	 \$ (8,019,274)
 <u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 4,000,000	\$ 4,000,000
Capital Leases Issued	0	195,910	0	0	195,910
Refunding Debt Issued	0	0	7,015,000	0	7,015,000
Premiums on Debt Sold	0	0	176,602	0	176,602
Insurance Recovery	24,547	0	0	0	24,547
Transfers In	0	0	0	3,190,276	3,190,276
Transfers Out	0	0	(780,276)	(2,410,000)	(3,190,276)
Total Other Financing Sources (Uses)	\$ 24,547	\$ 195,910	\$ 6,411,326	\$ 4,780,276	\$ 11,412,059
 Net Change in Fund Balances	 \$ 1,077,809	 \$ 178,676	 \$ (93,881)	 \$ 2,230,181	 \$ 3,392,785
Fund Balance, July 1, 2015	3,279,623	845,521	3,078,310	2,841,412	10,044,866
 Fund Balance, June 30, 2016	 \$ 4,357,432	 \$ 1,024,197	 \$ 2,984,429	 \$ 5,071,593	 \$ 13,437,651

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, 2016

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)		\$ 3,392,785
(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	\$ 2,835,203	
Less: current-year depreciation expense	<u>(4,741,972)</u>	(1,906,769)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		(20,500)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 3,153,943	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(3,152,406)</u>	1,537
(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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: change in deferred amount on refunding debt	\$ 145,094	
Less: change in discount on debt issuance	(3,755)	
Less: change in premium on debt issuance	(140,887)	
Add: principal payments on notes	250,000	
Add: principal payments on bonds	10,304,377	
Add: principal payments on capital leases	101,416	
Less: note proceeds	(4,000,000)	
Less: bond proceeds	(7,015,000)	
Less: capital lease proceeds	<u>(195,910)</u>	(554,665)
(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	\$ (2,352)	
Change in net pension asset	(88,578)	
Change in deferred outflows related to pensions	62,968	
Change in deferred inflows related to pensions	441,445	
Change in compensated absences	(120,520)	
Change in other postemployment benefits liability	(52,033)	
Change in landfill postclosure care costs	<u>334,051</u>	<u>574,981</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,487,369</u>

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



## Exhibit C-5

Lawrence County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 8,884,843	\$ 0	\$ 0	\$ 8,884,843	\$ 8,615,290	\$ 8,678,957	\$ 205,886
Licenses and Permits	51,458	0	0	51,458	48,725	48,725	2,733
Fines, Forfeitures, and Penalties	195,410	0	0	195,410	173,630	173,630	21,780
Charges for Current Services	1,871,896	0	0	1,871,896	1,988,320	1,988,320	(116,424)
Other Local Revenues	65,699	0	0	65,699	28,350	34,934	30,765
Fees Received From County Officials	1,369,206	0	0	1,369,206	1,261,874	1,261,874	107,332
State of Tennessee	2,587,990	0	0	2,587,990	2,798,910	2,821,252	(233,262)
Federal Government	231,406	0	0	231,406	0	96,724	134,682
Other Governments and Citizens Groups	449,543	0	0	449,543	443,441	454,116	(4,573)
Total Revenues	\$ 15,707,451	\$ 0	\$ 0	\$ 15,707,451	\$ 15,358,540	\$ 15,558,532	\$ 148,919
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 92,856	\$ 0	\$ 0	\$ 92,856	\$ 104,303	\$ 101,303	\$ 8,447
Beer Board	289	0	0	289	2,930	2,930	2,641
County Mayor/Executive	187,159	0	0	187,159	201,841	201,841	14,682
County Attorney	7,045	0	0	7,045	7,045	7,045	0
Election Commission	183,045	0	897	183,942	231,550	236,438	52,496
Register of Deeds	181,691	0	0	181,691	209,752	209,752	28,061
County Buildings	468,537	(22,907)	16,651	462,281	479,906	480,886	18,605
Preservation of Records	51,307	(140)	0	51,167	59,502	59,502	8,335
<u>Finance</u>							
Accounting and Budgeting	330,609	(120)	6,520	337,009	336,853	344,729	7,720
Property Assessor's Office	328,561	(62)	0	328,499	343,021	344,151	15,652
County Trustee's Office	75,969	0	227	76,196	86,464	86,464	10,268
County Clerk's Office	105,626	0	0	105,626	135,198	137,356	31,730
Data Processing	148,740	0	1,259	149,999	156,485	159,787	9,788
<u>Administration of Justice</u>							
Circuit Court	584,605	0	0	584,605	572,340	592,174	7,569
General Sessions Court	317,722	0	0	317,722	333,159	339,085	21,363

(Continued)

## Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Chancery Court	\$ 308,952	\$ 0	\$ 0	\$ 308,952	\$ 322,289	\$ 322,289	\$ 13,337
Juvenile Court	178,750	0	0	178,750	187,696	189,646	10,896
Courtroom Security	71,021	0	1,183	72,204	109,858	109,858	37,654
Victim Assistance Programs	8,901	0	0	8,901	9,000	9,000	99
<u>Public Safety</u>							
Sheriff's Department	3,370,431	(50,359)	18,498	3,338,570	3,577,981	3,613,179	274,609
Jail	2,622,988	(2,560)	8,045	2,628,473	2,605,340	2,654,614	26,141
Workhouse	49,540	(420)	45	49,165	49,200	49,200	35
Work Release Program	19,749	(190)	200	19,759	18,025	20,262	503
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	8,154	0	252	8,406	10,000	10,000	1,594
Rescue Squad	312,500	0	0	312,500	312,500	312,500	0
Other Emergency Management	339,245	0	0	339,245	339,245	339,245	0
County Coroner/Medical Examiner	72,712	0	0	72,712	71,407	76,068	3,356
Other Public Safety	1,456	0	0	1,456	12,000	12,000	10,544
<u>Public Health and Welfare</u>							
Local Health Center	111,879	0	0	111,879	428,105	428,105	316,226
Ambulance/Emergency Medical Services	2,149,812	(11,346)	11,842	2,150,308	2,259,176	2,274,809	124,501
Alcohol and Drug Programs	81,437	0	273	81,710	27,000	84,142	2,432
Other Local Health Services	32,212	0	9,437	41,649	33,627	41,660	11
Appropriation to State	295,859	0	1,392	297,251	316,081	327,981	30,730
Other Public Health and Welfare	78,077	0	0	78,077	78,077	78,077	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	10,250	0	0	10,250	3,000	11,000	750
Libraries	294,456	(271)	66	294,251	344,561	345,033	50,782
Other Social, Cultural, and Recreational	28,100	0	0	28,100	23,100	28,100	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	119,312	0	200	119,512	132,416	155,738	36,226
Soil Conservation	51,938	0	0	51,938	46,118	56,493	4,555

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Other Agriculture and Natural Resources	\$ 102	\$ (102)	\$ 0	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000
<u>Other Operations</u>							
Tourism	33,681	0	0	33,681	33,900	38,900	5,219
Industrial Development	154,515	0	0	154,515	155,000	155,000	485
Housing and Urban Development	88,061	0	0	88,061	250,000	250,000	161,939
Airport	69,000	0	0	69,000	69,000	69,000	0
Veterans' Services	93,361	0	825	94,186	97,323	103,928	9,742
Other Charges	448,385	0	440	448,825	428,121	456,308	7,483
Miscellaneous	62,091	0	0	62,091	0	64,000	1,909
<u>Capital Projects</u>							
General Administration Projects	21,501	0	0	21,501	17,100	21,501	0
Total Expenditures	\$ 14,654,189	\$ (88,477)	\$ 78,252	\$ 14,643,964	\$ 15,629,595	\$ 16,014,079	\$ 1,370,115
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,053,262	\$ 88,477	\$ (78,252)	\$ 1,063,487	\$ (271,055)	\$ (455,547)	\$ 1,519,034
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 24,547	\$ 0	\$ 0	\$ 24,547	\$ 0	\$ 24,547	\$ 0
Total Other Financing Sources	\$ 24,547	\$ 0	\$ 0	\$ 24,547	\$ 0	\$ 24,547	\$ 0
Net Change in Fund Balance							
Fund Balance, July 1, 2015	\$ 1,077,809	\$ 88,477	\$ (78,252)	\$ 1,088,034	\$ (271,055)	\$ (431,000)	\$ 1,519,034
	3,279,623	(88,477)	0	3,191,146	3,251,796	3,279,623	(88,477)
Fund Balance, June 30, 2016							
	\$ 4,357,432	\$ 0	\$ (78,252)	\$ 4,279,180	\$ 2,980,741	\$ 2,848,623	\$ 1,430,557

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

Exhibit C-6

Lawrence County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,717,301	\$ 0	\$ 0	\$ 1,717,301	\$ 1,709,686	\$ 1,709,686	\$ 7,615
Other Local Revenues	48,566	0	0	48,566	0	18,176	30,390
State of Tennessee	2,132,029	0	0	2,132,029	2,418,258	1,967,202	164,827
Other Governments and Citizens Groups	30,909	0	0	30,909	0	30,909	0
Total Revenues	\$ 3,928,805	\$ 0	\$ 0	\$ 3,928,805	\$ 4,127,944	\$ 3,725,973	\$ 202,832
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 227,955	\$ 0	\$ 0	\$ 227,955	\$ 249,923	\$ 249,923	\$ 21,968
Highway and Bridge Maintenance	2,612,990	0	5,965	2,618,955	2,717,069	2,787,470	168,515
Operation and Maintenance of Equipment	540,656	(500)	0	540,156	660,441	630,441	90,285
Other Charges	113,141	0	330	113,471	113,877	116,727	3,256
Capital Outlay	344,701	0	0	344,701	785,000	535,689	190,988
<u>Principal on Debt</u>							
Highways and Streets	101,416	0	0	101,416	100,000	101,417	1
<u>Interest on Debt</u>							
Highways and Streets	5,180	0	0	5,180	10,000	8,583	3,403
Total Expenditures	\$ 3,946,039	\$ (500)	\$ 6,295	\$ 3,951,834	\$ 4,636,310	\$ 4,430,250	\$ 478,416
Excess (Deficiency) of Revenues Over Expenditures	\$ (17,234)	\$ 500	\$ (6,295)	\$ (23,029)	\$ (508,366)	\$ (704,277)	\$ 681,248
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 195,910	\$ 0	\$ 0	\$ 195,910	\$ 0	\$ 195,910	\$ 0
Total Other Financing Sources	\$ 195,910	\$ 0	\$ 0	\$ 195,910	\$ 0	\$ 195,910	\$ 0
Net Change in Fund Balance	\$ 178,676	\$ 500	\$ (6,295)	\$ 172,881	\$ (508,366)	\$ (508,367)	\$ 681,248
Fund Balance, July 1, 2015	845,521	(500)	0	845,021	849,060	845,521	(500)
Fund Balance, June 30, 2016	\$ 1,024,197	\$ 0	\$ (6,295)	\$ 1,017,902	\$ 340,694	\$ 337,154	\$ 680,748

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

Exhibit D

Lawrence County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,536,415
Equity in Pooled Cash and Investments	93,846
Accounts Receivable	3,349
Due from Other Governments	<u>763,843</u>
Total Assets	<u><u>\$ 2,397,453</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 761,933
Due to Litigants, Heirs, and Others	1,578,692
Due to Joint Ventures	<u>56,828</u>
Total Liabilities	<u><u>\$ 2,397,453</u></u>

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

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## LAWRENCE COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

**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 financial statements of the Lawrence County Emergency Communications District, a component unit requiring discrete presentation, was excluded from this report due to materiality calculations; therefore, the effect of its omission is not material and will not affect our opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Lawrence County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Lawrence County, and the Lawrence County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Lawrence County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

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

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

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

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

Lawrence County issues all debt for the discretely presented Lawrence County School Department. Net debt issues totaling \$675,000 were contributed by the county to the School Department during the year ended June 30, 2016.



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

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

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

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

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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

Lawrence County reports the following major governmental funds:

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

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

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

Additionally, Lawrence County reports the following fund types:

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

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

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

involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

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

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

**1. Deposits and Investments**

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

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

pooled investments is assigned to the General Fund. Lawrence County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a Stable Net Asset Value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

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

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

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

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

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

**3. Inventories**

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

**4. Capital Assets**

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

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

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

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

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

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

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for deferred charge on refunding, pension changes in experience, pension changes in proportionate share of net pension liability, and pension changes in employer contributions made to the pension plan after the measurement date.

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

**6. Compensated Absences**

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

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

funds only if they have matured, for example, as a result of employee resignations and retirements.

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

## **7. Long-term Obligations**

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

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

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

## **8. Net Position and Fund Balance**

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages,

notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes for the primary government consists of net pension obligations.

As of June 30, 2016, Lawrence County had \$14,937,000 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 position with no corresponding increase in the county's capital assets.

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

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

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

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



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

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

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

**E. Pension Plans**

**Primary Government**

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

**Discretely Presented Lawrence County School Department**

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

benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

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

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

#### **Primary Government**

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

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

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

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

#### **Primary Government**

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

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

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

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

### **Budgetary Information**

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

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

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

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

At June 30, 2016, the Lawrence County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Description</u>	<u>Amount</u>
School Department		
Major Fund:		
General Purpose School	Computers	\$ 376,800
"	Buses	358,218

#### **IV. DETAILED NOTES ON ALL FUNDS**

##### **A. Deposits and Investments**

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

##### **Deposits**

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

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

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

### **Investments**

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

The county had no pooled and nonpooled investments as of June 30, 2016.

### **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 \$64,612 and is offset by committed fund balance.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2016, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-15		Increases		Decreases		Balance 6-30-16
Capital Assets Not Depreciated:							
Land	\$	1,009,453	\$	1,790	\$	0	\$ 1,011,243
Construction in Progress		0		408,062		0	408,062
Total Capital Assets Not Depreciated	\$	1,009,453	\$	409,852	\$	0	\$ 1,419,305
Capital Assets Depreciated:							
Buildings and Improvements	\$	25,787,350	\$	66,532	\$	0	\$ 25,853,882
Infrastructure		80,683,160		1,570,993		0	82,254,153
Other Capital Assets		11,269,986		787,826		218,796	11,839,016
Total Capital Assets Depreciated	\$	117,740,496	\$	2,425,351	\$	218,796	\$ 119,947,051
Less Accumulated Depreciation For:							
Buildings and Improvements	\$	5,766,372	\$	591,717	\$	0	\$ 6,358,089
Infrastructure		52,110,388		3,492,748		0	55,603,136
Other Capital Assets		8,246,320		657,507		198,296	8,705,531
Total Accumulated Depreciation	\$	66,123,080	\$	4,741,972	\$	198,296	\$ 70,666,756
Total Capital Assets Depreciated, Net	\$	51,617,416	\$	(2,316,621)	\$	20,500	\$ 49,280,295
Governmental Activities Capital Assets, Net	\$	52,626,869	\$	(1,906,769)	\$	20,500	\$ 50,699,600

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

**Governmental Activities:**

General Government	\$ 547,053
Finance	2,700
Public Safety	213,648
Public Health and Welfare	205,799
Social, Cultural, and Recreational Services	90,744
Agriculture and Natural Resources	2,662
Other Operations	128
Highways	<u>3,679,238</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,741,972</u>

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

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 1,276,454	\$ 0	\$ 0	\$ 1,276,454
Construction in Progress	974,932	69,694	0	1,044,626
Total Capital Assets Not Depreciated	<u>\$ 2,251,386</u>	<u>\$ 69,694</u>	<u>\$ 0</u>	<u>\$ 2,321,080</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 63,762,555	\$ 28,000	\$ 274,363	\$ 63,516,192
Other Capital Assets	12,475,508	295,283	0	12,770,791
Total Capital Assets Depreciated	<u>\$ 76,238,063</u>	<u>\$ 323,283</u>	<u>\$ 274,363</u>	<u>\$ 76,286,983</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 28,012,796	\$ 1,648,259	\$ 227,232	\$ 29,433,823
Other Capital Assets	9,090,572	515,591	0	9,606,163
Total Accumulated Depreciation	<u>\$ 37,103,368</u>	<u>\$ 2,163,850</u>	<u>\$ 227,232</u>	<u>\$ 39,039,986</u>
Total Capital Assets Depreciated, Net	<u>\$ 39,134,695</u>	<u>\$ (1,840,567)</u>	<u>\$ 47,131</u>	<u>\$ 37,246,997</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,386,081</u>	<u>\$ (1,770,873)</u>	<u>\$ 47,131</u>	<u>\$ 39,568,077</u>

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

**Governmental Activities:**

Instruction	\$ 1,554,077
Support Services	481,185
Operation of Non-instructional Services	<u>128,588</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,163,850</u></u>

**D. Interfund Transfers**

The composition of interfund balances as of June 30, 2016, was as follows:

**Interfund Transfers:****Primary Government**

	<u>Transfers In</u> Nonmajor Governmental Funds
<u>Transfers Out</u>	
General Debt Service Fund	\$ 780,276
Nonmajor governmental funds	<u>2,410,000</u>
Total	<u><u>\$ 3,190,276</u></u>

**Discretely Presented Lawrence County School Department**

	<u>Transfer In</u> General Purpose School Fund
<u>Transfer Out</u>	
Nonmajor governmental funds	\$ 29,098

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

**E. Capital Leases**

On May 7, 2015, Lawrence County entered into a four-year lease-purchase agreement for a wheel loader. The terms of the agreement require total lease payments of \$208,015 plus interest of 2.49 percent. Title to the equipment transfers to Lawrence County at the end of the lease period. The lease payments are made from the Highway/Public Works Fund.

On February 3, 2016, Lawrence County entered into a three-year lease-purchase agreement for a skytrim. The terms of the agreement require total lease payments of \$195,910 plus interest of 3.20 percent. Title to the equipment transfers to Lawrence County at the end of the lease period. The lease payments are made from the Highway/Public Works Fund.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 403,925
Less: Accumulated Depreciation	<u>(54,749)</u>
Total Book Value	<u><u>\$ 349,176</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2016, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2017	\$ 106,596
2018	106,596
2019	<u>106,596</u>
Total Minimum Lease Payments	\$ 319,788
Less: Amount Representing Interest	<u>(17,279)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 302,509</u></u>

**F. Long-term Obligations**

**Primary Government**

**General Obligation Bonds and Notes**

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 38 years on bonds and 12 years on notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes



included in long-term debt as of June 30, 2016, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2016, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-16
General Obligation Bonds	3.38 to 4.28 %		6-21-50	\$ 19,457,000	\$ 16,395,331
General Obligation Bonds - Refunding	1.08 to 3.79		10-1-34	20,640,000	17,580,000
Capital Outlay Notes	1.60 to 1.83		12-1-26	7,500,000	7,250,000
Capital Leases	2.49 to 3.2		5-7-19	403,925	302,509

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2016, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 2,929,525	\$ 923,498	\$ 3,853,023
2018	3,004,678	852,414	3,857,092
2019	3,089,835	775,838	3,865,673
2020	2,259,999	824,121	3,084,120
2021	1,660,168	764,856	2,425,024
2022-2026	9,148,573	2,566,084	11,714,657
2027-2031	6,538,732	1,556,235	8,094,967
2032-2036	4,319,821	740,965	5,060,786
2037-2041	917,011	58,969	975,980
2042-2046	55,497	14,433	69,930
2047-2050	51,492	4,416	55,908
Total	\$ 33,975,331	\$ 9,081,829	\$ 43,057,160

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 810,000	\$ 131,169	\$ 941,169
2018	820,000	118,939	938,939
2019	835,000	104,456	939,456
2020	855,000	88,776	943,776
2021	870,000	73,337	943,337
2022-2026	2,730,000	153,590	2,883,590
2027	330,000	3,712	333,712
Total	\$ 7,250,000	\$ 673,979	\$ 7,923,979

There is \$2,984,429 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and capital leases totaled \$974, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

##### Governmental Activities:

	Bonds	Notes	Capital Leases
Balance, July 1, 2015	\$ 37,264,708	\$ 3,500,000	\$ 208,015
Additions	7,015,000	4,000,000	195,910
Reductions	(10,304,377)	(250,000)	(101,416)
Balance, June 30, 2016	<u>\$ 33,975,331</u>	<u>\$ 7,250,000</u>	<u>\$ 302,509</u>
Balance Due Within One Year	<u>\$ 2,929,525</u>	<u>\$ 810,000</u>	<u>\$ 98,037</u>

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2015	\$ 634,690	\$ 1,114,289	\$ 367,583
Additions	935,058	9,252	61,944
Reductions	(814,538)	(343,303)	(9,911)
Balance, June 30, 2016	<u>\$ 755,210</u>	<u>\$ 780,238</u>	<u>\$ 419,616</u>
Balance Due Within One Year	<u>\$ 755,210</u>	<u>\$ 25,000</u>	<u>\$ 0</u>

##### Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 43,482,904
Less: Due Within One Year	(4,617,772)
Add: Unamortized Premium on Debt	368,724
Less: Unamortized Discount on Debt	<u>(55,949)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 39,177,907</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.

