

ANNUAL FINANCIAL REPORT

LAWRENCE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2017



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
LAWRENCE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2017

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Director

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KINSLEY HAYES
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TWYLA PRATT
State Auditors

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

LAWRENCE COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Lawrence County, Tennessee
For the Year Ended June 30, 2017

Scope

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2017.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ The Internal Revenue Service assessed the county interest and penalty totaling \$2,207.

OFFICE OF DIRECTOR OF SCHOOLS

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

INTRODUCTORY SECTION

Lawrence County Officials

June 30, 2017

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	Tammy Wisdom
Bobby Clifton	Shane Eaton
Aaron Storey	Bert Spearman
Mark Niedergeses	Russ Brewer
Ronald Benefield	

Board of Education

Larry Davis, Chairman	Jerry Dryden
Kevin Caruso	Joey Hardin
Brenda Jacobs	Nicky Hartsfield
Ricky Mabry	Jerry Campbell
Royce Neidert	

Audit Committee

Karen Woodall, Chairman	Shane Eaton
Scott Franks	Polly Marsh
Jerry Putman	

FINANCIAL SECTION



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
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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, 2017, 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, 2017, 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.

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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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), miscellaneous schedules, and schedule of expenditures of federal awards 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), miscellaneous schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

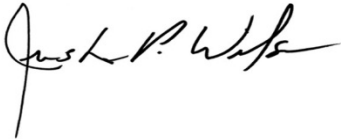
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2017, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lawrence County's 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 line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 26, 2017

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Lawrence County, Tennessee
Statement of Net Position
June 30, 2017

	Primary Government Governmental Activities	Component Unit Lawrence County School Department
<u>ASSETS</u>		
Cash	\$ 90,737	\$ 1,022
Equity in Pooled Cash and Investments	12,049,638	9,919,061
Inventories	0	131,451
Accounts Receivable	5,613,781	2,400
Allowance for Uncollectibles	(2,167,708)	0
Due from Other Governments	1,108,869	1,326,614
Property Taxes Receivable	13,557,653	6,212,561
Allowance for Uncollectible Property Taxes	(330,764)	(151,590)
Notes Receivable	53,812	0
Net Pension Asset - Teacher Retirement Plan	0	28,613
Capital Assets:		
Assets Not Depreciated:		
Land	1,011,243	1,276,454
Construction in Progress	654,996	1,008,920
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	19,351,026	32,883,160
Infrastructure	23,748,840	0
Other Capital Assets	3,080,515	3,191,290
Total Assets	<u>\$ 77,822,638</u>	<u>\$ 55,829,956</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 297,521	\$ 0
Pension Changes in Experience	77,587	240,764
Pension Changes in Investment Earnings	852,960	5,463,302
Pension Contribution after Measurement Date	832,740	2,975,594
Pension Changes in Proportionate Share of NPL	0	419,615
Total Deferred Inflows of Resources	<u>\$ 2,060,808</u>	<u>\$ 9,099,275</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 800,663	\$ 266,365
Payroll Deductions Payable	509	1,895,732
Accrued Interest Payable	215,852	0
Due to State of Tennessee	15,570	0
Noncurrent Liabilities:		
Due Within One Year	4,883,662	75,360
Due in More Than One Year	36,248,664	17,198,101
Total Liabilities	<u>\$ 42,164,920</u>	<u>\$ 19,435,558</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Lawrence County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 467,115	5,597,358
Pension Changes in Proportionate Share of NPL	0	3,137
Deferred Current Property Taxes	12,846,550	5,886,698
Total Deferred Inflows of Resources	<u>\$ 13,313,665</u>	<u>\$ 11,487,193</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 21,740,333	\$ 38,359,824
Restricted for:		
General Government	35,900	0
Administration of Justice	46,992	0
Public Safety	140,021	0
Public Health and Welfare	2,545	0
Highway/Public Works	1,297,576	0
Education	0	1,230,761
Capital Projects	1,635,511	0
Pensions	0	28,613
Unrestricted	(494,017)	(5,612,718)
Total Net Position	<u>\$ 24,404,861</u>	<u>\$ 34,006,480</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, 2017

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 Government Total Governmental Activities	Component Unit
						Lawrence County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,933,954	\$ 278,725	\$ 743,109	\$ 9,200	\$ (902,920)	\$ 0
Finance	1,526,105	1,140,085	0	0	(386,020)	0
Administration of Justice	1,484,445	757,483	3,768	0	(723,194)	0
Public Safety	6,836,719	1,627,767	63,956	0	(5,144,996)	0
Public Health and Welfare	4,993,278	3,565,523	547,150	0	(880,605)	0
Social, Cultural, and Recreational Services	1,009,388	2,941	0	0	(1,006,447)	0
Agriculture and Natural Resources	174,805	0	0	0	(174,805)	0
Highways/Public Works	9,513,291	5,107	2,179,301	1,120,159	(6,208,724)	0
Education	849	0	0	0	(849)	0
Interest on Long-term Debt	1,216,450	0	0	0	(1,216,450)	0
Total Primary Government	\$ 28,689,284	\$ 7,377,631	\$ 3,537,284	\$ 1,129,359	\$ (16,645,010)	\$ 0
Component Unit:						
Lawrence County School Department	\$ 59,889,243	\$ 1,147,628	\$ 7,837,014	\$ 0	\$ 0	\$ (50,904,601)

(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
		Services	and	and	Governmental	County
Functions/Programs	Expenses		Contributions	Contributions	Activities	School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 9,974,803	\$ 6,066,648
Property Taxes Levied for Debt Service					2,828,082	0
Local Option Sales Tax					1,204,559	5,439,659
Hotel/Motel Tax					111,054	0
Wheel Tax					977,985	0
Litigation Tax - General					119,793	0
Litigation Tax - Jail, Workhouse, or Courthouse					109,387	0
Business Tax					345,368	0
Mixed Drink Tax					827	0
Mineral Severance Tax					34,142	0
Wholesale Beer Tax					146,610	0
Other Local Taxes					93,282	11,455
Grants and Contributions Not Restricted to Specific Programs					1,316,851	38,236,116
Unrestricted Investment Earnings					58,664	2,343
Miscellaneous					72,063	125,575
Total General Revenues					<u>\$ 17,393,470</u>	<u>\$ 49,881,796</u>
Change in Net Position						
Net Position, July 1, 2016					<u>\$ 748,460</u>	<u>\$ (1,022,805)</u>
Net Position, June 30, 2017					<u>23,656,401</u>	<u>35,029,285</u>
Net Position, June 30, 2017						
					<u>\$ 24,404,861</u>	<u>\$ 34,006,480</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, 2017

	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	\$ 89,687	\$ 90,737
Equity in Pooled Cash and Investments	4,215,146	1,104,576	2,738,869	3,991,047	12,049,638
Accounts Receivable	3,493,149	169	104,074	2,016,389	5,613,781
Allowance for Uncollectibles	(649,362)	0	0	(1,518,346)	(2,167,708)
Due from Other Governments	488,043	410,904	209,922	0	1,108,869
Property Taxes Receivable	8,724,845	1,771,963	2,037,891	1,022,954	13,557,653
Allowance for Uncollectible Property Taxes	(212,859)	(43,230)	(49,718)	(24,957)	(330,764)
Notes Receivable - Long-term	0	0	0	53,812	53,812
Total Assets	<u>\$ 16,060,012</u>	<u>\$ 3,244,382</u>	<u>\$ 5,041,038</u>	<u>\$ 5,630,586</u>	<u>\$ 29,976,018</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 299,797	\$ 218,993	\$ 0	\$ 281,873	\$ 800,663
Payroll Deductions Payable	509	0	0	0	509
Due to State of Tennessee	15,570	0	0	0	15,570
Total Liabilities	<u>\$ 315,876</u>	<u>\$ 218,993</u>	<u>\$ 0</u>	<u>\$ 281,873</u>	<u>\$ 816,742</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 8,267,224	\$ 1,679,023	\$ 1,931,003	\$ 969,300	\$ 12,846,550
Deferred Delinquent Property Taxes	244,762	49,707	57,166	28,697	380,332
Other Deferred/Unavailable Revenue	2,595,551	197,876	107,917	409,322	3,310,666
Total Deferred Inflows of Resources	<u>\$ 11,107,537</u>	<u>\$ 1,926,606</u>	<u>\$ 2,096,086</u>	<u>\$ 1,407,319</u>	<u>\$ 16,537,548</u>

(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	35,900	0	0	0	35,900
Restricted for Administration of Justice	46,992	0	0	0	46,992
Restricted for Public Safety	20,065	0	0	119,956	140,021
Restricted for Public Health and Welfare	2,545	0	0	0	2,545
Restricted for Highways/Public Works	0	1,098,783	0	0	1,098,783
Restricted for Capital Projects	0	0	0	1,635,511	1,635,511
Committed:					
Committed for General Government	329,840	0	0	78,720	408,560
Committed for Finance	0	0	0	27,500	27,500
Committed for Public Safety	149,327	0	0	0	149,327
Committed for Public Health and Welfare	0	0	0	689,472	689,472
Committed for Debt Service	0	0	2,944,952	1,314,436	4,259,388
Assigned:					
Assigned for General Government	4,817	0	0	0	4,817
Assigned for Finance	220	0	0	0	220
Assigned for Administration of Justice	139	0	0	0	139
Assigned for Public Safety	15,726	0	0	0	15,726
Assigned for Public Health and Welfare	26,810	0	0	0	26,810
Assigned for Social, Cultural, and Recreational Services	241	0	0	0	241
Assigned for Agriculture and Natural Resources	300	0	0	0	300
Assigned for Other Operations	25	0	0	0	25
Unassigned	4,003,652	0	0	0	4,003,652
Total Fund Balances	\$ 4,636,599	\$ 1,098,783	\$ 2,944,952	\$ 3,941,394	\$ 12,621,728
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,060,012	\$ 3,244,382	\$ 5,041,038	\$ 5,630,586	\$ 29,976,018

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, 2017

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)		\$ 12,621,728
(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	654,996	
Add: buildings and improvements net of accumulated depreciation	19,351,026	
Add: infrastructure net of accumulated depreciation	23,748,840	
Add: other capital assets net of accumulated depreciation	<u>3,080,515</u>	47,846,620
(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	\$ (390,618)	
Less: notes payable	(6,440,000)	
Less: bonds payable	(31,515,806)	
Less: deferred charges - premium on debt	(483,301)	
Add: deferred amount on refunding	297,521	
Less: compensated absences payable	(752,304)	
Less: landfill postclosure care costs	(737,689)	
Less: other postemployment benefits liability	(431,000)	
Less: accrued interest on bonds, notes, and capital leases	(215,852)	
Less: net pension liability - agent plan	<u>(381,608)</u>	(41,050,657)
(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	\$ 1,763,287	
Less: deferred inflows of resources related to pensions	<u>(467,115)</u>	1,296,172
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,690,998</u>
Net position of governmental activities (Exhibit A)		<u>\$ 24,404,861</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, 2017

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 9,321,782	\$ 1,750,790	\$ 4,349,352	\$ 1,025,878	\$ 16,447,802
Licenses and Permits	51,644	0	0	0	51,644
Fines, Forfeitures, and Penalties	176,599	0	0	46,876	223,475
Charges for Current Services	1,942,900	0	0	1,568,237	3,511,137
Other Local Revenues	93,007	72,971	30,000	221,306	417,284
Fees Received From County Officials	1,324,385	0	0	0	1,324,385
State of Tennessee	2,044,448	3,293,903	285,845	0	5,624,196
Federal Government	303,285	0	0	154,625	457,910
Other Governments and Citizens Groups	453,448	395,928	0	19,464	868,840
Total Revenues	\$ 15,711,498	\$ 5,513,592	\$ 4,665,197	\$ 3,036,386	\$ 28,926,673
<u>Expenditures</u>					
Current:					
General Government	\$ 1,249,274	\$ 0	\$ 0	\$ 0	\$ 1,249,274
Finance	1,019,417	0	0	517,569	1,536,986
Administration of Justice	1,479,741	0	0	1,806	1,481,547
Public Safety	7,072,040	0	0	42,647	7,114,687
Public Health and Welfare	3,175,956	0	0	1,396,336	4,572,292
Social, Cultural, and Recreational Services	344,967	0	0	0	344,967
Agriculture and Natural Resources	185,271	0	0	0	185,271
Other Operations	1,075,071	0	0	30,281	1,105,352
Highways	0	5,358,203	0	0	5,358,203
Debt Service:					
Principal on Debt	99,898	98,037	3,464,525	275,000	3,937,460
Interest on Debt	0	8,559	1,167,612	28,600	1,204,771
Other Debt Service	0	0	8,447,436	16,962	8,464,398

(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	\$ 17,778	\$ 0	\$ 0	\$ 2,361,814	\$ 2,379,592
Total Expenditures	\$ 15,719,413	\$ 5,464,799	\$ 13,079,573	\$ 4,671,015	\$ 38,934,800
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,915)	\$ 48,793	\$ (8,414,376)	\$ (1,634,629)	\$ (10,008,127)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 495,000	\$ 495,000
Capital Leases Issued	286,044	0	0	0	286,044
Refunding Debt Issued	0	0	8,215,000	0	8,215,000
Premiums on Debt Sold	0	0	159,899	9,430	169,329
Insurance Recovery	1,038	25,793	0	0	26,831
Total Other Financing Sources (Uses)	\$ 287,082	\$ 25,793	\$ 8,374,899	\$ 504,430	\$ 9,192,204
Net Change in Fund Balances	\$ 279,167	\$ 74,586	\$ (39,477)	\$ (1,130,199)	\$ (815,923)
Fund Balance, July 1, 2016	4,357,432	1,024,197	2,984,429	5,071,593	13,437,651
Fund Balance, June 30, 2017	\$ 4,636,599	\$ 1,098,783	\$ 2,944,952	\$ 3,941,394	\$ 12,621,728

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, 2017

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)		\$ (815,923)
(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	\$ 2,077,299	
Less: current-year depreciation expense	<u>(4,797,949)</u>	(2,720,650)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(132,330)
(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, 2017	\$ 3,690,998	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(3,153,943)</u>	537,055
(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	\$ 152,427	
Less: change in discount on debt issuance	(55,949)	
Less: change in premium on debt issuance	(114,577)	
Add: principal payments on notes	810,000	
Add: principal payments on bonds	2,929,525	
Add: principal payments on capital leases	197,935	
Add: bonds refunded	8,240,000	
Less: bond proceeds	(8,710,000)	
Less: capital lease proceeds	<u>(286,044)</u>	3,163,317
(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	\$ (11,679)	
Change in net pension asset/liability	(643,673)	
Change in deferred outflows related to pensions	945,590	
Change in deferred inflows related to pensions	392,682	
Change in compensated absences	2,906	
Change in other postemployment benefits liability	(11,384)	
Change in landfill postclosure care costs	<u>42,549</u>	716,991
Change in net position of governmental activities (Exhibit B)		<u>\$ 748,460</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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,321,782	\$ 0	\$ 0	\$ 9,321,782	\$ 8,882,242	\$ 8,882,242	\$ 439,540
Licenses and Permits	51,644	0	0	51,644	44,585	44,585	7,059
Fines, Forfeitures, and Penalties	176,599	0	0	176,599	196,873	196,873	(20,274)
Charges for Current Services	1,942,900	0	0	1,942,900	1,895,191	1,895,191	47,709
Other Local Revenues	93,007	0	0	93,007	68,855	68,855	24,152
Fees Received From County Officials	1,324,385	0	0	1,324,385	1,321,645	1,321,645	2,740
State of Tennessee	2,044,448	0	0	2,044,448	2,798,701	2,915,206	(870,758)
Federal Government	303,285	0	0	303,285	66,100	67,600	235,685
Other Governments and Citizens Groups	453,448	0	0	453,448	443,441	458,181	(4,733)
Total Revenues	\$ 15,711,498	\$ 0	\$ 0	\$ 15,711,498	\$ 15,717,633	\$ 15,850,378	\$ (138,880)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 94,667	\$ 0	\$ 0	\$ 94,667	\$ 104,633	\$ 104,633	\$ 9,966
Beer Board	917	0	0	917	1,956	1,956	1,039
County Mayor/Executive	187,770	0	0	187,770	201,807	201,807	14,037
County Attorney	7,060	0	0	7,060	7,060	7,060	0
Election Commission	261,149	(897)	0	260,252	276,692	276,692	16,440
Register of Deeds	202,721	0	0	202,721	198,571	209,191	6,470
County Buildings	440,596	(16,651)	4,817	428,762	481,068	481,068	52,306
Preservation of Records	54,394	0	0	54,394	58,516	59,141	4,747
<u>Finance</u>							
Accounting and Budgeting	333,247	(6,520)	0	326,727	336,764	336,765	10,038
Property Assessor's Office	324,370	0	62	324,432	337,106	337,106	12,674
County Trustee's Office	85,165	(227)	108	85,046	88,079	88,079	3,033
County Clerk's Office	107,869	0	50	107,919	138,964	141,760	33,841
Data Processing	168,766	(1,259)	0	167,507	162,516	174,154	6,647
<u>Administration of Justice</u>							
Circuit Court	578,199	0	0	578,199	565,673	598,507	20,308
General Sessions Court	326,119	0	0	326,119	343,803	342,185	16,066

(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 7/1/2016	Add: Encumbrances 6/30/2017	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	\$ 294,219	\$ 0	\$ 0	\$ 294,219	\$ 323,840	\$ 324,440	\$ 30,221
Juvenile Court	163,858	0	0	163,858	186,718	186,718	22,860
Courtroom Security	86,403	(1,183)	84	85,304	101,618	101,618	16,314
Victim Assistance Programs	30,943	0	55	30,998	9,000	48,516	17,518
<u>Public Safety</u>							
Sheriff's Department	3,696,065	(18,498)	7,684	3,685,251	3,615,157	3,923,600	238,349
Special Patrols	838	0	0	838	0	838	0
Drug Enforcement	1	0	0	1	0	1	0
Jail	2,583,925	(8,045)	7,772	2,583,652	2,684,308	2,684,308	100,656
Workhouse	49,241	(45)	0	49,196	49,200	49,200	4
Work Release Program	7,226	(200)	150	7,176	6,025	7,630	454
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	5,250	(252)	120	5,118	10,000	10,000	4,882
Rescue Squad	314,768	0	0	314,768	312,500	314,768	0
Other Emergency Management	339,245	0	0	339,245	339,245	339,245	0
County Coroner/Medical Examiner	73,481	0	0	73,481	78,907	78,907	5,426
<u>Public Health and Welfare</u>							
Local Health Center	441,396	0	11,788	453,184	455,522	464,823	11,639
Ambulance/Emergency Medical Services	2,203,592	(11,842)	15,021	2,206,771	2,348,556	2,355,056	148,285
Alcohol and Drug Programs	60,324	(273)	0	60,051	64,142	65,679	5,628
Other Local Health Services	33,529	(9,437)	0	24,092	28,845	38,845	14,753
Appropriation to State	361,141	(1,392)	0	359,749	329,007	396,207	36,458
Other Public Health and Welfare	75,974	0	0	75,974	75,975	75,974	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	8,000	0	0	8,000	8,000	8,000	0
Libraries	320,467	(66)	242	320,643	349,711	359,296	38,653
Other Social, Cultural, and Recreational	16,500	0	0	16,500	24,000	24,000	7,500
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	132,296	(200)	300	132,396	143,509	143,509	11,113

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Soil Conservation	\$ 52,975	\$ 0	\$ 0	\$ 52,975	\$ 45,920	\$ 58,175	\$ 5,200
Other Agriculture and Natural Resources	0	0	0	0	0	989	989
<u>Other Operations</u>							
Tourism	47,218	0	0	47,218	49,400	50,000	2,782
Industrial Development	172,536	0	0	172,536	172,536	172,536	0
Housing and Urban Development	153,451	0	0	153,451	160,451	160,451	7,000
Airport	69,000	0	0	69,000	69,000	69,000	0
Veterans' Services	104,501	(825)	0	103,676	102,765	117,254	13,578
Other Charges	469,257	(440)	25	468,842	489,500	492,690	23,848
Miscellaneous	59,108	0	0	59,108	64,000	64,000	4,892
<u>Principal on Debt</u>							
General Government	99,898	0	0	99,898	0	99,898	0
<u>Capital Projects</u>							
General Administration Projects	17,778	0	0	17,778	17,100	19,100	1,322
Total Expenditures	\$ 15,719,413	\$ (78,252)	\$ 48,278	\$ 15,689,439	\$ 16,019,665	\$ 16,667,375	\$ 977,936
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,915)	\$ 78,252	\$ (48,278)	\$ 22,059	\$ (302,032)	\$ (816,997)	\$ 839,056
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 286,044	\$ 0	\$ 0	\$ 286,044	\$ 0	\$ 286,044	\$ 0
Insurance Recovery	1,038	0	0	1,038	0	0	1,038
Total Other Financing Sources	\$ 287,082	\$ 0	\$ 0	\$ 287,082	\$ 0	\$ 286,044	\$ 1,038
Net Change in Fund Balance	\$ 279,167	\$ 78,252	\$ (48,278)	\$ 309,141	\$ (302,032)	\$ (530,953)	\$ 840,094
Fund Balance, July 1, 2016	4,357,432	(78,252)	0	4,279,180	3,421,952	3,421,952	857,228
Fund Balance, June 30, 2017	\$ 4,636,599	\$ 0	\$ (48,278)	\$ 4,588,321	\$ 3,119,920	\$ 2,890,999	\$ 1,697,322

