

# ANNUAL FINANCIAL REPORT

## LAWRENCE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT**  
**LAWRENCE COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

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

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***State Auditors***

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

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# ***Summary of Audit Findings***

Annual Financial Report  
Lawrence County, Tennessee  
For the Year Ended June 30, 2018

## ***Scope***

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2018.

## ***Results***

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

Our audit resulted in two findings and a recommendation, 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 SCHOOLS**

- ◆ Expenditures exceeded appropriations in the General Purpose School Fund.
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### **OFFICE OF SHERIFF**

- ◆ An investigation at the Lawrence County Sheriff Department resulted in several indictments.

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## INTRODUCTORY SECTION

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## Lawrence County Officials

June 30, 2018

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### **Officials**

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

### **Board of County Commissioners**

T.R. Williams, County Executive, Chairman	Delano Benefield
Chris Jackson	Scott Franks
Wayne Yocum	Jim Modlin
Dennis Gillespie	Alanna Harris
Brandon Brown	Nathan Keeton
Phillip Hood	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	



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## FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

## Independent Auditor's Report

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

To the County Executive and Board of 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, 2018, 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, 2018, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As described in Note V.B., Lawrence County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Emphasis of Matter***

We draw attention to Note 1.D.9. to the financial statements, which describes restatements reducing the beginning net position of the Governmental Activities of the primary government and the discretely presented Lawrence County School Department by \$42,517 and \$5,102,452, respectively. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to these matters.

### ***Other Matters***

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

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedules of county and school changes in the total OPEB liability and related ratios on pages 92-100 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 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 the other information such as the introductory section and management's corrective action plans 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 also 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 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), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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), schedule of expenditures of federal awards, and miscellaneous schedules

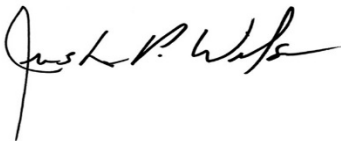
are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plans have 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2019, 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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

January 29, 2019

JPW/kp

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## BASIC FINANCIAL STATEMENTS

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Exhibit A

Lawrence County, Tennessee  
Statement of Net Position  
June 30, 2018

	Primary Government Governmental Activities	Component Unit Lawrence County School Department
<u>ASSETS</u>		
Cash	\$ 85,306	\$ 1,100
Equity in Pooled Cash and Investments	14,654,772	9,814,106
Inventories	0	121,172
Accounts Receivable	6,282,588	4,701
Allowance for Uncollectibles	(2,383,970)	0
Due from Other Governments	1,193,701	2,630,752
Property Taxes Receivable	13,840,402	6,325,311
Allowance for Uncollectible Property Taxes	(256,799)	(117,677)
Notes Receivable	43,012	0
Net Pension Asset - Agent Plan	396,246	285,643
Net Pension Asset - Teacher Retirement Plan	0	81,990
Net Pension Asset - Teacher Legacy Pension Plan	0	234,241
Capital Assets:		
Assets Not Depreciated:		
Land	1,309,719	1,276,454
Construction in Progress	1,424,048	2,800,986
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	19,375,915	31,511,668
Infrastructure	20,773,723	0
Other Capital Assets	2,527,812	3,287,582
Total Assets	<u>\$ 79,266,475</u>	<u>\$ 58,258,029</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 267,353	\$ 0
Pension Changes in Experience	61,666	188,544
Pension Changes in Investment Earnings	0	35,557
Pension Contribution after Measurement Date	838,711	2,987,146
Pension Changes in Assumptions	593,866	2,419,185
Pension Changes in Proportionate Share of NPL	0	429,706
OPEB Benefits Paid After Measurement Date	8,125	709,619
Total Deferred Inflows of Resources	<u>\$ 1,769,721</u>	<u>\$ 6,769,757</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 680,032	\$ 150,815
Payroll Deductions Payable	7,681	2,141,017
Contracts Payable	143,908	0
Retainage Payable	7,574	0
Accrued Interest Payable	171,270	0
Due to Litigants, Heirs, and Others	20	0
Noncurrent Liabilities:		
Due Within One Year	5,669,040	79,732
Due in More Than One Year	34,458,703	18,680,278
Total Liabilities	<u>\$ 41,138,228</u>	<u>\$ 21,051,842</u>

(Continued)

Exhibit A

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

		Component Unit
	Primary Government Governmental Activities	Lawrence County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 520,099	\$ 5,217,054
Pension Changes in Investment Earnings	8,935	10,853
Pension Changes in Proportionate Share of NPL	0	6,851
OPEB Changes in Assumptions	24,792	747,249
Deferred Current Property Taxes	13,032,799	5,972,055
Total Deferred Inflows of Resources	<u>\$ 13,586,625</u>	<u>\$ 11,954,062</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 15,151,233	\$ 38,876,690
Restricted for:		
General Government	37,821	0
Administration of Justice	42,618	0
Public Safety	174,503	0
Public Health and Welfare	1,792	0
Highway/Public Works	1,272,265	0
Education	0	3,012,488
Capital Projects	2,477,371	0
Pensions	396,246	601,874
Unrestricted	6,757,494	(10,469,170)
Total Net Position	<u>\$ 26,311,343</u>	<u>\$ 32,021,882</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, 2018

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	\$ 2,192,161	\$ 309,282	\$ 605,187	\$ 6,400	\$ (1,271,292)	\$ 0
Finance	1,536,423	1,128,186	0	0	(408,237)	0
Administration of Justice	1,597,369	833,700	12,415	0	(751,254)	0
Public Safety	7,502,507	1,113,890	134,543	0	(6,254,074)	0
Public Health and Welfare	3,793,179	3,642,268	737,422	0	586,511	0
Social, Cultural, and Recreational Services	898,563	3,195	2,500	0	(892,868)	0
Agriculture and Natural Resources	190,214	0	0	0	(190,214)	0
Highways/Public Works	8,529,771	8,605	2,628,602	788,196	(5,104,368)	0
Education	2,522,931	0	1,500,000	0	(1,022,931)	0
Interest on Long-term Debt	991,663	0	300,000	0	(691,663)	0
Total Primary Government	\$ 29,754,781	\$ 7,039,126	\$ 5,920,669	\$ 794,596	\$ (16,000,390)	\$ 0
Component Unit:						
Lawrence County School Department	\$ 58,855,906	\$ 1,113,196	\$ 8,112,973	\$ 0	\$ 0	\$ (49,629,737)

(Continued)

Exhibit B

Lawrence County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government Total Governmental Activities	Unit Lawrence County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 10,317,001	\$ 6,016,005
Property Taxes Levied for Debt Service					2,870,984	0
Local Option Sales Tax					1,250,482	5,646,168
Hotel/Motel Tax					113,778	0
Wheel Tax					966,805	0
Litigation Tax - General					128,539	0
Litigation Tax - Jail, Workhouse, or Courthouse					119,549	0
Business Tax					361,991	0
Mixed Drink Tax					160	0
Mineral Severance Tax					34,448	0
Wholesale Beer Tax					136,101	0
Other Local Taxes					101,159	8,862
Grants and Contributions Not Restricted to Specific Programs					1,422,485	41,048,663
Unrestricted Investment Earnings					98,976	870
Miscellaneous					26,931	27,023
Total General Revenues					<u>\$ 17,949,389</u>	<u>\$ 52,747,591</u>
Change in Net Position					\$ 1,948,999	\$ 3,117,854
Net Position, July 1, 2017					24,404,861	34,006,480
Restatement - See Note I.D.9					<u>(42,517)</u>	<u>(5,102,452)</u>
Net Position, June 30, 2018					<u><u>\$ 26,311,343</u></u>	<u><u>\$ 32,021,882</u></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, 2018

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 1,200	\$ 0	\$ 0	\$ 84,106	\$ 85,306
Equity in Pooled Cash and Investments	5,189,829	949,731	3,055,516	5,459,696	14,654,772
Accounts Receivable	3,986,622	0	110,549	2,185,417	6,282,588
Allowance for Uncollectibles	(675,219)	0	0	(1,708,751)	(2,383,970)
Due from Other Governments	338,539	473,058	217,720	164,384	1,193,701
Property Taxes Receivable	8,948,498	1,827,932	2,074,876	989,096	13,840,402
Allowance for Uncollectible Property Taxes	(166,480)	(33,560)	(38,601)	(18,158)	(256,799)
Notes Receivable - Long-term	0	0	0	43,012	43,012
Total Assets	<u>\$ 17,622,989</u>	<u>\$ 3,217,161</u>	<u>\$ 5,420,060</u>	<u>\$ 7,198,802</u>	<u>\$ 33,459,012</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 148,260	\$ 138,348	\$ 0	\$ 393,424	\$ 680,032
Payroll Deductions Payable	1,578	6,103	0	0	7,681
Contracts Payable	0	0	0	143,908	143,908
Retainage Payable	0	0	0	7,574	7,574
Due to Litigants, Heirs, and Others	0	0	0	20	20
Total Liabilities	<u>\$ 149,838</u>	<u>\$ 144,451</u>	<u>\$ 0</u>	<u>\$ 544,926</u>	<u>\$ 839,215</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 8,448,742	\$ 1,703,365	\$ 1,958,999	\$ 921,693	\$ 13,032,799
Deferred Delinquent Property Taxes	283,411	91,007	65,714	49,244	489,376
Other Deferred/Unavailable Revenue	2,947,266	227,635	110,282	444,996	3,730,179
Total Deferred Inflows of Resources	<u>\$ 11,679,419</u>	<u>\$ 2,022,007</u>	<u>\$ 2,134,995</u>	<u>\$ 1,415,933</u>	<u>\$ 17,252,354</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	37,821	0	0	0	37,821
Restricted for Administration of Justice	42,618	0	0	0	42,618
Restricted for Public Safety	20,149	0	0	154,354	174,503
Restricted for Public Health and Welfare	1,792	0	0	0	1,792
Restricted for Highways/Public Works	0	1,005,043	0	0	1,005,043
Restricted for Capital Projects	0	0	0	2,477,371	2,477,371
Committed:					
Committed for General Government	424,302	0	0	70,645	494,947
Committed for Finance	0	0	0	27,500	27,500
Committed for Public Safety	119,775	0	0	0	119,775
Committed for Public Health and Welfare	0	0	0	603,189	603,189
Committed for Highways/Public Works	0	45,660	0	0	45,660
Committed for Debt Service	0	0	3,285,065	1,825,904	5,110,969
Assigned:					
Assigned for General Government	1,809	0	0	0	1,809
Assigned for Finance	449	0	0	0	449
Assigned for Administration of Justice	1,792	0	0	0	1,792
Assigned for Public Safety	10,581	0	0	0	10,581
Assigned for Public Health and Welfare	2,052	0	0	2,025	4,077
Assigned for Social, Cultural, and Recreational Services	642	0	0	0	642
Assigned for Agriculture and Natural Resources	232	0	0	0	232
Assigned for Other Operations	100	0	0	0	100
Assigned for Capital Projects	0	0	0	1,156	1,156

(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 (Cont.)</u>						
Unassigned	\$ 5,129,618	\$ 0	\$ 0	\$ 0	\$ 5,129,618	
Total Fund Balances	\$ 5,793,732	\$ 1,050,703	\$ 3,285,065	\$ 5,237,943	\$ 15,367,443	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,622,989	\$ 3,217,161	\$ 5,420,060	\$ 7,198,802	\$ 33,459,012	