### Current Refunding

On April 27, 2016, Lawrence County currently refunded a general obligation bond with a separate bond issue. The county issued \$7,015,000 of general obligation refunding bonds to provide resources to retire the bonds. As a result of the current refunding, total debt service payments over the next sixteen years will be reduced by \$1,318,378, and an economic gain (difference between the present value of the debt service payments for the refunded and refunding bonds) of \$1,143,173 was obtained.

### Discretely Presented Lawrence County School Department

#### Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Lawrence County School Department for the year ended June 30, 2016, was as follows:

#### Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2015	\$ 85,433	\$ 10,163,845
Additions	66,299	1,992,469
Reductions	(85,704)	(714,867)
Balance, June 30, 2016	\$ 66,028	\$ 11,441,447
Balance Due Within One Year	\$ 66,028	\$ 0

#### Governmental Activities:

	Net Pension Liability - Teacher Legacy Plan*
Balance, July 1, 2015	\$ (105,690)
Additions	9,360,604
Reductions	(8,978,424)
Balance, June 30, 2016	\$ 276,490
Balance Due Within One Year	\$ 0

\*The Teacher Legacy Plan had a Net Pension Asset balance on July 1, 2015.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 11,783,965
Less: Balance Due Within One Year	<u>(66,028)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 11,717,937</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lawrence County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2016, were \$253,884 and \$68,413, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

Lawrence County issued tax anticipation notes from the General Debt Service (\$400,000) and General Purpose School (\$290,000) funds in advance of property tax collections and deposited the proceeds in the General and the Highway/Public Works funds, respectively. 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, 2016, was as follows:

	Balance 7-1-2015	Issued	Paid	Balance 6-30-2016
Tax Anticipation Notes	\$ 0	\$ 690,000	\$ (690,000)	\$ 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 decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for workers' compensation coverage. Lawrence County joined the Local Government Workers' Compensation Fund (LGWCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. Lawrence County pays annual premiums to the LGWCF for its workers' compensation coverage. The creation of the LGWCF provides for it to be self-sustaining through member premiums.

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

#### Discretely Presented Lawrence County School Department

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

The discretely presented Lawrence County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees

of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; Statement No. 79, *Certain External Investment Pools and Pool Participants* became effective for the year ended June 30, 2016.

GASB Statement No. 72, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. This standard supersedes previous statements as they relate to measuring fair value of certain assets and liabilities.

GASB Statement No. 73, established accounting and reporting requirements for pensions that are not administered through a trust account and also addresses changes made to Statements No. 67 and No. 68. The changes to Statements No. 67 and No. 68 require new RSI disclosures concerning plan investments and address specific payables to defined benefit plans.

GASB Statement No. 76, addresses changes made to the hierarchy of generally accepted accounting principles. This standard supersedes Statement No. 55 and reduces the hierarchy from four to two categories.

GASB Statement No. 79, addresses issues related to certain external investment pools and pool participants because of changes in Security and Exchange rules relative to money market funds. This standard establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost rather than fair value for financial reporting purposes standards.

**C. Change in Administration**

On December 31, 2015, Dr. Bill Heath left Office of Director of Schools and was succeeded by Johnny McDaniel.

**D. Contingent Liabilities**

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

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

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Lawrence County closed its sanitary landfill in 2001. The \$780,238 reported as postclosure care liability at June 30, 2016, represents amounts based on what it would cost to perform all postclosure care in 2016. 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 \$69,000 to the operations of the joint venture during the year ended June 30, 2016.

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 \$154,515 to the

Lawrence County Joint Economic Development Board during the year ended June 30, 2016.

The Twenty-second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-second Judicial District, Lawrence, Giles, Maury, and Wayne counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Lawrence County did not contribute any funds to the DTF for the year ended June 30, 2016.

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

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

Administrative Offices:

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

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

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

**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, 2016.

## **H. Retirement Commitments**

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

#### **Primary Government**

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

*Plan Description.* Employees of Lawrence County and non-certified employees of the discretely presented Lawrence County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 57.19 percent and the non-certified employees of the discretely presented School Department comprised 42.81 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer

price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	305
Inactive Employees Entitled to But Not Yet Receiving Benefits	419
Active Employees	571
Total	<u><u>1,295</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. Lawrence County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarial Determined Contribution (ADC) for Lawrence County was \$1,320,163 based on a rate of 9.77 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lawrence County's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Net Pension Liability (Asset)**

Lawrence County's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2014	\$ 40,526,153	\$ 41,397,315	\$ (871,162)
Changes for the Year:			
Service Cost	\$ 1,211,026	\$ 0	\$ 1,211,026
Interest	3,048,419	0	3,048,419
Differences Between Expected and Actual Experience	(607,124)	0	(607,124)
Contributions-Employer	0	1,320,163	(1,320,163)
Contributions-Employees	0	676,371	(676,371)
Net Investment Income	0	1,271,681	(1,271,681)
Benefit Payments, Including Refunds of Employee Contributions	(2,183,175)	(2,183,175)	0
Administrative Expense	0	(28,821)	28,821
Other Changes	0	0	0
Net Changes	\$ 1,469,146	\$ 1,056,219	\$ 412,927
Balance, June 30, 2015	\$ 41,995,299	\$ 42,453,534	\$ (458,235)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	57.19%	\$ 24,017,111	\$ 24,279,176	\$ (262,065)
School Department	42.81%	17,978,188	18,174,358	(196,170)
Total		\$ 41,995,299	\$ 42,453,534	\$ (458,235)

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

	1% Decrease	Current Discount Rate	1% Increase
Lawrence County	6.5%	7.5%	8.5%

Net Pension Liability    \$ 4,901,234    \$ (458,235)    \$ (4,920,361)

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

*Pension Expense.* For the year ended June 30, 2016, Lawrence County recognized pension expense of \$3,595.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, Lawrence County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 1,031,101
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,460,030	1,932,333
Contributions Subsequent to the Measurement Date of June 30, 2015 (1)	1,398,015	N/A
Total	<u>\$ 2,858,045</u>	<u>\$ 2,963,434</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,652,688	\$ 1,694,788
School Department	1,205,357	1,268,646
Total	<u>\$ 2,858,045</u>	<u>\$ 2,963,434</u>

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

Year Ending June 30	Amount
2017	\$ (511,581)
2018	(511,581)
2019	(511,581)
2020	132,530
2021	(101,187)
Thereafter	0

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

**Discretely Presented Lawrence County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Lawrence County and non-certified employees of the discretely presented Lawrence County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 57.19 percent and the non-certified employees of the discretely presented School Department comprise 42.81 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

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

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

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan,



benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2016, to the Teacher Retirement Plan were \$48,183, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2016, the Lawrence County School Department reported an asset of \$6,696 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Lawrence County School Department's proportion of the net pension asset was based on the Lawrence County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Lawrence County School Department's proportion was .166438 percent.

*Pension Expense.* For the year ended June 30, 2016, the Lawrence County School Department recognized pension expense of \$8,775.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, the Lawrence County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 2,179
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	541	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	48,183	N/A
Total	<u>\$ 48,724</u>	<u>\$ 2,179</u>

The Lawrence County School Department's employer contributions of \$48,183, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (46)
2018	(46)
2019	(46)
2020	(46)
2021	(182)
Thereafter	(1,271)

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability	\$	1,187	\$	(6,696)	\$	(12,477)
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*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

### **Teacher Legacy Pension Plan**

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

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

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

an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Lawrence County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$2,820,611, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2016, the Lawrence County School Department reported a liability of \$276,490 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Lawrence County School Department's proportion of the net pension liability (asset) was based on the Lawrence County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Lawrence County School Department's proportion was .674967 percent. The proportion measured at June 30, 2014, was .650421 percent.

*Negative Pension Expense.* For the year ended June 30, 2016, the Lawrence County School Department recognized negative pension expense of \$167,556.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, the Lawrence County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 221,894	\$ 4,303,601
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,992,536	6,777,639
Changes in Proportion of Net Pension Liability (Asset)	329,356	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	2,820,611	N/A
Total	<u>\$ 8,364,397</u>	<u>\$ 11,081,240</u>

The Lawrence County School Department's employer contributions of \$2,820,611 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (1,761,549)
2018	(1,761,549)
2019	(1,761,549)
2020	497,664
2021	(750,470)
Thereafter	0

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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



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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability	\$ 18,850,127	\$ 276,490	\$ (15,100,292)
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*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

## 2. **Deferred Compensation**

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

## 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 local education employees, and Section 8-27-207, *TCA* for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/article/fa-acffin-cafr>.

### **Funding Policy**

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

participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Lawrence County and the School Department recognized expenditures of \$9,911 and \$714,867, respectively, for postemployment health care during the year ended June 30, 2016.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,994,000	\$ 62,000
Interest on the NOPEBO	381,144	13,784
Adjustment to the ARC	(382,675)	(13,840)
Annual OPEB cost	\$ 1,992,469	\$ 61,944
Amount of contribution	(714,867)	(9,911)
Increase/decrease in NOPEBO	\$ 1,277,602	\$ 52,033
Net OPEB obligation, 7-1-15	10,163,845	367,583
Net OPEB obligation, 6-30-16	<u>\$ 11,441,447</u>	<u>\$ 419,616</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Local Education Group	\$ 1,872,151	44	% \$ 8,955,412
6-30-15	"	1,940,227	38	10,163,845
6-30-16	"	1,992,469	36	11,441,447
6-30-14	Local Government Group	31,339	16	355,262
6-30-15	"	32,366	62	367,583
6-30-16	"	61,944	16	419,616

### Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:  
(dollars in thousands)

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 17,206	\$ 431
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 17,206	\$ 431
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 30,899	\$ 8,191
UAAL as a % of covered payroll	56%	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, 2015, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 6.5 percent initially. The trend rate will decrease to six percent in fiscal year 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

**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. Effective September 24, 2013, the Lawrence County Commission added the duties of the purchasing agent to the director of accounts and budgets. This statute also provides for a County Purchasing Committee to assist the purchasing agent in the determination of overall purchasing policies. These statutes require all purchases exceeding \$25,000 to be made on the basis of publicly advertised competitive bids. Additionally, the County Commission requires three quotes for purchases over \$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.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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Exhibit E-1

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

	2014	2015
<b>Total Pension Liability (Asset)</b>		
Service Cost	\$ 1,271,060	\$ 1,211,026
Interest	2,948,844	3,048,419
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	(787,746)	(607,124)
Changes in Assumptions	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(2,183,175)
Net Change in Total Pension Liability (Asset)	\$ 1,526,452	\$ 1,469,146
Total Pension Liability (Asset), Beginning	38,999,701	40,526,153
Total Pension Liability (Asset), Ending (a)	\$ 40,526,153	\$ 41,995,299
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 1,393,943	\$ 1,320,163
Contributions - Employee	676,878	676,371
Net Investment Income	5,879,061	1,271,681
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(2,183,175)
Administrative Expense	(22,110)	(28,821)
Net Change in Plan Fiduciary Net Position	\$ 6,022,066	\$ 1,056,219
Plan Fiduciary Net Position, Beginning	35,375,249	41,397,315
Plan Fiduciary Net Position, Ending (b)	\$ 41,397,315	\$ 42,453,534
Net Pension Liability (Asset), Ending (a - b)	\$ (871,162)	\$ (458,235)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.15%	101.09%
Covered Payroll	\$ 13,507,051	\$ 13,508,240
Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.45%	3.39%

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

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

Exhibit E-2

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

	2014	2015	2016
Actuarially Determined Contribution	\$ 1,393,943	\$ 1,320,163	\$ 1,398,015
Less Contributions in Relation to the			
Actuarially Determined Contribution	(1,393,943)	(1,320,163)	(1,398,015)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 13,507,051	\$ 13,508,240	\$ 14,416,993
Contributions as a Percentage of			
Covered Payroll	10.32%	9.77%	9.77%

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

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



Exhibit E-3

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

	2015	2016
Contractually Required Contribution	\$ 8,645	\$ 30,160
Less Contributions in Relation to the Contractually Required Contribution	(13,833)	(48,183)
Contribution Deficiency (Excess)	<u>\$ (5,188)</u>	<u>\$ (18,023)</u>
Covered Payroll	\$ 345,812	\$ 1,206,396
Contributions as a Percentage of Covered Payroll	4%	4%

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

Exhibit E-4

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

	2014	2015	2016
Contractually Required Contribution	\$ 2,266,972	\$ 2,284,174	\$ 2,820,611
Less Contributions in Relation to the Contractually Required Contribution	(2,266,972)	(2,284,174)	(2,820,611)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 25,528,961	\$ 25,267,416	\$ 25,113,308
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%

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

Exhibit F-5

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

	<u>2016</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.166438%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (6,696)
Covered Payroll	\$ 345,812
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%

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

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

Exhibit E-6

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

	2015	2016
School Department's Proportion of the Net Pension Liability (Asset)	0.650421%	0.674967%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (105,690)	\$ 276,490
Covered Payroll	\$ 25,528,961	\$ 25,267,416
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094253%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%

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

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

Exhibit E-7

Lawrence County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Lawrence County School Department  
June 30, 2016

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-11	\$ 0	\$ 405	\$ 405	0	% \$ 7,553	5 %
"	7-1-13	0	210	210	0	8,187	3
"	7-1-15	0	431	431	0	8,191	5
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	0	19,237	19,237	0	31,047	62
"	7-1-13	0	15,915	15,915	0	30,893	52
"	7-1-15	0	17,206	17,206	0	30,899	56

**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2016**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2016 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

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



# Debt Service Funds

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

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Education Debt Service Fund – The Education Debt Service Fund is used to account for the retirement of long-term debt issued for school construction and renovations.

Highway Debt Service Fund – The Highway Debt Service Fund is used to account for the retirement of long-term debt issued for the construction of roads and the purchases of capital equipment.

# Capital Projects Funds

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

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

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

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

# Permanent Fund

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

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

Exhibit F-1

Lawrence County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 525	\$ 0	\$ 0	\$ 85,483	\$ 86,008
Equity in Pooled Cash and Investments	43,782	421,931	237,290	34,162	0	737,165
Accounts Receivable	1,884	1,755,770	0	1,345	12,676	1,771,675
Allowance for Uncollectibles	0	(1,315,034)	0	0	0	(1,315,034)
Due from Other Governments	0	19,632	0	0	0	19,632
Property Taxes Receivable	0	157,265	0	0	0	157,265
Allowance for Uncollectible Property Taxes	0	(4,117)	0	0	0	(4,117)
Notes Receivable - Long-term	0	0	64,612	0	0	64,612
Total Assets	\$ 45,666	\$ 1,035,972	\$ 301,902	\$ 35,507	\$ 98,159	\$ 1,517,206
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 71,742	\$ 0	\$ 546	\$ 0	\$ 72,288
Due to Litigants, Heirs, and Others	0	0	0	0	15	15
Total Liabilities	\$ 0	\$ 71,742	\$ 0	\$ 546	\$ 15	\$ 72,303
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 147,789	\$ 0	\$ 0	\$ 0	\$ 147,789
Deferred Delinquent Property Taxes	0	5,359	0	0	0	5,359
Other Deferred/Unavailable Revenue	0	389,575	0	0	0	389,575
Total Deferred Inflows of Resources	\$ 0	\$ 542,723	\$ 0	\$ 0	\$ 0	\$ 542,723

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Constitu- tional Officers - Fees	Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control			
<u>FUND BALANCES</u>							
Nonspendable:							
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Restricted:							
Restricted for Public Safety	45,666	0	0	34,961	0	0	80,627
Restricted for Capital Projects	0	0	0	0	0	0	0
Committed:							
Committed for General Government	0	0	0	0	70,644	0	70,644
Committed for Finance	0	0	0	0	27,500	0	27,500
Committed for Public Health and Welfare	0	421,507	301,902	0	0	0	723,409
Committed for Debt Service	0	0	0	0	0	0	0
Total Fund Balances	<u>\$ 45,666</u>	<u>\$ 421,507</u>	<u>\$ 301,902</u>	<u>\$ 34,961</u>	<u>\$ 98,144</u>	<u>\$ 0</u>	<u>\$ 902,180</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 45,666</u>	<u>\$ 1,035,972</u>	<u>\$ 301,902</u>	<u>\$ 35,507</u>	<u>\$ 98,159</u>	<u>\$ 0</u>	<u>\$ 1,517,206</u>

(Continued)

Exhibit F-1

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

	Debt Service Funds			Capital Projects Funds	
	Education Debt Service	Highway Debt Service	Total	General Capital Projects	Highway Capital Projects
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	390,346	390,346	780,692	1,474,862	1,833,413
Accounts Receivable	0	0	0	0	119,780
Allowance for Uncollectibles	0	0	0	0	0
Due from Other Governments	0	0	0	0	0
Property Taxes Receivable	435,757	435,757	871,514	0	0
Allowance for Uncollectible Property Taxes	(11,407)	(11,407)	(22,814)	0	0
Notes Receivable - Long-term	0	0	0	0	0
Total Assets	<u>\$ 814,696</u>	<u>\$ 814,696</u>	<u>\$ 1,629,392</u>	<u>\$ 1,474,862</u>	<u>\$ 1,953,193</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 11,503	\$ 180,283
Due to Litigants, Heirs, and Others	0	0	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,503</u>	<u>\$ 180,283</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 409,500	\$ 409,500	\$ 819,000	\$ 0	\$ 0
Deferred Delinquent Property Taxes	14,850	14,850	29,700	0	0
Other Deferred/Unavailable Revenue	0	0	0	0	0
Total Deferred Inflows of Resources	<u>\$ 424,350</u>	<u>\$ 424,350</u>	<u>\$ 848,700</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit F-1

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

	Debt Service Funds			Capital Projects Funds	
	Education Debt Service	Highway Debt Service	Total	General Capital Projects	Highway Capital Projects
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for Public Safety	0	0	0	0	0
Restricted for Capital Projects	0	0	0	1,463,359	1,772,910
Committed:					
Committed for General Government	0	0	0	0	0
Committed for Finance	0	0	0	0	0
Committed for Public Health and Welfare	0	0	0	0	0
Committed for Debt Service	390,346	390,346	780,692	0	0
Total Fund Balances	<u>\$ 390,346</u>	<u>\$ 390,346</u>	<u>\$ 780,692</u>	<u>\$ 1,463,359</u>	<u>\$ 1,772,910</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 814,696</u>	<u>\$ 814,696</u>	<u>\$ 1,629,392</u>	<u>\$ 1,474,862</u>	<u>\$ 1,953,193</u>

(Continued)

Exhibit F-1

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

ASSETS

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

LIABILITIES

Accounts Payable  
Due to Litigants, Heirs, and Others  
Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes  
Deferred Delinquent Property Taxes  
Other Deferred/Unavailable Revenue  
Total Deferred Inflows of Resources