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,750,790	\$ 0	\$ 0	\$ 1,750,790	\$ 1,710,188	\$ 1,710,188	\$ 40,602
Other Local Revenues	72,971	0	0	72,971	0	73,039	(68)
State of Tennessee	3,293,903	0	0	3,293,903	3,142,121	3,087,361	206,542
Other Governments and Citizens Groups	395,928	0	0	395,928	0	393,001	2,927
Total Revenues	\$ 5,513,592	\$ 0	\$ 0	\$ 5,513,592	\$ 4,852,309	\$ 5,263,589	\$ 250,003
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 229,247	\$ 0	\$ 100	\$ 229,347	\$ 253,889	\$ 251,689	\$ 22,342
Highway and Bridge Maintenance	2,998,617	(5,965)	3,000	2,995,652	2,732,243	3,138,892	143,240
Operation and Maintenance of Equipment	544,903	0	13,220	558,123	660,492	668,724	110,601
Other Charges	108,538	(330)	0	108,208	116,877	116,877	8,669
Capital Outlay	1,476,898	0	0	1,476,898	1,492,578	1,542,719	65,821
<u>Principal on Debt</u>							
Highways and Streets	98,037	0	0	98,037	100,000	100,000	1,963
<u>Interest on Debt</u>							
Highways and Streets	8,559	0	0	8,559	10,000	10,000	1,441
Total Expenditures	\$ 5,464,799	\$ (6,295)	\$ 16,320	\$ 5,474,824	\$ 5,366,079	\$ 5,828,901	\$ 354,077
Excess (Deficiency) of Revenues Over Expenditures	\$ 48,793	\$ 6,295	\$ (16,320)	\$ 38,768	\$ (513,770)	\$ (565,312)	\$ 604,080
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 25,793	\$ 0	\$ 0	\$ 25,793	\$ 0	\$ 21,542	\$ 4,251
Total Other Financing Sources	\$ 25,793	\$ 0	\$ 0	\$ 25,793	\$ 0	\$ 21,542	\$ 4,251
Net Change in Fund Balance	\$ 74,586	\$ 6,295	\$ (16,320)	\$ 64,561	\$ (513,770)	\$ (543,770)	\$ 608,331
Fund Balance, July 1, 2016	1,024,197	(6,295)	0	1,017,902	817,055	817,055	200,847
Fund Balance, June 30, 2017	\$ 1,098,783	\$ 0	\$ (16,320)	\$ 1,082,463	\$ 303,285	\$ 273,285	\$ 809,178

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, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,533,595
Equity in Pooled Cash and Investments	97,473
Accounts Receivable	3,409
Due from Other Governments	<u>833,835</u>
Total Assets	<u><u>\$ 2,468,312</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 2,165
Due to Other Taxing Units	833,835
Due to Litigants, Heirs, and Others	1,575,807
Due to Joint Ventures	<u>56,505</u>
Total Liabilities	<u><u>\$ 2,468,312</u></u>

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

LAWRENCE COUNTY, TENNESSEE

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LAWRENCE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's 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
PO Box 691
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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2017.

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/expenses. 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. In addition, investments are held separately by several of the county's funds. 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 investment earnings, 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 property taxes, pension changes in experience, and pension changes in proportionate share of net pension liability, 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.

As of June 30, 2017, Lawrence County had \$12,723,438 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

A. 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, 2017, 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	Building Renovations	\$ 242,000

B. Pending Investigation

An investigation is ongoing in the Lawrence County Sheriff's Office. Findings, if any, resulting from the investigation will be included in a subsequent report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Lawrence County and the discretely presented Lawrence County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net position represent 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, 2017.

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 \$53,812 and is offset by committed fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 1,011,243	\$ 0	\$ 0	\$ 1,011,243
Construction in Progress	408,062	740,522	493,588	654,996
Total Capital Assets Not Depreciated	<u>\$ 1,419,305</u>	<u>\$ 740,522</u>	<u>\$ 493,588</u>	<u>\$ 1,666,239</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 25,853,882	\$ 493,588	\$ 0	\$ 26,347,470
Infrastructure	82,254,153	554,879	0	82,809,032
Other Capital Assets	11,839,016	781,898	327,394	12,293,520
Total Capital Assets Depreciated	<u>\$ 119,947,051</u>	<u>\$ 1,830,365</u>	<u>\$ 327,394</u>	<u>\$ 121,450,022</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,358,089	\$ 638,355	\$ 0	\$ 6,996,444
Infrastructure	55,603,136	3,457,056	0	59,060,192
Other Capital Assets	8,705,531	702,538	195,064	9,213,005
Total Accumulated Depreciation	<u>\$ 70,666,756</u>	<u>\$ 4,797,949</u>	<u>\$ 195,064</u>	<u>\$ 75,269,641</u>
Total Capital Assets Depreciated, Net	<u>\$ 49,280,295</u>	<u>\$ (2,967,584)</u>	<u>\$ 132,330</u>	<u>\$ 46,180,381</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 50,699,600</u></u>	<u><u>\$ (2,227,062)</u></u>	<u><u>\$ 625,918</u></u>	<u><u>\$ 47,846,620</u></u>

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

Governmental Activities:

General Government	\$ 238,441
Finance	2,700
Public Safety	597,538
Public Health and Welfare	188,143
Social, Cultural, and Recreational Services	98,322
Agriculture and Natural Resources	2,896
Other Operations	1,818
Highways	<u>3,668,091</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,797,949</u>

Discretely Presented Lawrence County School Department

Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 1,276,454	\$ 0	\$ 0	\$ 1,276,454
Construction in Progress	1,044,626	444,498	480,204	1,008,920
Total Capital Assets Not Depreciated	<u>\$ 2,321,080</u>	<u>\$ 444,498</u>	<u>\$ 480,204</u>	<u>\$ 2,285,374</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 63,516,192	\$ 452,204	\$ 135,468	\$ 63,832,928
Other Capital Assets	12,770,791	520,718	143,655	13,147,854
Total Capital Assets Depreciated	<u>\$ 76,286,983</u>	<u>\$ 972,922</u>	<u>\$ 279,123</u>	<u>\$ 76,980,782</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 29,433,823	\$ 1,651,413	\$ 135,468	\$ 30,949,768
Other Capital Assets	9,606,163	494,056	143,655	9,956,564
Total Accumulated Depreciation	<u>\$ 39,039,986</u>	<u>\$ 2,145,469</u>	<u>\$ 279,123</u>	<u>\$ 40,906,332</u>
Total Capital Assets Depreciated, Net	<u>\$ 37,246,997</u>	<u>\$ (1,172,547)</u>	<u>\$ 0</u>	<u>\$ 36,074,450</u>
Governmental Activities Capital Assets, Net	<u>\$ 39,568,077</u>	<u>\$ (728,049)</u>	<u>\$ 480,204</u>	<u>\$ 38,359,824</u>

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

Governmental Activities:

Instruction	\$ 1,518,117
Support Services	498,764
Operation of Non-instructional Services	<u>128,588</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,145,469</u>

D. Interfund Transfers

The composition of interfund balances as of June 30, 2017, was as follows:

Interfund Transfers:**Discretely Presented Lawrence County School Department**

	<u>Transfer In</u>
	General
	Purpose
	School
<u>Transfer Out</u>	<u>Fund</u>
Nonmajor governmental funds	\$ 10,264

During the year, the School Federal Projects Fund transferred \$10,264 to the General Purpose School Fund to reimburse for indirect costs.

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 four-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.

On March 13, 2017, Lawrence County entered into a three-year lease-purchase agreement for six patrol vehicles. The terms of the agreement require total lease payments of \$286,044 plus interest of 4.85 percent. Title to the equipment transfers to Lawrence County at the end of the lease period. The lease payments are made from the General Fund.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 403,925
Less: Accumulated Depreciation	(115,836)
Vehicles	286,044
Less: Accumulated Depreciation	<u>(19,033)</u>
Total Book Value	<u><u>\$ 555,100</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2018	\$ 206,494
2019	<u>206,494</u>
Total Minimum Lease Payments	\$ 412,988
Less: Amount Representing Interest	<u>(22,370)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 390,618</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, 2017, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate		Final Maturity		Original Amount of Issue	Balance 6-30-17
General Obligation Bonds	3.38 to 4.28 %		6-21-50	\$	9,952,000	\$ 8,030,806
General Obligation Bonds - Refunding	1.08 to 3.79		4-1-37		28,855,000	23,485,000
Capital Outlay Notes	1.60 to 1.83		12-1-26		7,500,000	6,440,000
Capital Leases	2.49 to 4.85		5-7-19		689,969	390,618

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2017, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 3,094,678	\$ 876,131	\$ 3,970,809
2019	3,159,835	812,476	3,972,311
2020	2,324,999	736,121	3,061,120
2021	1,725,168	677,756	2,402,924
2022	1,775,342	624,038	2,399,380
2023-2027	9,024,537	2,284,196	11,308,733
2028-2032	6,069,871	1,218,123	7,287,994
2033-2037	4,196,164	430,879	4,627,043
2038-2042	48,598	21,332	69,930
2043-2047	57,370	12,560	69,930
2048-2050	39,244	2,678	41,922
Total	\$ 31,515,806	\$ 7,696,290	\$ 39,212,096

Year Ending June 30	Notes		
	Principal	Interest	Total
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
2023-2027	2,180,000	99,096	2,279,096
Total	\$ 6,440,000	\$ 542,810	\$ 6,982,810

There is \$2,944,952 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$753, based on the 2010 federal census. Total debt per capita, including bonds, notes, capital leases,

and unamortized debt premiums, totaled \$927, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

Governmental Activities:

	Bonds	Notes	Capital Leases
Balance, July 1, 2016	\$ 33,975,331	\$ 7,250,000	\$ 302,509
Additions	8,710,000	0	286,044
Reductions	(11,169,525)	(810,000)	(197,935)
Balance, June 30, 2017	<u>\$ 31,515,806</u>	<u>\$ 6,440,000</u>	<u>\$ 390,618</u>
Balance Due Within One Year	<u>\$ 3,094,678</u>	<u>\$ 820,000</u>	<u>\$ 191,680</u>

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2016	\$ 755,210	\$ 780,238	\$ 419,616
Additions	824,787	9,467	26,050
Reductions	(827,693)	(52,016)	(14,666)
Balance, June 30, 2017	<u>\$ 752,304</u>	<u>\$ 737,689</u>	<u>\$ 431,000</u>
Balance Due Within One Year	<u>\$ 752,304</u>	<u>\$ 25,000</u>	<u>\$ 0</u>

	Net Pension Liability - Agent Plan*
Balance, July 1, 2016	\$ (262,065)
Additions	1,937,685
Reductions	(1,294,012)
Balance, June 30, 2017	<u>\$ 381,608</u>
Balance Due Within One Year	<u>\$ 0</u>

*The Agent Plan had a Net Pension Asset balance on July 1, 2016.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 40,649,025
Less: Due Within One Year	(4,883,662)
Add: Unamortized Premium on Debt	<u>483,301</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 36,248,664</u></u>

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

Current Refunding

On April 28, 2017, Lawrence County currently refunded a general obligation bond with a separate bond issue. The county issued \$8,215,000 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 twenty-one years will be reduced by \$1,468,096, and an economic gain (difference between the present value of the debt service payments for the refunded and refunding bonds) of \$1,071,914 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, 2017, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2016	\$ 66,028	\$ 11,441,447
Additions	68,611	2,060,277
Reductions	<u>(59,279)</u>	<u>(921,262)</u>
Balance, June 30, 2017	<u>\$ 75,360</u>	<u>\$ 12,580,462</u>
Balance Due Within One Year	<u>\$ 75,360</u>	<u>\$ 0</u>

Governmental Activities:

	Net Pension Liability - Teacher Legacy Plan	Net Pension Liability - Agent Plan*
Balance, July 1, 2016	\$ 276,490	\$ (196,170)
Additions	11,142,352	1,375,164
Reductions	(7,072,028)	(908,169)
Balance, June 30, 2017	<u>\$ 4,346,814</u>	<u>\$ 270,825</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

*The Agent Plan had a Net Pension Asset balance on July 1, 2016.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 17,273,461
Less: Balance Due Within One Year	<u>(75,360)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 17,198,101</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, 2017, were \$245,348 and \$71,138, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

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. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, established reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting requirements criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

C. Contingent Liabilities

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

D. 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 \$737,689 reported as postclosure care liability at June 30, 2017, represents amounts based on what it would cost to perform all postclosure care in 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. 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, 2017.

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 \$172,536 to the

Lawrence County Joint Economic Development Board during the year ended June 30, 2017.

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, 2017.

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

F. 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, 2017.

G. 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 58.49 percent and the non-certified employees of the discretely presented School Department comprised 41.51 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.

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, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	319
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	440
Active Employees	568
Total	<u><u>1,327</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, 2017, the Actuarial Determined Contribution (ADC) for Lawrence County was \$1,433,144 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, 2016, 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, 2016, 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, 2016, 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, 2015	\$ 41,995,299	\$ 42,453,534	\$ (458,235)
Changes for the Year:			
Service Cost	\$ 1,232,011	\$ 0	\$ 1,232,011
Interest	3,165,275	0	3,165,275
Differences Between Expected and Actual Experience	159,180	0	159,180
Contributions-Employer	0	1,397,768	(1,397,768)
Contributions-Employees	0	961,918	(961,918)
Net Investment Income	0	1,129,720	(1,129,720)
Benefit Payments, Including Refunds of Employee Contributions	(2,047,274)	(2,047,274)	0
Administrative Expense	0	(43,608)	43,608
Other Changes	0	0	0
Net Changes	\$ 2,509,192	\$ 1,398,524	\$ 1,110,668
Balance, June 30, 2016	\$ 44,504,491	\$ 43,852,058	\$ 652,433

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.49%	\$ 26,030,677	\$ 25,649,069	\$ 381,608
School Department	41.51%	18,473,814	18,202,989	270,825
Total		\$ 44,504,491	\$ 43,852,058	\$ 652,433

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 \$ 6,302,418 \$ 652,433 \$ (4,047,490)

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

Pension Expense. For the year ended June 30, 2017, Lawrence County recognized pension expense of \$212,705.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 132,650	\$ 798,623
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,458,300	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	1,433,144	N/A
Total	<u>\$ 3,024,094</u>	<u>\$ 798,623</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” 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	\$ 1,763,287	\$ 467,115
School Department	1,260,807	331,508
Total	<u>\$ 3,024,094</u>	<u>\$ 798,623</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
2018	\$ (72,176)
2019	(72,176)
2020	571,935
2021	338,218
2022	26,530
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 58.49 percent and the non-certified employees of the discretely presented School Department comprise 41.51 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 publicly available financial report that can be obtained at 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, 2017, to the Teacher Retirement Plan were \$77,410, 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, 2017, the Lawrence County School Department reported an asset of \$28,613 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, 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, 2016, the Lawrence County School Department's proportion was 0.274849 percent. The proportion measured as of June 30, 2015, was 0.163003 percent.

Pension Expense. For the year ended June 30, 2017, the Lawrence County School Department recognized pension expense of \$23,694.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 2,772	\$ 3,299
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,685	0
Changes in Proportion of Net Pension Liability (Asset)	0	3,137
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	77,410	N/A
Total	<u>\$ 84,867</u>	<u>\$ 6,436</u>

The Lawrence County School Department's employer contributions of \$77,410, 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, 2018. 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
2018	\$ 897
2019	897
2020	897
2021	673
2022	(330)
Thereafter	(2,012)

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, 2016, 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, 2016, 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	\$	13,511	\$	(28,613)	\$	(59,650)
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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 publicly available financial report that can be obtained at 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, 2017, to the Teacher Legacy Pension Plan were \$2,297,780, 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, 2017, the Lawrence County School Department reported a liability of \$4,346,814 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2016, 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, 2016, the Lawrence County School Department's proportion was 0.695552 percent. The proportion measured at June 30, 2015, was 0.674967 percent.

Pension Expense. For the year ended June 30, 2017, the Lawrence County School Department recognized pension expense of \$609,366.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017 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	\$ 182,929	\$ 5,262,551
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,853,277	0
Changes in Proportion of Net Pension Liability (Asset)	419,615	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	2,297,780	N/A
Total	<u>\$ 7,753,601</u>	<u>\$ 5,262,551</u>

The Lawrence County School Department's employer contributions of \$2,297,780 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, 2018. 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
2018	\$ (716,263)
2019	(716,263)
2020	1,611,851
2021	325,652
2022	(311,708)
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, 2016, 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, 2016, 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 \$ 23,869,102 \$ 4,346,814 \$ (11,824,570)

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.

H. **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-accfin-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 \$14,666 and \$921,262, respectively, for postemployment health care during the year ended June 30, 2017.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 2,062,000	\$ 26,113
Interest on the NOPEBO	429,054	15,736
Adjustment to the ARC	(430,777)	(15,799)
Annual OPEB cost	\$ 2,060,277	\$ 26,050
Amount of contribution	(921,262)	(14,666)
Increase/decrease in NOPEBO	\$ 1,139,015	\$ 11,384
Net OPEB obligation, 7-1-16	11,441,447	419,616
Net OPEB obligation, 6-30-17	<u>\$ 12,580,462</u>	<u>\$ 431,000</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Local Education Group	\$ 1,940,227	38	% \$ 10,163,845
6-30-16	"	1,992,469	36	11,441,447
6-30-17	"	2,060,277	45	12,580,462
6-30-15	Local Government Group	32,366	62	367,583
6-30-16	"	61,944	16	419,616
6-30-17	"	26,050	56	431,000

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 17,206,000	\$ 0
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 17,206,000	\$ 431,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 30,899,000	\$ 8,191,000
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 six percent in fiscal year 2017, and then be reduced by decrements to an ultimate rate of 4.645 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 35-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

I. 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.

J. 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.

REQUIRED SUPPLEMENTARY INFORMATION

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	2016
Total Pension Liability (Asset)			
Service Cost	\$ 1,271,060	\$ 1,211,026	\$ 1,232,011
Interest	2,948,844	3,048,419	3,165,275
Changes in Benefit Terms	0	0	0
Differences Between Actual and Expected Experience	(787,746)	(607,124)	159,180
Changes of Assumptions	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(2,183,175)	(2,047,274)
Net Change in Total Pension Liability (Asset)	\$ 1,526,452	\$ 1,469,146	\$ 2,509,192
Total Pension Liability (Asset), Beginning	38,999,701	40,526,153	41,995,299
Total Pension Liability (Asset), Ending (a)	\$ 40,526,153	\$ 41,995,299	\$ 44,504,491
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,393,943	\$ 1,320,163	\$ 1,397,768
Contributions - Employee	676,878	676,371	961,918
Net Investment Income	5,879,061	1,271,681	1,129,720
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(2,183,175)	(2,047,274)
Administrative Expense	(22,110)	(28,821)	(43,608)
Net Change in Plan Fiduciary Net Position	\$ 6,022,066	\$ 1,056,219	\$ 1,398,524
Plan Fiduciary Net Position, Beginning	35,375,249	41,397,315	42,453,534
Plan Fiduciary Net Position, Ending (b)	\$ 41,397,315	\$ 42,453,534	\$ 43,852,058
Net Pension Liability (Asset), Ending (a - b)	\$ (871,162)	\$ (458,235)	\$ 652,433
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.15%	101.09%	98.53%
Covered Payroll	\$ 13,507,051	\$ 13,508,240	\$ 14,307,019
Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.45%	3.39%	4.56%

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	2017
Actuarially Determined Contribution	\$ 1,393,943	\$ 1,320,163	\$ 1,397,768	\$ 1,433,144
Less Contributions in Relation to the Actuarially Determined Contribution	(1,393,943)	(1,320,163)	(1,397,768)	(1,433,144)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 13,507,051	\$ 13,508,240	\$ 14,307,019	\$ 13,954,677
Contributions as a Percentage of Covered Payroll	10.32%	9.77%	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	2017
Contractually Required Contribution	\$ 13,833	\$ 48,374	\$ 77,410
Less Contributions in Relation to the Contractually Required Contribution	(13,833)	(48,374)	(77,410)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 345,812	\$ 1,209,349	\$ 1,935,225
Contributions as a Percentage of Covered Payroll	4%	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	2017
Contractually Required Contribution	\$ 2,266,972	\$ 2,284,174	\$ 2,269,765	\$ 2,297,780
Less Contributions in Relation to the Contractually Required Contribution	(2,266,972)	(2,284,174)	(2,269,765)	(2,297,780)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 25,528,961	\$ 25,267,416	\$ 25,108,537	\$ 25,417,922
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

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

Exhibit E-5

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

	2016	2017
School Department's Proportion of the Net Pension Liability (Asset)	0.166438%	0.274849%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (6,696)	\$ (28,613)
Covered Payroll	\$ 345,812	\$ 1,209,349
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

* 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	2017
School Department's Proportion of the Net Pension Liability (Asset)	0.650421%	0.674967%	0.695552%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (105,690)	\$ 276,490	\$ 4,346,814
Covered Payroll	\$ 25,528,961	\$ 25,267,416	\$ 25,108,537
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094253%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

* 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, 2017

(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, 2017

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, 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	Varies by Year
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,
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%

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

Nonmajor Governmental Funds

Special Revenue Funds

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.