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

Lawrence County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2018

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)		\$ 15,367,443
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,309,719	
Add: construction in progress	1,424,048	
Add: buildings and improvements net of accumulated depreciation	19,375,915	
Add: infrastructure net of accumulated depreciation	20,773,723	
Add: other capital assets net of accumulated depreciation	<u>2,527,812</u>	45,411,217
(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	\$ (198,939)	
Less: notes payable	(7,370,000)	
Less: bonds payable	(29,911,128)	
Less: deferred charges - premium on debt	(656,855)	
Add: deferred amount on refunding	267,353	
Less: compensated absences payable	(785,266)	
Less: landfill postclosure care costs	(697,327)	
Less: other postemployment benefits liability	(508,228)	
Less: accrued interest on bonds, notes, and capital leases	<u>(171,270)</u>	(40,031,660)
(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	\$ 1,494,243	
Add: deferred outflows of resources related to OPEB	8,125	
Less: deferred inflows of resources related to pensions	(529,034)	
Less: deferred inflows of resources related to OPEB	<u>(24,792)</u>	948,542
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		396,246
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,219,555</u>
Net position of governmental activities (Exhibit A)		<u>\$ 26,311,343</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, 2018

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 9,641,820	\$ 1,735,782	\$ 4,388,104	\$ 1,001,792	\$ 16,767,498
Licenses and Permits	54,587	0	0	0	54,587
Fines, Forfeitures, and Penalties	215,074	0	0	42,310	257,384
Charges for Current Services	2,053,584	0	0	1,569,673	3,623,257
Other Local Revenues	151,414	21,934	60,000	174,468	407,816
Fees Received From County Officials	1,419,400	0	0	0	1,419,400
State of Tennessee	2,177,666	3,384,125	292,646	127,739	5,982,176
Federal Government	177,524	0	0	132,457	309,981
Other Governments and Citizens Groups	449,227	120,447	300,000	1,500,000	2,369,674
Total Revenues	\$ 16,340,296	\$ 5,262,288	\$ 5,040,750	\$ 4,548,439	\$ 31,191,773
<u>Expenditures</u>					
Current:					
General Government	\$ 1,222,300	\$ 0	\$ 0	\$ 0	\$ 1,222,300
Finance	1,013,150	0	0	479,804	1,492,954
Administration of Justice	1,600,125	0	0	10,377	1,610,502
Public Safety	6,775,749	0	0	56,285	6,832,034
Public Health and Welfare	2,950,752	0	0	1,489,328	4,440,080
Social, Cultural, and Recreational Services	370,023	0	0	0	370,023
Agriculture and Natural Resources	183,557	0	0	0	183,557
Other Operations	947,180	0	0	4,473	951,653
Highways	0	5,215,873	0	0	5,215,873
Debt Service:					
Principal on Debt	90,870	100,809	3,637,178	277,500	4,106,357
Interest on Debt	9,028	5,786	995,009	26,422	1,036,245
Other Debt Service	0	0	8,190,824	16,520	8,207,344

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 21,860	\$ 0	\$ 0	\$ 4,162,006	\$ 4,183,866
Total Expenditures	\$ 15,184,594	\$ 5,322,468	\$ 12,823,011	\$ 6,522,715	\$ 39,852,788
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,155,702	\$ (60,180)	\$ (7,782,261)	\$ (1,974,276)	\$ (8,661,015)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 1,505,000	\$ 0	\$ 1,505,000
Notes Issued	0	0	0	1,750,000	1,750,000
Refunding Debt Issued	0	0	7,860,000	0	7,860,000
Premiums on Debt Sold	0	0	249,574	0	249,574
Insurance Recovery	1,431	12,100	0	28,625	42,156
Transfers In	0	0	0	1,492,200	1,492,200
Transfers Out	0	0	(1,492,200)	0	(1,492,200)
Total Other Financing Sources (Uses)	\$ 1,431	\$ 12,100	\$ 8,122,374	\$ 3,270,825	\$ 11,406,730
Net Change in Fund Balances	\$ 1,157,133	\$ (48,080)	\$ 340,113	\$ 1,296,549	\$ 2,745,715
Fund Balance, July 1, 2017	4,636,599	1,098,783	2,944,952	3,941,394	12,621,728
Fund Balance, June 30, 2018	\$ 5,793,732	\$ 1,050,703	\$ 3,285,065	\$ 5,237,943	\$ 15,367,443

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, 2018

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)		\$ 2,745,715
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,895,632	
Less: current-year depreciation expense	<u>(4,298,381)</u>	(2,402,749)
(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		(32,654)
(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, 2018	\$ 4,219,555	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(3,690,998)</u>	528,557
(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:		
Less: change in deferred amount on refunding debt	\$ (30,168)	
Less: change in premium on debt issuance	(173,554)	
Add: principal payments on notes	820,000	
Add: principal payments on bonds	3,094,678	
Add: bonds refunded	7,875,000	
Add: principal payments on capital leases	191,679	
Less: bond proceeds	(9,365,000)	
Less: note proceeds	<u>(1,750,000)</u>	662,635
(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	\$ 44,582	
Change in net pension asset/liability	777,854	
Change in deferred outflows related to pensions	(269,044)	
Change in deferred inflows related to pensions	(61,919)	
Change in compensated absences	(32,962)	
Change in other postemployment benefits liability	(29,918)	
Change in deferred outflows related to OPEB (net of restatement)	3,332	
Change in deferred inflows related to OPEB (net of restatement)	(24,792)	
Change in landfill postclosure care costs	<u>40,362</u>	<u>447,495</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,948,999</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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,641,820	\$ 0	\$ 0	\$ 9,641,820	\$ 9,347,663	\$ 9,347,663	\$ 294,157
Licenses and Permits	54,587	0	0	54,587	48,469	48,469	6,118
Fines, Forfeitures, and Penalties	215,074	0	0	215,074	180,202	180,202	34,872
Charges for Current Services	2,053,584	0	0	2,053,584	1,919,292	1,919,292	134,292
Other Local Revenues	151,414	0	0	151,414	69,372	72,972	78,442
Fees Received From County Officials	1,419,400	0	0	1,419,400	1,356,653	1,356,653	62,747
State of Tennessee	2,177,666	0	0	2,177,666	2,282,297	2,348,887	(171,221)
Federal Government	177,524	0	0	177,524	63,407	129,576	47,948
Other Governments and Citizens Groups	449,227	0	0	449,227	443,341	458,424	(9,197)
Total Revenues	\$ 16,340,296	\$ 0	\$ 0	\$ 16,340,296	\$ 15,710,696	\$ 15,862,138	\$ 478,158
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 99,632	\$ 0	\$ 187	\$ 99,819	\$ 104,633	\$ 104,633	\$ 4,814
Beer Board	1,683	0	0	1,683	1,956	1,956	273
County Mayor/Executive	170,029	0	0	170,029	208,184	208,184	38,155
County Attorney	7,057	0	0	7,057	7,060	7,060	3
Election Commission	210,326	0	100	210,426	245,582	245,582	35,156
Register of Deeds	226,194	0	0	226,194	235,868	235,868	9,674
County Buildings	444,562	(4,817)	1,175	440,920	482,041	488,041	47,121
Preservation of Records	62,817	0	347	63,164	58,660	65,120	1,956
<u>Finance</u>							
Accounting and Budgeting	330,926	0	328	331,254	337,736	337,735	6,481
Property Assessor's Office	328,605	(62)	121	328,664	342,044	342,044	13,380
County Trustee's Office	90,122	(108)	0	90,014	93,983	93,983	3,969
County Clerk's Office	109,275	(50)	0	109,225	156,230	156,230	47,005
Data Processing	154,222	0	0	154,222	174,885	174,885	20,663
<u>Administration of Justice</u>							
Circuit Court	531,367	0	0	531,367	582,530	584,553	53,186
General Sessions Court	342,870	0	0	342,870	345,469	348,230	5,360

(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 7/1/2017	Add: Encumbrances 6/30/2018	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	\$ 296,540	\$ 0	\$ 0	\$ 296,540	\$ 325,779	\$ 325,779	\$ 29,239
Juvenile Court	163,231	0	0	163,231	187,822	186,127	22,896
Courtroom Security	208,059	(84)	1,792	209,767	155,234	229,651	19,884
Victim Assistance Programs	58,058	(55)	0	58,003	74,000	74,000	15,997
<u>Public Safety</u>							
Sheriff's Department	3,314,356	(7,684)	2,712	3,309,384	3,505,838	3,481,662	172,278
Jail	2,620,455	(7,772)	7,869	2,620,552	2,734,288	2,734,873	114,321
Workhouse	57,857	0	0	57,857	58,600	58,600	743
Work Release Program	7,108	(150)	0	6,958	7,425	9,387	2,429
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Civil Defense	6,854	(120)	0	6,734	10,000	10,000	3,266
Rescue Squad	322,500	0	0	322,500	322,500	322,500	0
Other Emergency Management	339,245	0	0	339,245	339,245	339,245	0
County Coroner/Medical Examiner	105,374	0	0	105,374	78,907	108,907	3,533
<u>Public Health and Welfare</u>							
Local Health Center	157,042	(11,788)	0	145,254	156,363	162,763	17,509
Ambulance/Emergency Medical Services	2,187,895	(15,021)	1,052	2,173,926	2,360,338	2,360,337	186,411
Alcohol and Drug Programs	59,133	0	1,000	60,133	57,142	68,147	8,014
Other Local Health Services	17,435	0	0	17,435	15,560	18,514	1,079
Appropriation to State	453,273	0	0	453,273	442,900	530,800	77,527
Other Public Health and Welfare	75,974	0	0	75,974	75,975	75,975	1
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	8,000	0	0	8,000	8,000	8,000	0
Libraries	307,023	(242)	642	307,423	348,778	350,778	43,355
Other Social, Cultural, and Recreational	55,000	0	0	55,000	52,500	61,075	6,075
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	129,427	(300)	100	129,227	138,247	138,247	9,020
Soil Conservation	53,268	0	0	53,268	47,756	60,838	7,570
Other Agriculture and Natural Resources	862	0	132	994	0	994	0

(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 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations</u>							
Tourism	\$ 75,201	\$ 0	\$ 0	\$ 75,201	\$ 77,500	\$ 77,500	\$ 2,299
Industrial Development	172,536	0	0	172,536	172,536	172,536	0
Airport	69,000	0	0	69,000	69,675	69,675	675
Veterans' Services	90,868	0	100	90,968	99,777	102,577	11,609
Other Charges	484,072	(25)	0	484,047	539,000	539,000	54,953
Miscellaneous	55,503	0	0	55,503	64,000	64,000	8,497
<u>Principal on Debt</u>							
General Government	90,870	0	0	90,870	90,870	90,870	0
<u>Interest on Debt</u>							
General Government	9,028	0	0	9,028	9,028	9,028	0
<u>Capital Projects</u>							
General Administration Projects	21,860	0	0	21,860	22,000	22,000	140
Total Expenditures	\$ 15,184,594	\$ (48,278)	\$ 17,657	\$ 15,153,973	\$ 16,026,444	\$ 16,260,489	\$ 1,106,516
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,155,702	\$ 48,278	\$ (17,657)	\$ 1,186,323	\$ (315,748)	\$ (398,351)	\$ 1,584,674
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,431	\$ 0	\$ 0	\$ 1,431	\$ 0	\$ 0	\$ 1,431
Total Other Financing Sources	\$ 1,431	\$ 0	\$ 0	\$ 1,431	\$ 0	\$ 0	\$ 1,431
Net Change in Fund Balance	\$ 1,157,133	\$ 48,278	\$ (17,657)	\$ 1,187,754	\$ (315,748)	\$ (398,351)	\$ 1,586,105
Fund Balance, July 1, 2017	4,636,599	(48,278)	0	4,588,321	3,323,212	3,323,212	1,265,109
Fund Balance, June 30, 2018	\$ 5,793,732	\$ 0	\$ (17,657)	\$ 5,776,075	\$ 3,007,464	\$ 2,924,861	\$ 2,851,214