<u>Capital Projects Funds (Cont.)</u>		<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Other Capital Projects</u>	<u>Total</u>	<u>Endowment</u>	
\$ 0	\$ 0	\$ 0	\$ 86,008
76,653	3,384,928	75,799	4,978,584
0	119,780	0	1,891,455
0	0	0	(1,315,034)
0	0	0	19,632
0	0	0	1,028,779
0	0	0	(26,931)
0	0	0	64,612
<u>\$ 76,653</u>	<u>\$ 3,504,708</u>	<u>\$ 75,799</u>	<u>\$ 6,727,105</u>
\$ 0	\$ 191,786	\$ 0	\$ 264,074
0	0	0	15
<u>\$ 0</u>	<u>\$ 191,786</u>	<u>\$ 0</u>	<u>\$ 264,089</u>
\$ 0	\$ 0	\$ 0	\$ 966,789
0	0	0	35,059
0	0	0	389,575
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,391,423</u>

(Continued)

Exhibit F-1

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

	<u>Capital Projects Funds (Cont.)</u>		<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Other Capital Projects</u>	<u>Total</u>	<u>Endowment</u>	
<u>FUND BALANCES</u>				
Nonspendable:				
Endowments	\$ 0	\$ 0	\$ 75,799	\$ 75,799
Restricted:				
Restricted for Public Safety	76,653	76,653	0	157,280
Restricted for Capital Projects	0	3,236,269	0	3,236,269
Committed:				
Committed for General Government	0	0	0	70,644
Committed for Finance	0	0	0	27,500
Committed for Public Health and Welfare	0	0	0	723,409
Committed for Debt Service	0	0	0	780,692
Total Fund Balances	<u>\$ 76,653</u>	<u>\$ 3,312,922</u>	<u>\$ 75,799</u>	<u>\$ 5,071,593</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 76,653</u>	<u>\$ 3,504,708</u>	<u>\$ 75,799</u>	<u>\$ 6,727,105</u>



Exhibit F-2

Lawrence County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2016

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Total
<u>Revenues</u>						
Local Taxes	\$ 21,228	\$ 360,319	\$ 0	\$ 0	\$ 0	\$ 381,547
Fines, Forfeitures, and Penalties	1,884	0	0	53,740	0	55,624
Charges for Current Services	0	1,061,137	0	0	476,431	1,537,568
Other Local Revenues	0	154,731	6,166	0	0	160,897
State of Tennessee	0	2,541	0	0	0	2,541
Federal Government	0	0	255,681	0	0	255,681
Other Governments and Citizens Groups	0	19,380	0	0	0	19,380
Total Revenues	\$ 23,112	\$ 1,598,108	\$ 261,847	\$ 53,740	\$ 476,431	\$ 2,413,238
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 480,710	\$ 480,710
Public Safety	0	0	0	46,458	0	46,458
Public Health and Welfare	0	1,391,117	0	0	0	1,391,117
Other Operations	8,032	0	0	0	0	8,032
Capital Projects	0	0	365,959	0	0	365,959
Total Expenditures	\$ 8,032	\$ 1,391,117	\$ 365,959	\$ 46,458	\$ 480,710	\$ 2,292,276
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,080	\$ 206,991	\$ (104,112)	\$ 7,282	\$ (4,279)	\$ 120,962
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0	0

(Continued)

Exhibit F-2

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

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Total
<u>Other Financing Sources (Uses) (Cont.)</u>						
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Net Change in Fund Balances	\$ 15,080	\$ 206,991	\$ (104,112)	\$ 7,282	\$ (4,279)	\$ 120,962
Fund Balance, July 1, 2015	30,586	214,516	406,014	27,679	102,423	781,218
Fund Balance, June 30, 2016	\$ 45,666	\$ 421,507	\$ 301,902	\$ 34,961	\$ 98,144	\$ 902,180

(Continued)

Exhibit F-2

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

	Debt Service Funds			Capital Projects Funds	
	Education Debt Service	Highway Debt Service	Total	General Capital Projects	Highway Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 208	\$ 208	\$ 416	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	0
Charges for Current Services	0	0	0	0	0
Other Local Revenues	0	0	0	0	0
State of Tennessee	0	0	0	0	0
Federal Government	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	0
Total Revenues	<u>\$ 208</u>	<u>\$ 208</u>	<u>\$ 416</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Other Operations	0	0	0	0	0
Capital Projects	0	0	0	1,534,383	1,137,090
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,534,383</u>	<u>\$ 1,137,090</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 208</u>	<u>\$ 208</u>	<u>\$ 416</u>	<u>\$ (1,534,383)</u>	<u>\$ (1,137,090)</u>
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 4,000,000	\$ 0
Transfers In	390,138	390,138	780,276	0	2,410,000

(Continued)

Exhibit F-2

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

	Debt Service Funds			Capital Projects Funds	
	Education Debt Service	Highway Debt Service	Total	General Capital Projects	Highway Capital Projects
<u>Other Financing Sources (Uses) (Cont.)</u>					
Transfers Out	\$ 0	\$ 0	\$ 0	\$ (2,410,000)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 390,138</u>	<u>\$ 390,138</u>	<u>\$ 780,276</u>	<u>\$ 1,590,000</u>	<u>\$ 2,410,000</u>
Net Change in Fund Balances	\$ 390,346	\$ 390,346	\$ 780,692	\$ 55,617	\$ 1,272,910
Fund Balance, July 1, 2015	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,407,742</u>	<u>500,000</u>
Fund Balance, June 30, 2016	<u><u>\$ 390,346</u></u>	<u><u>\$ 390,346</u></u>	<u><u>\$ 780,692</u></u>	<u><u>\$ 1,463,359</u></u>	<u><u>\$ 1,772,910</u></u>

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Other Capital Projects</u>	<u>Total</u>	<u>Endowment</u>	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 381,963
Fines, Forfeitures, and Penalties	0	0	0	55,624
Charges for Current Services	0	0	0	1,537,568
Other Local Revenues	0	0	0	160,897
State of Tennessee	0	0	0	2,541
Federal Government	17,648	17,648	0	273,329
Other Governments and Citizens Groups	0	0	0	19,380
Total Revenues	<u>\$ 17,648</u>	<u>\$ 17,648</u>	<u>\$ 0</u>	<u>\$ 2,431,302</u>
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 0	\$ 0	\$ 480,710
Public Safety	0	0	0	46,458
Public Health and Welfare	0	0	0	1,391,117
Other Operations	0	0	0	8,032
Capital Projects	17,648	2,689,121	0	3,055,080
Total Expenditures	<u>\$ 17,648</u>	<u>\$ 2,689,121</u>	<u>\$ 0</u>	<u>\$ 4,981,397</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ (2,671,473)</u>	<u>\$ 0</u>	<u>\$ (2,550,095)</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 0	\$ 4,000,000	\$ 0	\$ 4,000,000
Transfers In	0	2,410,000	0	3,190,276

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		<u>Permanent</u> <u>Fund</u>		<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>Other</u> <u>Capital</u> <u>Projects</u>	<u>Total</u>	<u>Endowment</u>		
<u>Other Financing Sources (Uses) (Cont.)</u>					
Transfers Out	\$ 0	\$ (2,410,000)	\$ 0	\$	(2,410,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 4,000,000	\$ 0	\$	4,780,276
Net Change in Fund Balances	\$ 0	\$ 1,328,527	\$ 0	\$	2,230,181
Fund Balance, July 1, 2015	76,653	1,984,395	75,799		2,841,412
Fund Balance, June 30, 2016	\$ 76,653	\$ 3,312,922	\$ 75,799	\$	5,071,593

Exhibit F-3

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Courthouse and Jail Maintenance Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 21,228	\$ 0	\$ 21,228	\$ 16,700	\$ 16,700	\$ 4,528
Fines, Forfeitures, and Penalties	1,884	0	1,884	1,040	1,040	844
Total Revenues	<u>\$ 23,112</u>	<u>\$ 0</u>	<u>\$ 23,112</u>	<u>\$ 17,740</u>	<u>\$ 17,740</u>	<u>\$ 5,372</u>
<u>Expenditures</u>						
<u>Other Operations</u>						
Other Charges	\$ 8,032	\$ (2,608)	\$ 5,424	\$ 16,180	\$ 16,180	\$ 10,756
Total Expenditures	<u>\$ 8,032</u>	<u>\$ (2,608)</u>	<u>\$ 5,424</u>	<u>\$ 16,180</u>	<u>\$ 16,180</u>	<u>\$ 10,756</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 15,080</u>	<u>\$ 2,608</u>	<u>\$ 17,688</u>	<u>\$ 1,560</u>	<u>\$ 1,560</u>	<u>\$ 16,128</u>
Net Change in Fund Balance	\$ 15,080	\$ 2,608	\$ 17,688	\$ 1,560	\$ 1,560	\$ 16,128
Fund Balance, July 1, 2015	<u>30,586</u>	<u>(2,608)</u>	<u>27,978</u>	<u>25,729</u>	<u>30,586</u>	<u>(2,608)</u>
Fund Balance, June 30, 2016	<u><u>\$ 45,666</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 45,666</u></u>	<u><u>\$ 27,289</u></u>	<u><u>\$ 32,146</u></u>	<u><u>\$ 13,520</u></u>

## Exhibit F-4

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 360,319	\$ 0	\$ 0	\$ 360,319	\$ 334,406	\$ 334,406	\$ 25,913
Charges for Current Services	1,061,137	0	0	1,061,137	1,095,213	1,095,213	(34,076)
Other Local Revenues	154,731	0	0	154,731	175,750	175,750	(21,019)
State of Tennessee	2,541	0	0	2,541	3,700	3,700	(1,159)
Other Governments and Citizens Groups	19,380	0	0	19,380	0	0	19,380
Total Revenues	\$ 1,598,108	\$ 0	\$ 0	\$ 1,598,108	\$ 1,609,069	\$ 1,609,069	\$ (10,961)
<u>Expenditures</u>							
Public Health and Welfare							
Landfill Operation and Maintenance	\$ 1,391,117	\$ (500)	\$ 2,046	\$ 1,392,663	\$ 1,548,332	\$ 1,553,414	\$ 160,751
Total Expenditures	\$ 1,391,117	\$ (500)	\$ 2,046	\$ 1,392,663	\$ 1,548,332	\$ 1,553,414	\$ 160,751
Excess (Deficiency) of Revenues Over Expenditures	\$ 206,991	\$ 500	\$ (2,046)	\$ 205,445	\$ 60,737	\$ 55,655	\$ 149,790
Net Change in Fund Balance	\$ 206,991	\$ 500	\$ (2,046)	\$ 205,445	\$ 60,737	\$ 55,655	\$ 149,790
Fund Balance, July 1, 2015	214,516	(500)	0	214,016	0	0	214,016
Fund Balance, June 30, 2016	\$ 421,507	\$ 0	\$ (2,046)	\$ 419,461	\$ 60,737	\$ 55,655	\$ 363,806



## 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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 6,166	\$ 29,302	\$ 35,468	\$ (29,302)
Federal Government	255,681	494,320	494,320	(238,639)
Total Revenues	<u>\$ 261,847</u>	<u>\$ 523,622</u>	<u>\$ 529,788</u>	<u>\$ (267,941)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 45,228	\$ 56,553	\$ 45,228	\$ 0
Public Utility Projects	320,731	547,500	614,000	293,269
Total Expenditures	<u>\$ 365,959</u>	<u>\$ 604,053</u>	<u>\$ 659,228</u>	<u>\$ 293,269</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (104,112)</u>	<u>\$ (80,431)</u>	<u>\$ (129,440)</u>	<u>\$ 25,328</u>
Net Change in Fund Balance	\$ (104,112)	\$ (80,431)	\$ (129,440)	\$ 25,328
Fund Balance, July 1, 2015	<u>406,014</u>	<u>319,876</u>	<u>406,014</u>	<u>0</u>
Fund Balance, June 30, 2016	<u><u>\$ 301,902</u></u>	<u><u>\$ 239,445</u></u>	<u><u>\$ 276,574</u></u>	<u><u>\$ 25,328</u></u>

## Exhibit F-6

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 53,740	\$ 19,500	\$ 33,542	\$ 20,198
Total Revenues	\$ 53,740	\$ 19,500	\$ 33,542	\$ 20,198
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 46,458	\$ 39,550	\$ 50,205	\$ 3,747
Total Expenditures	\$ 46,458	\$ 39,550	\$ 50,205	\$ 3,747
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,282	\$ (20,050)	\$ (16,663)	\$ 23,945
Net Change in Fund Balance	\$ 7,282	\$ (20,050)	\$ (16,663)	\$ 23,945
Fund Balance, July 1, 2015	27,679	26,530	27,679	0
Fund Balance, June 30, 2016	\$ 34,961	\$ 6,480	\$ 11,016	\$ 23,945

## Exhibit F-7

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Education Debt Service Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 208	\$ 0	\$ 0	\$ 208
Total Revenues	\$ 208	\$ 0	\$ 0	\$ 208
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 208	\$ 0	\$ 0	\$ 208
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 390,138	\$ 0	\$ 390,138	\$ 0
Total Other Financing Sources	\$ 390,138	\$ 0	\$ 390,138	\$ 0
Net Change in Fund Balance	\$ 390,346	\$ 0	\$ 390,138	\$ 208
Fund Balance, July 1, 2015	0	0	0	0
Fund Balance, June 30, 2016	\$ 390,346	\$ 0	\$ 390,138	\$ 208

## Exhibit F-8

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway Debt Service Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 208	\$ 0	\$ 0	\$ 208
Total Revenues	\$ 208	\$ 0	\$ 0	\$ 208
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 208	\$ 0	\$ 0	\$ 208
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 390,138	\$ 0	\$ 390,138	\$ 0
Total Other Financing Sources	\$ 390,138	\$ 0	\$ 390,138	\$ 0
Net Change in Fund Balance	\$ 390,346	\$ 0	\$ 390,138	\$ 208
Fund Balance, July 1, 2015	0	0	0	0
Fund Balance, June 30, 2016	\$ 390,346	\$ 0	\$ 390,138	\$ 208

# **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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,278,544	\$ 5,041,583	\$ 5,041,583	\$ 236,961
Other Local Revenues	45,000	45,000	45,000	0
State of Tennessee	314,610	300,842	300,842	13,768
Total Revenues	<u>\$ 5,638,154</u>	<u>\$ 5,387,425</u>	<u>\$ 5,387,425</u>	<u>\$ 250,729</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 567,277	\$ 1,194,377	\$ 567,277	\$ 0
Highways and Streets	72,600	0	72,600	0
Education	2,494,500	2,280,000	2,494,500	0
<u>Interest on Debt</u>				
General Government	691,741	942,582	694,328	2,587
Highways and Streets	50,107	0	50,107	0
Education	503,343	449,155	503,343	0
<u>Other Debt Service</u>				
General Government	7,762,043	78,600	7,928,612	166,569
Education	1,750	1,050	1,750	0
Total Expenditures	<u>\$ 12,143,361</u>	<u>\$ 4,945,764</u>	<u>\$ 12,312,517</u>	<u>\$ 169,156</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,505,207)</u>	<u>\$ 441,661</u>	<u>\$ (6,925,092)</u>	<u>\$ 419,885</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 7,015,000	0	\$ 7,015,000	0
Premiums on Debt Sold	176,602	0	142,603	33,999
Transfers Out	(780,276)	0	(780,276)	0
Total Other Financing Sources	<u>\$ 6,411,326</u>	<u>\$ 0</u>	<u>\$ 6,377,327</u>	<u>\$ 33,999</u>
Net Change in Fund Balance	\$ (93,881)	\$ 441,661	\$ (547,765)	\$ 453,884
Fund Balance, July 1, 2015	<u>3,078,310</u>	<u>3,041,792</u>	<u>3,078,310</u>	<u>0</u>
Fund Balance, June 30, 2016	<u><u>\$ 2,984,429</u></u>	<u><u>\$ 3,483,453</u></u>	<u><u>\$ 2,530,545</u></u>	<u><u>\$ 453,884</u></u>

# Fiduciary Funds

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

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

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

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

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

## Exhibit H-1

Lawrence County, TennesseeCombining Statement of Fiduciary Assets and LiabilitiesFiduciary FundsJune 30, 2016

	Agency Funds				
	Cities - Sales Tax	Judicial District Drug	Constitu- tional Officers - Agency	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 2,979	\$ 1,533,436	\$ 0	\$ 1,536,415
Equity in Pooled Cash and Investments	0	49,529	0	44,317	93,846
Accounts Receivable	0	2,896	453	0	3,349
Due from Other Governments	761,933	1,910	0	0	763,843
Total Assets	<u>\$ 761,933</u>	<u>\$ 57,314</u>	<u>\$ 1,533,889</u>	<u>\$ 44,317</u>	<u>\$ 2,397,453</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 761,933	\$ 0	\$ 0	\$ 0	\$ 761,933
Due to Litigants, Heirs, and Others	0	486	1,533,889	44,317	1,578,692
Due to Joint Ventures	0	56,828	0	0	56,828
Total Liabilities	<u>\$ 761,933</u>	<u>\$ 57,314</u>	<u>\$ 1,533,889</u>	<u>\$ 44,317</u>	<u>\$ 2,397,453</u>



Lawrence County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,751,817	\$ 4,751,817	\$ 0
Due from Other Governments	789,954	761,933	789,954	761,933
Total Assets	\$ 789,954	\$ 5,513,750	\$ 5,541,771	\$ 761,933
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 789,954	\$ 5,513,750	\$ 5,541,771	\$ 761,933
Total Liabilities	\$ 789,954	\$ 5,513,750	\$ 5,541,771	\$ 761,933
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 2,596	\$ 2,979	\$ 2,596	\$ 2,979
Equity in Pooled Cash and Investments	59,667	49,529	59,667	49,529
Accounts Receivable	2,533	2,896	2,533	2,896
Due from Other Governments	7,498	1,910	7,498	1,910
Total Assets	\$ 72,294	\$ 57,314	\$ 72,294	\$ 57,314
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 4,015	\$ 486	\$ 4,015	\$ 486
Due to Joint Ventures	68,279	56,828	68,279	56,828
Total Liabilities	\$ 72,294	\$ 57,314	\$ 72,294	\$ 57,314
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,376,446	\$ 9,334,676	\$ 9,177,686	\$ 1,533,436
Accounts Receivable	500	453	500	453
Total Assets	\$ 1,376,946	\$ 9,335,129	\$ 9,178,186	\$ 1,533,889
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,376,946	\$ 9,335,129	\$ 9,178,186	\$ 1,533,889
Total Liabilities	\$ 1,376,946	\$ 9,335,129	\$ 9,178,186	\$ 1,533,889
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 27,468	\$ 44,317	\$ 27,468	\$ 44,317
Total Assets	\$ 27,468	\$ 44,317	\$ 27,468	\$ 44,317
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 27,468	\$ 44,317	\$ 27,468	\$ 44,317
Total Liabilities	\$ 27,468	\$ 44,317	\$ 27,468	\$ 44,317

(Continued)

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,379,042	\$ 9,337,655	\$ 9,180,282	\$ 1,536,415
Equity in Pooled Cash and Investments	87,135	4,845,663	4,838,952	93,846
Accounts Receivable	3,033	3,349	3,033	3,349
Due from Other Governments	797,452	763,843	789,954	763,843
Total Assets	<u>\$ 2,266,662</u>	<u>\$ 14,950,510</u>	<u>\$ 14,812,221</u>	<u>\$ 2,397,453</u>
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 789,954	\$ 5,513,750	\$ 5,541,771	\$ 761,933
Due to Litigants, Heirs, and Others	1,408,429	9,379,932	9,209,669	1,578,692
Due to Joint Ventures	68,279	56,828	68,279	56,828
Total Liabilities	<u>\$ 2,266,662</u>	<u>\$ 14,950,510</u>	<u>\$ 14,819,719</u>	<u>\$ 2,397,453</u>