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

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

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

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.

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

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

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

Exhibit F-1

Lawrence County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	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	\$ 89,162	\$ 89,687
Equity in Pooled Cash and Investments	32,345	460,184	183,092	44,720	0	720,341
Accounts Receivable	1,538	1,997,042	0	751	17,058	2,016,389
Allowance for Uncollectibles	0	(1,518,346)	0	0	0	(1,518,346)
Property Taxes Receivable	0	157,018	0	0	0	157,018
Allowance for Uncollectible Property Taxes	0	(3,831)	0	0	0	(3,831)
Notes Receivable - Long-term	0	0	53,812	0	0	53,812
Total Assets	\$ 33,883	\$ 1,092,592	\$ 236,904	\$ 45,471	\$ 106,220	\$ 1,515,070
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 77,515	\$ 0	\$ 1,437	\$ 0	\$ 78,952
Total Liabilities	\$ 0	\$ 77,515	\$ 0	\$ 1,437	\$ 0	\$ 78,952
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 148,782	\$ 0	\$ 0	\$ 0	\$ 148,782
Deferred Delinquent Property Taxes	0	4,405	0	0	0	4,405
Other Deferred/Unavailable Revenue	0	409,322	0	0	0	409,322
Total Deferred Inflows of Resources	\$ 0	\$ 562,509	\$ 0	\$ 0	\$ 0	\$ 562,509

(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	33,883	0	0	44,034	0	0	77,917
Restricted for Capital Projects	0	0	0	0	0	0	0
Committed:							
Committed for General Government	0	0	0	0	78,720	0	78,720
Committed for Finance	0	0	0	0	27,500	0	27,500
Committed for Public Health and Welfare	0	452,568	236,904	0	0	0	689,472
Committed for Debt Service	0	0	0	0	0	0	0
Total Fund Balances	<u>\$ 33,883</u>	<u>\$ 452,568</u>	<u>\$ 236,904</u>	<u>\$ 44,034</u>	<u>\$ 106,220</u>	<u>\$ 0</u>	<u>\$ 873,609</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 33,883</u>	<u>\$ 1,092,592</u>	<u>\$ 236,904</u>	<u>\$ 45,471</u>	<u>\$ 106,220</u>	<u>\$ 0</u>	<u>\$ 1,515,070</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	809,018	505,418	1,314,436	1,416,639	421,793
Accounts Receivable	0	0	0	0	0
Allowance for Uncollectibles	0	0	0	0	0
Property Taxes Receivable	432,968	432,968	865,936	0	0
Allowance for Uncollectible Property Taxes	(10,563)	(10,563)	(21,126)	0	0
Notes Receivable - Long-term	0	0	0	0	0
Total Assets	\$ 1,231,423	\$ 927,823	\$ 2,159,246	\$ 1,416,639	\$ 421,793
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 11,191	\$ 191,730
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 11,191	\$ 191,730
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 410,259	\$ 410,259	\$ 820,518	\$ 0	\$ 0
Deferred Delinquent Property Taxes	12,146	12,146	24,292	0	0
Other Deferred/Unavailable Revenue	0	0	0	0	0
Total Deferred Inflows of Resources	\$ 422,405	\$ 422,405	\$ 844,810	\$ 0	\$ 0

(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	1,405,448	230,063
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	809,018	505,418	1,314,436	0	0
Total Fund Balances	<u>\$ 809,018</u>	<u>\$ 505,418</u>	<u>\$ 1,314,436</u>	<u>\$ 1,405,448</u>	<u>\$ 230,063</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,231,423</u>	<u>\$ 927,823</u>	<u>\$ 2,159,246</u>	<u>\$ 1,416,639</u>	<u>\$ 421,793</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>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 89,687
Equity in Pooled Cash and Investments	42,039	1,880,471	75,799	3,991,047
Accounts Receivable	0	0	0	2,016,389
Allowance for Uncollectibles	0	0	0	(1,518,346)
Property Taxes Receivable	0	0	0	1,022,954
Allowance for Uncollectible Property Taxes	0	0	0	(24,957)
Notes Receivable - Long-term	0	0	0	53,812
Total Assets	<u>\$ 42,039</u>	<u>\$ 1,880,471</u>	<u>\$ 75,799</u>	<u>\$ 5,630,586</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 202,921	\$ 0	\$ 281,873
Total Liabilities	<u>\$ 0</u>	<u>\$ 202,921</u>	<u>\$ 0</u>	<u>\$ 281,873</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 969,300
Deferred Delinquent Property Taxes	0	0	0	28,697
Other Deferred/Unavailable Revenue	0	0	0	409,322
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,407,319</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	42,039	42,039	0	119,956
Restricted for Capital Projects	0	1,635,511	0	1,635,511
Committed:				
Committed for General Government	0	0	0	78,720
Committed for Finance	0	0	0	27,500
Committed for Public Health and Welfare	0	0	0	689,472
Committed for Debt Service	0	0	0	1,314,436
Total Fund Balances	<u>\$ 42,039</u>	<u>\$ 1,677,550</u>	<u>\$ 75,799</u>	<u>\$ 3,941,394</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 42,039</u>	<u>\$ 1,880,471</u>	<u>\$ 75,799</u>	<u>\$ 5,630,586</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, 2017

	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	\$ 17,337	\$ 154,235	\$ 0	\$ 0	\$ 0	\$ 171,572
Fines, Forfeitures, and Penalties	1,161	0	0	45,715	0	46,876
Charges for Current Services	0	1,040,786	0	0	527,451	1,568,237
Other Local Revenues	0	212,912	2,389	6,005	0	221,306
Federal Government	0	0	154,625	0	0	154,625
Other Governments and Citizens Groups	0	19,464	0	0	0	19,464
Total Revenues	\$ 18,498	\$ 1,427,397	\$ 157,014	\$ 51,720	\$ 527,451	\$ 2,182,080
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 517,569	\$ 517,569
Administration of Justice	0	0	0	0	1,806	1,806
Public Safety	0	0	0	42,647	0	42,647
Public Health and Welfare	0	1,396,336	0	0	0	1,396,336
Other Operations	30,281	0	0	0	0	30,281
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Capital Projects	0	0	222,012	0	0	222,012
Total Expenditures	\$ 30,281	\$ 1,396,336	\$ 222,012	\$ 42,647	\$ 519,375	\$ 2,210,651

(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
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,783)	\$ 31,061	\$ (64,998)	\$ 9,073	\$ 8,076	\$ (28,571)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Premiums on Debt Sold	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ (11,783)	\$ 31,061	\$ (64,998)	\$ 9,073	\$ 8,076	\$ (28,571)
Fund Balance, July 1, 2016	45,666	421,507	301,902	34,961	98,144	902,180
Fund Balance, June 30, 2017	\$ 33,883	\$ 452,568	\$ 236,904	\$ 44,034	\$ 106,220	\$ 873,609

(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	\$ 427,153	\$ 427,153	\$ 854,306	\$ 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
Federal Government	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	0
Total Revenues	\$ 427,153	\$ 427,153	\$ 854,306	\$ 0	\$ 0
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	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
Debt Service:					
Principal on Debt	0	275,000	275,000	0	0
Interest on Debt	0	28,600	28,600	0	0
Other Debt Service	8,481	8,481	16,962	0	0
Capital Projects	0	0	0	562,341	1,542,847
Total Expenditures	\$ 8,481	\$ 312,081	\$ 320,562	\$ 562,341	\$ 1,542,847

(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
Excess (Deficiency) of Revenues Over Expenditures	\$ 418,672	\$ 115,072	\$ 533,744	\$ (562,341)	\$ (1,542,847)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 495,000	\$ 0
Premiums on Debt Sold	0	0	0	9,430	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 504,430	\$ 0
Net Change in Fund Balances	\$ 418,672	\$ 115,072	\$ 533,744	\$ (57,911)	\$ (1,542,847)
Fund Balance, July 1, 2016	390,346	390,346	780,692	1,463,359	1,772,910
Fund Balance, June 30, 2017	\$ 809,018	\$ 505,418	\$ 1,314,436	\$ 1,405,448	\$ 230,063

(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	\$ 1,025,878
Fines, Forfeitures, and Penalties	0	0	0	46,876
Charges for Current Services	0	0	0	1,568,237
Other Local Revenues	0	0	0	221,306
Federal Government	0	0	0	154,625
Other Governments and Citizens Groups	0	0	0	19,464
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,036,386</u>
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 0	\$ 0	\$ 517,569
Administration of Justice	0	0	0	1,806
Public Safety	0	0	0	42,647
Public Health and Welfare	0	0	0	1,396,336
Other Operations	0	0	0	30,281
Debt Service:				
Principal on Debt	0	0	0	275,000
Interest on Debt	0	0	0	28,600
Other Debt Service	0	0	0	16,962
Capital Projects	34,614	2,139,802	0	2,361,814
Total Expenditures	<u>\$ 34,614</u>	<u>\$ 2,139,802</u>	<u>\$ 0</u>	<u>\$ 4,671,015</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>		
Excess (Deficiency) of Revenues Over Expenditures	\$ (34,614)	\$ (2,139,802)	\$ 0	\$	(1,634,629)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 495,000	\$ 0	\$	495,000
Premiums on Debt Sold	0	9,430	0		9,430
Total Other Financing Sources (Uses)	\$ 0	\$ 504,430	\$ 0	\$	504,430
Net Change in Fund Balances	\$ (34,614)	\$ (1,635,372)	\$ 0	\$	(1,130,199)
Fund Balance, July 1, 2016	76,653	3,312,922	75,799		5,071,593
Fund Balance, June 30, 2017	\$ 42,039	\$ 1,677,550	\$ 75,799	\$	3,941,394

Exhibit F-3

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 17,337	\$ 16,700	\$ 16,700	\$ 637
Fines, Forfeitures, and Penalties	1,161	1,467	1,467	(306)
Total Revenues	<u>\$ 18,498</u>	<u>\$ 18,167</u>	<u>\$ 18,167</u>	<u>\$ 331</u>
<u>Expenditures</u>				
Other Operations				
Other Charges	\$ 30,281	\$ 20,180	\$ 31,275	\$ 994
Total Expenditures	<u>\$ 30,281</u>	<u>\$ 20,180</u>	<u>\$ 31,275</u>	<u>\$ 994</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (11,783)</u>	<u>\$ (2,013)</u>	<u>\$ (13,108)</u>	<u>\$ 1,325</u>
Net Change in Fund Balance	\$ (11,783)	\$ (2,013)	\$ (13,108)	\$ 1,325
Fund Balance, July 1, 2016	<u>45,666</u>	<u>34,560</u>	<u>34,560</u>	<u>11,106</u>
Fund Balance, June 30, 2017	<u><u>\$ 33,883</u></u>	<u><u>\$ 32,547</u></u>	<u><u>\$ 21,452</u></u>	<u><u>\$ 12,431</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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 154,235	\$ 0	\$ 0	\$ 154,235	\$ 140,110	\$ 140,110	\$ 14,125
Charges for Current Services	1,040,786	0	0	1,040,786	1,150,213	1,150,213	(109,427)
Other Local Revenues	212,912	0	0	212,912	140,750	140,750	72,162
State of Tennessee	0	0	0	0	0	14,063	(14,063)
Other Governments and Citizens Groups	19,464	0	0	19,464	19,753	19,753	(289)
Total Revenues	\$ 1,427,397	\$ 0	\$ 0	\$ 1,427,397	\$ 1,450,826	\$ 1,464,889	\$ (37,492)
<u>Expenditures</u>							
Public Health and Welfare							
Landfill Operation and Maintenance	\$ 1,396,336	\$ (2,046)	\$ 1,301	\$ 1,395,591	\$ 1,456,789	\$ 1,474,369	\$ 78,778
Total Expenditures	\$ 1,396,336	\$ (2,046)	\$ 1,301	\$ 1,395,591	\$ 1,456,789	\$ 1,474,369	\$ 78,778
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,061	\$ 2,046	\$ (1,301)	\$ 31,806	\$ (5,963)	\$ (9,480)	\$ 41,286
Net Change in Fund Balance	\$ 31,061	\$ 2,046	\$ (1,301)	\$ 31,806	\$ (5,963)	\$ (9,480)	\$ 41,286
Fund Balance, July 1, 2016	421,507	(2,046)	0	419,461	370,321	370,321	49,140
Fund Balance, June 30, 2017	\$ 452,568	\$ 0	\$ (1,301)	\$ 451,267	\$ 364,358	\$ 360,841	\$ 90,426

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 2,389	\$ 29,302	\$ 31,691	\$ (29,302)
Federal Government	154,625	292,905	292,905	(138,280)
Total Revenues	<u>\$ 157,014</u>	<u>\$ 322,207</u>	<u>\$ 324,596</u>	<u>\$ (167,582)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 37,772	\$ 8,667	\$ 37,772	\$ 0
Public Utility Projects	184,240	260,242	274,086	89,846
Total Expenditures	<u>\$ 222,012</u>	<u>\$ 268,909</u>	<u>\$ 311,858</u>	<u>\$ 89,846</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (64,998)</u>	<u>\$ 53,298</u>	<u>\$ 12,738</u>	<u>\$ (77,736)</u>
Net Change in Fund Balance	\$ (64,998)	\$ 53,298	\$ 12,738	\$ (77,736)
Fund Balance, July 1, 2016	<u>301,902</u>	<u>209,562</u>	<u>301,902</u>	<u>0</u>
Fund Balance, June 30, 2017	<u><u>\$ 236,904</u></u>	<u><u>\$ 262,860</u></u>	<u><u>\$ 314,640</u></u>	<u><u>\$ (77,736)</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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 45,715	\$ 29,500	\$ 29,500	\$ 16,215
Other Local Revenues	6,005	0	0	6,005
Total Revenues	<u>\$ 51,720</u>	<u>\$ 29,500</u>	<u>\$ 29,500</u>	<u>\$ 22,220</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 42,647	\$ 44,300	\$ 44,300	\$ 1,653
Total Expenditures	<u>\$ 42,647</u>	<u>\$ 44,300</u>	<u>\$ 44,300</u>	<u>\$ 1,653</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 9,073</u>	<u>\$ (14,800)</u>	<u>\$ (14,800)</u>	<u>\$ 23,873</u>
Net Change in Fund Balance	\$ 9,073	\$ (14,800)	\$ (14,800)	\$ 23,873
Fund Balance, July 1, 2016	<u>34,961</u>	<u>35,176</u>	<u>35,176</u>	<u>(215)</u>
Fund Balance, June 30, 2017	<u><u>\$ 44,034</u></u>	<u><u>\$ 20,376</u></u>	<u><u>\$ 20,376</u></u>	<u><u>\$ 23,658</u></u>

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 427,153	\$ 388,222	\$ 388,222	\$ 38,931
Total Revenues	\$ 427,153	\$ 388,222	\$ 388,222	\$ 38,931
<u>Expenditures</u>				
Other Debt Service				
Education	\$ 8,481	\$ 0	\$ 8,550	\$ 69
Total Expenditures	\$ 8,481	\$ 0	\$ 8,550	\$ 69
Excess (Deficiency) of Revenues Over Expenditures	\$ 418,672	\$ 388,222	\$ 379,672	\$ 39,000
Net Change in Fund Balance	\$ 418,672	\$ 388,222	\$ 379,672	\$ 39,000
Fund Balance, July 1, 2016	390,346	390,138	390,138	208
Fund Balance, June 30, 2017	\$ 809,018	\$ 778,360	\$ 769,810	\$ 39,208

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 427,153	\$ 388,222	\$ 388,222	\$ 38,931
Total Revenues	\$ 427,153	\$ 388,222	\$ 388,222	\$ 38,931
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Highways and Streets	\$ 275,000	\$ 275,000	\$ 275,000	\$ 0
<u>Interest on Debt</u>				
Highways and Streets	28,600	28,600	28,600	0
<u>Other Debt Service</u>				
Highways and Streets	8,481	0	8,550	69
Total Expenditures	\$ 312,081	\$ 303,600	\$ 312,150	\$ 69
Excess (Deficiency) of Revenues Over Expenditures	\$ 115,072	\$ 84,622	\$ 76,072	\$ 39,000
Net Change in Fund Balance	\$ 115,072	\$ 84,622	\$ 76,072	\$ 39,000
Fund Balance, July 1, 2016	390,346	390,138	390,138	208
Fund Balance, June 30, 2017	\$ 505,418	\$ 474,760	\$ 466,210	\$ 39,208

Major Governmental Fund

Debt Service Fund

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.