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,735,782	\$ 0	\$ 0	\$ 1,735,782	\$ 1,716,802	\$ 1,716,802	\$ 18,980
Other Local Revenues	21,934	0	0	21,934	0	21,405	529
State of Tennessee	3,384,125	0	0	3,384,125	3,257,948	3,237,037	147,088
Other Governments and Citizens Groups	120,447	0	0	120,447	0	96,746	23,701
Total Revenues	\$ 5,262,288	\$ 0	\$ 0	\$ 5,262,288	\$ 4,974,750	\$ 5,071,990	\$ 190,298
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 240,831	\$ (100)	\$ 0	\$ 240,731	\$ 257,559	\$ 258,065	\$ 17,334
Highway and Bridge Maintenance	3,286,448	(3,000)	35,160	3,318,608	3,246,175	3,428,774	110,166
Operation and Maintenance of Equipment	563,088	(13,220)	10,500	560,368	631,542	611,588	51,220
Other Charges	115,578	0	0	115,578	118,841	118,841	3,263
Capital Outlay	1,009,928	0	0	1,009,928	1,080,000	1,026,189	16,261
<u>Principal on Debt</u>							
Highways and Streets	100,809	0	0	100,809	100,000	100,810	1
<u>Interest on Debt</u>							
Highways and Streets	5,786	0	0	5,786	10,000	9,190	3,404
Total Expenditures	\$ 5,322,468	\$ (16,320)	\$ 45,660	\$ 5,351,808	\$ 5,444,117	\$ 5,553,457	\$ 201,649
Excess (Deficiency) of Revenues Over Expenditures	\$ (60,180)	\$ 16,320	\$ (45,660)	\$ (89,520)	\$ (469,367)	\$ (481,467)	\$ 391,947
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 12,100	\$ 0	\$ 0	\$ 12,100	\$ 0	\$ 12,100	\$ 0
Total Other Financing Sources	\$ 12,100	\$ 0	\$ 0	\$ 12,100	\$ 0	\$ 12,100	\$ 0

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ (48,080)	\$ 16,320	\$ (45,660)	\$ (77,420)	\$ (469,367)	\$ (469,367)	\$ 391,947
Fund Balance, July 1, 2017	1,098,783	(16,320)	0	1,082,463	812,991	812,991	269,472
Fund Balance, June 30, 2018	\$ 1,050,703	\$ 0	\$ (45,660)	\$ 1,005,043	\$ 343,624	\$ 343,624	\$ 661,419

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, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,488,769
Equity in Pooled Cash and Investments	114,470
Accounts Receivable	31,806
Due from Other Governments	<u>943,265</u>
Total Assets	<u><u>\$ 2,578,310</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 1,280
Due to Other Taxing Units	938,126
Due to Litigants, Heirs, and Others	1,514,421
Due to Joint Ventures	<u>124,483</u>
Total Liabilities	<u><u>\$ 2,578,310</u></u>

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

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## LAWRENCE COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**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. Net debt issues totaling \$1,740,654 were contributed by the county to the School Department during the year ended June 30, 2018.

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 acquisition 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, pension changes in assumptions, pension changes in employer contributions made to the pension plan after the measurement date, and OPEB benefits paid 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, pension changes in investment earnings, pension changes in proportionate share of net pension liability, and OPEB changes in assumptions, 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 are 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, 2018, Lawrence County had \$7,876,938 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.

## **9. Restatement**

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Lawrence County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Restatements reducing the beginning net position of the Governmental Activities of the primary government by \$42,517 and the discretely presented Lawrence County School Department by \$5,102,452 have been recognized to account for the transitional requirements.

## **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.

**F. Other Postemployment Benefit (OPEB) Plans**

**Primary Government**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Lawrence County. For this purpose, Lawrence County recognizes benefit payments when due and payable in accordance with benefit terms. Lawrence County's OPEB plan is not administered through a trust.

**Discretely Presented Lawrence County School Department**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Lawrence County School Department. For this purpose, the School Department recognizes benefit payments when due and payable in accordance with benefit terms. The School Department's OPEB plan is not administered through a trust.

**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, 2018, Lawrence County had outstanding encumbrances in budget funds as follows:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
General	\$ 17,657
Highway/Public Works	45,660
Nonmajor Governmental	2,785
Total	<u>\$ 66,102</u>
Discretely Presented School Department:	
General Purpose School	\$ 879,664
Total	<u>\$ 879,664</u>

**B. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the legal level of control) of the discretely presented School Department's General Purpose School Fund:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
Discretely Presented School Department:	
General Purpose School Fund:	
Regular Capital Outlay	\$ 203,259

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues.

**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, 2018.

**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 \$43,012 and is offset by committed fund balance.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2018, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 1,011,243	\$ 298,476	\$ 0	\$ 1,309,719
Construction in Progress	654,996	1,447,083	678,031	1,424,048
Total Capital Assets Not Depreciated	\$ 1,666,239	\$ 1,745,559	\$ 678,031	\$ 2,733,767
Capital Assets Depreciated:				
Buildings and Improvements	\$ 26,347,470	\$ 678,031	\$ 0	\$ 27,025,501
Infrastructure	82,809,032	0	0	82,809,032
Other Capital Assets	12,293,520	150,073	232,735	12,210,858
Total Capital Assets Depreciated	\$ 121,450,022	\$ 828,104	\$ 232,735	\$ 122,045,391
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,996,444	\$ 653,142	\$ 0	\$ 7,649,586
Infrastructure	59,060,192	2,975,117	0	62,035,309
Other Capital Assets	9,213,005	670,122	200,081	9,683,046
Total Accumulated Depreciation	\$ 75,269,641	\$ 4,298,381	\$ 200,081	\$ 79,367,941
Total Capital Assets Depreciated, Net	\$ 46,180,381	\$ (3,470,277)	\$ 32,654	\$ 42,677,450
Governmental Activities Capital Assets, Net	\$ 47,846,620	\$ (1,724,718)	\$ 710,685	\$ 45,411,217



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

**Governmental Activities:**

General Government	\$ 239,793
Finance	2,700
Public Safety	597,761
Public Health and Welfare	172,410
Social, Cultural, and Recreational Services	80,464
Agriculture and Natural Resources	5,472
Other Operations	3,025
Highways	<u>3,196,756</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,298,381</u>

**Discretely Presented Lawrence County School Department**

**Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 1,276,454	\$ 0	\$ 0	\$ 1,276,454
Construction in Progress	1,008,920	1,792,066	0	<u>2,800,986</u>
Total Capital Assets Not Depreciated	<u>\$ 2,285,374</u>	<u>\$ 1,792,066</u>	<u>\$ 0</u>	<u>\$ 4,077,440</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 63,832,928	\$ 292,515	\$ 0	\$ 64,125,443
Other Capital Assets	13,147,854	591,820	244,034	<u>13,495,640</u>
Total Capital Assets Depreciated	<u>\$ 76,980,782</u>	<u>\$ 884,335</u>	<u>\$ 244,034</u>	<u>\$ 77,621,083</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 30,949,768	\$ 1,664,007	\$ 0	\$ 32,613,775
Other Capital Assets	9,956,564	495,528	244,034	<u>10,208,058</u>
Total Accumulated Depreciation	<u>\$ 40,906,332</u>	<u>\$ 2,159,535</u>	<u>\$ 244,034</u>	<u>\$ 42,821,833</u>
Total Capital Assets Depreciated, Net	<u>\$ 36,074,450</u>	<u>\$ (1,275,200)</u>	<u>\$ 0</u>	<u>\$ 34,799,250</u>
Governmental Activities Capital Assets, Net	<u>\$ 38,359,824</u>	<u>\$ 516,866</u>	<u>\$ 0</u>	<u>\$ 38,876,690</u>

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

**Governmental Activities:**

Instruction	\$ 1,527,873
Support Services	495,475
Operation of Non-instructional Services	<u>136,187</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,159,535</u></u>

**D. Interfund Transfers**

Interfund transfers for the year ended June 30, 2018, consisted of the following amounts:

**Primary Government**

	<u>Transfers In</u> Nonmajor Governmental Fund
<u>Transfers Out</u>	
General Debt Service Fund	\$ 1,492,200

**Discretely Presented Lawrence County School Department**

	<u>Transfer In</u> General Purpose School Fund
<u>Transfer Out</u>	
Nonmajor governmental funds	\$ 29,379

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

**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	(176,922)
Vehicles	286,044
Less: Accumulated Depreciation	<u>(76,133)</u>
Total Book Value	<u>\$ 436,914</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2019	\$ 206,494
Total Minimum Lease Payments	\$ 206,494
Less: Amount Representing Interest	<u>(7,555)</u>
Present Value of Minimum Lease Payments	<u>\$ 198,939</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, 2018, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and capital leases outstanding as of June 30, 2018, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-18
General Obligation Bonds	2.57 to 3.70 %		6-21-50	\$ 7,207,000	\$ 5,806,128
General Obligation Bonds - Refunding	1.08 to 3.70		4-1-37	28,960,000	24,105,000
Capital Outlay Notes	1.60 to 2.96		12-1-26	9,250,000	7,370,000
Capital Leases	2.49 to 4.85		5-7-19	689,969	198,939

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2018, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 3,259,835	\$ 748,239	\$ 4,008,074
2020	2,414,999	682,874	3,097,873
2021	1,805,168	634,355	2,439,523
2022	1,850,342	589,244	2,439,586
2023	1,895,522	542,740	2,438,262
2024-2028	8,965,534	1,976,203	10,941,737
2029-2033	5,901,047	1,004,516	6,905,563
2034-2038	3,682,554	264,341	3,946,895
2039-2043	50,238	19,692	69,930
2044-2048	59,306	10,624	69,930
2049-2050	26,583	1,353	27,936
Total	<u>\$ 29,911,128</u>	<u>\$ 6,474,181</u>	<u>\$ 36,385,309</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 1,400,000	\$ 155,054	\$ 1,555,054
2020	1,440,000	123,816	1,563,816
2021	1,470,000	91,079	1,561,079
2022	880,000	58,206	938,206
2023	905,000	41,969	946,969
2024-2027	1,275,000	57,127	1,332,127
Total	<u>\$ 7,370,000</u>	<u>\$ 527,251</u>	<u>\$ 7,897,251</u>

There is \$5,110,969 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$714, based on the 2010 federal census. Total debt per capita, including bonds, notes, capital leases, and unamortized debt premiums, totaled \$911, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:

Governmental Activities:

	Bonds	Notes	Capital Leases
Balance, July 1, 2017	\$ 31,515,806	\$ 6,440,000	\$ 390,618
Additions	9,365,000	1,750,000	0
Reductions	<u>(10,969,678)</u>	<u>(820,000)</u>	<u>(191,679)</u>
Balance, June 30, 2018	<u>\$ 29,911,128</u>	<u>\$ 7,370,000</u>	<u>\$ 198,939</u>
Balance Due Within One Year	<u>\$ 3,259,835</u>	<u>\$ 1,400,000</u>	<u>\$ 198,939</u>

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits*
Balance, July 1, 2017	\$ 752,304	\$ 737,689	\$ 478,310
Additions	752,106	12,330	62,227
Reductions	<u>(719,144)</u>	<u>(52,692)</u>	<u>(32,309)</u>
Balance, June 30, 2018	<u>\$ 785,266</u>	<u>\$ 697,327</u>	<u>\$ 508,228</u>
Balance Due Within One Year	<u>\$ 785,266</u>	<u>\$ 25,000</u>	<u>\$ 0</u>

\*OPEB Balance at July 1, 2017, was restated. See Note I.D.9.