# Lawrence County School Department

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

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

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

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

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

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

Exhibit I-1

Lawrence County, Tennessee  
Statement of Activities  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 31,094,858	\$ 248,170	\$ 3,815,787	\$ 2,925	\$ (27,027,976)
Support Services	18,053,253	5,023	461,439	0	(17,586,791)
Operation of Non-instructional Services	5,460,324	823,013	3,206,323	0	(1,430,988)
Total Governmental Activities	<u>\$ 54,608,435</u>	<u>\$ 1,076,206</u>	<u>\$ 7,483,549</u>	<u>\$ 2,925</u>	<u>\$ (46,045,755)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,014,625
Local Option Sales Tax					5,326,913
Other Local Taxes					11,232
Grants and Contributions Not Restricted to Specific Programs					37,137,076
Unrestricted Investment Earnings					759
Miscellaneous					86,304
Total General Revenues					<u>\$ 48,576,909</u>
Change in Net Position					\$ 2,531,154
Net Position, July 1, 2015					<u>32,498,131</u>
Net Position, June 30, 2016					<u>\$ 35,029,285</u>

Exhibit I-2

Lawrence County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Lawrence County School Department  
June 30, 2016

	Major Fund	Nonmajor Funds	Total
	General Purpose School	Other Govern- mental Funds	Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,130	\$ 1,130
Equity in Pooled Cash and Investments	8,070,026	2,083,248	10,153,274
Inventories	0	64,043	64,043
Accounts Receivable	0	24,279	24,279
Due from Other Governments	1,139,467	0	1,139,467
Property Taxes Receivable	6,257,860	0	6,257,860
Allowance for Uncollectible Property Taxes	(163,815)	0	(163,815)
Total Assets	<u>\$ 15,303,538</u>	<u>\$ 2,172,700</u>	<u>\$ 17,476,238</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,469	\$ 42,065	\$ 43,534
Accrued Payroll	578	0	578
Payroll Deductions Payable	1,534,101	241,342	1,775,443
Total Liabilities	<u>\$ 1,536,148</u>	<u>\$ 283,407</u>	<u>\$ 1,819,555</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 5,880,789	\$ 0	\$ 5,880,789
Deferred Delinquent Property Taxes	213,256	0	213,256
Other Deferred/Unavailable Revenue	441,355	0	441,355
Total Deferred Inflows of Resources	<u>\$ 6,535,400</u>	<u>\$ 0</u>	<u>\$ 6,535,400</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 64,043	\$ 64,043
Restricted:			
Restricted for Education	23,066	1,745,419	1,768,485
Committed:			
Committed for Education	339,230	79,831	419,061
Assigned:			
Assigned for Education	1,267,657	0	1,267,657
Unassigned	5,602,037	0	5,602,037
Total Fund Balances	<u>\$ 7,231,990</u>	<u>\$ 1,889,293</u>	<u>\$ 9,121,283</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,303,538</u>	<u>\$ 2,172,700</u>	<u>\$ 17,476,238</u>

Exhibit I-3

Lawrence County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
Discretely Presented Lawrence County School Department  
June 30, 2016

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	9,121,283
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,276,454	
Add: construction in progress		1,044,626	
Add: buildings and improvements net of accumulated depreciation		34,082,369	
Add: other capital assets net of accumulated depreciation		<u>3,164,628</u>	39,568,077
(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	\$	(66,028)	
Less: other postemployment benefits liability		<u>(11,441,447)</u>	(11,507,475)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	4,000,362	
Less: deferred inflows of resources related to pensions		<u>(6,733,949)</u>	(2,733,587)
(4) Net pension assets of the agent and teacher retirement pension plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: agent plan	\$	196,170	
Add: teacher retirement plan		<u>6,696</u>	202,866
(5) Net pension liabilities of the teacher legacy pension plan are not current financial resources and are therefore not reported in the governmental funds.			(276,490)
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>654,611</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>35,029,285</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, 2016

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 11,337,720	\$ 0	\$ 11,337,720
Licenses and Permits	1,791	0	1,791
Charges for Current Services	102,008	969,175	1,071,183
Other Local Revenues	135,325	16,359	151,684
State of Tennessee	36,359,217	40,007	36,399,224
Federal Government	323,258	7,296,103	7,619,361
Other Governments and Citizens Groups	0	675,000	675,000
Total Revenues	<u>\$ 48,259,319</u>	<u>\$ 8,996,644</u>	<u>\$ 57,255,963</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 29,398,130	\$ 2,475,631	\$ 31,873,761
Support Services	16,352,033	1,588,064	17,940,097
Operation of Non-instructional Services	1,418,083	4,002,367	5,420,450
Capital Projects	0	309,585	309,585
Total Expenditures	<u>\$ 47,168,246</u>	<u>\$ 8,375,647</u>	<u>\$ 55,543,893</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,091,073</u>	<u>\$ 620,997</u>	<u>\$ 1,712,070</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 29,098	\$ 0	\$ 29,098
Transfers Out	0	(29,098)	(29,098)
Total Other Financing Sources (Uses)	<u>\$ 29,098</u>	<u>\$ (29,098)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,120,171	\$ 591,899	\$ 1,712,070
Fund Balance, July 1, 2015	<u>6,111,819</u>	<u>1,297,394</u>	<u>7,409,213</u>
Fund Balance, June 30, 2016	<u>\$ 7,231,990</u>	<u>\$ 1,889,293</u>	<u>\$ 9,121,283</u>

Exhibit I-5

Lawrence County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2016

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 1,712,070
(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	\$ 392,977	
Less: current-year depreciation expense	<u>(2,163,850)</u>	(1,770,873)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		(47,131)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 654,611	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(765,268)</u>	(110,657)
(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	\$ 19,405	
Change in net pension asset - agent plan	(324,349)	
Change in net pension asset - teacher retirement plan	6,696	
Change in net pension asset - teacher legacy retirement plan	(382,180)	
Change in deferred outflows related to pensions	799,854	
Change in deferred inflows related to pensions	3,905,921	
Change in other postemployment benefits liability	<u>(1,277,602)</u>	<u>2,747,745</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,531,154</u>



Exhibit I-6

Lawrence County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Lawrence County School Department  
June 30, 2016

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects	
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,130	\$ 0	\$ 1,130	\$ 0	\$ 1,130
Equity in Pooled Cash and Investments	200,420	1,224,647	43,686	1,468,753	614,495	2,083,248
Inventories	0	64,043	0	64,043	0	64,043
Accounts Receivable	0	22,134	2,145	24,279	0	24,279
Total Assets	<u>\$ 200,420</u>	<u>\$ 1,311,954</u>	<u>\$ 45,831</u>	<u>\$ 1,558,205</u>	<u>\$ 614,495</u>	<u>\$ 2,172,700</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 42,065	\$ 0	\$ 42,065	\$ 0	\$ 42,065
Payroll Deductions Payable	166,414	74,928	0	241,342	0	241,342
Total Liabilities	<u>\$ 166,414</u>	<u>\$ 116,993</u>	<u>\$ 0</u>	<u>\$ 283,407</u>	<u>\$ 0</u>	<u>\$ 283,407</u>
<u>FUND BALANCES</u>						
Nonspendable:						
Inventory	\$ 0	\$ 64,043	\$ 0	\$ 64,043	\$ 0	\$ 64,043
Restricted:						
Restricted for Education	6	1,130,918	0	1,130,924	614,495	1,745,419
Committed:						
Committed for Education	34,000	0	45,831	79,831	0	79,831
Total Fund Balances	<u>\$ 34,006</u>	<u>\$ 1,194,961</u>	<u>\$ 45,831</u>	<u>\$ 1,274,798</u>	<u>\$ 614,495</u>	<u>\$ 1,889,293</u>
Total Liabilities and Fund Balances	<u>\$ 200,420</u>	<u>\$ 1,311,954</u>	<u>\$ 45,831</u>	<u>\$ 1,558,205</u>	<u>\$ 614,495</u>	<u>\$ 2,172,700</u>

Exhibit I-7

Lawrence County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2016

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects	
<u>Revenues</u>						
Charges for Current Services	\$ 0	\$ 823,013	\$ 146,162	\$ 969,175	\$ 0	\$ 969,175
Other Local Revenues	0	16,359	0	16,359	0	16,359
State of Tennessee	0	37,176	2,831	40,007	0	40,007
Federal Government	4,091,591	3,204,512	0	7,296,103	0	7,296,103
Other Governments and Citizens Groups	0	0	0	0	675,000	675,000
Total Revenues	\$ 4,091,591	\$ 4,081,060	\$ 148,993	\$ 8,321,644	\$ 675,000	\$ 8,996,644
<u>Expenditures</u>						
Current:						
Instruction	\$ 2,475,631	\$ 0	\$ 0	\$ 2,475,631	\$ 0	\$ 2,475,631
Support Services	1,588,064	0	0	1,588,064	0	1,588,064
Operation of Non-instructional Services	0	3,854,712	147,655	4,002,367	0	4,002,367
Capital Projects	0	0	0	0	309,585	309,585
Total Expenditures	\$ 4,063,695	\$ 3,854,712	\$ 147,655	\$ 8,066,062	\$ 309,585	\$ 8,375,647
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,896	\$ 226,348	\$ 1,338	\$ 255,582	\$ 365,415	\$ 620,997
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (29,098)	\$ 0	\$ 0	\$ (29,098)	\$ 0	\$ (29,098)
Total Other Financing Sources (Uses)	\$ (29,098)	\$ 0	\$ 0	\$ (29,098)	\$ 0	\$ (29,098)
Net Change in Fund Balances	\$ (1,202)	\$ 226,348	\$ 1,338	\$ 226,484	\$ 365,415	\$ 591,899
Fund Balance, July 1, 2015	35,208	968,613	44,493	1,048,314	249,080	1,297,394
Fund Balance, June 30, 2016	\$ 34,006	\$ 1,194,961	\$ 45,831	\$ 1,274,798	\$ 614,495	\$ 1,889,293

## 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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,337,720	\$ 0	\$ 0	\$ 11,337,720	\$ 10,489,426	\$ 10,489,426	\$ 848,294
Licenses and Permits	1,791	0	0	1,791	1,000	1,000	791
Charges for Current Services	102,008	0	0	102,008	65,000	65,000	37,008
Other Local Revenues	135,325	0	0	135,325	11,200	104,039	31,286
State of Tennessee	36,359,217	0	0	36,359,217	34,039,000	36,520,497	(161,280)
Federal Government	323,258	0	0	323,258	0	105,108	218,150
Total Revenues	\$ 48,259,319	\$ 0	\$ 0	\$ 48,259,319	\$ 44,605,626	\$ 47,285,070	\$ 974,249
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 24,081,262	\$ (383,044)	\$ 464,047	\$ 24,162,265	\$ 23,906,138	\$ 24,215,291	\$ 53,026
Alternative Instruction Program	197,429	0	0	197,429	185,407	202,728	5,299
Special Education Program	2,791,107	0	0	2,791,107	2,910,681	2,884,966	93,859
Vocational Education Program	2,221,328	(2,113)	273	2,219,488	2,272,276	2,312,406	92,918
Student Body Education Program	4,095	0	0	4,095	0	4,095	0
Adult Education Program	102,909	0	0	102,909	1,771	104,811	1,902
<u>Support Services</u>							
Attendance	47,934	0	0	47,934	44,749	52,149	4,215
Health Services	575,213	0	0	575,213	484,790	585,090	9,877
Other Student Support	1,042,540	(32,639)	20,881	1,030,782	1,097,557	1,196,123	165,341
Regular Instruction Program	1,484,866	(7,962)	37,351	1,514,255	1,425,456	1,536,465	22,210
Alternative Instruction Program	2,378	0	0	2,378	3,500	4,095	1,717
Special Education Program	243,700	(1,113)	0	242,587	246,466	292,771	50,184
Vocational Education Program	79,644	0	0	79,644	76,693	80,393	749
Adult Programs	69,939	0	0	69,939	0	75,750	5,811
Other Programs	322,297	0	0	322,297	0	322,297	0
Board of Education	1,186,161	(2,179)	1,914	1,185,896	1,243,433	1,279,393	93,497
Director of Schools	299,159	(3,085)	116	296,190	309,618	338,378	42,188
Office of the Principal	3,463,959	(9,424)	245	3,454,780	3,602,073	3,618,313	163,533

(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 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Fiscal Services	\$ 267,881	\$ (7,442)	\$ 0	\$ 260,439	\$ 250,527	\$ 265,727	\$ 5,288
Human Services/Personnel	144,150	(50)	0	144,100	149,300	150,300	6,200
Operation of Plant	3,464,240	(122,411)	140,081	3,481,910	3,684,688	3,491,588	9,678
Maintenance of Plant	1,101,134	(28,750)	36,828	1,109,212	944,397	1,158,390	49,178
Transportation	2,316,288	(52,127)	409,767	2,673,928	2,572,255	2,848,305	174,377
Central and Other	240,550	(37)	0	240,513	151,325	246,833	6,320
<u>Operation of Non-instructional Services</u>							
Community Services	290,135	(2,502)	0	287,633	67,117	318,167	30,534
Early Childhood Education	1,127,948	(56,179)	15,365	1,087,134	0	1,093,520	6,386
Total Expenditures	\$ 47,168,246	\$ (711,057)	\$ 1,126,868	\$ 47,584,057	\$ 45,630,217	\$ 48,678,344	\$ 1,094,287
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 1,091,073	\$ 711,057	\$ (1,126,868)	\$ 675,262	\$ (1,024,591)	\$ (1,393,274)	\$ 2,068,536
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 29,098	\$ 0	\$ 0	\$ 29,098	\$ 0	\$ 0	\$ 29,098
Transfers Out	0	0	0	0	0	(16,950)	16,950
Total Other Financing Sources	\$ 29,098	\$ 0	\$ 0	\$ 29,098	\$ 0	\$ (16,950)	\$ 46,048
Net Change in Fund Balance							
Fund Balance, July 1, 2015	\$ 1,120,171	\$ 711,057	\$ (1,126,868)	\$ 704,360	\$ (1,024,591)	\$ (1,410,224)	\$ 2,114,584
	6,111,819	(711,057)	0	5,400,762	5,474,529	6,111,819	(711,057)
Fund Balance, June 30, 2016							
	\$ 7,231,990	\$ 0	\$ (1,126,868)	\$ 6,105,122	\$ 4,449,938	\$ 4,701,595	\$ 1,403,527

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,091,591	\$ 4,055,079	\$ 4,522,757	\$ (431,166)
Total Revenues	\$ 4,091,591	\$ 4,055,079	\$ 4,522,757	\$ (431,166)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,351,481	\$ 1,364,172	\$ 1,408,750	\$ 57,269
Special Education Program	1,059,145	1,098,858	1,063,747	4,602
Vocational Education Program	65,005	57,005	65,005	0
<u>Support Services</u>				
Health Services	33,600	35,180	33,600	0
Other Student Support	380,152	165,579	592,244	212,092
Regular Instruction Program	799,008	935,980	913,496	114,488
Special Education Program	375,304	369,284	417,059	41,755
Total Expenditures	\$ 4,063,695	\$ 4,026,058	\$ 4,493,901	\$ 430,206
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,896	\$ 29,021	\$ 28,856	\$ (960)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (29,098)	\$ (29,021)	\$ (29,098)	\$ 0
Total Other Financing Sources	\$ (29,098)	\$ (29,021)	\$ (29,098)	\$ 0
Net Change in Fund Balance	\$ (1,202)	\$ 0	\$ (242)	\$ (960)
Fund Balance, July 1, 2015	35,208	35,208	35,208	0
Fund Balance, June 30, 2016	\$ 34,006	\$ 35,208	\$ 34,966	\$ (960)

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 823,013	\$ 921,150	\$ 830,375	\$ (7,362)
Other Local Revenues	16,359	1,000	5,775	10,584
State of Tennessee	37,176	40,000	40,000	(2,824)
Federal Government	3,204,512	3,117,000	3,203,000	1,512
Total Revenues	<u>\$ 4,081,060</u>	<u>\$ 4,079,150</u>	<u>\$ 4,079,150</u>	<u>\$ 1,910</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 3,854,712	\$ 4,079,150	\$ 4,079,150	\$ 224,438
Total Expenditures	<u>\$ 3,854,712</u>	<u>\$ 4,079,150</u>	<u>\$ 4,079,150</u>	<u>\$ 224,438</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 226,348</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 226,348</u>
Net Change in Fund Balance	\$ 226,348	\$ 0	\$ 0	\$ 226,348
Fund Balance, July 1, 2015	<u>968,613</u>	<u>1,001,352</u>	<u>968,613</u>	<u>0</u>
Fund Balance, June 30, 2016	<u><u>\$ 1,194,961</u></u>	<u><u>\$ 1,001,352</u></u>	<u><u>\$ 968,613</u></u>	<u><u>\$ 226,348</u></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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 146,162	\$ 0	\$ 146,162	\$ 147,000	\$ 154,495	\$ (8,333)
State of Tennessee	2,831	0	2,831	3,500	3,500	(669)
Total Revenues	<u>\$ 148,993</u>	<u>\$ 0</u>	<u>\$ 148,993</u>	<u>\$ 150,500</u>	<u>\$ 157,995</u>	<u>\$ (9,002)</u>
<u>Expenditures</u>						
<u>Operation of Non-instructional Services</u>						
Community Services	\$ 147,655	\$ (550)	\$ 147,105	\$ 150,500	\$ 163,595	\$ 16,490
Total Expenditures	<u>\$ 147,655</u>	<u>\$ (550)</u>	<u>\$ 147,105</u>	<u>\$ 150,500</u>	<u>\$ 163,595</u>	<u>\$ 16,490</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,338</u>	<u>\$ 550</u>	<u>\$ 1,888</u>	<u>\$ 0</u>	<u>\$ (5,600)</u>	<u>\$ 7,488</u>
Net Change in Fund Balance	\$ 1,338	\$ 550	\$ 1,888	\$ 0	\$ (5,600)	\$ 7,488
Fund Balance, July 1, 2015	<u>44,493</u>	<u>(550)</u>	<u>43,943</u>	<u>44,531</u>	<u>44,531</u>	<u>(588)</u>
Fund Balance, June 30, 2016	<u>\$ 45,831</u>	<u>\$ 0</u>	<u>\$ 45,831</u>	<u>\$ 44,531</u>	<u>\$ 38,931</u>	<u>\$ 6,900</u>

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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, 2016