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,349,352	\$ 4,300,174	\$ 4,300,174	\$ 49,178
Other Local Revenues	30,000	45,000	45,000	(15,000)
State of Tennessee	285,845	300,993	300,993	(15,148)
Total Revenues	\$ 4,665,197	\$ 4,646,167	\$ 4,646,167	\$ 19,030
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,177,413	\$ 2,303,185	\$ 1,177,413	\$ 0
Highways and Streets	74,800	0	74,800	0
Education	2,212,312	1,161,340	2,212,313	1
<u>Interest on Debt</u>				
General Government	715,529	788,415	717,195	1,666
Highways and Streets	19,324	0	19,324	0
Education	432,759	380,861	432,759	0
<u>Other Debt Service</u>				
General Government	8,446,586	80,000	8,454,898	8,312
Education	850	3,000	3,000	2,150
Total Expenditures	\$ 13,079,573	\$ 4,716,801	\$ 13,091,702	\$ 12,129
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,414,376)	\$ (70,634)	\$ (8,445,535)	\$ 31,159
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 8,215,000	0	\$ 8,215,000	\$ 0
Premiums on Debt Sold	159,899	0	159,899	0
Total Other Financing Sources	\$ 8,374,899	0	\$ 8,374,899	\$ 0
Net Change in Fund Balance	\$ (39,477)	\$ (70,634)	\$ (70,636)	\$ 31,159
Fund Balance, July 1, 2016	2,984,429	3,049,209	3,049,209	(64,780)
Fund Balance, June 30, 2017	\$ 2,944,952	\$ 2,978,575	\$ 2,978,573	\$ (33,621)

Fiduciary Funds

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

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register 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, 2017

	Agency Funds					
	Cities - Sales Tax	Judicial District Drug	Constitu- tional Officers - Agency	District Attorney General	Total	
<u>ASSETS</u>						
Cash	\$ 0	\$ 13,571	\$ 1,520,024	\$ 0	\$ 1,533,595	
Equity in Pooled Cash and Investments	0	43,046	0	54,427	97,473	
Accounts Receivable	0	2,053	1,356	0	3,409	
Due from Other Governments	833,835	0	0	0	833,835	
Total Assets	\$ 833,835	\$ 58,670	\$ 1,521,380	\$ 54,427	\$ 2,468,312	
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 2,165	\$ 0	\$ 0	\$ 2,165	
Due to Other Taxing Units	833,835	0	0	0	833,835	
Due to Litigants, Heirs, and Others	0	0	1,521,380	54,427	1,575,807	
Due to Joint Ventures	0	56,505	0	0	56,505	
Total Liabilities	\$ 833,835	\$ 58,670	\$ 1,521,380	\$ 54,427	\$ 2,468,312	

Exhibit H-2

Lawrence County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,810,704	\$ 4,810,704	\$ 0
Due from Other Governments	761,933	833,835	761,933	833,835
Total Assets	\$ 761,933	\$ 5,644,539	\$ 5,572,637	\$ 833,835
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 761,933	\$ 5,644,539	\$ 5,572,637	\$ 833,835
Total Liabilities	\$ 761,933	\$ 5,644,539	\$ 5,572,637	\$ 833,835
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 2,979	\$ 13,571	\$ 2,979	\$ 13,571
Equity in Pooled Cash and Investments	49,529	43,046	49,529	43,046
Accounts Receivable	2,896	2,053	2,896	2,053
Due from Other Governments	1,910	0	1,910	0
Total Assets	\$ 57,314	\$ 58,670	\$ 57,314	\$ 58,670
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 2,165	\$ 0	\$ 2,165
Due to Litigants, Heirs, and Others	486	0	486	0
Due to Joint Ventures	56,828	56,505	56,828	56,505
Total Liabilities	\$ 57,314	\$ 58,670	\$ 57,314	\$ 58,670
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,533,436	\$ 9,580,247	\$ 9,593,659	\$ 1,520,024
Accounts Receivable	453	1,356	453	1,356
Total Assets	\$ 1,533,889	\$ 9,581,603	\$ 9,594,112	\$ 1,521,380
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,533,889	\$ 9,581,603	\$ 9,594,112	\$ 1,521,380
Total Liabilities	\$ 1,533,889	\$ 9,581,603	\$ 9,594,112	\$ 1,521,380
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 44,317	\$ 54,427	\$ 44,317	\$ 54,427
Total Assets	\$ 44,317	\$ 54,427	\$ 44,317	\$ 54,427
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 44,317	\$ 54,427	\$ 44,317	\$ 54,427
Total Liabilities	\$ 44,317	\$ 54,427	\$ 44,317	\$ 54,427

(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	\$ 1,536,415	\$ 9,593,818	\$ 9,596,638	\$ 1,533,595
Equity in Pooled Cash and Investments	93,846	4,908,177	4,904,550	97,473
Accounts Receivable	3,349	3,409	3,349	3,409
Due from Other Governments	763,843	833,835	763,843	833,835
Total Assets	<u>\$ 2,397,453</u>	<u>\$ 15,339,239</u>	<u>\$ 15,268,380</u>	<u>\$ 2,468,312</u>
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 2,165	\$ 0	\$ 2,165
Due to Other Taxing Units	761,933	5,644,539	5,572,637	833,835
Due to Litigants, Heirs, and Others	1,578,692	9,636,030	9,638,915	1,575,807
Due to Joint Ventures	56,828	56,505	56,828	56,505
Total Liabilities	<u>\$ 2,397,453</u>	<u>\$ 15,339,239</u>	<u>\$ 15,268,380</u>	<u>\$ 2,468,312</u>

Lawrence County School Department

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

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

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

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

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

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

Exhibit I-1

Lawrence County, Tennessee
Statement of Activities
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities:				
Instruction	\$ 34,047,932	\$ 285,025	\$ 4,151,900	\$ (29,611,007)
Support Services	19,921,177	7,415	196,962	(19,716,800)
Operation of Non-instructional Services	5,920,134	855,188	3,488,152	(1,576,794)
Total Governmental Activities	<u>\$ 59,889,243</u>	<u>\$ 1,147,628</u>	<u>\$ 7,837,014</u>	<u>\$ (50,904,601)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 6,066,648
Local Option Sales Tax				5,439,659
Other Local Taxes				11,455
Grants and Contributions Not Restricted to Specific Programs				38,236,116
Unrestricted Investment Earnings				2,343
Miscellaneous				125,575
Total General Revenues				<u>\$ 49,881,796</u>
Change in Net Position				\$ (1,022,805)
Net Position, July 1, 2016				<u>35,029,285</u>
Net Position, June 30, 2017				<u>\$ 34,006,480</u>

Exhibit I-2

Lawrence County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Lawrence County School Department
 June 30, 2017

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,022	\$ 1,022
Equity in Pooled Cash and Investments	8,358,875	1,560,186	9,919,061
Inventories	0	131,451	131,451
Accounts Receivable	0	2,400	2,400
Due from Other Governments	1,143,702	182,912	1,326,614
Property Taxes Receivable	6,212,561	0	6,212,561
Allowance for Uncollectible Property Taxes	(151,590)	0	(151,590)
Total Assets	\$ 15,563,548	\$ 1,877,971	\$ 17,441,519
<u>LIABILITIES</u>			
Accounts Payable	\$ 83,725	\$ 182,640	\$ 266,365
Payroll Deductions Payable	1,639,618	256,114	1,895,732
Total Liabilities	\$ 1,723,343	\$ 438,754	\$ 2,162,097
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 5,886,698	\$ 0	\$ 5,886,698
Deferred Delinquent Property Taxes	174,273	0	174,273
Other Deferred/Unavailable Revenue	487,452	0	487,452
Total Deferred Inflows of Resources	\$ 6,548,423	\$ 0	\$ 6,548,423
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 131,451	\$ 131,451
Restricted:			
Restricted for Education	13,174	1,217,587	1,230,761
Committed:			
Committed for Education	549,811	32,860	582,671
Committed for Operation of Non-instructional Services	0	57,319	57,319
Assigned:			
Assigned for Education	838,519	0	838,519
Unassigned	5,890,278	0	5,890,278
Total Fund Balances	\$ 7,291,782	\$ 1,439,217	\$ 8,730,999
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,563,548	\$ 1,877,971	\$ 17,441,519

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, 2017

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)		\$	8,730,999
(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		1,008,920	
Add: buildings and improvements net of accumulated depreciation		32,883,160	
Add: other capital assets net of accumulated depreciation		<u>3,191,290</u>	38,359,824
(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	\$	(75,360)	
Less: other postemployment benefits liability		(12,580,462)	
Less: net pension liability - agent plan		(270,825)	
Less: net pension liability - teacher legacy pension plan		<u>(4,346,814)</u>	(17,273,461)
(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	\$	9,099,275	
Less: deferred inflows of resources related to pensions		<u>(5,600,495)</u>	3,498,780
(4) Net pension assets of the teacher retirement pension plan are not current financial resources and therefore are not reported in the governmental funds.			28,613
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>661,725</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>34,006,480</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, 2017

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 11,510,648	\$ 0	\$ 11,510,648
Licenses and Permits	1,843	0	1,843
Charges for Current Services	135,382	1,004,831	1,140,213
Other Local Revenues	121,560	16,243	137,803
State of Tennessee	37,766,296	39,421	37,805,717
Federal Government	287,714	7,973,997	8,261,711
Total Revenues	\$ 49,823,443	\$ 9,034,492	\$ 58,857,935
<u>Expenditures</u>			
Current:			
Instruction	\$ 30,618,376	\$ 2,595,276	\$ 33,213,652
Support Services	17,733,100	1,934,256	19,667,356
Operation of Non-instructional Services	1,419,203	4,389,968	5,809,171
Capital Outlay	4,625	0	4,625
Capital Projects	0	554,804	554,804
Total Expenditures	\$ 49,775,304	\$ 9,474,304	\$ 59,249,608
Excess (Deficiency) of Revenues Over Expenditures	\$ 48,139	\$ (439,812)	\$ (391,673)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 1,389	\$ 0	\$ 1,389
Transfers In	10,264	0	10,264
Transfers Out	0	(10,264)	(10,264)
Total Other Financing Sources (Uses)	\$ 11,653	\$ (10,264)	\$ 1,389
Net Change in Fund Balances	\$ 59,792	\$ (450,076)	\$ (390,284)
Fund Balance, July 1, 2016	7,231,990	1,889,293	9,121,283
Fund Balance, June 30, 2017	\$ 7,291,782	\$ 1,439,217	\$ 8,730,999

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, 2017

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)		\$ (390,284)
(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	\$ 937,216	
Less: current-year depreciation expense	<u>(2,145,469)</u>	(1,208,253)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2017	\$ 661,725	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(654,611)</u>	7,114
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (9,332)	
Change in net pension asset - agent plan	(466,995)	
Change in net pension asset - teacher retirement plan	21,917	
Change in net pension asset - teacher legacy retirement plan	(4,070,324)	
Change in deferred outflows related to pensions	5,098,913	
Change in deferred inflows related to pensions	1,133,454	
Change in other postemployment benefits liability	<u>(1,139,015)</u>	<u>568,618</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (1,022,805)</u>

Exhibit I-6

Lawrence County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Lawrence County School Department
June 30, 2017

	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	\$ 1,022	\$ 0	\$ 1,022	\$ 0	\$ 1,022
Equity in Pooled Cash and Investments	115,448	1,330,128	54,919	1,500,495	59,691	1,560,186
Inventories	0	131,451	0	131,451	0	131,451
Accounts Receivable	0	0	2,400	2,400	0	2,400
Due from Other Governments	103,033	79,879	0	182,912	0	182,912
Total Assets	<u>\$ 218,481</u>	<u>\$ 1,542,480</u>	<u>\$ 57,319</u>	<u>\$ 1,818,280</u>	<u>\$ 59,691</u>	<u>\$ 1,877,971</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 4,807	\$ 177,833	\$ 0	\$ 182,640	\$ 0	\$ 182,640
Payroll Deductions Payable	180,814	75,300	0	256,114	0	256,114
Total Liabilities	<u>\$ 185,621</u>	<u>\$ 253,133</u>	<u>\$ 0</u>	<u>\$ 438,754</u>	<u>\$ 0</u>	<u>\$ 438,754</u>
<u>FUND BALANCES</u>						
Nonspendable:						
Inventory	\$ 0	\$ 131,451	\$ 0	\$ 131,451	\$ 0	\$ 131,451
Restricted:						
Restricted for Education	0	1,157,896	0	1,157,896	59,691	1,217,587
Committed:						
Committed for Education	32,860	0	0	32,860	0	32,860
Committed for Operation of Non-instructional Services	0	0	57,319	57,319	0	57,319
Total Fund Balances	<u>\$ 32,860</u>	<u>\$ 1,289,347</u>	<u>\$ 57,319</u>	<u>\$ 1,379,526</u>	<u>\$ 59,691</u>	<u>\$ 1,439,217</u>
Total Liabilities and Fund Balances	<u>\$ 218,481</u>	<u>\$ 1,542,480</u>	<u>\$ 57,319</u>	<u>\$ 1,818,280</u>	<u>\$ 59,691</u>	<u>\$ 1,877,971</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, 2017

	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	\$ 855,188	\$ 149,643	\$ 1,004,831	\$ 0	\$ 1,004,831
Other Local Revenues	0	16,243	0	16,243	0	16,243
State of Tennessee	0	36,883	2,538	39,421	0	39,421
Federal Government	4,538,650	3,435,347	0	7,973,997	0	7,973,997
Total Revenues	\$ 4,538,650	\$ 4,343,661	\$ 152,181	\$ 9,034,492	\$ 0	\$ 9,034,492
<u>Expenditures</u>						
Current:						
Instruction	\$ 2,595,276	\$ 0	\$ 0	\$ 2,595,276	\$ 0	\$ 2,595,276
Support Services	1,934,256	0	0	1,934,256	0	1,934,256
Operation of Non-Instructional Services	0	4,249,275	140,693	4,389,968	0	4,389,968
Capital Projects	0	0	0	0	554,804	554,804
Total Expenditures	\$ 4,529,532	\$ 4,249,275	\$ 140,693	\$ 8,919,500	\$ 554,804	\$ 9,474,304
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,118	\$ 94,386	\$ 11,488	\$ 114,992	\$ (554,804)	\$ (439,812)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (10,264)	\$ 0	\$ 0	\$ (10,264)	\$ 0	\$ (10,264)
Total Other Financing Sources (Uses)	\$ (10,264)	\$ 0	\$ 0	\$ (10,264)	\$ 0	\$ (10,264)
Net Change in Fund Balances	\$ (1,146)	\$ 94,386	\$ 11,488	\$ 104,728	\$ (554,804)	\$ (450,076)
Fund Balance, July 1, 2016	34,006	1,194,961	45,831	1,274,798	614,495	1,889,293
Fund Balance, June 30, 2017	\$ 32,860	\$ 1,289,347	\$ 57,319	\$ 1,379,526	\$ 59,691	\$ 1,439,217

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,510,648	\$ 0	\$ 0	\$ 11,510,648	\$ 10,643,291	\$ 10,643,291	\$ 867,357
Licenses and Permits	1,843	0	0	1,843	1,000	1,000	843
Charges for Current Services	135,382	0	0	135,382	65,000	115,000	20,382
Other Local Revenues	121,560	0	0	121,560	8,700	36,928	84,632
State of Tennessee	37,766,296	0	0	37,766,296	35,935,748	37,996,730	(230,434)
Federal Government	287,714	0	0	287,714	0	48,994	238,720
Total Revenues	\$ 49,823,443	\$ 0	\$ 0	\$ 49,823,443	\$ 46,653,739	\$ 48,841,943	\$ 981,500
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 25,275,604	\$ (464,047)	\$ 88,602	\$ 24,900,159	\$ 24,743,535	\$ 25,009,415	\$ 109,256
Alternative Instruction Program	202,999	0	0	202,999	191,990	220,092	17,093
Special Education Program	2,822,316	0	0	2,822,316	2,865,053	2,843,670	21,354
Career and Technical Education Program	2,317,457	(273)	6,311	2,323,495	2,365,856	2,329,071	5,576
<u>Support Services</u>							
Attendance	38,539	0	0	38,539	45,832	40,582	2,043
Health Services	619,544	0	545	620,089	514,525	623,013	2,924
Other Student Support	1,207,520	(20,881)	23,510	1,210,149	1,160,107	1,235,153	25,004
Regular Instruction Program	1,376,856	(37,351)	1,300	1,340,805	1,557,148	1,365,999	25,194
Alternative Instruction Program	6,294	0	0	6,294	3,500	7,000	706
Special Education Program	225,758	0	0	225,758	223,883	270,369	44,611
Career and Technical Education Program	95,116	0	300	95,416	78,526	101,211	5,795
Technology	285,278	0	0	285,278	0	291,974	6,696
Other Programs	316,486	0	0	316,486	0	316,486	0
Board of Education	1,149,723	(1,914)	300	1,148,109	1,245,433	1,227,729	79,620
Director of Schools	327,695	(116)	11,320	338,899	337,595	342,693	3,794
Office of the Principal	3,703,239	(245)	682	3,703,676	3,686,015	3,715,045	11,369
Fiscal Services	257,135	0	0	257,135	258,181	262,344	5,209
Human Services/Personnel	150,434	0	0	150,434	154,174	155,626	5,192

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 3,569,176	\$ (140,081)	\$ 123,970	\$ 3,553,065	\$ 3,660,819	\$ 3,618,337	\$ 65,272
Maintenance of Plant	1,271,227	(36,828)	18,770	1,253,169	1,033,330	1,256,907	3,738
Transportation	2,993,837	(409,767)	31,025	2,615,095	2,606,976	2,696,909	81,814
Central and Other	139,243	0	12,354	151,597	191,540	178,153	26,556
<u>Operation of Non-instructional Services</u>							
Community Services	304,594	0	0	304,594	68,951	330,641	26,047
Early Childhood Education	1,114,609	(15,365)	1,200	1,100,444	0	1,105,267	4,823
<u>Capital Outlay</u>							
Regular Capital Outlay	4,625	0	371,247	375,872	0	375,872	0
Total Expenditures	\$ 49,775,304	\$ (1,126,868)	\$ 691,436	\$ 49,339,872	\$ 46,992,969	\$ 49,919,558	\$ 579,686
Excess (Deficiency) of Revenues Over Expenditures	\$ 48,139	\$ 1,126,868	\$ (691,436)	\$ 483,571	\$ (339,230)	\$ (1,077,615)	\$ 1,561,186
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,389	\$ 0	\$ 0	\$ 1,389	\$ 0	\$ 1,500	\$ (111)
Transfers In	10,264	0	0	10,264	0	0	10,264
Transfers Out	0	0	0	0	0	(8,081)	8,081
Total Other Financing Sources	\$ 11,653	\$ 0	\$ 0	\$ 11,653	\$ 0	\$ (6,581)	\$ 18,234
Net Change in Fund Balance	\$ 59,792	\$ 1,126,868	\$ (691,436)	\$ 495,224	\$ (339,230)	\$ (1,084,196)	\$ 1,579,420
Fund Balance, July 1, 2016	7,231,990	(1,126,868)	0	6,105,122	6,776,094	6,776,094	(670,972)
Fund Balance, June 30, 2017	\$ 7,291,782	\$ 0	\$ (691,436)	\$ 6,600,346	\$ 6,436,864	\$ 5,691,898	\$ 908,448

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,538,650	\$ 4,384,239	\$ 4,895,591	\$ (356,941)
Total Revenues	\$ 4,538,650	\$ 4,384,239	\$ 4,895,591	\$ (356,941)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,413,859	\$ 1,383,498	\$ 1,442,710	\$ 28,851
Special Education Program	1,122,864	1,241,653	1,137,193	14,329
Career and Technical Education Program	58,553	55,377	58,553	0
<u>Support Services</u>				
Health Services	37,459	38,030	38,030	571
Other Student Support	470,345	100,469	544,410	74,065
Regular Instruction Program	1,028,912	1,149,220	1,152,031	123,119
Special Education Program	395,474	403,733	510,339	114,865
Career and Technical Education Program	1,968	2,000	1,968	0
Board of Education	98	0	98	0
Total Expenditures	\$ 4,529,532	\$ 4,373,980	\$ 4,885,332	\$ 355,800
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,118	\$ 10,259	\$ 10,259	\$ (1,141)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (10,264)	\$ (10,264)	\$ (10,264)	\$ 0
Total Other Financing Sources	\$ (10,264)	\$ (10,264)	\$ (10,264)	\$ 0
Net Change in Fund Balance	\$ (1,146)	\$ (5)	\$ (5)	\$ (1,141)
Fund Balance, July 1, 2016	34,006	34,006	34,006	0
Fund Balance, June 30, 2017	\$ 32,860	\$ 34,001	\$ 34,001	\$ (1,141)

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 855,188	\$ 893,580	\$ 902,280	\$ (47,092)
Other Local Revenues	16,243	750	3,265	12,978
State of Tennessee	36,883	38,000	38,000	(1,117)
Federal Government	3,435,347	3,276,000	3,455,000	(19,653)
Total Revenues	\$ 4,343,661	\$ 4,208,330	\$ 4,398,545	\$ (54,884)
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 4,249,275	\$ 4,208,330	\$ 4,423,475	\$ 174,200
Total Expenditures	\$ 4,249,275	\$ 4,208,330	\$ 4,423,475	\$ 174,200
Excess (Deficiency) of Revenues Over Expenditures	\$ 94,386	\$ 0	\$ (24,930)	\$ 119,316
Net Change in Fund Balance	\$ 94,386	\$ 0	\$ (24,930)	\$ 119,316
Fund Balance, July 1, 2016	1,194,961	1,272,485	1,272,485	(77,524)
Fund Balance, June 30, 2017	\$ 1,289,347	\$ 1,272,485	\$ 1,247,555	\$ 41,792