	Net Pension Liability - Agent Plan**
Balance, July 1, 2017	\$ 381,608
Additions	985,150
Reductions	<u>(1,763,004)</u>
Balance, June 30, 2018	<u>\$ (396,246)</u>
Balance Due Within One Year	<u>\$ 0</u>

\*\* - At June 30, 2018, the Agent Plan had a Net Pension Asset balance.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 39,470,888
Less: Due Within One Year	(5,669,040)
Add: Unamortized Premium on Debt	<u>656,855</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 34,458,703</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 December 14, 2017, Lawrence County currently refunded a general obligation bond with a separate bond issue. The county issued \$7,860,000 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 nineteen years will be reduced by \$562,594, and an economic gain (difference between the present value of the debt service payments for the refunded and refunding bonds) of \$413,778 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, 2018, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits*
Balance, July 1, 2017	\$ 75,360	\$ 18,305,391
Additions	70,016	2,300,185
Reductions	<u>(65,644)</u>	<u>(1,925,298)</u>
Balance, June 30, 2018	<u>\$ 79,732</u>	<u>\$ 18,680,278</u>
Balance Due Within One Year	<u>\$ 79,732</u>	<u>0</u>

\*OPEB Balance at July 1, 2017, was restated. See Note I.D.9.

Governmental Activities:

	Net Pension Liability - Teacher Legacy Plan**	Net Pension Liability - Agent Plan**
Balance, July 1, 2017	\$ 4,346,814	\$ 270,825
Additions	2,666,679	710,170
Reductions	(7,247,734)	(1,266,638)
Balance, June 30, 2018	<u>\$ (234,241)</u>	<u>\$ (285,643)</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

\*\* - At June 30, 2018, the Teacher Legacy Plan and Agent Plan had Net Pension Asset balances.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 18,760,010
Less: Balance Due Within One Year	<u>(79,732)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 18,680,278</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. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2018, totaled \$216,632. 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 discretely presented Lawrence County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and worker's compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Lawrence County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**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 \$697,327 reported as postclosure care liability at June 30, 2018, represents amounts based on what it would cost to perform all postclosure care in 2018. 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, 2018.

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, 2018.

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, 2018.

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, 2018.

## **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 comprise 58.11 percent, the non-certified employees of the discretely presented School Department comprise 41.89 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A

member who leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	326
Inactive Employees Entitled to But Not Yet Receiving Benefits	451
Active Employees	583
Total	<u><u>1,360</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 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, 2018, the employer contribution for Lawrence County was \$1,450,137 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 actuarially determined contributions (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, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 (Asset) (a)-(b)
Balance, July 1, 2016	\$ 44,504,491	\$ 43,852,058	\$ 652,433
Changes for the Year:			
Service Cost	\$ 1,265,829	\$ 0	\$ 1,265,829
Interest	3,352,588	0	3,352,588
Differences Between Expected and Actual Experience	(394,656)	0	(394,656)
Changes in Assumptions	1,226,363	0	1,226,363
Contributions-Employer	0	1,433,034	(1,433,034)
Contributions-Employees	0	448,058	(448,058)
Net Investment Income	0	4,952,304	(4,952,304)
Benefit Payments, Including Refunds of Employee Contributions	(2,138,286)	(2,138,286)	0
Administrative Expense	0	(48,925)	48,925
Other Changes	0	(25)	25
Net Changes	\$ 3,311,838	\$ 4,646,160	\$ (1,334,322)
Balance, June 30, 2017	\$ 47,816,329	\$ 48,498,218	\$ (681,889)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.11%	\$ 27,786,068	\$ 28,182,314	\$ (396,246)
School Department	41.89%	20,030,261	20,315,904	(285,643)
Total		\$ 47,816,329	\$ 48,498,218	\$ (681,889)

*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 7.25 percent, as well as what the net pension liability (asset) would be if it were

calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Lawrence County	6.25%	7.25%	8.25%

Net Pension Liability	\$ 5,484,198	\$ (681,889)	\$ (5,797,067)
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**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions**

*Pension Expense or Negative Pension Expense.* For the year ended June 30, 2018, Lawrence County recognized pension expense of \$673,351.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, 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	\$ 106,120	\$ 895,025
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	15,376
Changes in Assumptions	1,021,969	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	1,450,137	N/A
Total	\$ 2,578,226	\$ 910,401

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” 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	\$ 1,494,244	\$ 529,034
School Department	1,083,982	381,367
Total	<u>\$ 2,578,226</u>	<u>\$ 910,401</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
2019	\$ (268,534)
2020	375,577
2021	141,860
2022	(169,828)
2023	138,618
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 58.11 percent and the non-certified employees of the discretely presented School Department comprise 41.89 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](http://www.treasury.tn.gov/tcrs).

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2018, to the Teacher Retirement Plan were \$98,635, 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, 2018, the School Department reported a liability (asset) of (\$81,990) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was .310756 percent. The proportion as of June 30, 2016, was .274849 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$36,583.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the 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	\$ 2,873	\$ 6,166
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,412
Changes in Assumptions	7,203	0
Changes in Proportion of Net Pension Liability (Asset)	0	6,851
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	98,635	N/A
Total	<u>\$ 108,711</u>	<u>\$ 17,429</u>

The School Department's employer contributions of \$98,635, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019. 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
2019	\$ (997)
2020	(997)
2021	(1,250)
2022	(2,385)
2023	(304)
Thereafter	(1,418)

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 16,358	\$ (81,990)	\$ (154,127)

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

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive

year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Lawrence County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were \$2,277,085, which is 9.08 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, 2018, the School Department reported a liability (asset) of (\$234,241) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to

calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was .715930 percent. The proportion measured at June 30, 2016, was .695552 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$145,641.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the 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	\$ 141,217	\$ 4,835,962
Changes in Assumptions	1,983,879	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	35,557	0
Changes in Proportion of Net Pension Liability (Asset)	429,706	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	2,277,085	N/A
Total	<u>\$ 4,867,444</u>	<u>\$ 4,835,962</u>

The School Department's employer contributions of \$2,277,085 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019. 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
2019	\$ (1,533,176)
2020	863,147
2021	(460,735)
2022	(1,114,839)
2023	0
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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5

percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability	\$ 21,018,033	\$ (234,241)	\$ (17,800,645)
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*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

## 2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$123,804 to this deferred compensation pension plan.

## H. Other Postemployment Benefits (OPEB)

Lawrence County and the discretely presented Lawrence County School Department provide OPEB benefits to its retirees under various OPEB plans. These OPEB benefits are provided through state administered public entity risk pools. For reporting purposes the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

### **OPEB Provided through State Administered Public Entity Risk Pools**

#### **Primary Government**

Retirees of Lawrence County are provided healthcare under a Local Government Plan (LGP) until they reach Medicare eligibility.

The county's total OPEB liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2017, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2017, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.56%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.5% for the 2018 calendar year, and gradually decreasing over a 33-year period to an ultimate trend rate of 3.53% with .18% added to approximate the effect of the excise tax
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 3.56 percent, based on the daily rate of Fidelity's 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2017, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

*Changes in Assumptions.* The discount rate changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the measurement date of June 30, 2017.

### **Closed Local Government OPEB Plan (Primary Government)**

*Plan Description.* Employees of Lawrence County who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* Lawrence County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating



employers determine their own policy related to direct subsidies provided for the retiree premiums. Lawrence County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>Total</u>
Retirees and Beneficiaries	1
Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	<u>241</u>
Total	<u><u>242</u></u>

An insurance committee, created in accordance with *TCA* 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2018, the county paid \$8,125 to the LGP for OPEB benefits as they came due.

### Changes in the Total OPEB Liability

	Lawrence County
Balance July 1, 2016	\$ 478,310
Changes for the Year:	
Service Cost	\$ 46,959
Interest	15,268
Changes in	
Benefit Terms	0
Difference between	
Expected and Actuarial	
Experience	0
Changes in Assumption	
and Other Inputs	(27,516)
Benefit Payments	(4,793)
Net Changes	\$ 29,918
Balance June 30, 2017	\$ 508,228

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the county recognized OPEB expense of \$59,147. At June 30, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and		
Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	24,792
Net Difference Between Projected and		
Benefits paid after the measurement date	8,125	0
Total	\$ 8,125	\$ 24,792

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Lawrence County
2019	\$ (2,724)
2020	(2,724)
2021	(2,724)
2022	(2,724)
2023	(2,724)
Thereafter	(11,172)

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

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Lawrence County	2.56%	3.56%	4.56%
Total OPEB Liability	\$ 552,002	\$ 508,228	\$ 467,451

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Lawrence County	6 to 3.77%	7 to 4.77%	8 to 5.77%
Total OPEB Liability	\$ 443,520	\$ 508,228	\$ 586,424

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

The Lawrence County School Department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Lawrence County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

However, the School Department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The School Department's total OPEB liability for the plan was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs.* The total OPEB liability in the June 30, 2017, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2107 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.56%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.5% for the 2018 calendar year, and gradually decreasing over a 33-year period to an ultimate trend of rate of 3.53% wiith .18% added to approximate the effect of the excise tax
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 3.56%, based on the daily rate of Fidelity's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2017, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future

years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

*Changes in Assumptions.* The discount rate changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the measurement date of June 30, 2017.

### **Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)**

*Plan Description.* Employees of the Lawrence County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* The Lawrence County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Lawrence County does not provide a direct subsidy and is only subject to the implicit subsidy.

#### **Employees Covered by Benefit Terms**

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	74
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	834
Total	<u><u>908</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$709,619 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Lawrence County</u>	<u>State of</u>	
	<u>School Department</u>	<u>TN</u>	<u>Total OPEB</u>
	<u>78.8606%</u>	<u>21.1394%</u>	<u>Liability</u>
Balance July 1, 2016	\$ 18,305,391	\$ 4,906,950	\$ 23,212,341
Changes for the Year:			
Service Cost	\$ 1,270,011	\$ 340,439	\$ 1,610,450
Interest	562,513	150,788	713,301
Changes in			
Benefit Terms	0	0	0
Difference between			
Expected and Actuarial			
Experience	0	0	0
Changes in Assumption			
and Other Inputs	(835,160)	(223,873)	(1,059,033)
Benefit Payments	(622,477)	(166,862)	(789,339)
Net Changes	\$ 374,887	\$ 100,492	\$ 475,379
Balance June 30, 2017	\$ 18,680,278	\$ 5,007,442	\$ 23,687,720

The Lawrence County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Lawrence County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$216,632 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Lawrence County School Department's proportionate share of the collective OPEB liability was 78.8606% and the State of Tennessee's share was 21.1394%.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the School Department recognized OPEB expense of \$2,212,274, including the state's share of the expense. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	747,249
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	0	0
Benefits Paid After the Measurement Date	709,619	0
Total	<u>\$ 709,619</u>	<u>\$ 747,249</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>School Department</u>
2019	\$ (87,911)
2020	(87,911)
2021	(87,911)
2022	(87,911)
2023	(87,911)
Thereafter	(307,594)

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

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	<u>Current Discount Rate</u>
1% Decrease 2.56%	1% Increase 4.56%

Proportionate Share of the Collective Total OPEB Liability	\$ 19,992,342	\$ 18,680,278	\$ 17,414,242
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.