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-16
<u>NOTES PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Capital Outlay Note Series 2014	\$ 3,500,000	1.83	% 12-19-14	12-1-26	\$ 3,500,000	\$ 0	\$ 250,000	\$ 0	\$ 3,250,000
General Obligation Capital Outlay Note Series 2016	4,000,000	1.60	3-3-16	3-1-23	0	4,000,000	0	0	4,000,000
Total Notes Payable					<u>\$ 3,500,000</u>	<u>\$ 4,000,000</u>	<u>\$ 250,000</u>	<u>\$ 0</u>	<u>\$ 7,250,000</u>
<u>CAPITAL LEASES PAYABLE</u>									
<u>Payable through Highway/Public Works Fund</u>									
Wheel Loader for Highway Department	208,015	2.49	5-7-15	5-7-19	\$ 208,015	\$ 0	\$ 50,101	\$ 0	\$ 157,914
Skytrim for Highway Department	195,910	3.20	2-3-16	2-3-19	0	195,910	51,315	0	144,595
Total Capital Leases Payable					<u>\$ 208,015</u>	<u>\$ 195,910</u>	<u>\$ 101,416</u>	<u>\$ 0</u>	<u>\$ 302,509</u>
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
School Refunding, Series 2003	8,820,000	3.33	4-29-03	5-31-16	\$ 900,000	\$ 0	\$ 900,000	\$ 0	\$ 0
School Refunding, Series 2004	3,375,000	2.60	4-13-04	3-21-16	315,000	0	315,000	0	0
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-1-25	5,920,000	0	445,000	0	5,475,000
General Obligation, Series 2006	10,000,000	3.95	2-1-06	4-27-16	7,420,000	0	0	7,420,000	0
General Obligation, Series 2007	10,000,000	4.00	12-4-07	6-1-37	8,730,000	0	240,000	0	8,490,000
General Obligation, Series 2008	4,250,000	4.28	3-18-08	3-1-37	3,665,000	0	105,000	0	3,560,000
School Refunding, Series 2010	2,700,000	3.70	1-13-10	10-1-34	2,570,000	0	30,000	0	2,540,000
School Improvement, Series 2010	2,160,000	3.70	1-13-10	10-1-34	1,870,000	0	60,000	0	1,810,000
General Obligation, Series 2012	132,000	3.38	4-26-12	4-26-50	126,537	0	1,945	0	124,592
General Obligation, Series 2012	165,000	3.38	6-21-12	6-21-50	158,171	0	2,432	0	155,739
General Obligation, Series 2012	2,750,000	3.38	12-1-12	12-1-27	2,420,000	0	165,000	0	2,255,000
School Refunding, Series 2014	3,170,000	1.08	7-23-14	8-1-19	3,170,000	0	620,000	0	2,550,000
General Obligation Refunding, Series 2016	7,015,000	1.70	4-27-16	5-1-31	0	7,015,000	0	0	7,015,000
Total Bonds Payable					<u>\$ 37,264,708</u>	<u>\$ 7,015,000</u>	<u>\$ 2,884,377</u>	<u>\$ 7,420,000</u>	<u>\$ 33,975,331</u>

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 2,929,525	\$ 923,498	\$ 3,853,023
2018	3,004,678	852,414	3,857,092
2019	3,089,835	775,838	3,865,673
2020	2,259,999	824,121	3,084,120
2021	1,660,168	764,856	2,425,024
2022	1,715,342	610,701	2,326,043
2023	1,770,522	562,771	2,333,293
2024	1,825,708	514,669	2,340,377
2025	1,885,901	464,957	2,350,858
2026	1,951,100	412,986	2,364,086
2027	1,346,306	371,524	1,717,830
2028	1,391,519	340,879	1,732,398
2029	1,221,739	310,911	1,532,650
2030	1,266,966	281,761	1,548,727
2031	1,312,202	251,160	1,563,362
2032	812,445	218,744	1,031,189
2033	847,695	184,806	1,032,501
2034	887,956	149,393	1,037,349
2035	933,224	112,087	1,045,311
2036	838,501	75,935	914,436
2037	878,788	41,248	920,036
2038	9,085	4,901	13,986
2039	9,392	4,594	13,986
2040	9,709	4,277	13,986
2041	10,037	3,949	13,986
2042	10,375	3,611	13,986
2043	10,725	3,261	13,986
2044	11,088	2,898	13,986
2045	11,461	2,525	13,986
2046	11,848	2,138	13,986
2047	12,248	1,738	13,986
2048	12,661	1,325	13,986
2049	13,089	897	13,986
2050	13,494	456	13,950
Total	\$ 33,975,331	\$ 9,081,829	\$ 43,057,160

(Continued)

Exhibit J-2

Lawrence County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 810,000	\$ 131,169	\$ 941,169
2018	820,000	118,939	938,939
2019	835,000	104,456	939,456
2020	855,000	88,776	943,776
2021	870,000	73,337	943,337
2022	880,000	58,206	938,206
2023	905,000	41,969	946,969
2024	310,000	24,418	334,418
2025	315,000	17,972	332,972
2026	320,000	11,025	331,025
2027	330,000	3,712	333,712
Total	<u>\$ 7,250,000</u>	<u>\$ 673,979</u>	<u>\$ 7,923,979</u>

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2017	\$ 98,037	\$ 8,559	\$ 106,596
2018	100,810	5,786	106,596
2019	103,662	2,934	106,596
Total	<u>\$ 302,509</u>	<u>\$ 17,279</u>	<u>\$ 319,788</u>

Exhibit J-3

Lawrence County, Tennessee  
Schedule of Notes Receivable  
June 30, 2016

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-16
<u>Industrial/Economic Development Fund</u>						
Airport Renovation	Lawrenceburg-Lawrence County Airport	\$ 150,000	5-18-07	Various	0%	<u>\$ 64,612</u>
Total Notes Receivable						<u><u>\$ 64,612</u></u>

Exhibit J-4

Lawrence County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Lawrence County School Department

For the Year Ended June 30, 2016

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General Debt Service	Education Debt Service	Establish fund	\$ 390,138
General Debt Service	Highway Debt Service	Establish fund	390,138
General Capital Projects	Highway Capital Projects	Capital projects	<u>2,410,000</u>
Total Transfers Primary Government			<u>\$ 3,190,276</u>
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 29,098</u>
Total Transfers Discretely Presented Lawrence County School Department			<u>\$ 29,098</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, 2016

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 85,842	\$ 100,000	Auto-Owners Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	77,290	100,000	"
Director of Schools:				
Dr. Bill Heath (7-1-15 through 12-31-15)	State Board of Education and County Board of Education	62,284 (1)	50,000	(6)
Johnny McDaniel (1-1-16 through 6-30-16)	State Board of Education and County Board of Education	70,932 (2)	100,000	Auto-Owners Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	70,263	1,660,000	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	70,263 (3)	50,000	"
Director of Accounts and Budgets	County Commission	65,918 (4)	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	70,263	50,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	81,154 (5)	100,000	"

Employee Blanket Bonds

Public Employee Dishonesty - County Departments

150,000

Local Government Property and Casualty Fund

Public Employee Dishonesty - School Departments

50,000

Netherland Insurance Company

(1) Includes accrued vacation leave of \$4,953 and a cell phone allowance of \$720.

(2) Includes a cell phone allowance of \$900, travel allowance of \$6,000, and moving expenses of \$983.

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

(4) Does not include longevity pay of \$750.

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

(6) Covered under the School Department's public employee dishonesty bond.

Exhibit J-6

Lawrence County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2016

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 7,361,000	\$ 0	\$ 342,317	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	230,282	0	10,952	0	0	0
Trustee's Collections - Bankruptcy	1,333	0	61	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	112,131	0	5,215	0	0	0
Interest and Penalty	38,284	0	1,774	0	0	0
Pickup Taxes	117	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,290	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	332,568	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	4,821	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	107,106	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	122,014	0	0	0	0	0
Litigation Tax - Special Purpose	60,263	21,228	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	7,012	0	0	0	0	0
Business Tax	358,803	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	0
Wholesale Beer Tax	144,428	0	0	0	0	0
Interstate Telecommunications Tax	2,391	0	0	0	0	0
Total Local Taxes	\$ 8,884,843	\$ 21,228	\$ 360,319	\$ 0	\$ 0	\$ 0

(Continued)

## Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,805	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	47,895	0	0	0	0	0
<u>Permits</u>						
Beer Permits	1,758	0	0	0	0	0
Total Licenses and Permits	<u>\$ 51,458</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 20,132	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	37,481	0	0	0	0	0
Drug Control Fines	15,936	0	0	0	17,433	0
Jail Fees	3,813	0	0	0	0	0
Data Entry Fee - Circuit Court	3,216	0	0	0	0	0
Courtroom Security Fee	0	1,884	0	0	0	0
<u>Criminal Court</u>						
Officers Costs	10	0	0	0	0	0
DUI Treatment Fines	2,185	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	19,775	0	0	0	0	0
Fines for Littering	380	0	0	0	0	0
Officers Costs	47,009	0	0	0	0	0
Game and Fish Fines	490	0	0	0	0	0
Drug Control Fines	6,260	0	0	0	6,448	0
DUI Treatment Fines	13,203	0	0	0	0	0
Data Entry Fee - General Sessions Court	16,441	0	0	0	0	0

(Continued)



Exhibit J-6

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

	Special Revenue Funds						Constitu- tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Fines	\$ 940	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Officers Costs	2,429	0	0	0	0	0	
Data Entry Fee - Juvenile Court	504	0	0	0	0	0	
<u>Chancery Court</u>							
Officers Costs	2,454	0	0	0	0	0	
Data Entry Fee - Chancery Court	2,752	0	0	0	0	0	
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	15,236	0	
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	14,623	0	
Total Fines, Forfeitures, and Penalties	\$ 195,410	\$ 1,884	\$ 0	\$ 0	\$ 53,740	\$ 0	
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 412,798	\$ 0	\$ 0	\$ 0	
Residential Waste Collection Charge	0	0	604,310	0	0	0	
Tipping Fees	0	0	1,535	0	0	0	
Solid Waste Disposal Fee	0	0	6,452	0	0	0	
Surcharge - Waste Tire Disposal	0	0	36,042	0	0	0	
Patient Charges	1,749,761	0	0	0	0	0	
Service Charges	1,190	0	0	0	0	0	
<u>Fees</u>							
Copy Fees	7,412	0	0	0	0	0	
Library Fees	3,898	0	0	0	0	0	
Greenbelt Late Application Fee	50	0	0	0	0	0	

(Continued)

## Exhibit J-6

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

	Special Revenue Funds					Constitu- tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 81,412	\$ 0	\$ 0	\$ 0	\$ 0	0
Vending Machine Collections	1,834	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	476,431
Data Processing Fee - Register	13,096	0	0	0	0	0
Data Processing Fee - Sheriff	3,573	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,000	0	0	0	0	0
Data Processing Fee - County Clerk	3,298	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	2,372	0	0	0	0	0
Total Charges for Current Services	\$ 1,871,896	\$ 0	\$ 1,061,137	\$ 0	\$ 0	476,431
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 45,081	\$ 0	\$ 485	\$ 0	\$ 0	0
Lease/Rentals	813	0	0	0	0	0
Sale of Materials and Supplies	38	0	0	0	0	0
Commissary Sales	11,078	0	0	0	0	0
Sale of Recycled Materials	0	0	130,955	0	0	0
E-Rate Funding	1,950	0	0	0	0	0
Miscellaneous Refunds	5,514	0	23,291	0	0	0
Expenditure Credits	75	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	0
Sale of Property	0	0	0	6,166	0	0
Damages Recovered from Individuals	150	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 65,699	\$ 0	\$ 154,731	\$ 6,166	\$ 0	\$ 0
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 151,612	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	454,695	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	204,056	0	0	0	0	0
General Sessions Court Clerk	206,325	0	0	0	0	0
Clerk and Master	140,454	0	0	0	0	0
Juvenile Court Clerk	40,518	0	0	0	0	0
Register	159,601	0	0	0	0	0
Sheriff	11,945	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,369,206	\$ 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
Solid Waste Grants	0	0	2,541	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	26,400	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	326,986	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Constitu- tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Litter Program	\$ 43,003	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other State Revenues</u>						
Income Tax	48,223	0	0	0	0	0
Beer Tax	9,859	0	0	0	0	0
Vehicle Certificate of Title Fees	7,618	0	0	0	0	0
Alcoholic Beverage Tax	88,958	0	0	0	0	0
State Revenue Sharing - T.V.A.	400,000	0	0	0	0	0
Emergency Hospital - Prisoners	42,038	0	0	0	0	0
Contracted Prisoner Boarding	1,568,726	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	990	0	0	0	0	0
Other State Revenues	1,025	0	0	0	0	0
Total State of Tennessee	\$ 2,587,990	\$ 0	\$ 2,541	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 255,681	\$ 0	0
Homeland Security Grants	0	0	0	0	0	0
Law Enforcement Grants	71,056	0	0	0	0	0
Other Federal through State	144,350	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	16,000	0	0	0	0	0
Total Federal Government	\$ 231,406	\$ 0	\$ 0	\$ 255,681	\$ 0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 425,902	\$ 0	\$ 19,380	\$ 0	\$ 0	\$ 0
Contracted Services	2,720	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	19,238	0	0	0	0	0
<u>Other</u>						
Other	1,683	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 449,543</u>	<u>\$ 0</u>	<u>\$ 19,380</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 15,707,451</u>	<u>\$ 23,112</u>	<u>\$ 1,598,108</u>	<u>\$ 261,847</u>	<u>\$ 53,740</u>	<u>\$ 476,431</u>

(Continued)

## Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Fund	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Other Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,588,973	\$ 2,447,634	\$ 208	\$ 208	\$ 0	\$ 11,740,340
Trustee's Collections - Prior Year	51,174	82,889	0	0	0	375,297
Trustee's Collections - Bankruptcy	290	443	0	0	0	2,127
Circuit Clerk/Clerk and Master Collections - Prior Years	24,338	37,377	0	0	0	179,061
Interest and Penalty	8,285	12,718	0	0	0	61,061
Pickup Taxes	0	0	0	0	0	117
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	2,290
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	332,568
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	4,821
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	1,584,910	0	0	0	1,584,910
Hotel/Motel Tax	0	0	0	0	0	107,106
Wheel Tax	0	946,386	0	0	0	946,386
Litigation Tax - General	0	0	0	0	0	122,014
Litigation Tax - Special Purpose	0	0	0	0	0	81,491
Litigation Tax - Jail, Workhouse, or Courthouse	0	107,875	0	0	0	107,875
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	0	7,012
Business Tax	0	0	0	0	0	358,803
Mineral Severance Tax	44,241	0	0	0	0	44,241
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	58,312	0	0	0	58,312
Wholesale Beer Tax	0	0	0	0	0	144,428
Interstate Telecommunications Tax	0	0	0	0	0	2,391
Total Local Taxes	\$ 1,717,301	\$ 5,278,544	\$ 208	\$ 208	\$ 0	\$ 16,262,651

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Fund	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Other Capital Projects	Total
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,805
Cable TV Franchise	0	0	0	0	0	47,895
<u>Permits</u>						
Beer Permits	0	0	0	0	0	1,758
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	51,458
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	20,132
Officers Costs	0	0	0	0	0	37,481
Drug Control Fines	0	0	0	0	0	33,369
Jail Fees	0	0	0	0	0	3,813
Data Entry Fee - Circuit Court	0	0	0	0	0	3,216
Courtroom Security Fee	0	0	0	0	0	1,884
<u>Criminal Court</u>						
Officers Costs	0	0	0	0	0	10
DUI Treatment Fines	0	0	0	0	0	2,185
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	19,775
Fines for Littering	0	0	0	0	0	380
Officers Costs	0	0	0	0	0	47,009
Game and Fish Fines	0	0	0	0	0	490
Drug Control Fines	0	0	0	0	0	12,708
DUI Treatment Fines	0	0	0	0	0	13,203
Data Entry Fee - General Sessions Court	0	0	0	0	0	16,441

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds				Capital Projects Fund	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Other Capital Projects	Total	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 940	
Officers Costs	0	0	0	0	0	2,429	
Data Entry Fee - Juvenile Court	0	0	0	0	0	504	
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	2,454	
Data Entry Fee - Chancery Court	0	0	0	0	0	2,752	
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	15,236	
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	14,623	
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 251,034	
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 412,798	
Residential Waste Collection Charge	0	0	0	0	0	604,310	
Tipping Fees	0	0	0	0	0	1,535	
Solid Waste Disposal Fee	0	0	0	0	0	6,452	
Surcharge - Waste Tire Disposal	0	0	0	0	0	36,042	
Patient Charges	0	0	0	0	0	1,749,761	
Service Charges	0	0	0	0	0	1,190	
<u>Fees</u>							
Copy Fees	0	0	0	0	0	7,412	
Library Fees	0	0	0	0	0	3,898	
Greenbelt Late Application Fee	0	0	0	0	0	50	

(Continued)



Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Fund	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Other Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 81,412
Vending Machine Collections	0	0	0	0	0	1,834
Constitutional Officers' Fees and Commissions	0	0	0	0	0	476,431
Data Processing Fee - Register	0	0	0	0	0	13,096
Data Processing Fee - Sheriff	0	0	0	0	0	3,573
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	4,000
Data Processing Fee - County Clerk	0	0	0	0	0	3,298
<u>Education Charges</u>						
Other Charges for Services	0	0	0	0	0	2,372
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,409,464
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,566
Lease/Rentals	0	45,000	0	0	0	45,813
Sale of Materials and Supplies	0	0	0	0	0	38
Commissary Sales	0	0	0	0	0	11,078
Sale of Recycled Materials	5,019	0	0	0	0	135,974
E-Rate Funding	0	0	0	0	0	1,950
Miscellaneous Refunds	7,712	0	0	0	0	36,517
Expenditure Credits	0	0	0	0	0	75
<u>Nonrecurring Items</u>						
Sale of Equipment	35,835	0	0	0	0	35,835
Sale of Property	0	0	0	0	0	6,166
Damages Recovered from Individuals	0	0	0	0	0	150

(Continued)

## Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Fund	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Other Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,000
Total Other Local Revenues	\$ 48,566	\$ 45,000	\$ 0	\$ 0	\$ 0	320,162
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	151,612
Trustee	0	0	0	0	0	454,695
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	204,056
General Sessions Court Clerk	0	0	0	0	0	206,325
Clerk and Master	0	0	0	0	0	140,454
Juvenile Court Clerk	0	0	0	0	0	40,518
Register	0	0	0	0	0	159,601
Sheriff	0	0	0	0	0	11,945
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,369,206
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Solid Waste Grants	0	0	0	0	0	2,541
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	26,400
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	326,986

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Fund	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Litter Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	43,003
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	48,223
Beer Tax	0	0	0	0	0	9,859
Vehicle Certificate of Title Fees	0	0	0	0	0	7,618
Alcoholic Beverage Tax	0	0	0	0	0	88,958
State Revenue Sharing - T.V.A.	0	314,610	0	0	0	714,610
Emergency Hospital - Prisoners	0	0	0	0	0	42,038
Contracted Prisoner Boarding	0	0	0	0	0	1,568,726
Gasoline and Motor Fuel Tax	2,101,819	0	0	0	0	2,101,819
Petroleum Special Tax	30,210	0	0	0	0	30,210
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	990
Other State Revenues	0	0	0	0	0	1,025
Total State of Tennessee	\$ 2,132,029	\$ 314,610	\$ 0	\$ 0	\$ 0	5,037,170
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	255,681
Homeland Security Grants	0	0	0	0	17,648	17,648
Law Enforcement Grants	0	0	0	0	0	71,056
Other Federal through State	0	0	0	0	0	144,350
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	0	0	0	0	0	16,000
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,648	\$ 504,735

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Fund	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Other Capital Projects	Total
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	445,282
Contracted Services	0	0	0	0	0	2,720
<u>Citizens Groups</u>						
Donations	30,909	0	0	0	0	50,147
<u>Other</u>						
Other	0	0	0	0	0	1,683
Total Other Governments and Citizens Groups	<u>\$ 30,909</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>499,832</u>
Total	<u>\$ 3,928,805</u>	<u>\$ 5,638,154</u>	<u>\$ 208</u>	<u>\$ 208</u>	<u>\$ 17,648</u>	<u>\$ 27,705,712</u>

Exhibit J-7

Lawrence County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2016

	Special Revenue Funds				Capital Projects Fund	
	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	\$ 5,702,491	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,702,491
Trustee's Collections - Prior Year	156,722	0	0	0	0	156,722
Trustee's Collections - Bankruptcy	1,035	0	0	0	0	1,035
Circuit Clerk/Clerk and Master Collections - Prior Years	86,923	0	0	0	0	86,923
Interest and Penalty	29,565	0	0	0	0	29,565
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,349,752	0	0	0	0	5,349,752
Mixed Drink Tax	7,546	0	0	0	0	7,546
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	3,686	0	0	0	0	3,686
Total Local Taxes	\$ 11,337,720	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,337,720
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,791	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,791
Total Licenses and Permits	\$ 1,791	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,791
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	\$ 760	\$ 0	\$ 0	\$ 0	\$ 0	\$ 760
Tuition - Other	0	0	0	146,162	0	146,162
Lunch Payments - Children	0	0	403,718	0	0	403,718
Lunch Payments - Adults	0	0	125,345	0	0	125,345
Income from Breakfast	0	0	61,955	0	0	61,955