Exhibit I-11

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lawrence County School Department
Extended School Program Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 149,643	\$ 147,000	\$ 160,000	\$ (10,357)
State of Tennessee	2,538	3,500	3,900	(1,362)
Total Revenues	<u>\$ 152,181</u>	<u>\$ 150,500</u>	<u>\$ 163,900</u>	<u>\$ (11,719)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Community Services	\$ 140,693	\$ 150,500	\$ 169,424	\$ 28,731
Total Expenditures	<u>\$ 140,693</u>	<u>\$ 150,500</u>	<u>\$ 169,424</u>	<u>\$ 28,731</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 11,488</u>	<u>\$ 0</u>	<u>\$ (5,524)</u>	<u>\$ 17,012</u>
Net Change in Fund Balance	\$ 11,488	\$ 0	\$ (5,524)	\$ 17,012
Fund Balance, July 1, 2016	<u>45,831</u>	<u>52,892</u>	<u>52,892</u>	<u>(7,061)</u>
Fund Balance, June 30, 2017	<u><u>\$ 57,319</u></u>	<u><u>\$ 52,892</u></u>	<u><u>\$ 47,368</u></u>	<u><u>\$ 9,951</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Lawrence County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-17
NOTES PAYABLE									
<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	\$ 3,250,000	\$ 0	\$ 260,000	\$ 0	\$ 2,990,000
General Obligation Capital Outlay Note Series 2016	2,000,000	1.60	3-3-16	3-1-23	2,000,000	0	275,000	0	1,725,000
Total Payable through General Debt Service Fund					<u>\$ 5,250,000</u>	<u>\$ 0</u>	<u>\$ 535,000</u>	<u>\$ 0</u>	<u>\$ 4,715,000</u>
<u>Payable through Highway Debt Service Fund</u>									
General Obligation Capital Outlay Note Series 2016	2,000,000	1.60	3-3-16	3-1-23	<u>\$ 2,000,000</u>	<u>\$ 0</u>	<u>\$ 275,000</u>	<u>\$ 0</u>	<u>\$ 1,725,000</u>
Total Notes Payable					<u>\$ 7,250,000</u>	<u>\$ 0</u>	<u>\$ 810,000</u>	<u>\$ 0</u>	<u>\$ 6,440,000</u>
CAPITAL LEASES PAYABLE									
<u>Payable through Highway/Public Works Fund</u>									
Wheel Loader for Highway Department	208,015	2.49	5-7-15	5-7-19	\$ 157,914	\$ 0	\$ 51,349	\$ 0	\$ 106,565
Skytrim for Highway Department	195,910	3.20	2-3-16	2-3-19	144,595	0	46,688	0	97,907
Total Payable through Highway/Public Works Fund					<u>\$ 302,509</u>	<u>\$ 0</u>	<u>\$ 98,037</u>	<u>\$ 0</u>	<u>\$ 204,472</u>
<u>Payable through General Fund</u>									
Patrol Vehicles for Sheriff Department	286,044	4.85	3-13-17	3-13-19	\$ 0	\$ 286,044	\$ 99,898	\$ 0	\$ 186,146
Total Capital Leases Payable					<u>\$ 302,509</u>	<u>\$ 286,044</u>	<u>\$ 197,935</u>	<u>\$ 0</u>	<u>\$ 390,618</u>
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-1-25	\$ 5,475,000	\$ 0	\$ 460,000	\$ 0	\$ 5,015,000
General Obligation, Series 2007	10,000,000	4.00	12-4-07	4-28-17	8,490,000	0	250,000	8,240,000	0
General Obligation, Series 2008	4,250,000	4.28	3-18-08	3-1-37	3,560,000	0	110,000	0	3,450,000
School Refunding, Series 2010	2,700,000	3.70	1-13-10	10-1-34	2,540,000	0	820,000	0	1,720,000
School Improvement, Series 2010	2,160,000	3.70	1-13-10	10-1-34	1,810,000	0	85,000	0	1,725,000
General Obligation, Series 2012	132,000	3.38	4-26-12	4-26-50	124,592	0	2,011	0	122,581
General Obligation, Series 2012	165,000	3.38	6-21-12	6-21-50	155,739	0	2,514	0	153,225
General Obligation, Series 2012	2,750,000	3.38	12-1-12	12-1-27	2,255,000	0	170,000	0	2,085,000
School Refunding, Series 2014	3,170,000	1.08	7-23-14	8-1-19	2,550,000	0	625,000	0	1,925,000
General Obligation Refunding, Series 2016	7,015,000	1.70	4-27-16	5-1-31	7,015,000	0	405,000	0	6,610,000
General Obligation Refunding, Series 2017	8,215,000	2.57	4-28-17	4-1-37	0	8,215,000	0	0	8,215,000
General Obligation Improvement, Series 2017	495,000	2.57	4-28-17	4-1-37	0	495,000	0	0	495,000
Total Bonds Payable					<u>\$ 33,975,331</u>	<u>\$ 8,710,000</u>	<u>\$ 2,929,525</u>	<u>\$ 8,240,000</u>	<u>\$ 31,515,806</u>

Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 3,094,678	\$ 876,131	\$ 3,970,809
2019	3,159,835	812,476	3,972,311
2020	2,324,999	736,121	3,061,120
2021	1,725,168	677,756	2,402,924
2022	1,775,342	624,038	2,399,380
2023	1,825,522	568,409	2,393,931
2024	1,880,708	512,806	2,393,514
2025	1,935,901	455,495	2,391,396
2026	1,996,100	396,074	2,392,174
2027	1,386,306	351,412	1,737,718
2028	1,421,519	314,791	1,736,310
2029	1,241,739	279,179	1,520,918
2030	1,281,966	244,713	1,526,679
2031	1,317,202	208,991	1,526,193
2032	807,445	170,449	977,894
2033	837,695	143,016	980,711
2034	862,956	114,503	977,459
2035	893,224	84,827	978,051
2036	788,501	57,100	845,601
2037	813,788	31,433	845,221
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	\$ 31,515,806	\$ 7,696,290	\$ 39,212,096

(Continued)

Exhibit J-2

Lawrence County, Tennessee

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

Year Ending June 30	Notes		
	Principal	Interest	Total
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>\$ 6,440,000</u>	<u>\$ 542,810</u>	<u>\$ 6,982,810</u>

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2018	\$ 191,680	\$ 14,814	\$ 206,494
2019	198,938	7,556	206,494
Total	<u>\$ 390,618</u>	<u>\$ 22,370</u>	<u>\$ 412,988</u>

Exhibit J-3

Lawrence County, Tennessee
Schedule of Notes Receivable
June 30, 2017

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-17
<u>Industrial/Economic Development Fund</u>						
Airport Renovation	Lawrenceburg-Lawrence County Airport	\$ 150,000	5-18-07	Various	0%	<u>\$ 53,812</u>
Total Notes Receivable						<u><u>\$ 53,812</u></u>

Exhibit J-4

Lawrence County, Tennessee
Schedule of Transfers
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2017

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>DISCRETELY PRESENTED LAWRENCE</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 10,264</u>
Total Transfers Discretely Presented Lawrence County School Department			<u><u>\$ 10,264</u></u>

Exhibit J-5

Lawrence County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 87,572	\$ 100,000	Auto-Owners Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	78,859	100,000	"
Director of Schools	State Board of Education and County Board of Education	151,501 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	71,690	1,660,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	71,690	50,000	"
Director of Accounts and Budgets	County Commission	67,500 (2)	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	71,690	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	71,690	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	71,690 (3)	50,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	71,690	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	82,802 (4)	100,000	"
<u>Employee Blanket Bonds</u>				
Public Employee Dishonesty - County Departments			400,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Departments			50,000	Netherland Insurance Company

(1) Includes a cell phone allowance of \$1,800, travel allowance of \$12,000, and accrued vacation leave of \$4,558.

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

(3) Does not include special commissioner fees of \$1,806.

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

Exhibit J-6

Lawrence County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2017

	Special Revenue Funds					Constitu- tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 7,697,387	\$ 0	\$ 145,527	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	275,697	0	5,287	0	0	0
Trustee's Collections - Bankruptcy	889	0	19	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	132,148	0	2,498	0	0	0
Interest and Penalty	47,850	0	904	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	363,238	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	2,686	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	111,054	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	119,793	0	0	0	0	0
Litigation Tax - Special Purpose	66,322	17,337	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	7,251	0	0	0	0	0
Business Tax	345,368	0	0	0	0	0
Mixed Drink Tax	827	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	146,610	0	0	0	0	0
Interstate Telecommunications Tax	2,372	0	0	0	0	0
Total Local Taxes	\$ 9,321,782	\$ 17,337	\$ 154,235	\$ 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	\$ 1,829	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	46,561	0	0	0	0	0
<u>Permits</u>						
Beer Permits	3,254	0	0	0	0	0
Total Licenses and Permits	<u>\$ 51,644</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	\$ 17,501	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	30,006	0	0	0	0	0
Drug Control Fines	13,888	0	0	0	13,317	0
Jail Fees	956	0	0	0	0	0
Data Entry Fee - Circuit Court	2,606	0	0	0	0	0
Courtroom Security Fee	0	1,161	0	0	0	0
<u>Criminal Court</u>						
Officers Costs	1,837	0	0	0	0	0
DUI Treatment Fines	1,900	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	18,198	0	0	0	0	0
Fines for Littering	143	0	0	0	0	0
Officers Costs	42,425	0	0	0	0	0
Game and Fish Fines	2,952	0	0	0	0	0
Drug Control Fines	4,294	0	0	0	4,474	0
DUI Treatment Fines	10,716	0	0	0	0	0
Data Entry Fee - General Sessions Court	17,108	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>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 720	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	3,063	0	0	0	0	0
Data Entry Fee - Juvenile Court	607	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,755	0	0	0	0	0
Data Entry Fee - Chancery Court	4,924	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	23,521	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	4,403	0
Total Fines, Forfeitures, and Penalties	\$ 176,599	\$ 1,161	\$ 0	\$ 0	\$ 45,715	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 333,686	\$ 0	\$ 0	0
Residential Waste Collection Charge	0	0	655,307	0	0	0
Tipping Fees	0	0	2,456	0	0	0
Solid Waste Disposal Fee	0	0	5,180	0	0	0
Surcharge - Waste Tire Disposal	0	0	44,157	0	0	0
Patient Charges	1,812,626	0	0	0	0	0
Service Charges	1,547	0	0	0	0	0
<u>Fees</u>						
Copy Fees	6,975	0	0	0	0	0
Library Fees	2,941	0	0	0	0	0
Telephone Commissions	95,711	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>						
Constitutional Officers' Fees and Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 525,645
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	1,806
Data Processing Fee - Register	13,088	0	0	0	0	0
Data Processing Fee - Sheriff	2,503	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,000	0	0	0	0	0
Data Processing Fee - County Clerk	2,878	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	1,631	0	0	0	0	0
Total Charges for Current Services	\$ 1,942,900	\$ 0	\$ 1,040,786	\$ 0	\$ 0	\$ 527,451
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 58,085	\$ 0	\$ 579	\$ 0	\$ 0	0
Lease/Rentals	9,872	0	0	0	0	0
Sale of Materials and Supplies	38	0	0	0	0	0
Commissary Sales	8,137	0	0	0	0	0
Sale of Recycled Materials	0	0	205,568	0	0	0
E-Rate Funding	1,820	0	0	0	0	0
Miscellaneous Refunds	10,164	0	6,765	0	0	0
Expenditure Credits	185	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	4,675	0	0	0	6,005	0
Sale of Property	0	0	0	2,389	0	0
Contributions and Gifts	31	0	0	0	0	0
Total Other Local Revenues	\$ 93,007	\$ 0	\$ 212,912	\$ 2,389	\$ 6,005	\$ 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>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 155,721	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee	454,012	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	132,491	0	0	0	0	0
General Sessions Court Clerk	207,218	0	0	0	0	0
Clerk and Master	155,008	0	0	0	0	0
Juvenile Court Clerk	41,888	0	0	0	0	0
Register	161,219	0	0	0	0	0
Sheriff	16,828	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,324,385	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 3,768	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	28,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	307,702	0	0	0	0	0
Other Health and Welfare Grants	10,000	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	55,359	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	64,200	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>Other State Revenues (Cont.)</u>						
Beer Tax	\$ 9,816	\$ 0	\$ 0	\$ 0	\$ 0	0
Vehicle Certificate of Title Fees	9,889	0	0	0	0	0
Alcoholic Beverage Tax	94,823	0	0	0	0	0
State Revenue Sharing - T.V.A.	400,000	0	0	0	0	0
Contracted Prisoner Boarding	1,026,639	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 Revenues	18,288	0	0	0	0	0
Total State of Tennessee	<u>\$ 2,044,448</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 154,625	\$ 0	0
Law Enforcement Grants	35,156	0	0	0	0	0
Other Federal through State	258,929	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	9,200	0	0	0	0	0
Total Federal Government	<u>\$ 303,285</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 154,625</u>	<u>\$ 0</u>	<u>0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	428,341	0	19,464	0	0	0
Contracted Services	2,720	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 Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 20,633	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other</u>						
Other	1,754	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 453,448</u>	<u>\$ 0</u>	<u>\$ 19,464</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 15,711,498</u>	<u>\$ 18,498</u>	<u>\$ 1,427,397</u>	<u>\$ 157,014</u>	<u>\$ 51,720</u>	<u>\$ 527,451</u>

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds				
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Total	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,620,118	\$ 1,879,760	\$ 403,242	\$ 403,242	\$ 12,149,276	
Trustee's Collections - Prior Year	58,062	67,311	14,443	14,443	435,243	
Trustee's Collections - Bankruptcy	187	223	43	43	1,404	
Circuit Clerk/Clerk and Master Collections - Prior Years	27,835	32,269	6,922	6,922	208,594	
Interest and Penalty	10,074	11,679	2,503	2,503	75,513	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	2,290	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	363,238	
Payments in-Lieu-of Taxes - Other	0	0	0	0	2,686	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	1,194,407	0	0	1,194,407	
Hotel/Motel Tax	0	0	0	0	111,054	
Wheel Tax	0	977,985	0	0	977,985	
Litigation Tax - General	0	0	0	0	119,793	
Litigation Tax - Special Purpose	0	0	0	0	83,659	
Litigation Tax - Jail, Workhouse, or Courthouse	0	109,387	0	0	109,387	
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	7,251	
Business Tax	0	0	0	0	345,368	
Mixed Drink Tax	0	0	0	0	827	
Mineral Severance Tax	34,514	0	0	0	34,514	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	76,331	0	0	76,331	
Wholesale Beer Tax	0	0	0	0	146,610	
Interstate Telecommunications Tax	0	0	0	0	2,372	
Total Local Taxes	\$ 1,750,790	\$ 4,349,352	\$ 427,153	\$ 427,153	\$ 16,447,802	

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds				
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Total	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,829	
Cable TV Franchise	0	0	0	0	46,561	
<u>Permits</u>						
Beer Permits	0	0	0	0	3,254	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 51,644	
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,501	
Officers Costs	0	0	0	0	30,006	
Drug Control Fines	0	0	0	0	27,205	
Jail Fees	0	0	0	0	956	
Data Entry Fee - Circuit Court	0	0	0	0	2,606	
Courtroom Security Fee	0	0	0	0	1,161	
<u>Criminal Court</u>						
Officers Costs	0	0	0	0	1,837	
DUI Treatment Fines	0	0	0	0	1,900	
<u>General Sessions Court</u>						
Fines	0	0	0	0	18,198	
Fines for Littering	0	0	0	0	143	
Officers Costs	0	0	0	0	42,425	
Game and Fish Fines	0	0	0	0	2,952	
Drug Control Fines	0	0	0	0	8,768	
DUI Treatment Fines	0	0	0	0	10,716	
Data Entry Fee - General Sessions Court	0	0	0	0	17,108	

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds				
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Total	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	720	
Officers Costs	0	0	0	0	3,063	
Data Entry Fee - Juvenile Court	0	0	0	0	607	
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	2,755	
Data Entry Fee - Chancery Court	0	0	0	0	4,924	
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	23,521	
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	4,403	
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	223,475	
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	333,686	
Residential Waste Collection Charge	0	0	0	0	655,307	
Tipping Fees	0	0	0	0	2,456	
Solid Waste Disposal Fee	0	0	0	0	5,180	
Surcharge - Waste Tire Disposal	0	0	0	0	44,157	
Patient Charges	0	0	0	0	1,812,626	
Service Charges	0	0	0	0	1,547	
<u>Fees</u>						
Copy Fees	0	0	0	0	6,975	
Library Fees	0	0	0	0	2,941	
Telephone Commissions	0	0	0	0	95,711	

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Constitutional Officers' Fees and Commissions	\$ 0	\$ 0	\$ 0	\$ 0	525,645
Special Commissioner Fees/Special Master Fees	0	0	0	0	1,806
Data Processing Fee - Register	0	0	0	0	13,088
Data Processing Fee - Sheriff	0	0	0	0	2,503
Sexual Offender Registration Fee - Sheriff	0	0	0	0	3,000
Data Processing Fee - County Clerk	0	0	0	0	2,878
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	1,631
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	3,511,137
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	58,664
Lease/Rentals	0	30,000	0	0	39,872
Sale of Materials and Supplies	0	0	0	0	38
Commissary Sales	0	0	0	0	8,137
Sale of Recycled Materials	5,107	0	0	0	210,675
E-Rate Funding	0	0	0	0	1,820
Miscellaneous Refunds	0	0	0	0	16,929
Expenditure Credits	0	0	0	0	185
<u>Nonrecurring Items</u>					
Sale of Equipment	67,864	0	0	0	78,544
Sale of Property	0	0	0	0	2,389
Contributions and Gifts	0	0	0	0	31
Total Other Local Revenues	\$ 72,971	\$ 30,000	\$ 0	\$ 0	417,284

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds				
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	Total	
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 155,721	
Trustee	0	0	0	0	454,012	
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	132,491	
General Sessions Court Clerk	0	0	0	0	207,218	
Clerk and Master	0	0	0	0	155,008	
Juvenile Court Clerk	0	0	0	0	41,888	
Register	0	0	0	0	161,219	
Sheriff	0	0	0	0	16,828	
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,324,385	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,768	
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	28,800	
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	307,702	
Other Health and Welfare Grants	0	0	0	0	10,000	
<u>Public Works Grants</u>						
Bridge Program	220,000	0	0	0	220,000	
State Aid Program	900,159	0	0	0	900,159	
Litter Program	0	0	0	0	55,359	
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	64,200	

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Total
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Beer Tax	\$ 0	\$ 0	\$ 0	\$ 0	9,816
Vehicle Certificate of Title Fees	0	0	0	0	9,889
Alcoholic Beverage Tax	0	0	0	0	94,823
State Revenue Sharing - T.V.A.	0	285,845	0	0	685,845
Contracted Prisoner Boarding	0	0	0	0	1,026,639
Gasoline and Motor Fuel Tax	2,143,534	0	0	0	2,143,534
Petroleum Special Tax	30,210	0	0	0	30,210
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Revenues	0	0	0	0	18,288
Total State of Tennessee	\$ 3,293,903	\$ 285,845	\$ 0	\$ 0	\$ 5,624,196
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	154,625
Law Enforcement Grants	0	0	0	0	35,156
Other Federal through State	0	0	0	0	258,929
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	9,200
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 457,910
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 384,928	\$ 0	\$ 0	\$ 0	384,928
Contributions	0	0	0	0	447,805
Contracted Services	0	0	0	0	2,720

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds				
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service		Total
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 11,000	\$ 0	\$ 0	\$ 0	\$	31,633
<u>Other</u>						
Other	0	0	0	0		1,754
Total Other Governments and Citizens Groups	\$ 395,928	\$ 0	\$ 0	\$ 0	\$	868,840
Total	\$ 5,513,592	\$ 4,665,197	\$ 427,153	\$ 427,153	\$	28,926,673

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, 2017

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,790,844	\$ 0	\$ 0	\$ 0	\$ 5,790,844	
Trustee's Collections - Prior Year	178,721	0	0	0	178,721	
Trustee's Collections - Bankruptcy	670	0	0	0	670	
Circuit Clerk/Clerk and Master Collections - Prior Years	99,410	0	0	0	99,410	
Interest and Penalty	35,986	0	0	0	35,986	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,393,562	0	0	0	5,393,562	
Mixed Drink Tax	7,637	0	0	0	7,637	
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	3,818	0	0	0	3,818	
Total Local Taxes	\$ 11,510,648	\$ 0	\$ 0	\$ 0	\$ 11,510,648	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,843	\$ 0	\$ 0	\$ 0	\$ 1,843	
Total Licenses and Permits	\$ 1,843	\$ 0	\$ 0	\$ 0	\$ 1,843	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 0	\$ 0	\$ 0	\$ 149,643	\$ 149,643	
Lunch Payments - Children	0	0	438,478	0	438,478	
Lunch Payments - Adults	0	0	121,110	0	121,110	
Income from Breakfast	0	0	76,336	0	76,336	
A la Carte Sales	0	0	213,430	0	213,430	