Healthcare Cost Trend Rate

1% Decrease	Curent Rates	1% Increase
6.5 to 2.71%	7.5 to 3.71%	8.5 to 4.71%

Proportionate Share of the  
Collective Total OPEB  
Liability

\$ 16,502,542 \$ 18,680,278 \$ 21,250,732

**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.

**K. Subsequent Events**

On August 31, 2018, Jimmy Brown left the Office of Sheriff and was succeeded by John Myers.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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Exhibit E-1

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

	2014	2015	2016	2017
<b>Total Pension Liability (Asset)</b>				
Service Cost	\$ 1,271,060	\$ 1,211,026	\$ 1,232,011	\$ 1,265,829
Interest	2,948,844	3,048,419	3,165,275	3,352,588
Changes in Benefit Terms	0	0	0	0
Differences Between Actual and Expected Experience	(787,746)	(607,124)	159,180	(394,656)
Changes of Assumptions	0	0	0	1,226,363
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(2,183,175)	(2,047,274)	(2,138,286)
Net Change in Total Pension Liability (Asset)	\$ 1,526,452	\$ 1,469,146	\$ 2,509,192	\$ 3,311,838
Total Pension Liability (Asset), Beginning	38,999,701	40,526,153	41,995,299	44,504,491
Total Pension Liability (Asset), Ending (a)	\$ 40,526,153	\$ 41,995,299	\$ 44,504,491	\$ 47,816,329
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 1,393,943	\$ 1,320,163	\$ 1,397,768	\$ 1,433,034
Contributions - Employee	676,878	676,371	961,918	448,058
Net Investment Income	5,879,061	1,271,681	1,129,720	4,952,304
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(2,183,175)	(2,047,274)	(2,138,286)
Administrative Expense	(22,110)	(28,821)	(43,608)	(48,925)
Other	0	0	0	(25)
Net Change in Plan Fiduciary Net Position	\$ 6,022,066	\$ 1,056,219	\$ 1,398,524	\$ 4,646,160
Plan Fiduciary Net Position, Beginning	35,375,249	41,397,315	42,453,534	43,852,058
Plan Fiduciary Net Position, Ending (b)	\$ 41,397,315	\$ 42,453,534	\$ 43,852,058	\$ 48,498,218
Net Pension Liability (Asset), Ending (a - b)	\$ (871,162)	\$ (458,235)	\$ 652,433	\$ (681,889)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.15%	101.09%	98.53%	101.43%
Covered Payroll	\$ 13,507,051	\$ 13,508,240	\$ 14,307,019	\$ 14,667,955
Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.45%	3.39%	4.56%	(4.65)%

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	2018
Actuarially Determined Contribution	\$ 1,393,943	\$ 1,320,163	\$ 1,397,768	\$ 1,433,034	\$ 1,450,137
Less Contributions in Relation to the Actuarially Determined Contribution	(1,393,943)	(1,320,163)	(1,397,768)	(1,433,034)	(1,450,137)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 13,507,051	\$ 13,508,240	\$ 14,307,019	\$ 14,667,955	\$ 14,968,727
Contributions as a Percentage of Covered Payroll	10.32%	9.77%	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	2018
Contractually Required Contribution	\$ 13,833	\$ 48,374	\$ 81,585	\$ 98,635
Less Contributions in Relation to the Contractually Required Contribution	(13,833)	(48,374)	(81,585)	(98,635)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 345,812	\$ 1,209,349	\$ 1,937,690	\$ 2,465,890
Contributions as a Percentage of Covered Payroll	4%	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	2018
Contractually Required Contribution	\$ 2,266,972	\$ 2,284,174	\$ 2,269,765	\$ 2,287,823	\$ 2,277,085
Less Contributions in Relation to the Contractually Required Contribution	(2,266,972)	(2,284,174)	(2,269,765)	(2,287,823)	(2,277,085)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 25,528,961	\$ 25,267,416	\$ 25,108,537	\$ 25,409,660	\$ 25,078,097
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%

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	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.166438%	0.274849%	0.310756%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (6,696)	\$ (28,613)	\$ (81,990)
Covered Payroll	\$ 345,812	\$ 1,209,349	\$ 1,937,690
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.23)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

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

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



Exhibit E-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	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.650421%	0.674967%	0.695552%	0.715930%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (105,690)	\$ 276,490	\$ 4,346,814	\$ (234,241)
Covered Payroll	\$ 25,528,961	\$ 25,267,416	\$ 25,108,537	\$ 25,409,660
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094253%	17.31%	(.92)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

\* 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 Changes in the Total OPEB Liability and Related Ratios - Local Government Plan  
For the Fiscal Year Ended June 30 \*

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 46,959
Interest	15,268
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(27,516)
Benefit Payments	<u>(4,793)</u>
Net Change in Total OPEB Liability	\$ 29,918
Total OPEB Liability, Beginning	<u>478,310</u>
Total OPEB Liability, Ending	<u><u>\$ 508,228</u></u>
 Covered Employee Payroll	 \$ 8,904,896
Net OPEB Liability as a Percentage of Covered Employee Payroll	0.0570729

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit E-8

Lawrence County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan

Discretely Presented Lawrence County School Department

For the Fiscal Year Ended June 30 \*

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 1,610,450
Interest	713,301
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(1,059,033)
Benefit Payments	<u>(789,339)</u>
Net Change in Total OPEB Liability	\$ 475,379
Total OPEB Liability, Beginning	<u>23,212,341</u>
Total OPEB Liability, Ending	<u><u>\$ 23,687,720</u></u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 5,007,442
Employer Proportionate Share of the Total OPEB Liability	18,680,278
Covered Employee Payroll	\$ 32,901,250
Net OPEB Liability as a Percentage of Covered Employee Payroll	0.56776803

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**LAWRENCE COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2018**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2016, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
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%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

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

# Debt Service Funds

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

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

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

# Capital Projects Funds

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

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

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

Higher Education Fund – The Higher Education Fund is used to account for the construction of a college campus.

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

# Permanent Fund

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

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



Exhibit F-1

Lawrence County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2018

	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	\$ 1,225	\$ 0	\$ 0	\$ 82,881	\$	84,106
Equity in Pooled Cash and Investments	52,018	428,021	157,921	28,275	0		666,235
Accounts Receivable	1,925	2,167,174	0	1,034	15,284		2,185,417
Allowance for Uncollectibles	0	(1,708,751)	0	0	0		(1,708,751)
Due from Other Governments	0	34,845	1,800	0	0		36,645
Property Taxes Receivable	0	161,978	0	0	0		161,978
Allowance for Uncollectible Property Taxes	0	(2,974)	0	0	0		(2,974)
Notes Receivable - Long-term	0	0	43,012	0	0		43,012
Total Assets	\$ 53,943	\$ 1,081,518	\$ 202,733	\$ 29,309	\$ 98,165	\$	1,465,668
<u>LIABILITIES</u>							
Accounts Payable	\$ 4,282	\$ 73,238	\$ 1,800	\$ 0	\$ 0	\$	79,320
Contracts Payable	0	0	0	0	0		0
Retainage Payable	0	0	0	0	0		0
Due to Litigants, Heirs, and Others	0	0	0	0	20		20
Total Liabilities	\$ 4,282	\$ 73,238	\$ 1,800	\$ 0	\$ 20	\$	79,340
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred Current Property Taxes	\$ 0	\$ 150,939	\$ 0	\$ 0	\$ 0	\$	150,939
Deferred Delinquent Property Taxes	0	8,064	0	0	0		8,064
Other Deferred/Unavailable Revenue	0	444,996	0	0	0		444,996
Total Deferred Inflows of Resources	\$ 0	\$ 603,999	\$ 0	\$ 0	\$ 0	\$	603,999

(Continued)

Exhibit F-1

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

FUND BALANCES	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Restricted:						
Restricted for Public Safety	49,661	0	0	29,309	0	78,970
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for General Government	0	0	0	0	70,645	70,645
Committed for Finance	0	0	0	0	27,500	27,500
Committed for Public Health and Welfare	0	402,256	200,933	0	0	603,189
Committed for Debt Service	0	0	0	0	0	0
Assigned:						
Assigned for Public Health and Welfare	0	2,025	0	0	0	2,025
Assigned for Capital Projects	0	0	0	0	0	0
Total Fund Balances	\$ 49,661	\$ 404,281	\$ 200,933	\$ 29,309	\$ 98,145	\$ 782,329
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 53,943	\$ 1,081,518	\$ 202,733	\$ 29,309	\$ 98,165	\$ 1,465,668

(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	Higher Education Fund
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	1,216,713	609,191	1,825,904	486,905	5,000	2,324,469
Accounts Receivable	0	0	0	0	0	0
Allowance for Uncollectibles	0	0	0	0	0	0
Due from Other Governments	0	0	0	127,739	0	0
Property Taxes Receivable	413,559	413,559	827,118	0	0	0
Allowance for Uncollectible Property Taxes	(7,592)	(7,592)	(15,184)	0	0	0
Notes Receivable - Long-term	0	0	0	0	0	0
Total Assets	\$ 1,622,680	\$ 1,015,158	\$ 2,637,838	\$ 614,644	\$ 5,000	\$ 2,324,469
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 311,654	\$ 0	2,450
Contracts Payable	0	0	0	143,908	0	0
Retainage Payable	0	0	0	7,574	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	0
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 463,136	\$ 0	2,450
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 385,377	\$ 385,377	\$ 770,754	\$ 0	\$ 0	0
Deferred Delinquent Property Taxes	20,590	20,590	41,180	0	0	0
Other Deferred/Unavailable Revenue	0	0	0	0	0	0
Total Deferred Inflows of Resources	\$ 405,967	\$ 405,967	\$ 811,934	\$ 0	\$ 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	Higher Education Fund
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:						
Restricted for Public Safety	0	0	0	0	0	0
Restricted for Capital Projects	0	0	0	151,508	5,000	2,320,863
Committed:						
Committed for General Government	0	0	0	0	0	0
Committed for Finance	0	0	0	0	0	0
Committed for Public Health and Welfare	0	0	0	0	0	0
Committed for Debt Service	1,216,713	609,191	1,825,904	0	0	0
Assigned:						
Assigned for Public Health and Welfare	0	0	0	0	0	0
Assigned for Capital Projects	0	0	0	0	0	1,156
Total Fund Balances	\$ 1,216,713	\$ 609,191	\$ 1,825,904	\$ 151,508	\$ 5,000	\$ 2,322,019
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,622,680	\$ 1,015,158	\$ 2,637,838	\$ 614,644	\$ 5,000	\$ 2,324,469

(Continued)

Exhibit F-1

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

	Capital Projects Funds (Cont.)		Permanent Fund	Total Nonmajor Governmental Funds
	Other Capital Projects	Total	Endowment	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 84,106
Equity in Pooled Cash and Investments	75,384	2,891,758	75,799	5,459,696
Accounts Receivable	0	0	0	2,185,417
Allowance for Uncollectibles	0	0	0	(1,708,751)
Due from Other Governments	0	127,739	0	164,384
Property Taxes Receivable	0	0	0	989,096
Allowance for Uncollectible Property Taxes	0	0	0	(18,158)
Notes Receivable - Long-term	0	0	0	43,012
Total Assets	\$ 75,384	\$ 3,019,497	\$ 75,799	\$ 7,198,802
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 314,104	\$ 0	\$ 393,424
Contracts Payable	0	143,908	0	143,908
Retainage Payable	0	7,574	0	7,574
Due to Litigants, Heirs, and Others	0	0	0	20
Total Liabilities	\$ 0	\$ 465,586	\$ 0	\$ 544,926
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 921,693
Deferred Delinquent Property Taxes	0	0	0	49,244
Other Deferred/Unavailable Revenue	0	0	0	444,996
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 1,415,933

(Continued)

Exhibit F-1

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

FUND BALANCES

Nonspendable:

Endowments

Restricted:

Restricted for Public Safety

Restricted for Capital Projects

Committed:

Committed for General Government

Committed for Finance

Committed for Public Health and Welfare

Committed for Debt Service

Assigned:

Assigned for Public Health and Welfare

Assigned for Capital Projects

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds (Cont.)</u>		<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>	
<u>Other Capital Projects</u>	<u>Total</u>	<u>Endowment</u>		
\$ 0	\$ 0	\$ 75,799	\$	75,799
75,384	75,384	0		154,354
0	2,477,371	0		2,477,371
0	0	0		70,645
0	0	0		27,500
0	0	0		603,189
0	0	0		1,825,904
0	0	0		2,025
0	1,156	0		1,156
\$ 75,384	\$ 2,553,911	\$ 75,799	\$	5,237,943
\$ 75,384	\$ 3,019,497	\$ 75,799	\$	7,198,802

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, 2018

	Special Revenue Funds					Constitu - tional Officers - Fees	Total
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control			
<u>Revenues</u>							
Local Taxes	\$ 19,501	\$ 150,381	\$ 0	\$ 0	\$ 0	\$ 0	169,882
Fines, Forfeitures, and Penalties	750	0	0	41,560	0		42,310
Charges for Current Services	0	1,087,567	0	0	482,106		1,569,673
Other Local Revenues	0	174,468	0	0	0		174,468
State of Tennessee	0	0	0	0	0		0
Federal Government	0	0	90,300	0	0		90,300
Other Governments and Citizens Groups	0	0	0	0	0		0
Total Revenues	\$ 20,251	\$ 1,412,416	\$ 90,300	\$ 41,560	\$ 482,106	\$ 0	2,046,633
<u>Expenditures</u>							
Current:							
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 479,804	\$ 0	479,804
Administration of Justice	0	0	0	0	10,377		10,377
Public Safety	0	0	0	56,285	0		56,285
Public Health and Welfare	0	1,489,328	0	0	0		1,489,328
Other Operations	4,473	0	0	0	0		4,473
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	126,271	0	0		126,271
Total Expenditures	\$ 4,473	\$ 1,489,328	\$ 126,271	\$ 56,285	\$ 490,181	\$ 0	2,166,538

(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	\$ 15,778	\$ (76,912)	\$ (35,971)	\$ (14,725)	\$ (8,075)	(119,905)
Other Financing Sources (Uses)						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Insurance Recovery	0	28,625	0	0	0	28,625
Transfers In	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 28,625	\$ 0	\$ 0	\$ 0	28,625
Net Change in Fund Balances	\$ 15,778	\$ (48,287)	\$ (35,971)	\$ (14,725)	\$ (8,075)	(91,280)
Fund Balance, July 1, 2017	33,883	452,568	236,904	44,034	106,220	873,609
Fund Balance, June 30, 2018	\$ 49,661	\$ 404,281	\$ 200,933	\$ 29,309	\$ 98,145	782,329

(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	Higher Education Fund
<u>Revenues</u>						
Local Taxes	\$ 415,955	\$ 415,955	\$ 831,910	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	0	0
Charges for Current Services	0	0	0	0	0	0
Other Local Revenues	0	0	0	0	0	0
State of Tennessee	0	0	0	127,739	0	0
Federal Government	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	0	1,500,000
Total Revenues	\$ 415,955	\$ 415,955	\$ 831,910	\$ 127,739	\$ 0	\$ 1,500,000
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	0	0	0	0	0	0
Public Safety	0	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0	0
Other Operations	0	0	0	0	0	0
Debt Service:						
Principal on Debt	0	277,500	277,500	0	0	0
Interest on Debt	0	26,422	26,422	0	0	0
Other Debt Service	8,260	8,260	16,520	0	0	0
Capital Projects	0	0	0	3,131,679	225,063	670,181
Total Expenditures	\$ 8,260	\$ 312,182	\$ 320,442	\$ 3,131,679	\$ 225,063	\$ 670,181

(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	Higher Education Fund
Excess (Deficiency) of Revenues Over Expenditures	\$ 407,695	\$ 103,773	\$ 511,468	\$ (3,003,940)	\$ (225,063)	\$ 829,819
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 1,750,000	\$ 0	\$ 0
Insurance Recovery	0	0	0	0	0	0
Transfers In	0	0	0	0	0	1,492,200
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 1,750,000	\$ 0	\$ 1,492,200
Net Change in Fund Balances	\$ 407,695	\$ 103,773	\$ 511,468	\$ (1,253,940)	\$ (225,063)	\$ 2,322,019
Fund Balance, July 1, 2017	809,018	505,418	1,314,436	1,405,448	230,063	0
Fund Balance, June 30, 2018	\$ 1,216,713	\$ 609,191	\$ 1,825,904	\$ 151,508	\$ 5,000	\$ 2,322,019

(Continued)

## Exhibit F-2

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

	Capital Projects Funds (Cont.)		Permanent Fund	Total Nonmajor Governmental Funds
	Other Capital Projects	Total	Endowment	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 1,001,792
Fines, Forfeitures, and Penalties	0	0	0	42,310
Charges for Current Services	0	0	0	1,569,673
Other Local Revenues	0	0	0	174,468
State of Tennessee	0	127,739	0	127,739
Federal Government	42,157	42,157	0	132,457
Other Governments and Citizens Groups	0	1,500,000	0	1,500,000
Total Revenues	\$ 42,157	\$ 1,669,896	\$ 0	\$ 4,548,439
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 0	\$ 0	\$ 479,804
Administration of Justice	0	0	0	10,377
Public Safety	0	0	0	56,285
Public Health and Welfare	0	0	0	1,489,328
Other Operations	0	0	0	4,473
Debt Service:				
Principal on Debt	0	0	0	277,500
Interest on Debt	0	0	0	26,422
Other Debt Service	0	0	0	16,520
Capital Projects	8,812	4,035,735	0	4,162,006
Total Expenditures	\$ 8,812	\$ 4,035,735	\$ 0	\$ 6,522,715

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		<u>Permanent</u> <u>Fund</u>		<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>Other</u> <u>Capital</u> <u>Projects</u>	<u>Total</u>	<u>Endowment</u>		
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,345	\$ (2,365,839)	\$ 0	\$	(1,974,276)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 1,750,000	\$ 0	\$	1,750,000
Insurance Recovery	0	0	0		28,625
Transfers In	0	1,492,200	0		1,492,200
Total Other Financing Sources (Uses)	\$ 0	\$ 3,242,200	\$ 0	\$	3,270,825
Net Change in Fund Balances	\$ 33,345	\$ 876,361	\$ 0	\$	1,296,549
Fund Balance, July 1, 2017	42,039	1,677,550	75,799		3,941,394
Fund Balance, June 30, 2018	\$ 75,384	\$ 2,553,911	\$ 75,799	\$	5,237,943

## 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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 19,501	\$ 16,750	\$ 16,750	\$ 2,751
Fines, Forfeitures, and Penalties	750	1,500	1,500	(750)
Total Revenues	<u>\$ 20,251</u>	<u>\$ 18,250</u>	<u>\$ 18,250</u>	<u>\$ 2,001</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 4,473	\$ 17,300	\$ 17,300	\$ 12,827
Total Expenditures	<u>\$ 4,473</u>	<u>\$ 17,300</u>	<u>\$ 17,300</u>	<u>\$ 12,827</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 15,778</u>	<u>\$ 950</u>	<u>\$ 950</u>	<u>\$ 14,828</u>
Net Change in Fund Balance	\$ 15,778	\$ 950	\$ 950	\$ 14,828
Fund Balance, July 1, 2017	<u>33,883</u>	<u>30,561</u>	<u>30,561</u>	<u>3,322</u>
Fund Balance, June 30, 2018	<u>\$ 49,661</u>	<u>\$ 31,511</u>	<u>\$ 31,511</u>	<u>\$ 18,150</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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 150,381	\$ 0	\$ 0	\$ 150,381	\$ 147,764	\$ 147,764	\$ 2,617
Charges for Current Services	1,087,567	0	0	1,087,567	1,053,863	1,061,266	26,301
Other Local Revenues	174,468	0	0	174,468	150,500	187,329	(12,861)
Other Governments and Citizens Groups	0	0	0	0	19,753	19,753	(19,753)
Total Revenues	\$ 1,412,416	\$ 0	\$ 0	\$ 1,412,416	\$ 1,371,880	\$ 1,416,112	\$ (3,696)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Landfill Operation and Maintenance	\$ 1,489,328	\$ (1,301)	\$ 2,025	\$ 1,490,052	\$ 1,486,747	\$ 1,584,605	\$ 94,553
Total Expenditures	\$ 1,489,328	\$ (1,301)	\$ 2,025	\$ 1,490,052	\$ 1,486,747	\$ 1,584,605	\$ 94,553
Excess (Deficiency) of Revenues Over Expenditures	\$ (76,912)	\$ 1,301	\$ (2,025)	\$ (77,636)	\$ (114,867)	\$ (168,493)	\$ 90,857
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 28,625	\$ 0	\$ 0	\$ 28,625	\$ 0	\$ 28,625	\$ 0
Total Other Financing Sources	\$ 28,625	\$ 0	\$ 0	\$ 28,625	\$ 0	\$ 28,625	\$ 0
Net Change in Fund Balance	\$ (48,287)	\$ 1,301	\$ (2,025)	\$ (49,011)	\$ (114,867)	\$ (139,868)	\$ 90,857
Fund Balance, July 1, 2017	452,568	(1,301)	0	451,267	364,780	364,780	86,487
Fund Balance, June 30, 2018	\$ 404,281	\$ 0	\$ (2,025)	\$ 402,256	\$ 249,913	\$ 224,912	\$ 177,344

## 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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 0	\$ 29,302	\$ 29,302	\$ (29,302)
Federal Government	90,300	0	525,000	(434,700)
Total Revenues	<u>\$ 90,300</u>	<u>\$ 29,302</u>	<u>\$ 554,302</u>	<u>\$ (464,002)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 35,971	\$ 9,000	\$ 35,971	\$ 0
Public Utility Projects	90,300	0	583,333	493,033
Total Expenditures	<u>\$ 126,271</u>	<u>\$ 9,000</u>	<u>\$ 619,304</u>	<u>\$ 493,033</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (35,971)</u>	<u>\$ 20,302</u>	<u>\$ (65,002)</u>	<u>\$ 29,031</u>
Net Change in Fund Balance	\$ (35,971)	\$ 20,302	\$ (65,002)	\$ 29,031
Fund Balance, July 1, 2017	<u>236,904</u>	<u>229,328</u>	<u>229,328</u>	<u>7,576</u>
Fund Balance, June 30, 2018	<u><u>\$ 200,933</u></u>	<u><u>\$ 249,630</u></u>	<u><u>\$ 164,326</u></u>	<u><u>\$ 36,607</u></u>

Exhibit F-6

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 41,560	\$ 0	\$ 41,560	\$ 18,500	\$ 31,484	\$ 10,076
Total Revenues	\$ 41,560	\$ 0	\$ 41,560	\$ 18,500	\$ 31,484	\$ 10,076
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 56,285	\$ 760	\$ 57,045	\$ 27,475	\$ 60,475	\$ 3,430
Total Expenditures	\$ 56,285	\$ 760	\$ 57,045	\$ 27,475	\$ 60,475	\$ 3,430
Excess (Deficiency) of Revenues Over Expenditures	\$ (14,725)	\$ (760)	\$ (15,485)	\$ (8,975)	\$ (28,991)	\$ 13,506
Net Change in Fund Balance	\$ (14,725)	\$ (760)	\$ (15,485)	\$ (8,975)	\$ (28,991)	\$ 13,506
Fund Balance, July 1, 2017	44,034	0	44,034	15,129	44,034	0
Fund Balance, June 30, 2018	\$ 29,309	\$ (760)	\$ 28,549	\$ 6,154	\$ 15,043	\$ 13,506