(Continued)

Exhibit J-7

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
A la Carte Sales	\$ 0	\$ 0	\$ 225,572	\$ 0	\$ 0	\$ 225,572
Receipts from Individual Schools	74,321	0	6,403	0	0	80,724
Other Charges for Services	26,927	0	20	0	0	26,947
Total Charges for Current Services	\$ 102,008	\$ 0	\$ 823,013	\$ 146,162	\$ 0	\$ 1,071,183
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 759	\$ 0	\$ 0	\$ 759
Lease/Rentals	1,200	0	0	0	0	1,200
Sale of Materials and Supplies	3,762	0	61	0	0	3,823
Miscellaneous Refunds	61,175	0	14,841	0	0	76,016
<u>Nonrecurring Items</u>						
Sale of Equipment	10,276	0	698	0	0	10,974
Sale of Property	4,000	0	0	0	0	4,000
Damages Recovered from Individuals	1,031	0	0	0	0	1,031
Contributions and Gifts	53,881	0	0	0	0	53,881
Total Other Local Revenues	\$ 135,325	\$ 0	\$ 16,359	\$ 0	\$ 0	\$ 151,684
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 322,297	\$ 0	\$ 0	\$ 0	\$ 0	\$ 322,297
<u>State Education Funds</u>						
Basic Education Program	34,086,748	0	0	0	0	34,086,748
Early Childhood Education	1,108,031	0	0	0	0	1,108,031

(Continued)

## Exhibit J-7

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
School Food Service	\$ 0	\$ 0	\$ 37,176	\$ 0	\$ 0	\$ 37,176
Driver Education	21,659	0	0	0	0	21,659
Other State Education Funds	448,706	0	0	0	0	448,706
Career Ladder Program	168,851	0	0	0	0	168,851
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	200,000	0	0	0	0	200,000
Other State Grants	2,925	0	0	0	0	2,925
Other State Revenues	0	0	0	2,831	0	2,831
Total State of Tennessee	\$ 36,359,217	\$ 0	\$ 37,176	\$ 2,831	\$ 0	\$ 36,399,224
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,104,388	\$ 0	\$ 0	\$ 2,104,388
USDA - Commodities	0	0	266,587	0	0	266,587
Breakfast	0	0	762,502	0	0	762,502
USDA - Other	0	0	69,535	0	0	69,535
Adult Education State Grant Program	150,277	0	0	0	0	150,277
Vocational Education - Basic Grants to States	0	112,006	0	0	0	112,006
Title I Grants to Local Education Agencies	0	1,797,359	0	0	0	1,797,359
Special Education - Grants to States	55,405	1,445,405	0	0	0	1,500,810
Special Education Preschool Grants	0	45,426	0	0	0	45,426
English Language Acquisition Grants	4,176	0	0	0	0	4,176
Rural Education	0	189,227	0	0	0	189,227
Eisenhower Professional Development State Grants	0	271,949	0	0	0	271,949
Other Federal through State	100,667	230,219	0	0	0	330,886

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>				<u>Capital Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 12,733	\$ 0	\$ 1,500	\$ 0	\$ 0	\$ 14,233
Total Federal Government	\$ 323,258	\$ 4,091,591	\$ 3,204,512	\$ 0	\$ 0	\$ 7,619,361
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 675,000	\$ 675,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 675,000	\$ 675,000
Total	\$ 48,259,319	\$ 4,091,591	\$ 4,081,060	\$ 148,993	\$ 675,000	\$ 57,255,963



## Exhibit J-8

Lawrence County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2016

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	42,730	
In-service Training		200	
Social Security		2,624	
Pensions		3,075	
Employer Medicare		614	
Advertising		965	
Audit Services		28,071	
Data Processing Services		1,220	
Dues and Memberships		8,880	
Postal Charges		155	
Travel		3,369	
Other Charges		953	
Total County Commission			\$ 92,856

Beer Board

Board and Committee Members Fees	\$	200	
Social Security		12	
Pensions		5	
Employer Medicare		3	
Legal Notices, Recording, and Court Costs		40	
Criminal Investigation of Applicants - TBI		29	
Total Beer Board			289

County Mayor/Executive

County Official/Administrative Officer	\$	85,842	
Secretary(ies)		57,176	
Longevity Pay		550	
Social Security		8,206	
Pensions		12,878	
Employee and Dependent Insurance		360	
Life Insurance		71	
Medical Insurance		13,210	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		183	
Employer Medicare		1,919	
Dues and Memberships		1,750	
Maintenance Agreements		590	
Pest Control		60	
Postal Charges		410	
Printing, Stationery, and Forms		28	
Travel		433	
Office Supplies		860	
Other Supplies and Materials		427	
Workers' Compensation Insurance		124	
Other Charges		470	
Data Processing Equipment		1,109	
Total County Mayor/Executive			187,159

(Continued)

## Exhibit J-8

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

General Fund (Cont.)General Government (Cont.)County Attorney

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

Election Commission

County Official/Administrative Officer	\$	63,237	
Deputy(ies)		45,024	
Overtime Pay		360	
Election Commission		3,475	
Election Workers		380	
In-service Training		2,690	
Social Security		6,559	
Pensions		9,014	
Medical Insurance		15,803	
Unemployment Compensation		202	
Employer Medicare		1,534	
Contracts with Private Agencies		4,174	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		822	
Maintenance Agreements		12,630	
Pest Control		180	
Postal Charges		2,005	
Travel		3,597	
Disposal Fees		100	
Office Supplies		205	
Utilities		4,215	
Other Supplies and Materials		496	
Workers' Compensation Insurance		204	
Data Processing Equipment		5,989	
Total Election Commission			183,045

Register of Deeds

County Official/Administrative Officer	\$	70,263
Deputy(ies)		52,378
Part-time Personnel		5,395
Longevity Pay		750
Social Security		7,650
Pensions		11,828
Employee and Dependent Insurance		240
Life Insurance		48
Medical Insurance		13,210
Dental Insurance		162
Disability Insurance		174
Unemployment Compensation		243
Employer Medicare		1,789

(Continued)

## Exhibit J-8

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Dues and Memberships	\$	800	
Operating Lease Payments		12,675	
Maintenance Agreements		1,170	
Pest Control		60	
Postal Charges		632	
Printing, Stationery, and Forms		126	
Office Supplies		1,527	
Other Supplies and Materials		435	
Workers' Compensation Insurance		136	
Total Register of Deeds			\$ 181,691

County Buildings

Supervisor/Director	\$	33,696	
Custodial Personnel		64,563	
Longevity Pay		2,600	
Overtime Pay		19,245	
In-service Training		500	
Social Security		7,061	
Pensions		11,635	
Medical Insurance		25,318	
Unemployment Compensation		256	
Employer Medicare		1,651	
Communication		58,132	
Maintenance and Repair Services - Buildings		72,178	
Maintenance and Repair Services - Equipment		520	
Maintenance and Repair Services - Vehicles		1,966	
Pest Control		900	
Postal Charges		106	
Rentals		3,600	
Travel		138	
Disposal Fees		914	
Other Contracted Services		276	
Custodial Supplies		9,947	
Food Supplies		3,881	
Gasoline		3,042	
Office Supplies		124	
Utilities		141,120	
Other Supplies and Materials		820	
Workers' Compensation Insurance		3,177	
Other Equipment		1,171	
Total County Buildings			468,537

Preservation of Records

Supervisor/Director	\$	30,002	
Longevity Pay		750	
Social Security		1,851	
Pensions		3,005	

(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.)

Medical Insurance	\$	6,605	
Unemployment Compensation		64	
Employer Medicare		433	
Communication		1,884	
Contracts with Private Agencies		453	
Dues and Memberships		30	
Maintenance Agreements		390	
Maintenance and Repair Services - Buildings		153	
Pest Control		180	
Postal Charges		104	
Travel		70	
Office Supplies		379	
Utilities		4,746	
Workers' Compensation Insurance		120	
Office Equipment		88	
Total Preservation of Records			\$ 51,307

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	65,918	
Accountants/Bookkeepers		143,194	
Longevity Pay		2,150	
In-service Training		585	
Social Security		12,259	
Pensions		20,640	
Employee and Dependent Insurance		24	
Medical Insurance		39,629	
Unemployment Compensation		359	
Employer Medicare		2,867	
Communication		687	
Data Processing Services		10,640	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		685	
Maintenance Agreements		240	
Maintenance and Repair Services - Buildings		473	
Pest Control		1,005	
Postal Charges		2,182	
Printing, Stationery, and Forms		1,451	
Travel		1,798	
Disposal Fees		100	
Office Supplies		4,801	
Utilities		6,594	
Other Supplies and Materials		496	
Workers' Compensation Insurance		320	
Other Charges		400	
Data Processing Equipment		8,650	
Furniture and Fixtures		2,212	
Total Accounting and Budgeting			330,609

(Continued)

## Exhibit J-8

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		111,214	
Salary Supplements		1,000	
Part-time Personnel		3,993	
Longevity Pay		1,800	
Overtime Pay		3,011	
Other Salaries and Wages		32,372	
Board and Committee Members Fees		1,560	
In-service Training		125	
Social Security		13,636	
Pensions		21,275	
Employee and Dependent Insurance		384	
Life Insurance		93	
Medical Insurance		29,587	
Dental Insurance		242	
Disability Insurance		87	
Unemployment Compensation		370	
Employer Medicare		3,189	
Data Processing Services		13,052	
Dues and Memberships		2,270	
Maintenance Agreements		6,894	
Maintenance and Repair Services - Vehicles		980	
Pest Control		60	
Postal Charges		1,219	
Printing, Stationery, and Forms		180	
Travel		3,288	
Gasoline		952	
Office Supplies		3,974	
Other Supplies and Materials		31	
Workers' Compensation Insurance		256	
Other Charges		74	
Data Processing Equipment		1,130	
Total Property Assessor's Office			\$ 328,561

County Trustee's Office

Pensions	\$	15,616
Employee and Dependent Insurance		360
Life Insurance		71
Medical Insurance		22,234
Dental Insurance		242
Disability Insurance		261
Unemployment Compensation		298
Data Processing Services		11,224
Dues and Memberships		678
Pest Control		60
Postal Charges		7,786
Printing, Stationery, and Forms		5,747

(Continued)

## Exhibit J-8

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

General Fund (Cont.)Finance (Cont.)County Trustee's Office (Cont.)

Office Supplies	\$	1,781	
Workers' Compensation Insurance		196	
Data Processing Equipment		9,236	
Office Equipment		179	
Total County Trustee's Office			\$ 75,969

County Clerk's Office

Pensions	\$	23,732	
Employee and Dependent Insurance		720	
Life Insurance		142	
Medical Insurance		32,756	
Dental Insurance		242	
Disability Insurance		522	
Unemployment Compensation		474	
Communication		518	
Dues and Memberships		1,270	
Maintenance Agreements		25,577	
Pest Control		60	
Postal Charges		6,756	
Printing, Stationery, and Forms		1,102	
Travel		1,111	
Office Supplies		4,748	
Other Supplies and Materials		402	
Workers' Compensation Insurance		336	
Furniture and Fixtures		3,000	
Office Equipment		2,158	
Total County Clerk's Office			105,626

Data Processing

Assistant(s)	\$	36,400	
Supervisor/Director		67,600	
Social Security		6,337	
Pensions		10,161	
Medical Insurance		9,907	
Unemployment Compensation		128	
Employer Medicare		1,482	
Communication		2,883	
Dues and Memberships		157	
Travel		922	
Workers' Compensation Insurance		188	
Data Processing Equipment		12,575	
Total Data Processing			148,740

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	70,263
Deputy(ies)		300,085

(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.)

Longevity Pay	\$	6,100	
Jury and Witness Expense		25,014	
Social Security		22,320	
Pensions		36,069	
Employee and Dependent Insurance		360	
Life Insurance		71	
Medical Insurance		64,947	
Dental Insurance		242	
Unemployment Compensation		708	
Employer Medicare		5,220	
Contracts with Private Agencies		4,648	
Data Processing Services		16,320	
Dues and Memberships		865	
Evaluation and Testing		700	
Legal Notices, Recording, and Court Costs		68	
Maintenance Agreements		4,681	
Maintenance and Repair Services - Office Equipment		98	
Pest Control		102	
Postal Charges		4,431	
Printing, Stationery, and Forms		5,458	
Travel		5,524	
Office Supplies		7,077	
Workers' Compensation Insurance		416	
Other Charges		451	
Data Processing Equipment		1,677	
Office Equipment		690	
Total Circuit Court			\$ 584,605

General Sessions Court

Judge(s)	\$	153,094
Deputy(ies)		33,048
Guards		55,470
Temporary Personnel		1,175
Part-time Personnel		600
Longevity Pay		750
Overtime Pay		3,500
Social Security		12,371
Pensions		22,257
Medical Insurance		25,153
Unemployment Compensation		217
Employer Medicare		2,982
Dues and Memberships		570
Maintenance Agreements		390
Pest Control		102
Postal Charges		85
Printing, Stationery, and Forms		115
Travel		1,768

(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.)

Office Supplies	\$	1,359	
Other Supplies and Materials		371	
Workers' Compensation Insurance		184	
Data Processing Equipment		751	
Office Equipment		1,410	
Total General Sessions Court			\$ 317,722

Chancery Court

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		141,082	
Longevity Pay		2,800	
Social Security		12,771	
Pensions		20,922	
Employee and Dependent Insurance		360	
Life Insurance		71	
Medical Insurance		31,119	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		320	
Employer Medicare		2,987	
Data Processing Services		8,080	
Dues and Memberships		765	
Maintenance Agreements		790	
Pest Control		102	
Postal Charges		5,197	
Printing, Stationery, and Forms		2,287	
Travel		1,444	
Office Supplies		1,731	
Other Supplies and Materials		368	
Workers' Compensation Insurance		232	
Data Processing Equipment		4,590	
Office Equipment		168	
Total Chancery Court			308,952

Juvenile Court

Deputy(ies)	\$	57,846	
Youth Service Officer(s)		9,000	
Salary Supplements		62,400	
Overtime Pay		1,950	
Social Security		8,209	
Pensions		9,998	
Medical Insurance		19,429	
Unemployment Compensation		274	
Employer Medicare		1,920	
Postal Charges		376	
Printing, Stationery, and Forms		78	
Travel		4,506	

(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.)

Other Contracted Services	\$	265	
Other Supplies and Materials		312	
Workers' Compensation Insurance		220	
Data Processing Equipment		1,967	
Total Juvenile Court			\$ 178,750

Courtroom Security

Deputy(ies)	\$	43,948	
Social Security		2,645	
Pensions		4,294	
Medical Insurance		9,632	
Unemployment Compensation		123	
Employer Medicare		619	
Law Enforcement Supplies		341	
Uniforms		2,840	
Workers' Compensation Insurance		1,208	
Law Enforcement Equipment		5,371	
Total Courtroom Security			71,021

Victim Assistance Programs

Contracts with Private Agencies	\$	8,901	
Total Victim Assistance Programs			8,901

Public SafetySheriff's Department

County Official/Administrative Officer	\$	81,154	
Supervisor/Director		61,206	
Deputy(ies)		669,097	
Investigator(s)		297,528	
Captain(s)		57,497	
Lieutenant(s)		78,914	
Sergeant(s)		316,515	
Secretary(ies)		129,476	
School Resource Officer		382,802	
Longevity Pay		21,000	
Overtime Pay		23,256	
Other Salaries and Wages		10,000	
In-service Training		48,444	
Social Security		128,932	
Pensions		192,851	
Employee and Dependent Insurance		2,618	
Life Insurance		630	
Medical Insurance		307,230	
Dental Insurance		1,464	
Disability Insurance		1,694	
Unemployment Compensation		3,719	
Employer Medicare		30,154	

(Continued)

## Exhibit J-8

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

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

Communication	\$	526	
Contracts with Private Agencies		7,955	
Dues and Memberships		2,353	
Evaluation and Testing		1,567	
Maintenance Agreements		5,020	
Maintenance and Repair Services - Buildings		671	
Maintenance and Repair Services - Equipment		473	
Maintenance and Repair Services - Vehicles		100,328	
Pest Control		282	
Postal Charges		1,527	
Printing, Stationery, and Forms		2,417	
Rentals		2,400	
Towing Services		2,682	
Travel		12,925	
Other Contracted Services		65	
Custodial Supplies		9,443	
Gasoline		82,735	
Law Enforcement Supplies		19,708	
Office Supplies		15,212	
Tires and Tubes		10,411	
Uniforms		28,543	
Utilities		8,927	
Other Supplies and Materials		2,066	
Workers' Compensation Insurance		116,360	
Liability Claims		500	
Other Self-insured Claims		9,300	
Other Charges		2,935	
Data Processing Equipment		23,431	
Furniture and Fixtures		998	
Law Enforcement Equipment		52,490	
Total Sheriff's Department			\$ 3,370,431

Jail

Assistant(s)	\$	30,294
Lieutenant(s)		45,176
Sergeant(s)		110,808
Medical Personnel		127,906
Guards		740,732
Longevity Pay		3,750
Overtime Pay		7,431
In-service Training		600
Social Security		61,391
Pensions		81,313
Employee and Dependent Insurance		2,963
Life Insurance		511
Medical Insurance		202,387
Dental Insurance		1,555

(Continued)

## Exhibit J-8

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

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Disability Insurance	\$	1,621	
Unemployment Compensation		3,387	
Employer Medicare		14,358	
Communication		10,568	
Contracts with Private Agencies		240	
Evaluation and Testing		4,370	
Maintenance Agreements		6,385	
Maintenance and Repair Services - Buildings		20,021	
Maintenance and Repair Services - Equipment		12,756	
Pest Control		360	
Printing, Stationery, and Forms		1,428	
Travel		6,269	
Custodial Supplies		25,121	
Drugs and Medical Supplies		67,197	
Food Supplies		361,359	
Gasoline		132	
Law Enforcement Supplies		5,267	
Office Supplies		1,903	
Uniforms		20,560	
Utilities		243,980	
Other Supplies and Materials		50,220	
Medical Claims		255,538	
Workers' Compensation Insurance		71,588	
Liability Claims		6,490	
Other Self-insured Claims		3,761	
Other Charges		618	
Data Processing Equipment		837	
Furniture and Fixtures		9,837	
Total Jail			\$ 2,622,988

Workhouse

Accountants/Bookkeepers	\$	8,200	
Guards		20,189	
Social Security		508	
Pensions		195	
Unemployment Compensation		25	
Employer Medicare		119	
Food Supplies		5,400	
Gasoline		1,243	
Other Charges		13,661	
Total Workhouse			49,540

Work Release Program

Maintenance and Repair Services - Equipment	\$	1,130	
Maintenance and Repair Services - Vehicles		488	
Food Supplies		3,030	
Gasoline		1,585	
Maintenance Equipment		13,516	
Total Work Release Program			19,749

(Continued)

## Exhibit J-8

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

General Fund (Cont.)Public Safety (Cont.)Fire Prevention and Control

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

Civil Defense

In-service Training	\$ 270	
Dues and Memberships	110	
Maintenance and Repair Services - Equipment	891	
Maintenance and Repair Services - Vehicles	2,145	
Travel	360	
Other Supplies and Materials	172	
Data Processing Equipment	226	
Other Equipment	3,980	
Total Civil Defense		8,154

Rescue Squad

Contributions	\$ 312,500	
Total Rescue Squad		312,500

Other Emergency Management

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

County Coroner/Medical Examiner

Social Security	\$ 465	
Pensions	733	
Employer Medicare	109	
Maintenance and Repair Services - Vehicles	803	
Medical and Dental Services	10,000	
Other Contracted Services	59,975	
Gasoline	527	
Other Supplies and Materials	100	
Total County Coroner/Medical Examiner		72,712

Other Public Safety

Other Supplies and Materials	\$ 1,456	
Total Other Public Safety		1,456

Public Health and WelfareLocal Health Center

Secretary(ies)	\$ 44,118	
Longevity Pay	450	
Social Security	2,706	
Pensions	4,195	
Employee and Dependent Insurance	656	
Life Insurance	142	
Medical Insurance	208	
Dental Insurance	242	

(Continued)

## Exhibit J-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Disability Insurance	\$	259	
Unemployment Compensation		128	
Employer Medicare		633	
Communication		2,225	
Dues and Memberships		375	
Janitorial Services		15,482	
Maintenance and Repair Services - Buildings		3,093	
Pest Control		288	
Travel		351	
Disposal Fees		1,168	
Food Supplies		204	
Office Supplies		235	
Utilities		24,256	
Other Supplies and Materials		1,599	
Workers' Compensation Insurance		108	
Other Charges		745	
Building Construction		8,013	
Total Local Health Center			\$ 111,879

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	55,782
Assistant(s)		45,360
Medical Personnel		1,102,291
Secretary(ies)		29,447
Part-time Personnel		35,599
Longevity Pay		7,900
In-service Training		4,237
Social Security		76,458
Pensions		116,239
Medical Insurance		177,963
Unemployment Compensation		2,075
Employer Medicare		17,881
Communication		5,651
Contracts with Private Agencies		67,986
Dues and Memberships		320
Licenses		3,030
Maintenance Agreements		4,690
Maintenance and Repair Services - Buildings		2,079
Maintenance and Repair Services - Equipment		6,163
Maintenance and Repair Services - Vehicles		70,057
Pest Control		180
Postal Charges		4,890
Printing, Stationery, and Forms		876
Towing Services		711
Travel		1,719
Disposal Fees		1,556
Other Contracted Services		1,470

(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.)