(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					
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Receipts from Individual Schools	\$ 79,813	\$ 0	\$ 5,784	\$ 0	\$ 85,597	
Other Charges for Services	55,569	0	50	0	55,619	
Total Charges for Current Services	\$ 135,382	\$ 0	\$ 855,188	\$ 149,643	\$ 1,140,213	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 2,343	\$ 0	\$ 2,343	
Lease/Rentals	1,200	0	0	0	1,200	
Sale of Materials and Supplies	6,215	0	0	0	6,215	
Commodity Rebates	0	0	13,887	0	13,887	
Miscellaneous Refunds	101,337	0	0	0	101,337	
<u>Nonrecurring Items</u>						
Sale of Equipment	7,429	0	13	0	7,442	
Damages Recovered from Individuals	1,520	0	0	0	1,520	
Contributions and Gifts	3,859	0	0	0	3,859	
Total Other Local Revenues	\$ 121,560	\$ 0	\$ 16,243	\$ 0	\$ 137,803	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 316,486	\$ 0	\$ 0	\$ 0	\$ 316,486	
<u>State Education Funds</u>						
Basic Education Program	35,748,748	0	0	0	35,748,748	
Early Childhood Education	1,109,391	0	0	0	1,109,391	
School Food Service	13,384	0	36,883	0	50,267	

(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					
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
Driver Education	\$ 24,632	\$ 0	\$ 0	\$ 0	\$ 24,632	
Other State Education Funds	196,407	0	0	0	196,407	
Career Ladder Program	157,248	0	0	0	157,248	
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	200,000	0	0	0	200,000	
Other State Revenues	0	0	0	2,538	2,538	
Total State of Tennessee	\$ 37,766,296	\$ 0	\$ 36,883	\$ 2,538	\$ 37,805,717	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,174,449	\$ 0	\$ 2,174,449	
USDA - Commodities	0	0	344,046	0	344,046	
Breakfast	0	0	816,454	0	816,454	
USDA - Other	0	0	54,977	0	54,977	
USDA Food Service Equipment Grant	0	0	45,421	0	45,421	
Vocational Education - Basic Grants to States	0	139,615	0	0	139,615	
Title I Grants to Local Education Agencies	0	1,965,180	0	0	1,965,180	
Special Education - Grants to States	44,186	1,519,200	0	0	1,563,386	
Special Education Preschool Grants	0	41,215	0	0	41,215	
English Language Acquisition Grants	4,872	0	0	0	4,872	
Rural Education	0	158,846	0	0	158,846	
Eisenhower Professional Development State Grants	0	273,934	0	0	273,934	
Other Federal through State	238,101	440,660	0	0	678,761	
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	555	0	0	0	555	
Total Federal Government	\$ 287,714	\$ 4,538,650	\$ 3,435,347	\$ 0	\$ 8,261,711	
Total	\$ 49,823,443	\$ 4,538,650	\$ 4,343,661	\$ 152,181	\$ 58,857,935	

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2017

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	43,038	
In-service Training		250	
Social Security		2,632	
Pensions		3,268	
Employer Medicare		616	
Advertising		659	
Audit Services		31,058	
Data Processing Services		1,220	
Dues and Memberships		9,430	
Postal Charges		48	
Travel		1,969	
Office Supplies		72	
Workers' Compensation Insurance		91	
Other Charges		316	
Total County Commission			\$ 94,667

Beer Board

Board and Committee Members Fees	\$	550	
Social Security		34	
Employer Medicare		8	
Legal Notices, Recording, and Court Costs		236	
Workers' Compensation Insurance		2	
Criminal Investigation of Applicants - TBI		87	
Total Beer Board			917

County Mayor/Executive

County Official/Administrative Officer	\$	87,572	
Secretary(ies)		56,643	
Longevity Pay		600	
Social Security		8,289	
Pensions		14,120	
Employee and Dependent Insurance		363	
Life Insurance		74	
Medical Insurance		12,723	
Dental Insurance		252	
Disability Insurance		261	
Unemployment Compensation		96	
Employer Medicare		1,939	
Dues and Memberships		1,750	
Maintenance Agreements		590	
Pest Control		60	
Postal Charges		286	
Printing, Stationery, and Forms		98	
Office Supplies		381	
Other Supplies and Materials		50	
Workers' Compensation Insurance		297	
Other Charges		627	
Office Equipment		699	
Total County Mayor/Executive			187,770

(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	
Workers' Compensation Insurance		15	
Total County Attorney			\$ 7,060

Election Commission

County Official/Administrative Officer	\$	64,521	
Deputy(ies)		49,509	
Overtime Pay		1,101	
Election Commission		3,100	
Election Workers		40,930	
In-service Training		2,450	
Social Security		7,618	
Pensions		11,065	
Medical Insurance		19,919	
Unemployment Compensation		137	
Employer Medicare		1,782	
Contracts with Private Agencies		21,850	
Data Processing Services		3,486	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		3,344	
Maintenance Agreements		9,990	
Pest Control		180	
Postal Charges		1,297	
Printing, Stationery, and Forms		911	
Rentals		1,475	
Travel		3,692	
Data Processing Supplies		349	
Office Supplies		3,038	
Utilities		4,539	
Other Supplies and Materials		920	
Liability Insurance		3,524	
Workers' Compensation Insurance		272	
Total Election Commission			261,149

Register of Deeds

County Official/Administrative Officer	\$	71,690	
Deputy(ies)		55,502	
Part-time Personnel		7,463	
Longevity Pay		1,500	
Social Security		8,089	
Pensions		12,160	
Employee and Dependent Insurance		270	
Life Insurance		56	
Medical Insurance		13,835	

(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.)

Dental Insurance	\$	182	
Disability Insurance		196	
Unemployment Compensation		166	
Employer Medicare		1,892	
Data Processing Services		1,625	
Dues and Memberships		814	
Operating Lease Payments		12,438	
Maintenance Agreements		1,130	
Pest Control		60	
Postal Charges		730	
Printing, Stationery, and Forms		252	
Travel		952	
Office Supplies		2,005	
Other Supplies and Materials		22	
Workers' Compensation Insurance		280	
Office Equipment		9,412	
Total Register of Deeds	\$		202,721

County Buildings

Supervisor/Director	\$	30,221	
Custodial Personnel		64,614	
Longevity Pay		1,996	
Social Security		5,701	
Pensions		8,341	
Medical Insurance		25,501	
Unemployment Compensation		239	
Employer Medicare		1,333	
Communication		49,544	
Maintenance and Repair Services - Buildings		72,145	
Maintenance and Repair Services - Equipment		1,600	
Maintenance and Repair Services - Vehicles		2,454	
Pest Control		975	
Postal Charges		149	
Rentals		3,600	
Other Contracted Services		290	
Custodial Supplies		10,657	
Food Supplies		3,185	
Gasoline		683	
Utilities		145,563	
Other Supplies and Materials		241	
Workers' Compensation Insurance		3,312	
Other Self-insured Claims		500	
Furniture and Fixtures		927	
Other Equipment		3,526	
Other Capital Outlay		3,299	
Total County Buildings			440,596

(Continued)

Exhibit J-8

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

General Fund (Cont.)General Government (Cont.)Preservation of Records

Supervisor/Director	\$	30,002	
Longevity Pay		750	
Social Security		1,850	
Pensions		3,005	
Medical Insurance		6,640	
Unemployment Compensation		48	
Employer Medicare		433	
Communication		1,932	
Contracts with Private Agencies		448	
Dues and Memberships		30	
Maintenance Agreements		1,770	
Maintenance and Repair Services - Buildings		18	
Pest Control		180	
Postal Charges		44	
Office Supplies		641	
Utilities		5,853	
Other Supplies and Materials		638	
Workers' Compensation Insurance		112	
Total Preservation of Records			\$ 54,394

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	67,500
Accountants/Bookkeepers		144,902
Longevity Pay		2,200
In-service Training		600
Social Security		12,470
Pensions		20,641
Medical Insurance		39,838
Unemployment Compensation		292
Employer Medicare		2,916
Communication		705
Data Processing Services		11,475
Dues and Memberships		270
Legal Notices, Recording, and Court Costs		82
Maintenance Agreements		744
Maintenance and Repair Services - Buildings		278
Pest Control		240
Postal Charges		2,176
Printing, Stationery, and Forms		1,612
Travel		2,830
Office Supplies		4,201
Utilities		6,850
Other Supplies and Materials		242
Workers' Compensation Insurance		414
Other Charges		592
Data Processing Equipment		6,520

(Continued)

Exhibit J-8

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

General Fund (Cont.)Finance (Cont.)Accounting and Budgeting (Cont.)

Furniture and Fixtures	\$	1,057	
Office Equipment		1,600	
Total Accounting and Budgeting			\$ 333,247

Property Assessor's Office

County Official/Administrative Officer	\$	71,690	
Deputy(ies)		109,886	
Longevity Pay		2,150	
Other Salaries and Wages		32,372	
Board and Committee Members Fees		1,140	
Social Security		13,143	
Pensions		19,961	
Employee and Dependent Insurance		288	
Life Insurance		74	
Medical Insurance		30,914	
Dental Insurance		242	
Unemployment Compensation		288	
Employer Medicare		3,074	
Data Processing Services		12,127	
Dues and Memberships		2,485	
Maintenance Agreements		5,493	
Maintenance and Repair Services - Vehicles		252	
Pest Control		60	
Postal Charges		2,359	
Printing, Stationery, and Forms		156	
Travel		2,265	
Gasoline		1,422	
Office Supplies		4,009	
Tires and Tubes		648	
Other Supplies and Materials		17	
Workers' Compensation Insurance		2,283	
Other Charges		397	
Office Equipment		5,175	
Total Property Assessor's Office			324,370

County Trustee's Office

Pensions	\$	18,299	
Employee and Dependent Insurance		360	
Life Insurance		74	
Medical Insurance		26,558	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		192	
Data Processing Services		12,664	
Dues and Memberships		619	
Pest Control		60	
Postal Charges		7,379	

(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.)

Printing, Stationery, and Forms	\$	6,141	
Office Supplies		1,318	
Workers' Compensation Insurance		1,615	
Data Processing Equipment		1,830	
Office Equipment		7,553	
Total County Trustee's Office			\$ 85,165

County Clerk's Office

Pensions	\$	24,014	
Employee and Dependent Insurance		540	
Life Insurance		112	
Medical Insurance		37,800	
Dental Insurance		121	
Disability Insurance		392	
Unemployment Compensation		371	
Communication		480	
Data Processing Services		700	
Dues and Memberships		1,014	
Legal Notices, Recording, and Court Costs		29	
Maintenance Agreements		28,871	
Pest Control		60	
Postal Charges		6,715	
Printing, Stationery, and Forms		940	
Travel		50	
Office Supplies		3,378	
Other Supplies and Materials		454	
Workers' Compensation Insurance		1,828	
Total County Clerk's Office			107,869

Data Processing

Assistant(s)	\$	36,400	
Supervisor/Director		67,600	
Longevity Pay		250	
Social Security		6,333	
Pensions		10,185	
Medical Insurance		13,279	
Unemployment Compensation		96	
Employer Medicare		1,481	
Communication		2,639	
Maintenance Agreements		16,638	
Travel		14	
Workers' Compensation Insurance		1,141	
Data Processing Equipment		12,710	
Total Data Processing			168,766

(Continued)

Exhibit J-8

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

General Fund (Cont.)Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	71,690	
Deputy(ies)		276,791	
Longevity Pay		5,500	
Jury and Witness Expense		14,337	
In-service Training		50	
Social Security		20,924	
Pensions		33,563	
Employee and Dependent Insurance		360	
Life Insurance		74	
Medical Insurance		66,427	
Dental Insurance		121	
Disability Insurance		109	
Unemployment Compensation		513	
Employer Medicare		4,893	
Data Processing Services		17,595	
Dues and Memberships		1,169	
Evaluation and Testing		400	
Legal Notices, Recording, and Court Costs		81	
Maintenance Agreements		5,941	
Maintenance and Repair Services - Office Equipment		10	
Pest Control		102	
Postal Charges		5,020	
Printing, Stationery, and Forms		3,500	
Travel		5,031	
Office Supplies		8,556	
Workers' Compensation Insurance		1,945	
Other Charges		663	
Data Processing Equipment		32,834	
Total Circuit Court			\$ 578,199

General Sessions Court

Judge(s)	\$	153,247
Deputy(ies)		33,030
Guards		58,533
Temporary Personnel		862
Part-time Personnel		960
Longevity Pay		750
Overtime Pay		6,191
Social Security		13,383
Pensions		24,472
Medical Insurance		26,915
Unemployment Compensation		163
Employer Medicare		3,142
Dues and Memberships		605
Maintenance Agreements		390
Pest Control		102
Postal Charges		31

(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.)

Printing, Stationery, and Forms	\$	423	
Travel		988	
Office Supplies		927	
Other Supplies and Materials		464	
Workers' Compensation Insurance		527	
Other Charges		14	
Total General Sessions Court			\$ 326,119

Chancery Court

County Official/Administrative Officer	\$	71,690	
Deputy(ies)		123,367	
Longevity Pay		2,850	
Social Security		11,800	
Pensions		19,114	
Employee and Dependent Insurance		330	
Life Insurance		74	
Medical Insurance		26,476	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		199	
Employer Medicare		2,760	
Data Processing Services		8,670	
Dues and Memberships		879	
Maintenance Agreements		690	
Pest Control		102	
Postal Charges		10,459	
Printing, Stationery, and Forms		1,517	
Travel		343	
Office Supplies		3,545	
Other Supplies and Materials		1,111	
Workers' Compensation Insurance		277	
Data Processing Equipment		5,720	
Office Equipment		1,743	
Total Chancery Court			294,219

Juvenile Court

Deputy(ies)	\$	50,479	
Youth Service Officer(s)		8,410	
Salary Supplements		62,400	
Overtime Pay		273	
Social Security		7,338	
Pensions		10,205	
Medical Insurance		17,911	
Unemployment Compensation		105	
Employer Medicare		1,716	
Postal Charges		620	
Travel		2,980	

(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.)

Office Supplies	\$	608	
Other Supplies and Materials		552	
Workers' Compensation Insurance		261	
Total Juvenile Court			\$ 163,858

Courtroom Security

Deputy(ies)	\$	58,535	
Overtime Pay		675	
Social Security		3,491	
Pensions		5,616	
Life Insurance		25	
Medical Insurance		11,060	
Dental Insurance		81	
Disability Insurance		87	
Unemployment Compensation		96	
Employer Medicare		816	
Evaluation and Testing		15	
Travel		51	
Law Enforcement Supplies		735	
Uniforms		5,120	
Total Courtroom Security			86,403

Victim Assistance Programs

Assistant(s)	\$	16,574	
Social Security		1,028	
Pensions		158	
Life Insurance		19	
Disability Insurance		65	
Unemployment Compensation		58	
Employer Medicare		240	
Contracts with Private Agencies		9,451	
Travel		770	
Office Supplies		861	
Other Charges		25	
Data Processing Equipment		1,694	
Total Victim Assistance Programs			30,943

Public SafetySheriff's Department

County Official/Administrative Officer	\$	82,802	
Supervisor/Director		61,206	
Deputy(ies)		656,906	
Investigator(s)		271,826	
Captain(s)		57,497	
Lieutenant(s)		154,602	
Sergeant(s)		290,093	
Secretary(ies)		149,147	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

School Resource Officer	\$	399,214	
Longevity Pay		22,000	
Overtime Pay		21,120	
In-service Training		48,918	
Social Security		131,676	
Pensions		194,544	
Employee and Dependent Insurance		2,204	
Life Insurance		612	
Medical Insurance		312,965	
Dental Insurance		1,384	
Disability Insurance		1,610	
Unemployment Compensation		2,882	
Employer Medicare		30,795	
Communication		2,318	
Contracts with Private Agencies		10,349	
Data Processing Services		666	
Dues and Memberships		5,490	
Evaluation and Testing		3,557	
Maintenance Agreements		9,481	
Maintenance and Repair Services - Buildings		1,175	
Maintenance and Repair Services - Equipment		318	
Maintenance and Repair Services - Vehicles		91,233	
Pest Control		282	
Postal Charges		1,719	
Printing, Stationery, and Forms		2,014	
Rentals		19,600	
Towing Services		4,520	
Travel		16,597	
Custodial Supplies		8,546	
Gasoline		92,938	
Law Enforcement Supplies		28,764	
Office Supplies		15,510	
Tires and Tubes		13,142	
Uniforms		64,849	
Utilities		13,004	
Other Supplies and Materials		3,430	
Judgments		1,800	
Workers' Compensation Insurance		64,024	
Other Self-insured Claims		5,769	
Other Charges		844	
Data Processing Equipment		25,121	
Furniture and Fixtures		952	
Law Enforcement Equipment		8,006	
Motor Vehicles		286,044	
Total Sheriff's Department	\$		3,696,065

(Continued)

Exhibit J-8

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

General Fund (Cont.)Public Safety (Cont.)Special Patrols

Communication Equipment	\$	838	
Total Special Patrols			\$ 838

Drug Enforcement

Unemployment Compensation	\$	1	
Total Drug Enforcement			1

Jail

Assistant(s)	\$	34,502	
Lieutenant(s)		44,971	
Sergeant(s)		110,488	
Medical Personnel		124,966	
Guards		765,866	
Longevity Pay		4,700	
Overtime Pay		14,795	
In-service Training		300	
Social Security		63,414	
Pensions		92,369	
Employee and Dependent Insurance		2,778	
Life Insurance		415	
Medical Insurance		222,542	
Dental Insurance		1,333	
Disability Insurance		1,197	
Unemployment Compensation		2,425	
Employer Medicare		14,831	
Communication		10,785	
Contracts with Private Agencies		7,351	
Evaluation and Testing		2,755	
Maintenance Agreements		7,150	
Maintenance and Repair Services - Buildings		27,684	
Maintenance and Repair Services - Equipment		24,760	
Maintenance and Repair Services - Vehicles		214	
Pest Control		360	
Printing, Stationery, and Forms		1,355	
Travel		3,726	
Custodial Supplies		26,485	
Drugs and Medical Supplies		39,221	
Food Supplies		302,738	
Law Enforcement Supplies		1,125	
Office Supplies		1,907	
Uniforms		30,355	
Utilities		235,469	
Other Supplies and Materials		46,842	
Medical Claims		272,080	
Workers' Compensation Insurance		30,652	
Other Charges		620	
Furniture and Fixtures		8,399	
Total Jail			2,583,925

(Continued)

Exhibit J-8

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

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

Accountants/Bookkeepers	\$	7,950	
Guards		17,788	
Social Security		493	
Pensions		171	
Unemployment Compensation		16	
Employer Medicare		115	
Food Supplies		4,620	
Gasoline		1,123	
Other Charges		16,965	
Total Workhouse			\$ 49,241

Work Release Program

Maintenance and Repair Services - Equipment	\$	808	
Maintenance and Repair Services - Vehicles		100	
Food Supplies		3,767	
Gasoline		1,339	
Tires and Tubes		577	
Other Charges		635	
Total Work Release Program			7,226

Fire Prevention and Control

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

Civil Defense

Maintenance and Repair Services - Vehicles	\$	418	
Other Supplies and Materials		419	
Furniture and Fixtures		4,068	
Other Equipment		345	
Total Civil Defense			5,250

Rescue Squad

Contributions	\$	314,768	
Total Rescue Squad			314,768

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		160	
Medical and Dental Services		10,000	
Other Contracted Services		61,525	
Gasoline		389	
Other Supplies and Materials		100	
Total County Coroner/Medical Examiner			73,481

(Continued)

Exhibit J-8

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

General Fund (Cont.)Public Health and WelfareLocal Health Center

Secretary(ies)	\$	44,803	
Longevity Pay		500	
Social Security		2,682	
Pensions		4,426	
Employee and Dependent Insurance		296	
Life Insurance		74	
Medical Insurance		6,640	
Dental Insurance		242	
Disability Insurance		211	
Unemployment Compensation		96	
Employer Medicare		627	
Communication		2,602	
Contracts with Government Agencies		14,345	
Dues and Memberships		975	
Janitorial Services		18,000	
Legal Notices, Recording, and Court Costs		198	
Maintenance and Repair Services - Buildings		5,364	
Pest Control		288	
Travel		553	
Disposal Fees		400	
Food Supplies		201	
Office Supplies		213	
Utilities		25,705	
Other Supplies and Materials		4,572	
Workers' Compensation Insurance		92	
Other Charges		374	
Building Construction		305,769	
Communication Equipment		1,148	
Total Local Health Center			\$ 441,396

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	55,782
Assistant(s)		45,360
Medical Personnel		1,079,912
Secretary(ies)		29,447
Part-time Personnel		35,307
Longevity Pay		8,250
In-service Training		4,960
Social Security		75,010
Pensions		115,115
Employee and Dependent Insurance		27
Life Insurance		25
Medical Insurance		169,466
Dental Insurance		40
Disability Insurance		44
Unemployment Compensation		1,589
Employer Medicare		17,543

(Continued)

Exhibit J-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Communication	\$	5,914	
Contracts with Private Agencies		107,927	
Dues and Memberships		1,120	
Laundry Service		193	
Licenses		2,495	
Maintenance Agreements		675	
Maintenance and Repair Services - Buildings		1,176	
Maintenance and Repair Services - Equipment		7,638	
Maintenance and Repair Services - Vehicles		76,446	
Pest Control		180	
Postal Charges		429	
Towing Services		575	
Travel		3,170	
Disposal Fees		1,784	
Other Contracted Services		688	
Custodial Supplies		2,400	
Drugs and Medical Supplies		102,377	
Gasoline		47,986	
Office Supplies		1,848	
Tires and Tubes		13,100	
Uniforms		7,947	
Utilities		20,014	
Other Supplies and Materials		177	
Liability Insurance		13,698	
Vehicle and Equipment Insurance		22,632	
Workers' Compensation Insurance		118,514	
Other Self-insured Claims		364	
Other Charges		2,075	
Furniture and Fixtures		1,323	
Office Equipment		850	
Total Ambulance/Emergency Medical Services			\$ 2,203,592

Alcohol and Drug Programs

Communication	\$	1,073	
Dues and Memberships		680	
Travel		7,332	
Other Contracted Services		48,537	
Other Supplies and Materials		2,702	
Total Alcohol and Drug Programs			60,324

Other Local Health Services

Other Salaries and Wages	\$	256	
Social Security		16	
Unemployment Compensation		1	
Employer Medicare		4	
Advertising		300	
Travel		976	

(Continued)

Exhibit J-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)Other Local Health Services (Cont.)