## 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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 415,955	\$ 396,114	\$ 396,114	\$ 19,841
Total Revenues	\$ 415,955	\$ 396,114	\$ 396,114	\$ 19,841
<u>Expenditures</u>				
<u>Other Debt Service</u>				
Education	\$ 8,260	\$ 9,200	\$ 9,200	\$ 940
Total Expenditures	\$ 8,260	\$ 9,200	\$ 9,200	\$ 940
Excess (Deficiency) of Revenues Over Expenditures	\$ 407,695	\$ 386,914	\$ 386,914	\$ 20,781
Net Change in Fund Balance	\$ 407,695	\$ 386,914	\$ 386,914	\$ 20,781
Fund Balance, July 1, 2017	809,018	798,627	798,627	10,391
Fund Balance, June 30, 2018	\$ 1,216,713	\$ 1,185,541	\$ 1,185,541	\$ 31,172

## 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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 415,955	\$ 396,114	\$ 396,114	\$ 19,841
Total Revenues	<u>\$ 415,955</u>	<u>\$ 396,114</u>	<u>\$ 396,114</u>	<u>\$ 19,841</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Highways and Streets	\$ 277,500	\$ 277,500	\$ 277,500	\$ 0
<u>Interest on Debt</u>				
Highways and Streets	26,422	26,423	26,423	1
<u>Other Debt Service</u>				
Highways and Streets	8,260	9,200	9,200	940
Total Expenditures	<u>\$ 312,182</u>	<u>\$ 313,123</u>	<u>\$ 313,123</u>	<u>\$ 941</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 103,773</u>	<u>\$ 82,991</u>	<u>\$ 82,991</u>	<u>\$ 20,782</u>
Net Change in Fund Balance	\$ 103,773	\$ 82,991	\$ 82,991	\$ 20,782
Fund Balance, July 1, 2017	<u>505,418</u>	<u>495,027</u>	<u>495,027</u>	<u>10,391</u>
Fund Balance, June 30, 2018	<u><u>\$ 609,191</u></u>	<u><u>\$ 578,018</u></u>	<u><u>\$ 578,018</u></u>	<u><u>\$ 31,173</u></u>

# **Major Governmental Fund**

## **Debt Service Fund**

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

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## Exhibit G

Lawrence County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,388,104	\$ 4,292,586	\$ 4,292,586	\$ 95,518
Other Local Revenues	60,000	45,000	45,000	15,000
State of Tennessee	292,646	301,143	301,143	(8,497)
Other Governments and Citizens Groups	300,000	300,000	300,000	0
Total Revenues	<u>\$ 5,040,750</u>	<u>\$ 4,938,729</u>	<u>\$ 4,938,729</u>	<u>\$ 102,021</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,292,972	\$ 2,450,144	\$ 1,292,972	\$ 0
Highways and Streets	74,800	0	74,800	0
Education	2,269,406	1,187,034	2,269,406	0
<u>Interest on Debt</u>				
General Government	694,397	641,522	694,397	0
Highways and Streets	17,828	0	17,828	0
Education	282,784	327,126	282,784	0
<u>Other Debt Service</u>				
General Government	3,529,148	89,000	3,545,866	16,718
Education	4,661,676	0	4,661,676	0
Total Expenditures	<u>\$ 12,823,011</u>	<u>\$ 4,694,826</u>	<u>\$ 12,839,729</u>	<u>\$ 16,718</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,782,261)</u>	<u>\$ 243,903</u>	<u>\$ (7,901,000)</u>	<u>\$ 118,739</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 1,505,000	\$ 0	\$ 1,500,667	\$ 4,333
Refunding Debt Issued	7,860,000	0	7,860,000	0
Premiums on Debt Sold	249,574	0	249,574	0
Transfers Out	(1,492,200)	0	(1,492,200)	0
Total Other Financing Sources	<u>\$ 8,122,374</u>	<u>\$ 0</u>	<u>\$ 8,118,041</u>	<u>\$ 4,333</u>
Net Change in Fund Balance	\$ 340,113	\$ 243,903	\$ 217,041	\$ 123,072
Fund Balance, July 1, 2017	<u>2,944,952</u>	<u>2,925,459</u>	<u>2,925,459</u>	<u>19,493</u>
Fund Balance, June 30, 2018	<u>\$ 3,285,065</u>	<u>\$ 3,169,362</u>	<u>\$ 3,142,500</u>	<u>\$ 142,565</u>

# Fiduciary Funds

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

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

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

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

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

## Exhibit H-1

Lawrence County, TennesseeCombining Statement of Fiduciary Assets and LiabilitiesFiduciary FundsJune 30, 2018

	Agency Funds					
	Cities - Sales Tax	Judicial District Drug	Constitu- tional Officers - Agency	District Attorney General	Total	
<u>ASSETS</u>						
Cash	\$ 0	\$ 22,509	\$ 1,466,260	\$ 0	\$ 1,488,769	
Equity in Pooled Cash and Investments	0	68,008	0	46,462	114,470	
Accounts Receivable	0	30,107	1,699	0	31,806	
Due from Other Governments	938,126	5,139	0	0	943,265	
Total Assets	<u>\$ 938,126</u>	<u>\$ 125,763</u>	<u>\$ 1,467,959</u>	<u>\$ 46,462</u>	<u>\$ 2,578,310</u>	
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 1,280	\$ 0	\$ 0	\$ 1,280	
Due to Other Taxing Units	938,126	0	0	0	938,126	
Due to Litigants, Heirs, and Others	0	0	1,467,959	46,462	1,514,421	
Due to Joint Ventures	0	124,483	0	0	124,483	
Total Liabilities	<u>\$ 938,126</u>	<u>\$ 125,763</u>	<u>\$ 1,467,959</u>	<u>\$ 46,462</u>	<u>\$ 2,578,310</u>	

## Exhibit H-2

Lawrence County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,868,529	\$ 4,868,529	\$ 0
Due from Other Governments	833,835	938,126	833,835	938,126
Total Assets	\$ 833,835	\$ 5,806,655	\$ 5,702,364	\$ 938,126
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 833,835	\$ 5,806,655	\$ 5,702,364	\$ 938,126
Total Liabilities	\$ 833,835	\$ 5,806,655	\$ 5,702,364	\$ 938,126
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 13,571	\$ 22,509	\$ 13,571	\$ 22,509
Equity in Pooled Cash and Investments	43,046	68,008	43,046	68,008
Accounts Receivable	2,053	30,107	2,053	30,107
Due from Other Governments	0	5,139	0	5,139
Total Assets	\$ 58,670	\$ 125,763	\$ 58,670	\$ 125,763
<u>Liabilities</u>				
Accounts Payable	\$ 2,165	\$ 1,280	\$ 2,165	\$ 1,280
Due to Joint Ventures	56,505	124,483	56,505	124,483
Total Liabilities	\$ 58,670	\$ 125,763	\$ 58,670	\$ 125,763
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,520,024	\$ 10,773,848	\$ 10,827,612	\$ 1,466,260
Accounts Receivable	1,356	1,699	1,356	1,699
Total Assets	\$ 1,521,380	\$ 10,775,547	\$ 10,828,968	\$ 1,467,959
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,521,380	\$ 10,775,547	\$ 10,828,968	\$ 1,467,959
Total Liabilities	\$ 1,521,380	\$ 10,775,547	\$ 10,828,968	\$ 1,467,959
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 54,427	\$ 46,462	\$ 54,427	\$ 46,462
Total Assets	\$ 54,427	\$ 46,462	\$ 54,427	\$ 46,462
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 54,427	\$ 46,462	\$ 54,427	\$ 46,462
Total Liabilities	\$ 54,427	\$ 46,462	\$ 54,427	\$ 46,462

(Continued)

## Exhibit H-2

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	\$ 1,533,595	\$ 10,796,357	\$ 10,841,183	\$ 1,488,769
Equity in Pooled Cash and Investments	97,473	4,982,999	4,966,002	114,470
Accounts Receivable	3,409	31,806	3,409	31,806
Due from Other Governments	833,835	943,265	833,835	943,265
Total Assets	<u>\$ 2,468,312</u>	<u>\$ 16,754,427</u>	<u>\$ 16,644,429</u>	<u>\$ 2,578,310</u>
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 2,165	\$ 1,280	\$ 2,165	\$ 1,280
Due to Other Taxing Units	833,835	5,806,655	5,702,364	938,126
Due to Litigants, Heirs, and Others	1,575,807	10,822,009	10,883,395	1,514,421
Due to Joint Ventures	56,505	124,483	56,505	124,483
Total Liabilities	<u>\$ 2,468,312</u>	<u>\$ 16,754,427</u>	<u>\$ 16,644,429</u>	<u>\$ 2,578,310</u>



# Lawrence County School Department

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

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

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

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

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

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

Exhibit I-1

Lawrence County, Tennessee  
Statement of Activities  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2018

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	\$ 33,376,874	\$ 275,594	\$ 4,568,935	\$ (28,532,345)
Support Services	19,824,172	5,281	794	(19,818,097)
Operation of Non-instructional Services	5,654,860	832,321	3,543,244	(1,279,295)
Total Governmental Activities	<u>\$ 58,855,906</u>	<u>\$ 1,113,196</u>	<u>\$ 8,112,973</u>	<u>\$ (49,629,737)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 6,016,005
Local Option Sales Tax				5,646,168
Other Local Taxes				8,862
Grants and Contributions Not Restricted to Specific Programs				41,048,663
Unrestricted Investment Earnings				870
Miscellaneous				27,023
Total General Revenues				<u>\$ 52,747,591</u>
Change in Net Position				\$ 3,117,854
Net Position, July 1, 2017				34,006,480
Restatement - See Note I.D.9				<u>(5,102,452)</u>
Net Position, June 30, 2018				<u>\$ 32,021,882</u>

Exhibit I-2

Lawrence County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Lawrence County School Department  
June 30, 2018

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,100	\$ 1,100
Equity in Pooled Cash and Investments	6,633,502	3,180,604	9,814,106
Inventories	0	121,172	121,172
Accounts Receivable	0	4,701	4,701
Due from Other Governments	2,389,720	241,032	2,630,752
Property Taxes Receivable	6,325,311	0	6,325,311
Allowance for Uncollectible Property Taxes	(117,677)	0	(117,677)
Total Assets	\$ 15,230,856	\$ 3,548,609	\$ 18,779,465
<u>LIABILITIES</u>			
Accounts Payable	\$ 99,636	\$ 51,179	\$ 150,815
Payroll Deductions Payable	1,869,027	271,990	2,141,017
Total Liabilities	\$ 1,968,663	\$ 323,169	\$ 2,291,832
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 5,972,055	\$ 0	\$ 5,972,055
Deferred Delinquent Property Taxes	200,332	0	200,332
Other Deferred/Unavailable Revenue	497,899	0	497,899
Total Deferred Inflows of Resources	\$ 6,670,286	\$ 0	\$ 6,670,286
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 121,172	\$ 121,172
Restricted:			
Restricted for Education	8,088	3,004,400	3,012,488
Committed:			
Committed for Education	0	33,219	33,219
Committed for Operation of Non-instructional Services	0	66,649	66,649
Assigned:			
Assigned for Education	1,376,454	0	1,376,454
Unassigned	5,207,365	0	5,207,365
Total Fund Balances	\$ 6,591,907	\$ 3,225,440	\$ 9,817,347
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,230,856	\$ 3,548,609	\$ 18,779,465

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, 2018

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	9,817,347
(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		2,800,986	
Add: buildings and improvements net of accumulated depreciation		31,511,668	
Add: other capital assets net of accumulated depreciation		<u>3,287,582</u>	38,876,690
(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	\$	(79,732)	
Less: other postemployment benefits liability		<u>(18,680,278)</u>	(18,760,010)
(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	\$	6,060,138	
Add: deferred outflows of resources related to OPEB		709,619	
Less: deferred inflows of resources related to pensions		(5,234,758)	
Less: deferred inflows of resources related to OPEB		<u>(747,249)</u>	787,750
(4) Net pension assets of the agent, teacher retirement, and teacher legacy pension plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	285,643	
Add: net pension asset - teacher retirement plan		81,990	
Add: net pension asset - teacher legacy retirement plan		<u>234,241</u>	601,874
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>698,231</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>32,021,882</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, 2018