Custodial Supplies	\$	3,015	
Drugs and Medical Supplies		103,820	
Gasoline		40,331	
Office Supplies		3,052	
Tires and Tubes		10,891	
Uniforms		7,075	
Utilities		19,309	
Other Supplies and Materials		248	
Liability Insurance		13,515	
Vehicle and Equipment Insurance		21,940	
Workers' Compensation Insurance		67,476	
Other Charges		1,879	
Communication Equipment		2,196	
Furniture and Fixtures		1,792	
Office Equipment		159	
Health Equipment		10,504	
Total Ambulance/Emergency Medical Services			\$ 2,149,812

Alcohol and Drug Programs

Communication	\$	249	
Contributions		27,000	
Travel		962	
Other Contracted Services		2,121	
Office Supplies		16,992	
Other Supplies and Materials		34,109	
Refunds		4	
Total Alcohol and Drug Programs			81,437

Other Local Health Services

Other Salaries and Wages	\$	855	
Social Security		53	
Unemployment Compensation		7	
Employer Medicare		12	
Advertising		2,400	
Contributions		2,500	
Travel		3,432	
Office Supplies		22,953	
Total Other Local Health Services			32,212

Appropriation to State

Other Salaries and Wages	\$	216,467	
Social Security		12,902	
Pensions		18,561	
Employee and Dependent Insurance		720	
Life Insurance		142	
Medical Insurance		32,474	
Dental Insurance		485	

(Continued)

## Exhibit J-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)Appropriation to State (Cont.)

Disability Insurance	\$	513	
Unemployment Compensation		584	
Employer Medicare		3,017	
Advertising		186	
Travel		8,766	
Liability Insurance		350	
Workers' Compensation Insurance		288	
Other Charges		404	
Total Appropriation to State			\$ 295,859

Other Public Health and Welfare

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

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contributions	\$	10,250	
Total Senior Citizens Assistance			10,250

Libraries

Supervisor/Director	\$	42,993	
Deputy(ies)		13,385	
Librarians		65,692	
Part-time Personnel		43,366	
Longevity Pay		1,500	
Social Security		9,884	
Medical Insurance		28,090	
Unemployment Compensation		591	
Employer Medicare		2,312	
Communication		2,962	
Dues and Memberships		210	
Janitorial Services		5,900	
Maintenance Agreements		2,281	
Maintenance and Repair Services - Buildings		1,457	
Pest Control		420	
Postal Charges		1,135	
Printing, Stationery, and Forms		1,460	
Travel		274	
Disposal Fees		100	
Custodial Supplies		1,026	
Instructional Supplies and Materials		2,905	
Library Books/Media		29,910	
Office Supplies		4,507	
Periodicals		2,741	
Utilities		23,490	

(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.)

Refunds	\$	88	
Workers' Compensation Insurance		420	
Other Charges		37	
Data Processing Equipment		3,865	
Furniture and Fixtures		1,000	
Office Equipment		455	
Total Libraries			\$ 294,456

Other Social, Cultural, and Recreational

Contributions	\$	28,100	
Total Other Social, Cultural, and Recreational			28,100

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	98,380	
Secretary(ies)		5,033	
Board and Committee Members Fees		125	
Social Security		312	
Pensions		265	
Unemployment Compensation		40	
Employer Medicare		73	
Communication		1,725	
Dues and Memberships		415	
Maintenance Agreements		588	
Pest Control		144	
Disposal Fees		500	
Gasoline		229	
Instructional Supplies and Materials		2,000	
Utilities		9,416	
Other Supplies and Materials		3	
Workers' Compensation Insurance		64	
Total Agricultural Extension Service			119,312

Soil Conservation

Salary Supplements	\$	37,727	
Social Security		2,293	
Pensions		3,686	
Medical Insurance		5,652	
Unemployment Compensation		64	
Employer Medicare		536	
Dues and Memberships		800	
Postal Charges		98	
Travel		168	
Office Supplies		24	
Workers' Compensation Insurance		84	
Other Charges		806	
Total Soil Conservation			51,938

(Continued)



## Exhibit J-8

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Other Agriculture and Natural Resources

Advertising	\$ 102	
Total Other Agriculture and Natural Resources		\$ 102

Other OperationsTourism

Contributions	\$ 32,681	
Dues and Memberships	1,000	
Total Tourism		33,681

Industrial Development

Contributions	\$ 154,515	
Total Industrial Development		154,515

Housing and Urban Development

Contracts with Private Agencies	\$ 88,039	
Legal Notices, Recording, and Court Costs	22	
Total Housing and Urban Development		88,061

Airport

Contributions	\$ 69,000	
Total Airport		69,000

Veterans' Services

Supervisor/Director	\$ 30,877	
Secretary(ies)	27,463	
Longevity Pay	550	
Social Security	3,128	
Pensions	5,754	
Medical Insurance	13,210	
Unemployment Compensation	128	
Employer Medicare	732	
Communication	1,517	
Maintenance Agreements	789	
Maintenance and Repair Services - Buildings	250	
Maintenance and Repair Services - Vehicles	245	
Pest Control	570	
Postal Charges	208	
Travel	993	
Disposal Fees	500	
Gasoline	720	
Office Supplies	676	
Utilities	2,650	
Other Supplies and Materials	2,098	
Workers' Compensation Insurance	124	
Office Equipment	179	
Total Veterans' Services		93,361

(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	\$	350	
Data Processing Services		17,641	
Legal Notices, Recording, and Court Costs		29	
Postal Charges		8,072	
Building and Contents Insurance		58,870	
Liability Insurance		107,885	
Trustee's Commission		195,091	
Vehicle and Equipment Insurance		57,686	
Other Charges		<u>2,761</u>	
Total Other Charges			\$ 448,385

Miscellaneous

Tax Relief Program	\$	<u>62,091</u>	
Total Miscellaneous			62,091

Capital ProjectsGeneral Administration Projects

Communication	\$	<u>21,501</u>	
Total General Administration Projects			<u>21,501</u>

Total General Fund \$ 14,654,189

Courthouse and Jail Maintenance FundOther OperationsOther Charges

Maintenance and Repair Services - Buildings	\$	7,822	
Trustee's Commission		<u>210</u>	
Total Other Charges			<u>\$ 8,032</u>

Total Courthouse and Jail Maintenance Fund 8,032

Solid Waste/Sanitation FundPublic Health and WelfareLandfill Operation and Maintenance

Salary Supplements	\$	39,693	
Laborers		198,722	
Secretary(ies)		46,142	
Clerical Personnel		26,954	
Longevity Pay		4,650	
Overtime Pay		3,648	
In-service Training		668	
Social Security		18,045	
Pensions		23,422	
Employee and Dependent Insurance		97	
Life Insurance		21	
Medical Insurance		66,801	
Dental Insurance		<u>222</u>	

(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.)

Disability Insurance	\$	237
Unemployment Compensation		2,887
Employer Medicare		4,220
Communication		2,350
Contracts with Private Agencies		716,372
Data Processing Services		1,600
Dues and Memberships		577
Engineering Services		11,340
Evaluation and Testing		259
Maintenance Agreements		1,645
Maintenance and Repair Services - Buildings		1,347
Maintenance and Repair Services - Equipment		17,486
Maintenance and Repair Services - Vehicles		12,537
Pest Control		120
Postal Charges		9,744
Printing, Stationery, and Forms		1,782
Travel		2,517
Brokerage Fees - Recyclables		55,829
Permits		2,650
Other Contracted Services		1,069
Crushed Stone		169
Custodial Supplies		1,619
Diesel Fuel		7,527
Food Supplies		7,973
Garage Supplies		17,074
Gasoline		1,978
Office Supplies		711
Propane Gas		3,706
Small Tools		10
Tires and Tubes		1,238
Uniforms		957
Utilities		29,657
Wire		3,972
Other Supplies and Materials		121
Building and Contents Insurance		3,102
Liability Insurance		1,542
Refunds		1,403
Trustee's Commission		17,552
Vehicle and Equipment Insurance		4,258
Workers' Compensation Insurance		7,220
Other Self-insured Claims		500
Other Charges		634
Solid Waste Equipment		2,541
Total Landfill Operation and Maintenance		<u>\$ 1,391,117</u>

Total Solid Waste/Sanitation Fund

\$ 1,391,117

(Continued)

## Exhibit J-8

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

Industrial/Economic Development FundCapital ProjectsGeneral Administration Projects

Contributions	\$ 45,228	
Total General Administration Projects		\$ 45,228

Public Utility Projects

Contracts with Private Agencies	\$ 320,731	
Total Public Utility Projects		320,731

Total Industrial/Economic Development Fund		\$ 365,959
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Drug Control FundPublic SafetyDrug Enforcement

Communication	\$ 9,240	
Contracts with Private Agencies	1,097	
Confidential Drug Enforcement Payments	11,000	
Maintenance and Repair Services - Vehicles	1,800	
Law Enforcement Supplies	7,114	
Trustee's Commission	548	
Other Charges	832	
Law Enforcement Equipment	2,527	
Motor Vehicles	12,300	
Total Drug Enforcement		\$ 46,458

Total Drug Control Fund		46,458
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Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$ 193,496	
Total County Trustee's Office		\$ 193,496

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 287,214	
Total County Clerk's Office		287,214

Total Constitutional Officers - Fees Fund		480,710
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Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 77,290
Accountants/Bookkeepers	68,327
Longevity Pay	750
Social Security	8,944
Pensions	14,301
Employee and Dependent Insurance	360
Life Insurance	71

(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.)

Medical Insurance	\$	13,210	
Dental Insurance		242	
Unemployment Compensation		480	
Employer Medicare		2,092	
Communication		10,066	
Contracts with Private Agencies		438	
Data Processing Services		400	
Dues and Memberships		4,261	
Evaluation and Testing		1,109	
Legal Notices, Recording, and Court Costs		431	
Maintenance Agreements		153	
Pest Control		3,240	
Printing, Stationery, and Forms		306	
Travel		1,848	
Disposal Fees		288	
Custodial Supplies		451	
Office Supplies		1,267	
Utilities		10,799	
Workers' Compensation Insurance		156	
Other Charges		1,897	
Office Equipment		4,778	
Total Administration			\$ 227,955

Highway and Bridge Maintenance

Foremen	\$	127,398
Equipment Operators		293,646
Equipment Operators - Light		209,576
Truck Drivers		286,192
Laborers		99,259
Longevity Pay		14,150
Social Security		61,419
Pensions		99,370
Employee and Dependent Insurance		689
Life Insurance		141
Medical Insurance		176,281
Dental Insurance		484
Disability Insurance		521
Unemployment Compensation		7,283
Employer Medicare		14,364
Asphalt		563,222
Asphalt - Cold Mix		38,868
Concrete		5,504
Crushed Stone		442,816
Pipe - Metal		82,104
Road Signs		21,081
Wood Products		3,447
Gravel and Chert		1,345

(Continued)

## Exhibit J-8

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Workers' Compensation Insurance	\$	44,280	
Other Charges		<u>19,550</u>	
Total Highway and Bridge Maintenance			\$ 2,612,990

Operation and Maintenance of Equipment

Mechanic(s)	\$	156,446	
Longevity Pay		1,800	
Social Security		9,501	
Pensions		14,722	
Medical Insurance		26,970	
Unemployment Compensation		1,187	
Employer Medicare		2,222	
Maintenance and Repair Services - Equipment		134,683	
Diesel Fuel		93,674	
Garage Supplies		1,978	
Gasoline		37,720	
Lubricants		16,313	
Tires and Tubes		28,280	
Workers' Compensation Insurance		7,116	
Other Charges		<u>8,044</u>	
Total Operation and Maintenance of Equipment			540,656

Other Charges

Building and Contents Insurance	\$	1,962	
Liability Insurance		19,156	
Trustee's Commission		55,334	
Vehicle and Equipment Insurance		31,259	
Liability Claims		4,350	
Other Charges		<u>1,080</u>	
Total Other Charges			113,141

Capital Outlay

Engineering Services	\$	6,447	
Bridge Construction		5,699	
Highway Equipment		<u>332,555</u>	
Total Capital Outlay			344,701

Principal on DebtHighways and Streets

Principal on Capital Leases	\$	<u>101,416</u>	
Total Highways and Streets			101,416

Interest on DebtHighways and Streets

Interest on Capital Leases	\$	<u>5,180</u>	
Total Highways and Streets			<u>5,180</u>

Total Highway/Public Works Fund \$ 3,946,039

(Continued)

## Exhibit J-8

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

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$ 429,777	
Principal on Notes	137,500	
Total General Government		\$ 567,277

Highways and Streets

Principal on Bonds	\$ 72,600	
Total Highways and Streets		72,600

Education

Principal on Bonds	\$ 2,382,000	
Principal on Notes	112,500	
Total Education		2,494,500

Interest on DebtGeneral Government

Interest on Bonds	\$ 646,851	
Interest on Notes	44,890	
Total General Government		691,741

Highways and Streets

Interest on Bonds	\$ 50,107	
Total Highways and Streets		50,107

Education

Interest on Bonds	\$ 466,614	
Interest on Notes	36,729	
Total Education		503,343

Other Debt ServiceGeneral Government

Trustee's Commission	\$ 82,232	
Other Debt Issuance Charges	110,466	
Other Debt Service	7,569,345	
Total General Government		7,762,043

Education

Other Debt Service	\$ 1,750	
Total Education		1,750

Total General Debt Service Fund \$ 12,143,361

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Other Debt Issuance Charges	\$ 36,728	
Building Construction	542,359	
Building Improvements	8,498	

(Continued)

## Exhibit J-8

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

General Administration Projects (Cont.)

Furniture and Fixtures	\$ 15,449	
Motor Vehicles	230,264	
Office Equipment	19,785	
Total General Administration Projects		\$ 853,083

Public Health and Welfare Projects

Building Improvements	\$ 6,300	
Total Public Health and Welfare Projects		6,300

Education Capital Projects

Contributions	\$ 675,000	
Total Education Capital Projects		675,000

Total General Capital Projects Fund \$ 1,534,383

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Asphalt	\$ 500,000	
Highway Construction	460,698	
Highway Equipment	176,392	
Total Highway and Street Capital Projects		\$ 1,137,090

Total Highway Capital Projects Fund 1,137,090

Other Capital Projects Fund

Capital Projects

Public Safety Projects

Other Charges	\$ 17,648	
Total Public Safety Projects		\$ 17,648

Total Other Capital Projects Fund 17,648

Total Governmental Funds - Primary Government \$ 35,724,986



## 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, 2016

## General Purpose School Fund

InstructionRegular Instruction Program

Teachers	\$ 16,193,407	
Career Ladder Program	113,957	
Career Ladder Extended Contracts	1,030	
Homebound Teachers	19,429	
Educational Assistants	645,620	
Other Salaries and Wages	30,336	
Certified Substitute Teachers	31,161	
Non-certified Substitute Teachers	196,188	
Social Security	1,016,003	
Pensions	1,517,575	
Medical Insurance	2,263,643	
Unemployment Compensation	8,449	
Employer Medicare	238,905	
Other Fringe Benefits	381,342	
Instructional Supplies and Materials	459,223	
Textbooks	22,451	
Other Supplies and Materials	22,027	
Other Charges	239	
Regular Instruction Equipment	920,277	
Total Regular Instruction Program		\$ 24,081,262

Alternative Instruction Program

Teachers	\$ 91,844	
Educational Assistants	43,573	
Social Security	6,955	
Pensions	11,568	
Medical Insurance	32,524	
Employer Medicare	1,786	
Other Fringe Benefits	7,720	
Instructional Supplies and Materials	120	
Other Supplies and Materials	1,339	
Total Alternative Instruction Program		197,429

Special Education Program

Teachers	\$ 988,627	
Career Ladder Program	8,000	
Homebound Teachers	9,810	
Educational Assistants	686,492	
Speech Pathologist	258,464	
Other Salaries and Wages	28,186	
Certified Substitute Teachers	2,524	
Non-certified Substitute Teachers	39,448	
Social Security	119,205	
Pensions	174,325	
Medical Insurance	319,539	
Employer Medicare	27,917	

(Continued)

## Exhibit J-9

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

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Other Fringe Benefits	\$	73,083	
Contracts with Private Agencies		37,920	
Instructional Supplies and Materials		14,111	
Other Supplies and Materials		3,456	
Total Special Education Program			\$ 2,791,107

Vocational Education Program

Teachers	\$	1,438,556	
Career Ladder Program		6,000	
Certified Substitute Teachers		1,504	
Non-certified Substitute Teachers		26,163	
Social Security		87,649	
Pensions		130,173	
Medical Insurance		205,812	
Employer Medicare		20,521	
Other Fringe Benefits		35,580	
Contracts with Other School Systems		193,326	
Maintenance and Repair Services - Equipment		175	
Travel		1,475	
Other Contracted Services		2,601	
Instructional Supplies and Materials		48,695	
Textbooks		15,293	
Other Supplies and Materials		4,104	
Vocational Instruction Equipment		3,701	
Total Vocational Education Program			2,221,328

Student Body Education Program

Other Equipment	\$	4,095	
Total Student Body Education Program			4,095

Adult Education Program

Teachers	\$	90,392	
Social Security		4,453	
Pensions		4,989	
Employer Medicare		1,310	
Other Supplies and Materials		1,565	
Other Charges		200	
Total Adult Education Program			102,909

Support ServicesAttendance

Supervisor/Director	\$	37,179	
Employer Medicare		539	
Other Contracted Services		10,216	
Total Attendance			47,934

(Continued)

## Exhibit J-9

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

General Purpose School Fund (Cont.)Support Services (Cont.)Health Services

Supervisor/Director	\$	63,309	
Career Ladder Program		300	
Medical Personnel		321,517	
Other Salaries and Wages		13,715	
Social Security		22,703	
Pensions		34,815	
Medical Insurance		76,434	
Employer Medicare		5,309	
Other Fringe Benefits		20,203	
Postal Charges		300	
Travel		865	
Other Contracted Services		1,771	
Drugs and Medical Supplies		7,019	
Other Supplies and Materials		4,286	
In Service/Staff Development		2,219	
Other Charges		448	
Total Health Services			\$ 575,213

Other Student Support

Career Ladder Program	\$	1,200	
Guidance Personnel		701,440	
Clerical Personnel		30,309	
Other Salaries and Wages		35,494	
Social Security		44,857	
Pensions		68,285	
Medical Insurance		77,332	
Employer Medicare		10,714	
Other Fringe Benefits		16,838	
Evaluation and Testing		37,531	
Postal Charges		400	
Travel		87	
Other Supplies and Materials		4,055	
In Service/Staff Development		12,577	
Other Charges		1,421	
Total Other Student Support			1,042,540

Regular Instruction Program

Supervisor/Director	\$	263,407	
Career Ladder Program		6,000	
Librarians		591,458	
Instructional Computer Personnel		65,052	
Other Salaries and Wages		118,445	
Social Security		61,534	
Pensions		91,962	
Medical Insurance		146,422	
Employer Medicare		14,530	

(Continued)

## Exhibit J-9

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

## General Purpose School Fund (Cont.)

Support Services (Cont.)Regular Instruction Program (Cont.)