Office Supplies	\$	21,953	
Workers' Compensation Insurance		28	
Other Equipment		9,995	
Total Other Local Health Services			\$ 33,529

Appropriation to State

Longevity Pay	\$	250	
Other Salaries and Wages		267,994	
Social Security		15,612	
Pensions		21,690	
Employee and Dependent Insurance		720	
Life Insurance		149	
Medical Insurance		38,737	
Dental Insurance		485	
Disability Insurance		522	
Unemployment Compensation		541	
Employer Medicare		3,651	
Travel		8,199	
Other Supplies and Materials		497	
Liability Insurance		354	
Workers' Compensation Insurance		1,740	
Total Appropriation to State			361,141

Other Public Health and Welfare

Dues and Memberships	\$	9,223	
Other Contracted Services		66,751	
Total Other Public Health and Welfare			75,974

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contributions	\$	8,000	
Total Senior Citizens Assistance			8,000

Libraries

Supervisor/Director	\$	42,993	
Deputy(ies)		29,000	
Librarians		61,795	
Part-time Personnel		39,609	
Longevity Pay		1,500	
Social Security		10,098	
Medical Insurance		32,091	
Unemployment Compensation		433	
Employer Medicare		2,362	
Communication		3,223	
Dues and Memberships		810	
Janitorial Services		5,900	
Maintenance Agreements		2,095	

(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.)

Maintenance and Repair Services - Buildings	\$	1,895	
Pest Control		420	
Postal Charges		1,369	
Printing, Stationery, and Forms		636	
Travel		255	
Other Contracted Services		14	
Custodial Supplies		784	
Instructional Supplies and Materials		4,223	
Library Books/Media		32,359	
Office Supplies		3,756	
Periodicals		4,351	
Utilities		23,302	
Refunds		28	
Workers' Compensation Insurance		577	
Other Charges		204	
Data Processing Equipment		9,021	
Furniture and Fixtures		5,261	
Office Equipment		103	
Total Libraries			\$ 320,467

Other Social, Cultural, and Recreational

Contributions	\$	16,500	
Total Other Social, Cultural, and Recreational			16,500

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	100,088	
Secretary(ies)		4,590	
Board and Committee Members Fees		225	
Social Security		285	
Pensions		265	
Unemployment Compensation		28	
Employer Medicare		67	
Communication		1,769	
Dues and Memberships		415	
Maintenance Agreements		595	
Pest Control		144	
Disposal Fees		400	
Gasoline		162	
Instructional Supplies and Materials		2,000	
Utilities		7,776	
Other Supplies and Materials		110	
Workers' Compensation Insurance		27	
Motor Vehicles		13,350	
Total Agricultural Extension Service			132,296

(Continued)

Exhibit J-8

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Soil Conservation

Salary Supplements	\$	39,328	
Social Security		2,351	
Pensions		3,842	
Medical Insurance		6,798	
Unemployment Compensation		48	
Employer Medicare		550	
Workers' Compensation Insurance		58	
Total Soil Conservation			\$ 52,975

Other OperationsTourism

Contributions	\$	45,618	
Dues and Memberships		1,600	
Total Tourism			47,218

Industrial Development

Contributions	\$	172,536	
Total Industrial Development			172,536

Housing and Urban Development

Contracts with Private Agencies	\$	153,451	
Total Housing and Urban Development			153,451

Airport

Contributions	\$	69,000	
Total Airport			69,000

Veterans' Services

Supervisor/Director	\$	31,200	
Secretary(ies)		27,463	
Longevity Pay		600	
Social Security		3,315	
Pensions		5,790	
Employee and Dependent Insurance		180	
Life Insurance		37	
Medical Insurance		9,942	
Dental Insurance		121	
Disability Insurance		131	
Unemployment Compensation		96	
Employer Medicare		775	
Communication		1,605	
Dues and Memberships		25	
Maintenance Agreements		1,005	
Maintenance and Repair Services - Buildings		12	
Maintenance and Repair Services - Vehicles		55	
Pest Control		120	
Postal Charges		195	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Travel	\$	513	
Disposal Fees		400	
Gasoline		634	
Office Supplies		542	
Utilities		2,531	
Other Supplies and Materials		2,138	
Workers' Compensation Insurance		116	
Motor Vehicles		14,490	
Other Equipment		470	
Total Veterans' Services			\$ 104,501

Other Charges

Contracts with Private Agencies	\$	350	
Data Processing Services		16,189	
Building and Contents Insurance		68,243	
Liability Insurance		118,303	
Trustee's Commission		203,966	
Vehicle and Equipment Insurance		57,041	
Other Charges		5,165	
Total Other Charges			469,257

Miscellaneous

Tax Relief Program	\$	59,108	
Total Miscellaneous			59,108

Principal on Debt

General Government

Principal on Capital Leases	\$	99,898	
Total General Government			99,898

Capital Projects

General Administration Projects

Communication	\$	17,778	
Total General Administration Projects			17,778

Total General Fund \$ 15,719,413

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Maintenance and Repair Services - Buildings	\$	30,105	
Trustee's Commission		176	
Total Other Charges			\$ 30,281

Total Courthouse and Jail Maintenance Fund 30,281

(Continued)

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Salary Supplements	\$ 41,668
Laborers	180,067
Secretary(ies)	41,541
Clerical Personnel	26,954
Longevity Pay	3,600
Overtime Pay	590
In-service Training	525
Social Security	16,117
Pensions	24,917
Medical Insurance	71,478
Unemployment Compensation	2,179
Employer Medicare	3,769
Communication	2,475
Contracts with Private Agencies	743,104
Data Processing Services	1,700
Dues and Memberships	402
Engineering Services	9,500
Evaluation and Testing	764
Maintenance and Repair Services - Buildings	1,888
Maintenance and Repair Services - Equipment	12,609
Maintenance and Repair Services - Vehicles	6,987
Pest Control	120
Postal Charges	9,453
Printing, Stationery, and Forms	1,676
Travel	1,100
Brokerage Fees - Recyclables	57,893
Permits	2,650
Other Contracted Services	1,358
Crushed Stone	2,031
Custodial Supplies	2,166
Diesel Fuel	8,824
Food Supplies	8,701
Garage Supplies	21,727
Gasoline	1,596
Office Supplies	245
Propane Gas	3,534
Small Tools	6
Tires and Tubes	1,276
Uniforms	1,399
Utilities	30,908
Wire	4,735
Other Supplies and Materials	141
Building and Contents Insurance	6,194
Liability Insurance	1,700
Refunds	636
Trustee's Commission	13,062
Vehicle and Equipment Insurance	3,528

(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.)

Workers' Compensation Insurance	\$	16,288	
Other Charges		404	
Furniture and Fixtures		151	
Total Landfill Operation and Maintenance			\$ 1,396,336

Total Solid Waste/Sanitation Fund \$ 1,396,336

Industrial/Economic Development Fund

Capital Projects

General Administration Projects

Contributions	\$	37,772	
Total General Administration Projects			\$ 37,772

Public Utility Projects

Contracts with Private Agencies	\$	175,470	
Engineering Services		8,500	
Legal Notices, Recording, and Court Costs		270	
Total Public Utility Projects			184,240

Total Industrial/Economic Development Fund 222,012

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	11,489	
Contracts with Private Agencies		781	
Confidential Drug Enforcement Payments		18,000	
Dues and Memberships		175	
Travel		240	
Law Enforcement Supplies		812	
Trustee's Commission		463	
Other Charges		4,187	
Law Enforcement Equipment		6,500	
Total Drug Enforcement			\$ 42,647

Total Drug Control Fund 42,647

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	235,403	
Total County Trustee's Office			\$ 235,403

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	282,166	
Total County Clerk's Office			282,166

(Continued)

Exhibit J-8

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

Constitutional Officers - Fees Fund (Cont.)Administration of JusticeChancery Court

Special Commissioner Fees/Special Master Fees	\$	1,806	
Total Chancery Court			\$ 1,806

Total Constitutional Officers - Fees Fund			\$ 519,375
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Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	78,859	
Accountants/Bookkeepers		70,835	
Longevity Pay		750	
Social Security		9,205	
Pensions		14,698	
Employee and Dependent Insurance		390	
Life Insurance		74	
Medical Insurance		13,279	
Dental Insurance		242	
Unemployment Compensation		480	
Employer Medicare		2,153	
Communication		5,358	
Contracts with Private Agencies		5,619	
Data Processing Services		400	
Dues and Memberships		4,861	
Evaluation and Testing		1,323	
Legal Notices, Recording, and Court Costs		637	
Maintenance Agreements		146	
Pest Control		240	
Postal Charges		49	
Printing, Stationery, and Forms		311	
Travel		3,565	
Custodial Supplies		248	
Office Supplies		1,252	
Utilities		10,754	
Workers' Compensation Insurance		764	
Other Charges		993	
Office Equipment		1,762	
Total Administration			\$ 229,247

Highway and Bridge Maintenance

Foremen	\$	127,504
Equipment Operators		280,449
Equipment Operators - Light		240,666
Truck Drivers		268,166
Laborers		114,436
Longevity Pay		13,700
Social Security		62,332
Pensions		96,950

(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.)

Employee and Dependent Insurance	\$	321	
Life Insurance		69	
Medical Insurance		188,292	
Dental Insurance		241	
Disability Insurance		259	
Unemployment Compensation		7,850	
Employer Medicare		14,578	
Asphalt		912,659	
Asphalt - Cold Mix		17,448	
Concrete		41,472	
Crushed Stone		356,360	
Pipe - Metal		113,651	
Road Signs		32,489	
Wood Products		3,934	
Gravel and Chert		1,205	
Workers' Compensation Insurance		64,621	
Other Charges		38,965	
Total Highway and Bridge Maintenance			\$ 2,998,617

Operation and Maintenance of Equipment

Mechanic(s)	\$	149,163	
Longevity Pay		1,850	
Social Security		9,047	
Pensions		13,708	
Medical Insurance		26,558	
Unemployment Compensation		973	
Employer Medicare		2,116	
Maintenance and Repair Services - Equipment		122,703	
Diesel Fuel		113,497	
Garage Supplies		1,979	
Gasoline		34,718	
Lubricants		17,067	
Propane Gas		95	
Tires and Tubes		37,001	
Workers' Compensation Insurance		5,456	
Other Charges		8,972	
Total Operation and Maintenance of Equipment			544,903

Other Charges

Building and Contents Insurance	\$	1,598	
Liability Insurance		21,120	
Trustee's Commission		56,277	
Vehicle and Equipment Insurance		27,638	
Other Charges		1,905	
Total Other Charges			108,538

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$ 30,672	
Bridge Construction	314,717	
Highway Construction	967,705	
Highway Equipment	83,262	
Other Construction	80,542	
Total Capital Outlay		\$ 1,476,898

Principal on Debt

Highways and Streets

Principal on Capital Leases	\$ 98,037	
Total Highways and Streets		98,037

Interest on Debt

Highways and Streets

Interest on Capital Leases	\$ 8,559	
Total Highways and Streets		8,559

Total Highway/Public Works Fund \$ 5,464,799

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 852,225	
Principal on Notes	325,188	
Total General Government		\$ 1,177,413

Highways and Streets

Principal on Bonds	\$ 74,800	
Total Highways and Streets		74,800

Education

Principal on Bonds	\$ 2,002,500	
Principal on Notes	209,812	
Total Education		2,212,312

Interest on Debt

General Government

Interest on Bonds	\$ 655,899	
Interest on Notes	59,630	
Total General Government		715,529

Highways and Streets

Interest on Bonds	\$ 19,324	
Total Highways and Streets		19,324

Education

Interest on Bonds	\$ 389,820	
Interest on Notes	42,939	
Total Education		432,759

(Continued)

Exhibit J-8

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Trustee's Commission	\$	66,138	
Other Debt Issuance Charges		133,232	
Other Debt Service		8,247,216	
Total General Government			\$ 8,446,586

Education

Other Debt Service	\$	850	
Total Education			850

Total General Debt Service Fund \$ 13,079,573

Education Debt Service Fund

Other Debt Service

Education

Trustee's Commission	\$	8,481	
Total Education			\$ 8,481

Total Education Debt Service Fund 8,481

Highway Debt Service Fund

Principal on Debt

Highways and Streets

Principal on Notes	\$	275,000	
Total Highways and Streets			\$ 275,000

Interest on Debt

Highways and Streets

Interest on Notes	\$	28,600	
Total Highways and Streets			28,600

Other Debt Service

Highways and Streets

Trustee's Commission	\$	8,481	
Total Highways and Streets			8,481

Total Highway Debt Service Fund 312,081

General Capital Projects Fund

Capital Projects

General Administration Projects

Other Debt Issuance Charges	\$	5,823	
Building Construction		362,361	
Building Improvements		73,751	
Motor Vehicles		1,200	
Total General Administration Projects			\$ 443,135

(Continued)

Exhibit J-8

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Public Health and Welfare Projects</u>			
Building Improvements	\$	119,206	
Total Public Health and Welfare Projects			\$ 119,206
Total General Capital Projects Fund			\$ 562,341
<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Highway Construction	\$	1,309,239	
Highway Equipment		233,608	
Total Highway and Street Capital Projects			\$ 1,542,847
Total Highway Capital Projects Fund			1,542,847
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Charges	\$	34,614	
Total Public Safety Projects			\$ 34,614
Total Other Capital Projects Fund			34,614
Total Governmental Funds - Primary Government			\$ 38,934,800

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, 2017

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 16,597,445	
Career Ladder Program	108,262	
Homebound Teachers	20,533	
Educational Assistants	775,714	
Other Salaries and Wages	32,835	
Certified Substitute Teachers	34,565	
Non-certified Substitute Teachers	202,014	
Social Security	1,054,918	
Pensions	1,562,611	
Medical Insurance	2,904,816	
Unemployment Compensation	1,827	
Employer Medicare	247,578	
Other Fringe Benefits	90,331	
Other Contracted Services	740	
Instructional Supplies and Materials	564,447	
Textbooks - Bound	23	
Other Supplies and Materials	24,253	
Other Charges	76	
Regular Instruction Equipment	1,052,616	
Total Regular Instruction Program		\$ 25,275,604

Alternative Instruction Program

Teachers	\$ 104,415	
Educational Assistants	35,772	
Social Security	8,162	
Pensions	10,769	
Medical Insurance	38,314	
Employer Medicare	1,922	
Other Fringe Benefits	1,729	
Instructional Supplies and Materials	427	
Other Supplies and Materials	1,489	
Total Alternative Instruction Program		202,999

Special Education Program

Teachers	\$ 955,373	
Career Ladder Program	4,000	
Homebound Teachers	10,535	
Educational Assistants	647,310	
Speech Pathologist	289,326	
Other Salaries and Wages	37,572	
Certified Substitute Teachers	1,275	
Non-certified Substitute Teachers	43,962	
Social Security	117,014	
Pensions	176,162	
Medical Insurance	426,797	
Employer Medicare	27,412	

(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	\$	22,880	
Contracts with Private Agencies		39,000	
Instructional Supplies and Materials		16,190	
Other Supplies and Materials		2,606	
Special Education Equipment		4,902	
Total Special Education Program			\$ 2,822,316

Career and Technical Education Program

Teachers	\$	1,482,831	
Career Ladder Program		6,000	
Certified Substitute Teachers		1,020	
Non-certified Substitute Teachers		27,132	
Social Security		90,003	
Pensions		132,757	
Medical Insurance		241,054	
Employer Medicare		21,159	
Other Fringe Benefits		11,015	
Contracts with Other School Systems		184,321	
Maintenance and Repair Services - Equipment		848	
Other Contracted Services		2,972	
Instructional Supplies and Materials		45,843	
Textbooks - Bound		29,607	
Other Supplies and Materials		4,360	
Vocational Instruction Equipment		36,535	
Total Career and Technical Education Program			2,317,457

Support ServicesAttendance

Supervisor/Director	\$	37,246	
Employer Medicare		540	
Travel		208	
Other Supplies and Materials		545	
Total Attendance			38,539

Health Services

Supervisor/Director	\$	68,875	
Medical Personnel		330,740	
Other Salaries and Wages		19,714	
Social Security		23,666	
Pensions		35,124	
Medical Insurance		113,644	
Employer Medicare		5,535	
Other Fringe Benefits		5,771	
Travel		532	
Other Contracted Services		2,210	
Drugs and Medical Supplies		6,857	

(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 (Cont.)

Other Supplies and Materials	\$	1,059	
In Service/Staff Development		82	
Other Charges		3,740	
Health Equipment		1,995	
Total Health Services			\$ 619,544

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		781,404	
Social Workers		21,156	
Other Salaries and Wages		92,617	
Social Security		51,432	
Pensions		77,521	
Medical Insurance		104,680	
Employer Medicare		12,493	
Other Fringe Benefits		5,831	
Evaluation and Testing		44,931	
Other Supplies and Materials		1,483	
In Service/Staff Development		9,348	
Other Charges		3,624	
Total Other Student Support			1,207,520

Regular Instruction Program

Supervisor/Director	\$	283,147	
Career Ladder Program		6,000	
Librarians		579,280	
Other Salaries and Wages		34,374	
Social Security		53,590	
Pensions		81,668	
Medical Insurance		128,319	
Employer Medicare		12,543	
Other Fringe Benefits		5,534	
Travel		14,441	
Other Contracted Services		17,831	
Other Supplies and Materials		76,828	
In Service/Staff Development		24,914	
Other Charges		4,220	
Other Equipment		54,167	
Total Regular Instruction Program			1,376,856

Alternative Instruction Program

Travel	\$	88	
Other Contracted Services		3,605	
Other Supplies and Materials		218	
Other Charges		2,383	
Total Alternative Instruction Program			6,294

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	112,736	
Career Ladder Program		3,000	
Other Salaries and Wages		850	
Social Security		6,909	
Pensions		10,462	
Medical Insurance		16,629	
Employer Medicare		1,616	
Other Fringe Benefits		1,150	
Travel		6,204	
Other Contracted Services		56,339	
Other Supplies and Materials		5,689	
In Service/Staff Development		4,174	
Total Special Education Program			\$ 225,758

Career and Technical Education Program

Supervisor/Director	\$	34,587	
Other Salaries and Wages		12,428	
Social Security		2,723	
Pensions		3,472	
Medical Insurance		9,762	
Employer Medicare		637	
Other Fringe Benefits		585	
Travel		27,668	
Other Supplies and Materials		147	
In Service/Staff Development		918	
Other Charges		2,189	
Total Career and Technical Education Program			95,116

Technology

Supervisor/Director	\$	66,718	
Computer Programmer(s)		107,562	
Other Salaries and Wages		21,046	
Social Security		11,991	
Pensions		15,046	
Medical Insurance		42,433	
Employer Medicare		2,804	
Internet Connectivity		17,678	
Total Technology			285,278

Other Programs

On-behalf Payments to OPEB	\$	316,486	
Total Other Programs			316,486

Board of Education

Secretary to Board	\$	2,400	
Board and Committee Members Fees		21,600	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Social Security	\$	1,072	
Pensions		508	
Medical Insurance		296,815	
Employer Medicare		348	
Other Fringe Benefits		3,296	
Audit Services		14,935	
Dues and Memberships		9,110	
Legal Services		18,208	
Travel		3,835	
Other Contracted Services		6,880	
Other Supplies and Materials		1,610	
Liability Insurance		46,441	
Trustee's Commission		249,721	
Workers' Compensation Insurance		469,362	
In Service/Staff Development		1,481	
Other Charges		2,101	
Total Board of Education			\$ 1,149,723

Director of Schools

County Official/Administrative Officer	\$	151,501	
Secretary(ies)		33,954	
Social Security		10,228	
Pensions		17,013	
Medical Insurance		8,300	
Employer Medicare		2,629	
Other Fringe Benefits		3,095	
Communication		68,433	
Dues and Memberships		5,782	
Maintenance and Repair Services - Equipment		7,497	
Postal Charges		6,714	
Travel		1,338	
Office Supplies		6,546	
Other Supplies and Materials		833	
Other Charges		337	
Administration Equipment		3,495	
Total Director of Schools			327,695

Office of the Principal

Principals	\$	862,354	
Career Ladder Program		8,000	
Assistant Principals		1,108,815	
Secretary(ies)		558,097	
Social Security		153,280	
Pensions		233,442	
Medical Insurance		308,544	
Employer Medicare		35,848	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Other Fringe Benefits	\$	17,830	
Contributions		350,000	
Dues and Memberships		11,700	
Other Contracted Services		34,412	
Other Supplies and Materials		6,056	
In Service/Staff Development		14,731	
Other Charges		130	
Total Office of the Principal			\$ 3,703,239

Fiscal Services

Supervisor/Director	\$	70,720	
Accountants/Bookkeepers		107,652	
Social Security		10,946	
Pensions		17,427	
Medical Insurance		17,587	
Employer Medicare		2,560	
Other Fringe Benefits		313	
Data Processing Services		26,800	
Travel		443	
Data Processing Supplies		969	
Other Supplies and Materials		691	
In Service/Staff Development		35	
Other Charges		182	
Administration Equipment		810	
Total Fiscal Services			257,135

Human Services/Personnel

Supervisor/Director	\$	79,012	
Secretary(ies)		31,879	
Social Security		6,298	
Pensions		10,257	
Medical Insurance		16,492	
Employer Medicare		1,473	
Other Fringe Benefits		302	
Travel		632	
Other Contracted Services		892	
Other Supplies and Materials		42	
In Service/Staff Development		2,226	
Administration Equipment		929	
Total Human Services/Personnel			150,434

Operation of Plant

Custodial Personnel	\$	614,374	
Other Salaries and Wages		421,877	
Social Security		62,185	
Pensions		90,805	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Medical Insurance	\$	210,599	
Employer Medicare		14,544	
Other Fringe Benefits		11,083	
Laundry Service		12,362	
Travel		5,792	
Disposal Fees		35,448	
Other Contracted Services		212,443	
Custodial Supplies		103,224	
Electricity		1,262,032	
Natural Gas		133,862	
Water and Sewer		218,636	
Other Supplies and Materials		1,696	
Building and Contents Insurance		140,437	
In Service/Staff Development		329	
Other Charges		1,207	
Plant Operation Equipment		16,241	
Total Operation of Plant			\$ 3,569,176

Maintenance of Plant

Supervisor/Director	\$	57,465	
Other Salaries and Wages		391,473	
Social Security		27,236	
Pensions		42,131	
Medical Insurance		58,153	
Employer Medicare		6,370	
Other Fringe Benefits		3,095	
Laundry Service		6,313	
Maintenance and Repair Services - Buildings		17,251	
Maintenance and Repair Services - Equipment		16,143	
Maintenance and Repair Services - Vehicles		3,737	
Travel		396	
Other Contracted Services		197,432	
Other Supplies and Materials		419,542	
Other Charges		2,097	
Maintenance Equipment		22,393	
Total Maintenance of Plant			1,271,227

Transportation

Supervisor/Director	\$	57,465	
Mechanic(s)		220,754	
Bus Drivers		888,779	
Clerical Personnel		28,987	
Other Salaries and Wages		63,716	
Social Security		73,718	
Pensions		104,737	
Medical Insurance		401,041	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Employer Medicare	\$	17,387	
Other Fringe Benefits		19,835	
Communication		3,900	
Contracts with Parents		6,296	
Laundry Service		4,119	
Maintenance and Repair Services - Equipment		1,233	
Maintenance and Repair Services - Vehicles		492	
Medical and Dental Services		3,105	
Travel		9,947	
Other Contracted Services		32,297	
Diesel Fuel		181,767	
Gasoline		33,314	
Tires and Tubes		51,371	
Vehicle Parts		98,302	
Other Supplies and Materials		11,049	
Vehicle and Equipment Insurance		77,623	
In Service/Staff Development		1,374	
Other Charges		1,043	
Transportation Equipment		600,186	
Total Transportation			\$ 2,993,837

Central and Other

Other Salaries and Wages	\$	39,421	
Social Security		2,283	
Pensions		3,851	
Medical Insurance		15,604	
Employer Medicare		534	
Other Fringe Benefits		765	
Other Contracted Services		62,008	
Other Supplies and Materials		14,777	
Total Central and Other			139,243

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	30,900	
Teachers		114,124	
Career Ladder Program		1,000	
Educational Assistants		20,246	
Other Salaries and Wages		42,657	
Social Security		12,475	
Pensions		18,541	
Medical Insurance		5,535	
Employer Medicare		2,917	
Other Fringe Benefits		389	
Travel		1,394	
Other Contracted Services		6,442	

(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.)

Food Supplies	\$	2,640	
Instructional Supplies and Materials		15,907	
Other Supplies and Materials		9,136	
In Service/Staff Development		6,550	
Other Charges		9,046	
Other Equipment		4,695	
Total Community Services			\$ 304,594

Early Childhood Education

Supervisor/Director	\$	8,018	
Teachers		536,053	
Career Ladder Program		1,000	
Clerical Personnel		23,662	
Educational Assistants		172,755	
Certified Substitute Teachers		663	
Non-certified Substitute Teachers		20,732	
Social Security		43,877	
Pensions		66,701	
Medical Insurance		164,445	
Employer Medicare		10,265	
Other Fringe Benefits		3,701	
Maintenance and Repair Services - Equipment		1,479	
Travel		115	
Instructional Supplies and Materials		8,892	
Other Supplies and Materials		26,294	
In Service/Staff Development		5,276	
Other Charges		4,983	
Regular Instruction Equipment		15,698	
Total Early Childhood Education			1,114,609

Capital OutlayRegular Capital Outlay

Building Improvements	\$	4,625	
Total Regular Capital Outlay			4,625

Total General Purpose School Fund \$ 49,775,304

School Federal Projects FundInstructionRegular Instruction Program

Supervisor/Director	\$	12,260	
Teachers		850,680	
Educational Assistants		165,243	
Other Salaries and Wages		135	
Certified Substitute Teachers		714	
Non-certified Substitute Teachers		15,912	

(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	\$	61,881	
Pensions		89,887	
Medical Insurance		163,596	
Employer Medicare		14,479	
Other Fringe Benefits		8,329	
Instructional Supplies and Materials		30,743	
Total Regular Instruction Program			\$ 1,413,859

Special Education Program

Teachers	\$	486,970	
Educational Assistants		210,879	
Speech Pathologist		49,889	
Certified Substitute Teachers		1,275	
Non-certified Substitute Teachers		29,198	
Social Security		45,187	
Pensions		64,495	
Medical Insurance		161,164	
Employer Medicare		10,619	
Other Fringe Benefits		5,372	
Instructional Supplies and Materials		55,121	
Other Supplies and Materials		773	
Other Charges		1,922	
Total Special Education Program			1,122,864

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	924	
Other Supplies and Materials		6,990	
Vocational Instruction Equipment		50,639	
Total Career and Technical Education Program			58,553

Support Services

Health Services

Medical Personnel	\$	25,911	
Social Security		1,500	
Pensions		2,342	
Medical Insurance		6,851	
Employer Medicare		351	
Other Fringe Benefits		504	
Total Health Services			37,459

Other Student Support

Supervisor/Director	\$	65,353	
Social Workers		70,386	
Other Salaries and Wages		55,692	
Certified Substitute Teachers		408	
Non-certified Substitute Teachers		10,532	

(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	\$	11,632	
Pensions		17,699	
Medical Insurance		34,057	
Employer Medicare		2,730	
Other Fringe Benefits		261	
Travel		29,957	
Other Contracted Services		79,785	
Food Supplies		28	
Office Supplies		1,552	
Other Supplies and Materials		9,946	
In Service/Staff Development		42,774	
Other Charges		33,178	
Other Equipment		4,375	
Total Other Student Support			\$ 470,345

Regular Instruction Program

Bonus Payments	\$	6,160	
Other Salaries and Wages		761,334	
Social Security		44,342	
Pensions		66,528	
Medical Insurance		105,523	
Employer Medicare		10,826	
Other Fringe Benefits		3,994	
Travel		832	
Food Supplies		755	
Other Supplies and Materials		3,975	
In Service/Staff Development		24,368	
Other Charges		275	
Total Regular Instruction Program			1,028,912

Special Education Program

Psychological Personnel	\$	116,915	
Clerical Personnel		32,979	
Other Salaries and Wages		87,304	
Social Security		14,227	
Pensions		21,678	
Medical Insurance		33,744	
Employer Medicare		3,328	
Other Fringe Benefits		2,064	
Travel		2,500	
Other Contracted Services		70,966	
Other Supplies and Materials		9,015	
In Service/Staff Development		754	
Total Special Education Program			395,474

(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.)Career and Technical Education Program

Travel	\$	1,968	
Total Career and Technical Education Program			\$ 1,968

Board of Education

Criminal Investigation of Applicants - TBI	\$	98	
Total Board of Education			98

Total School Federal Projects Fund			\$ 4,529,532
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Central Cafeteria FundOperation of Non-instructional ServicesFood Service

Supervisor/Director	\$	69,131	
Accountants/Bookkeepers		35,480	
Cafeteria Personnel		1,218,364	
Social Security		78,866	
Pensions		82,158	
Medical Insurance		243,613	
Unemployment Compensation		108	
Employer Medicare		18,445	
Other Fringe Benefits		13,294	
Maintenance and Repair Services - Equipment		63,975	
Transportation - Other than Students		23,760	
Travel		864	
Other Contracted Services		45,225	
Food Supplies		1,674,731	
Office Supplies		7,512	
Utilities		369	
USDA - Commodities		344,046	
Other Supplies and Materials		154,257	
In Service/Staff Development		3,170	
Food Service Equipment		171,907	
Total Food Service			\$ 4,249,275

Total Central Cafeteria Fund			4,249,275
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Extended School Program FundOperation of Non-instructional ServicesCommunity Services

Other Salaries and Wages	\$	103,981	
Social Security		6,442	
Pensions		9,339	
Employer Medicare		1,508	
Other Supplies and Materials		11,745	
Trustee's Commission		1,521	
Other Charges		6,157	
Total Community Services			\$ 140,693

Total Extended School Program Fund			140,693
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(Continued)

Exhibit J-9

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	5,600	
Engineering Services		22,400	
Building Construction		401,804	
Other Construction		125,000	
Total Education Capital Projects			\$ 554,804
Total Education Capital Projects Fund			\$ 554,804
Total Governmental Funds - Lawrence County School Department			\$ 59,249,608

Exhibit J-10

Lawrence County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2017

	Cities - Sales Tax Fund
	<hr/>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 4,810,704
Total Cash Receipts	<hr/> \$ 4,810,704 <hr/>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 4,762,597
Trustee's Commission	48,107
Total Cash Disbursements	<hr/> \$ 4,810,704 <hr/>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash, July 1, 2016	<hr/> 0 <hr/>
Cash, June 30, 2017	<hr/> \$ 0 <hr/> <hr/>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
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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, 2017, 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 26, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items: 2017-001 and 2017-002.

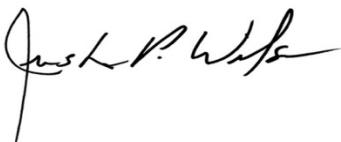
Lawrence County's Responses to Findings

Lawrence County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Lawrence County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 26, 2017

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 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, 2017. 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, 2017.

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.

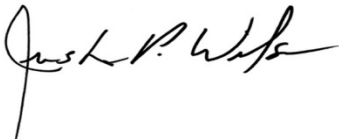
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2017, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements. We issued our report thereon dated October 26, 2017, 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 26, 2017

JPW/sb

Lawrence County, Tennessee, and the Lawrence County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2017

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 344,046 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	816,454
National School Lunch Program	10.555	N/A	2,174,449 (5)
Fresh Fruit and Vegetable Program	10.582	N/A	30,722
Passed-through State Department of Human Services:			
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	24,255
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	45,421
Total U.S. Department of Agriculture			<u>\$ 3,435,347</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	(3)	\$ 154,625
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	(3)	153,451
Total U.S. Department of Housing and Urban Development			<u>\$ 308,076</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(3)	\$ 707
Total U.S. Department of Transportation			<u>\$ 707</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(3)	\$ 1,500
Total U.S. Institute of Museum and Library Services			<u>\$ 1,500</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,961,514
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,563,386
Special Education - Preschool Grants	84.173	N/A	41,214
Career and Technical Education - Basic Grants to States	84.048	N/A	139,615
Twenty-first Century Community Learning Centers	84.287	N/A	238,101
Rural Education	84.358	N/A	158,846
English Language Acquisition State Grants	84.365	N/A	4,872
Improving Teacher Quality State Grants	84.367	N/A	274,044
Total U.S. Department of Education			<u>\$ 4,381,592</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)	\$ 370,534
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	(3)	34,449
Child Care and Development Block Grant	93.575	(3)	74,829
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(3)	50,541
Passed-through State Department of Health:			
Grants to States for Operation of State Offices of Rural Health	93.913	(3)	53,437
Total U.S. Department of Health and Human Services			<u>\$ 583,790</u>
Total Expenditures of Federal Grants			<u>\$ 8,711,012</u>

(Continued)

Lawrence County, Tennessee, and the Lawrence County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Read to be Ready Coaching Network - State Department of Education	N/A	(3)	\$ 4,923
Safe Schools Act - State Department of Education	N/A	(3)	44,233
Early Childhood Education - State Department of Education	N/A	(3)	1,109,391
Coordinated School Health - State Department of Education	N/A	(3)	100,000
Internet Connectivity - State Department of Education	N/A	(3)	17,678
Litter Program - State Department of Transportation	N/A	(3)	55,359
Family Resources Center - State Department of Education	N/A	(3)	29,573
Health Department Programs - State Department of Health	N/A	(3)	307,702
Access to Health and Healthy Active Built Environments - State Department of Health	N/A	(3)	10,000
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	(3)	3,768
Total State Grants			<u>\$ 1,682,627</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) Child Nutrition Cluster total \$3,359,204; Special Education Cluster total \$1,604,600.

(5) Total for CFDA No. 10.555 is \$2,518,495.

SUBRECIPIENT	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Program Title			
Title 1 Grants to Local Educational Agencies	84.010	\$4,172	Sacred Heart School of Lawrenceburg
Title 1 Grants to Local Educational Agencies	84.010	4,217	Sacred Heart School of Loretto
Improving Teacher Quality State Grants	84.367	975	Sacred Heart School of Lawrenceburg
Improving Teacher Quality State Grants	84.367	960	Sacred Heart School of Loretto

Lawrence County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2017

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, 2017.

Prior-year Financial Statement Findings

There were no prior-year financial statement findings to report.

Prior-year Federal Award Findings

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

LAWRENCE COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

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: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
 - * CFDA Number: 93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance
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

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2017-001 **THE INTERNAL REVENUE SERVICE ASSESSED THE COUNTY INTEREST AND PENALTY TOTALING \$2,207** (Noncompliance Under *Government Auditing Standards*)

Lawrence County maintains a payroll bank clearing account to deposit employee payroll taxes due the Internal Revenue Service (IRS) and is required to notify the IRS of all deposits so withdrawals can be made from the county's account timely. In one instance, a deposit for payroll taxes was made to the clearing account; however, the IRS was not notified timely to provide for the current withdrawal of the deposit. The IRS assessed the county interest and penalty totaling \$2,207 because the county failed to notify the IRS timely. Lawrence County paid this assessment on April 4, 2017. This deficiency resulted from a lack of management oversight.

RECOMMENDATION

Federal payroll taxes deposited to the payroll bank clearing account should be reported to the IRS on a timely basis to avoid interest and penalty assessments.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

We concur with the finding, but would like the following facts disclosed:

During the fourth quarter of 2016, we had a unique situation arise with a special payroll payment for our Highway Department that pushed our tax liability to \$110,000 for one week. At the time, we did not realize that the deposit rules change once your liability exceeds \$100,000, and the deposit is due on the day after that payroll. Therefore, we made our payroll tax deposit under our normal schedule, which is three days after the payroll is issued – a difference of two days.

In early 2017, we were notified that the \$110,000 deposit was deemed late, and we were being penalized. We promptly paid this penalty, but also submitted a request that this penalty be abated under the IRS's "Reasonable Cause" criteria and the amount be refunded.

We subsequently received a notification that our request for abatement was denied due to not meeting “Reasonable Cause” criteria. This denial also gave us certain appeal rights. We then submitted an appeal of this denial.

After not hearing anything from the appeal for several months, we contacted the Taxpayer Advocate Service (TAS) within the IRS to investigate this case. After many more months, we have now been advised by TAS that our request has once again been denied. We have never received a response from Appeals.

The denial of this abatement request seems to be based on no reasonable rationale and is not in-line with equal treatment given to other taxpayers in similar situations. No consideration was given to the fact that we have been fully compliant with all deposit and filing requirements for many many years, and this was a one-time occurrence with a plausible explanation.

We are continuing to pursue the abatement appeal process with the IRS.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2017-002

THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES

(Noncompliance Under *Government Auditing Standards*)

System backups were not stored off-site. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management’s failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

We concur. This finding is a result of a server that stopped functioning properly. Off-site backup procedures have been implemented to include an automatic backup performed nightly by the Technology Department. Management has taken steps to resolve this finding.

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, 2017.

Lawrence County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2017

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as 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). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

2017-001	The Internal Revenue Service Assessed the County Interest and Penalty Totaling \$2,207	205
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OFFICE OF DIRECTOR OF SCHOOLS

2017-002	The Office had Deficiencies in Computer System Backup Procedures	206
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T. R. Williams

LAWRENCE COUNTY EXECUTIVE



Corrective Action Plan

FINDING: THE INTERNAL REVENUE SERVICE ASSESSED THE COUNTY A
PENALTY TOTALING \$2,207

Response and Corrective Action Plan Prepared by:
Teresa Purcell, Finance Director

Person Responsible for Implementing the Corrective Action:
Teresa Purcell, Finance Director

Anticipated Completion Date of Corrective Action:
June 30, 2017

Repeat Finding:
No

Planned Corrective Action:

The IRS Circular E has been reviewed with payroll personnel so that in cases where the normal 941 deposit frequency could change, a special situation would not cause a penalty assessment. Additionally, the Finance Director will sign off on any tax deposits reaching the \$100,000 threshold to ensure the proper tax rule is applied. This change is effective immediately. The Payroll Coordinator will be responsible for ensuring deposits are made timely and that the Finance Director will be responsible for oversight.

Signature: _____

10/26/17

Signature: _____

10/26/17

LAWRENCE COUNTY SCHOOL SYSTEM

Johnny McDaniel, Director of Schools
700 Mahr Avenue • Lawrenceburg, TN 38464
931-762-3581

Corrective Action Plan

FINDING: THE OFFICE HAD DEFICIENCIES IN COMPUTER
SYSTEM BACKUP PROCEDURES

Response and Corrective Action Plan Prepared by:
Jessica Eledge, CFO

Person Responsible for Implementing the Corrective Action:
Jessica Eledge, CFO & Ken Hobbs, Supervisor of Technology

Anticipated Completion Date of Corrective Action:
10/26/2017

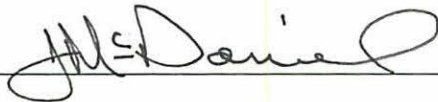
Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

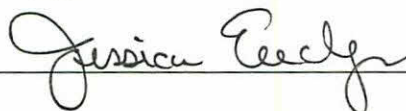
Planned Corrective Action:

This finding is a result of a server that stopped functioning properly. Offsite backup procedures have been implemented to include an automatic back-up performed nightly by the LCSS Technology Department. Management has taken steps to resolve this finding.

Signature: _____



Signature: _____



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.