Other Fringe Benefits	\$	22,165	
Travel		16,904	
Other Contracted Services		23,707	
Other Supplies and Materials		41,224	
In Service/Staff Development		10,849	
Other Charges		4,511	
Other Equipment		6,696	
Total Regular Instruction Program			\$ 1,484,866

Alternative Instruction Program

Evaluation and Testing	\$	395	
Travel		202	
Other Contracted Services		835	
In Service/Staff Development		946	
Total Alternative Instruction Program			2,378

Special Education Program

Supervisor/Director	\$	111,516	
Career Ladder Program		3,000	
Other Salaries and Wages		1,015	
Social Security		6,896	
Pensions		10,352	
Medical Insurance		12,377	
Employer Medicare		1,613	
Other Fringe Benefits		4,004	
Travel		8,219	
Other Contracted Services		74,492	
Other Supplies and Materials		7,133	
In Service/Staff Development		3,083	
Total Special Education Program			243,700

Vocational Education Program

Supervisor/Director	\$	33,663	
Social Security		1,976	
Pensions		3,043	
Medical Insurance		3,979	
Employer Medicare		462	
Other Fringe Benefits		1,300	
Travel		34,671	
In Service/Staff Development		550	
Total Vocational Education Program			79,644

Adult Programs

Clerical Personnel	\$	1,000	
Other Salaries and Wages		42,463	
Social Security		2,512	

(Continued)

## Exhibit J-9

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

General Purpose School Fund (Cont.)Support Services (Cont.)Adult Programs (Cont.)

Pensions	\$	4,247	
Medical Insurance		10,226	
Employer Medicare		587	
Other Fringe Benefits		3,287	
Travel		518	
Other Supplies and Materials		1,155	
In Service/Staff Development		3,944	
Total Adult Programs			\$ 69,939

Other Programs

On-behalf Payments to OPEB	\$	322,297	
Total Other Programs			322,297

Board of Education

Secretary to Board	\$	2,400	
Board and Committee Members Fees		21,600	
Social Security		1,339	
Pensions		703	
Medical Insurance		306,344	
Employer Medicare		348	
Other Fringe Benefits		5,009	
Audit Services		14,935	
Dues and Memberships		7,164	
Legal Services		61,698	
Travel		2,000	
Other Contracted Services		11,442	
Other Supplies and Materials		244	
Liability Insurance		41,507	
Trustee's Commission		247,439	
Workers' Compensation Insurance		460,522	
In Service/Staff Development		860	
Other Charges		607	
Total Board of Education			1,186,161

Director of Schools

County Official/Administrative Officer	\$	133,216	
Secretary(ies)		32,968	
Social Security		9,817	
Pensions		15,264	
Medical Insurance		7,227	
Employer Medicare		2,389	
Other Fringe Benefits		2,226	
Communication		63,556	
Dues and Memberships		8,648	
Maintenance and Repair Services - Equipment		4,894	
Postal Charges		5,425	

(Continued)

## Exhibit J-9

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

## General Purpose School Fund (Cont.)

Support Services (Cont.)Director of Schools (Cont.)

Travel	\$	2,926	
Office Supplies		6,823	
Other Supplies and Materials		1,324	
Other Charges		552	
Administration Equipment		1,904	
Total Director of Schools			\$ 299,159

Office of the Principal

Principals	\$	781,599	
Career Ladder Program		7,000	
Assistant Principals		1,061,210	
Secretary(ies)		539,669	
Social Security		144,348	
Pensions		218,868	
Medical Insurance		254,519	
Employer Medicare		33,759	
Other Fringe Benefits		56,485	
Contributions		332,611	
Dues and Memberships		10,725	
Travel		83	
Other Contracted Services		4,955	
Other Supplies and Materials		14,788	
Other Charges		3,340	
Total Office of the Principal			3,463,959

Fiscal Services

Supervisor/Director	\$	68,825	
Accountants/Bookkeepers		111,710	
Social Security		10,989	
Pensions		17,638	
Medical Insurance		20,433	
Employer Medicare		2,570	
Other Fringe Benefits		2,087	
Data Processing Services		24,858	
Travel		454	
Data Processing Supplies		2,335	
Administration Equipment		5,982	
Total Fiscal Services			267,881

Human Services/Personnel

Supervisor/Director	\$	77,016	
Secretary(ies)		30,943	
Social Security		6,135	
Pensions		9,985	
Medical Insurance		15,181	
Employer Medicare		1,435	

(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.)

Support Services (Cont.)Human Services/Personnel (Cont.)

Other Fringe Benefits	\$	1,013	
Travel		184	
Other Contracted Services		812	
Data Processing Supplies		296	
In Service/Staff Development		1,060	
Other Charges		90	
Total Human Services/Personnel			\$ 144,150

Operation of Plant

Custodial Personnel	\$	710,680	
Other Salaries and Wages		269,071	
Social Security		58,483	
Pensions		85,882	
Medical Insurance		189,391	
Employer Medicare		13,677	
Other Fringe Benefits		37,549	
Laundry Service		12,644	
Travel		4,499	
Disposal Fees		32,494	
Other Contracted Services		242,812	
Custodial Supplies		145,549	
Electricity		1,157,224	
Natural Gas		111,068	
Water and Sewer		232,901	
Other Supplies and Materials		5,912	
Building and Contents Insurance		147,469	
In Service/Staff Development		1,687	
Other Charges		123	
Plant Operation Equipment		5,125	
Total Operation of Plant			3,464,240

Maintenance of Plant

Supervisor/Director	\$	55,590	
Other Salaries and Wages		339,326	
Social Security		23,779	
Pensions		34,746	
Medical Insurance		52,014	
Employer Medicare		5,561	
Other Fringe Benefits		11,241	
Laundry Service		5,578	
Maintenance and Repair Services - Buildings		8,260	
Maintenance and Repair Services - Equipment		8,000	
Travel		625	
Other Contracted Services		94,040	
Other Supplies and Materials		429,508	
Other Charges		1,366	
Maintenance Equipment		31,500	
Total Maintenance of Plant			1,101,134

(Continued)

## Exhibit J-9

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

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation

Supervisor/Director	\$	55,590	
Mechanic(s)		213,038	
Bus Drivers		871,248	
Clerical Personnel		28,763	
Other Salaries and Wages		61,363	
Social Security		71,515	
Pensions		102,075	
Medical Insurance		317,976	
Employer Medicare		16,962	
Other Fringe Benefits		63,728	
Communication		3,695	
Contracts with Parents		5,382	
Laundry Service		3,692	
Medical and Dental Services		3,790	
Travel		9,431	
Other Contracted Services		21,249	
Diesel Fuel		156,873	
Gasoline		29,271	
Tires and Tubes		60,319	
Vehicle Parts		92,536	
Other Supplies and Materials		8,013	
Vehicle and Equipment Insurance		83,562	
In Service/Staff Development		564	
Other Charges		263	
Transportation Equipment		8,800	
Other Equipment		26,590	
Total Transportation			\$ 2,316,288

Central and Other

Other Salaries and Wages	\$	42,759	
Social Security		2,573	
Pensions		4,178	
Medical Insurance		8,555	
Employer Medicare		602	
Other Fringe Benefits		2,052	
Other Contracted Services		168,243	
Other Supplies and Materials		11,588	
Total Central and Other			240,550

Operation of Non-instructional ServicesCommunity Services

Supervisor/Director	\$	32,862	
Teachers		88,629	
Career Ladder Program		1,000	
Educational Assistants		18,942	
Other Salaries and Wages		40,844	

(Continued)



## Exhibit J-9

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

General Purpose School Fund (Cont.)Operation of Non-instructional Services (Cont.)Community Services (Cont.)

Social Security	\$	10,887	
Pensions		16,460	
Medical Insurance		4,118	
Employer Medicare		2,546	
Other Fringe Benefits		1,350	
Travel		3,128	
Other Contracted Services		6,046	
Food Supplies		143	
Instructional Supplies and Materials		12,695	
Other Supplies and Materials		36,470	
In Service/Staff Development		9,990	
Other Charges		4,025	
Total Community Services			\$ 290,135

Early Childhood Education

Supervisor/Director	\$	58,460	
Teachers		483,824	
Career Ladder Program		500	
Clerical Personnel		21,131	
Educational Assistants		166,178	
Certified Substitute Teachers		3,060	
Non-certified Substitute Teachers		17,162	
Social Security		43,134	
Pensions		66,724	
Medical Insurance		134,639	
Employer Medicare		10,098	
Other Fringe Benefits		13,122	
Maintenance and Repair Services - Equipment		5,475	
Travel		1,077	
Instructional Supplies and Materials		10,433	
Other Supplies and Materials		48,219	
In Service/Staff Development		6,729	
Other Charges		4,893	
Regular Instruction Equipment		31,695	
Other Equipment		1,395	
Total Early Childhood Education			1,127,948

Total General Purpose School Fund \$ 47,168,246

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	789,645	
Educational Assistants		173,019	
Certified Substitute Teachers		8,226	
Non-certified Substitute Teachers		19,839	

(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.)Regular Instruction Program (Cont.)

Social Security	\$	58,200	
Pensions		85,196	
Medical Insurance		150,466	
Employer Medicare		13,631	
Other Fringe Benefits		32,368	
Instructional Supplies and Materials		17,901	
Other Supplies and Materials		2,990	
Total Regular Instruction Program			\$ 1,351,481

Special Education Program

Teachers	\$	444,146	
Educational Assistants		249,973	
Speech Pathologist		47,436	
Certified Substitute Teachers		1,352	
Non-certified Substitute Teachers		34,400	
Social Security		45,309	
Pensions		67,438	
Medical Insurance		133,604	
Employer Medicare		10,603	
Other Fringe Benefits		22,424	
Instructional Supplies and Materials		1,500	
Other Supplies and Materials		960	
Total Special Education Program			1,059,145

Vocational Education Program

Other Supplies and Materials	\$	11,656	
Vocational Instruction Equipment		53,349	
Total Vocational Education Program			65,005

Support ServicesHealth Services

Medical Personnel	\$	23,285	
Social Security		1,301	
Pensions		1,893	
Medical Insurance		5,139	
Employer Medicare		304	
Other Fringe Benefits		1,678	
Total Health Services			33,600

Other Student Support

Supervisor/Director	\$	67,668	
Guidance Personnel		42,704	
Social Workers		48,579	
Other Salaries and Wages		47,444	
Certified Substitute Teachers		255	
Non-certified Substitute Teachers		2,193	

(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.)Other Student Support (Cont.)

Social Security	\$	12,360	
Pensions		19,278	
Medical Insurance		29,714	
Employer Medicare		2,891	
Other Fringe Benefits		3,055	
Postal Charges		6	
Travel		22,018	
Other Contracted Services		20,198	
Food Supplies		113	
Office Supplies		3,845	
Other Supplies and Materials		6,798	
In Service/Staff Development		25,205	
Other Charges		20,217	
Other Equipment		5,611	
Total Other Student Support			\$ 380,152

Regular Instruction Program

Other Salaries and Wages	\$	592,859	
Social Security		33,819	
Pensions		50,775	
Medical Insurance		87,190	
Employer Medicare		8,362	
Other Fringe Benefits		12,449	
In Service/Staff Development		13,279	
Other Charges		275	
Total Regular Instruction Program			799,008

Special Education Program

Psychological Personnel	\$	112,620	
Clerical Personnel		32,043	
Other Salaries and Wages		84,332	
Social Security		13,812	
Pensions		20,935	
Medical Insurance		25,320	
Employer Medicare		3,230	
Other Fringe Benefits		6,981	
Travel		2,640	
Other Contracted Services		56,157	
Other Supplies and Materials		11,234	
In Service/Staff Development		6,000	
Total Special Education Program			375,304

Total School Federal Projects Fund \$ 4,063,695

(Continued)

## Exhibit J-9

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

Central Cafeteria FundOperation of Non-instructional ServicesFood Service

Supervisor/Director	\$	67,194	
Accountants/Bookkeepers		34,472	
Cafeteria Personnel		1,167,052	
Social Security		75,376	
Pensions		78,123	
Medical Insurance		211,105	
Unemployment Compensation		771	
Employer Medicare		17,628	
Other Fringe Benefits		46,166	
Maintenance and Repair Services - Equipment		46,831	
Transportation - Other than Students		15,536	
Travel		2,750	
Other Contracted Services		31,386	
Food Supplies		1,599,877	
Office Supplies		2,280	
Utilities		1,396	
USDA - Commodities		266,587	
Other Supplies and Materials		146,630	
In Service/Staff Development		1,220	
Food Service Equipment		42,332	
Total Food Service			\$ 3,854,712

Total Central Cafeteria Fund \$ 3,854,712

Extended School Program FundOperation of Non-instructional ServicesCommunity Services

Other Salaries and Wages	\$	115,934	
Social Security		7,056	
Pensions		10,163	
Employer Medicare		1,681	
Other Supplies and Materials		11,341	
Trustee's Commission		1,480	
Total Community Services			\$ 147,655

Total Extended School Program Fund 147,655

Education Capital Projects FundCapital ProjectsEducation Capital Projects

Engineering Services	\$	16,851	
Building Construction		20,319	
Transportation Equipment		272,415	
Total Education Capital Projects			\$ 309,585

Total Education Capital Projects Fund 309,585

Total Governmental Funds - Lawrence County School Department \$ 55,543,893

Lawrence County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2016

	Cities - Sales Tax Fund
	<hr/>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 4,751,817
Total Cash Receipts	<u>\$ 4,751,817</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 4,704,299
Trustee's Commission	<u>47,518</u>
Total Cash Disbursements	<u>\$ 4,751,817</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash, July 1, 2015	<u>0</u>
 Cash, June 30, 2016	 <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

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

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements, and have issued our report thereon dated October 27, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lawrence County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lawrence County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lawrence County's internal control.

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

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

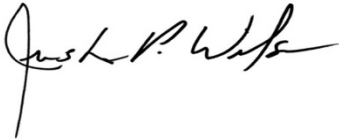
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 27, 2016

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**

**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance and on the Schedule of Expenditures of  
Federal Awards Required by the Uniform Guidance**

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

To the County Executive and Board of County Commissioners:

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

We have audited Lawrence County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lawrence County's major federal programs for the year ended June 30, 2016. Lawrence County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Lawrence County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether

noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lawrence County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, Lawrence County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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

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

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

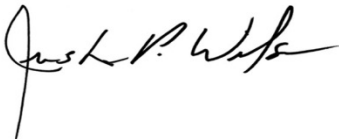
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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, 2016, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements. We issued our report thereon dated October 27, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 27, 2016

JPW/sb

Lawrence County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1) (2)  
For the Year Ended June 30, 2016

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 266,587 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	762,502
National School Lunch Program	10.555	N/A	2,104,388 (4)
State Administrative Expenses for Child Nutrition	10.560	N/A	5,400
Fresh Fruit and Vegetable Program	10.582	N/A	30,816
Passed-through State Department of Human Services:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	N/A	16,843
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	476
Total U.S. Department of Agriculture			<u>\$ 3,187,012</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program and			
Non-Entitlement Grants in Hawaii	14.228	(3)	\$ 255,681
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(3)	88,049
Total U.S. Department of Housing and Urban Development			<u>\$ 343,730</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 6,520
Total U.S. Department of Justice			<u>\$ 6,520</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	N/A	\$ 29,635
Total U.S. Department of Transportation			<u>\$ 29,635</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(3)	\$ 1,590
Total Institute of Museum and Library Services			<u>\$ 1,590</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 12,733
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(3)	128,081
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,797,601
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,500,810
Special Education - Preschool Grants	84.173	N/A	45,426
Career and Technical Education - Basic Grants to States	84.048	N/A	112,006
Twenty-first Century Community Learning Centers	84.287	(3)	100,667
Rural Education	84.358	N/A	190,192
English Language Acquisition Grants	84.365	N/A	4,176
Improving Teacher Quality State Grants	84.367	N/A	271,944
Total U.S. Department of Education			<u>\$ 4,163,636</u>

(Continued)

Lawrence County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

<u>Federal/Pass-through Agency/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	(3)	\$ 230,219
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	(3)	34,901
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(3)	54,711
Total U.S. Department of Health and Human Services			<u>\$ 319,831</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(3)	\$ 17,648
Total U.S. Department of Homeland Security			<u>\$ 17,648</u>
Total Expenditures of Federal Awards			<u>\$ 8,069,602</u>

<u>State Grants</u>		<u>Contract Number</u>	
Adult Education - State Department of Labor and Workforce Development	N/A	(3)	\$ 42,693
Coordinated School Health - State Department of Education	N/A	(3)	99,896
Early Childhood Education - State Department of Education	N/A	(3)	1,108,031
Family Resources Center - State Department of Education	N/A	(3)	29,362
Health Department Programs - State Department of Health	N/A	(3)	326,986
Internet Connectivity - State Department of Education	N/A	(3)	17,454
Litter Grant - State Department of Transportation	N/A	(3)	43,003
Lottery for Education - Afterschool Program - State Department of Education	N/A	(3)	125,052
Safe Schools - State Department of Education	N/A	(3)	34,513
Student Ticket Subsidy - Tennessee Arts Commission	N/A	(3)	2,925
ACT/EXPLORE/PLAN - State Department of Education	N/A	(3)	12,225
Juvenile Justice State Supplement - State Commission on Children and Youth	N/A	(3)	9,000
Used Oil Grant - State Department of Environment and Conservation	N/A	(3)	2,541
Farmers Market Grant Program - State Department Secretary of Agriculture	N/A	(3)	990
Total State Grants			<u>\$ 1,854,671</u>

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) Lawrence County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Total for CFDA No. 10.555 is \$2,370,975.

<u>SUBRECIPIENTS</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>	<u>Subrecipients</u>
Title 1 Grants to Local Educational Agencies	84.010	\$ 767	Sacred Heart School of Lawrenceburg
Title 1 Grants to Local Educational Agencies	84.010	6,138	Sacred Heart School of Loretto

Lawrence County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2016

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Lawrence County, Tennessee, for the year ended June 30, 2016.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2015	204	2015-001	Execution Docket Trial Balances were not Prepared for Circuit, General Sessions and Juvenile Courts	N/A	Corrected

***Prior-year Federal Award Findings***

There were no prior-year federal award findings to report.

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**LAWRENCE COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2016**

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

**Financial Statements:**

1. Our report on the financial statements of Lawrence County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NO**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Numbers: 10.553, 10.555, and 10.559      Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children
8. Dollar threshold used to distinguish between Type A and Type B Programs: **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

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

There were no findings and recommendations as a result of our audit of the financial statements of Lawrence County, Tennessee.

Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.



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

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016.

**Lawrence County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2016**

The audit of Lawrence County did not report any findings and recommendations. Therefore, no management responses are required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

## **BEST PRACTICE**

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

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

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

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