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 11,634,529	\$ 0	\$ 11,634,529
Licenses and Permits	1,506	0	1,506
Charges for Current Services	142,033	965,882	1,107,915
Other Local Revenues	67,049	870	67,919
State of Tennessee	39,067,220	38,373	39,105,593
Federal Government	262,199	8,016,939	8,279,138
Other Governments and Citizens Groups	0	1,740,654	1,740,654
Total Revenues	<u>\$ 51,174,536</u>	<u>\$ 10,762,718</u>	<u>\$ 61,937,254</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 30,451,514	\$ 2,338,405	\$ 32,789,919
Support Services	17,738,336	2,161,008	19,899,344
Operation of Non-Instructional Services	1,456,662	4,452,191	5,908,853
Capital Outlay	2,201,566	0	2,201,566
Debt Service:			
Other Debt Service	300,000	0	300,000
Total Expenditures	<u>\$ 52,148,078</u>	<u>\$ 8,951,604</u>	<u>\$ 61,099,682</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (973,542)</u>	<u>\$ 1,811,114</u>	<u>\$ 837,572</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 244,288	\$ 4,488	\$ 248,776
Transfers In	29,379	0	29,379
Transfers Out	0	(29,379)	(29,379)
Total Other Financing Sources (Uses)	<u>\$ 273,667</u>	<u>\$ (24,891)</u>	<u>\$ 248,776</u>
Net Change in Fund Balances	\$ (699,875)	\$ 1,786,223	\$ 1,086,348
Fund Balance, July 1, 2017	7,291,782	1,439,217	8,730,999
Fund Balance, June 30, 2018	<u>\$ 6,591,907</u>	<u>\$ 3,225,440</u>	<u>\$ 9,817,347</u>

Exhibit I-5

Lawrence County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 1,086,348
(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	\$ 2,676,401	
Less: current-year depreciation expense	<u>(2,159,535)</u>	516,866
(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, 2018	\$ 698,231	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(661,725)</u>	36,506
(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	\$ (4,372)	
Change in net pension asset - agent plan	556,468	
Change in net pension asset - teacher retirement plan	53,377	
Change in net pension asset - teacher legacy retirement plan	4,581,055	
Change in deferred outflows related to pensions	(3,039,137)	
Change in deferred inflows related to pensions	365,737	
Change in other postemployment benefits liability	(374,887)	
Change in deferred outflows related to OPEB	87,142	
Change in deferred inflows related to OPEB	<u>(747,249)</u>	<u>1,478,134</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,117,854</u>

Exhibit I-6

Lawrence County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Lawrence County School Department  
June 30, 2018

	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	\$ 1,100	\$ 0	\$ 1,100	\$ 0	\$ 1,100
Equity in Pooled Cash and Investments	33,827	1,279,996	66,436	1,380,259	1,800,345	3,180,604
Inventories	0	121,172	0	121,172	0	121,172
Accounts Receivable	0	4,488	213	4,701	0	4,701
Due from Other Governments	186,977	54,055	0	241,032	0	241,032
Total Assets	\$ 220,804	\$ 1,460,811	\$ 66,649	\$ 1,748,264	\$ 1,800,345	\$ 3,548,609
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 51,179	\$ 0	\$ 51,179	\$ 0	\$ 51,179
Payroll Deductions Payable	187,585	84,405	0	271,990	0	271,990
Total Liabilities	\$ 187,585	\$ 135,584	\$ 0	\$ 323,169	\$ 0	\$ 323,169
<u>FUND BALANCES</u>						
Nonspendable:						
Inventory	\$ 0	\$ 121,172	\$ 0	\$ 121,172	\$ 0	\$ 121,172
Restricted:						
Restricted for Education	0	1,204,055	0	1,204,055	1,800,345	3,004,400
Committed:						
Committed for Education	33,219	0	0	33,219	0	33,219
Committed for Operation of Non-instructional Services	0	0	66,649	66,649	0	66,649
Total Fund Balances	\$ 33,219	\$ 1,325,227	\$ 66,649	\$ 1,425,095	\$ 1,800,345	\$ 3,225,440
Total Liabilities and Fund Balances	\$ 220,804	\$ 1,460,811	\$ 66,649	\$ 1,748,264	\$ 1,800,345	\$ 3,548,609

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, 2018

	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	\$ 832,321	\$ 133,561	\$ 965,882	\$ 0	\$ 965,882
Other Local Revenues	0	870	0	870	0	870
State of Tennessee	0	37,579	794	38,373	0	38,373
Federal Government	4,529,766	3,487,173	0	8,016,939	0	8,016,939
Other Governments and Citizens Groups	0	0	0	0	1,740,654	1,740,654
Total Revenues	\$ 4,529,766	\$ 4,357,943	\$ 134,355	\$ 9,022,064	\$ 1,740,654	\$ 10,762,718
<u>Expenditures</u>						
Current:						
Instruction	\$ 2,338,405	\$ 0	\$ 0	\$ 2,338,405	\$ 0	\$ 2,338,405
Support Services	2,161,008	0	0	2,161,008	0	2,161,008
Operation of Non-Instructional Services	615	4,326,551	125,025	4,452,191	0	4,452,191
Total Expenditures	\$ 4,500,028	\$ 4,326,551	\$ 125,025	\$ 8,951,604	\$ 0	\$ 8,951,604
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,738	\$ 31,392	\$ 9,330	\$ 70,460	\$ 1,740,654	\$ 1,811,114
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 4,488	\$ 0	\$ 4,488	\$ 0	\$ 4,488
Transfers Out	(29,379)	0	0	(29,379)	0	(29,379)
Total Other Financing Sources (Uses)	\$ (29,379)	\$ 4,488	\$ 0	\$ (24,891)	\$ 0	\$ (24,891)

(Continued)



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 (Cont.)

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects	
Net Change in Fund Balances	\$ 359	\$ 35,880	\$ 9,330	\$ 45,569	\$ 1,740,654	\$ 1,786,223
Fund Balance, July 1, 2017	32,860	1,289,347	57,319	1,379,526	59,691	1,439,217
Fund Balance, June 30, 2018	\$ 33,219	\$ 1,325,227	\$ 66,649	\$ 1,425,095	\$ 1,800,345	\$ 3,225,440

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,634,529	\$ 0	\$ 0	\$ 11,634,529	\$ 10,643,291	\$ 10,643,291	\$ 991,238
Licenses and Permits	1,506	0	0	1,506	1,000	1,000	506
Charges for Current Services	142,033	0	0	142,033	65,000	65,000	77,033
Other Local Revenues	67,049	0	0	67,049	8,700	63,665	3,384
State of Tennessee	39,067,220	0	0	39,067,220	36,988,748	38,743,700	323,520
Federal Government	262,199	0	0	262,199	0	258,207	3,992
Total Revenues	\$ 51,174,536	\$ 0	\$ 0	\$ 51,174,536	\$ 47,706,739	\$ 49,774,863	\$ 1,399,673
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 24,737,670	\$ (88,602)	\$ 362,489	\$ 25,011,557	\$ 24,755,930	\$ 25,021,670	\$ 10,113
Alternative Instruction Program	324,163	0	0	324,163	258,355	327,380	3,217
Special Education Program	3,058,940	0	0	3,058,940	2,991,300	3,120,845	61,905
Career and Technical Education Program	2,330,741	(6,311)	168	2,324,598	2,234,935	2,387,426	62,828
<u>Support Services</u>							
Attendance	37,603	0	0	37,603	39,788	39,933	2,330
Health Services	643,946	(545)	900	644,301	528,584	657,469	13,168
Other Student Support	1,137,318	(23,510)	0	1,113,808	1,252,759	1,171,659	57,851
Regular Instruction Program	1,344,066	(1,300)	6,071	1,348,837	1,346,808	1,399,230	50,393
Alternative Instruction Program	7,766	0	0	7,766	7,750	9,750	1,984
Special Education Program	195,329	0	0	195,329	228,233	272,750	77,421
Career and Technical Education Program	113,950	(300)	971	114,621	105,753	121,698	7,077
Technology	417,052	0	60,859	477,911	486,135	504,295	26,384
Other Programs	216,632	0	0	216,632	0	216,632	0
Board of Education	1,018,361	(300)	4,145	1,022,206	1,252,433	1,079,933	57,727
Director of Schools	335,519	(11,320)	7,756	331,955	349,459	355,794	23,839
Office of the Principal	4,007,014	(682)	15,996	4,022,328	3,944,596	4,048,526	26,198
Fiscal Services	266,165	0	0	266,165	267,601	270,331	4,166
Human Services/Personnel	155,205	0	0	155,205	156,677	159,172	3,967

(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 7/1/2017	Add: Encumbrances 6/30/2018	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	\$ 3,670,894	\$ (123,970)	\$ 98,850	\$ 3,645,774	\$ 3,767,827	\$ 3,662,287	\$ 16,513
Maintenance of Plant	1,441,846	(18,770)	53,208	1,476,284	1,045,457	1,512,991	36,707
Transportation	2,652,077	(31,025)	29,012	2,650,064	2,852,622	2,824,042	173,978
Central and Other	77,593	(12,354)	0	65,239	0	77,700	12,461
<u>Operation of Non-Instructional Services</u>							
Community Services	308,583	0	77	308,660	83,737	360,444	51,784
Early Childhood Education	1,148,079	(1,200)	0	1,146,879	0	1,151,370	4,491
<u>Capital Outlay</u>							
Regular Capital Outlay	2,201,566	(371,247)	239,162	2,069,481	0	1,866,222	(203,259)
<u>Other Debt Service</u>							
Education	300,000	0	0	300,000	300,000	300,000	0
Total Expenditures	\$ 52,148,078	\$ (691,436)	\$ 879,664	\$ 52,336,306	\$ 48,256,739	\$ 52,919,549	\$ 583,243
Excess (Deficiency) of Revenues Over Expenditures	\$ (973,542)	\$ 691,436	\$ (879,664)	\$ (1,161,770)	\$ (550,000)	\$ (3,144,686)	\$ 1,982,916
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 244,288	\$ 0	\$ 0	\$ 244,288	\$ 0	\$ 267,478	\$ (23,190)
Transfers In	29,379	0	0	29,379	0	0	29,379
Transfers Out	0	0	0	0	0	(4,050)	4,050
Total Other Financing Sources	\$ 273,667	\$ 0	\$ 0	\$ 273,667	\$ 0	\$ 263,428	\$ 10,239
Net Change in Fund Balance	\$ (699,875)	\$ 691,436	\$ (879,664)	\$ (888,103)	\$ (550,000)	\$ (2,881,258)	\$ 1,993,155
Fund Balance, July 1, 2017	7,291,782	(691,436)	0	6,600,346	5,704,904	5,704,904	895,442
Fund Balance, June 30, 2018	\$ 6,591,907	\$ 0	\$ (879,664)	\$ 5,712,243	\$ 5,154,904	\$ 2,823,646	\$ 2,888,597

## 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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,529,766	\$ 5,037,954	\$ 5,133,464	\$ (603,698)
Total Revenues	\$ 4,529,766	\$ 5,037,954	\$ 5,133,464	\$ (603,698)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,108,015	\$ 1,088,838	\$ 1,185,040	\$ 77,025
Special Education Program	1,171,292	1,218,584	1,212,341	41,049
Career and Technical Education Program	59,098	55,718	59,098	0
<u>Support Services</u>				
Health Services	56,555	58,572	64,572	8,017
Other Student Support	505,132	610,874	615,069	109,937
Regular Instruction Program	1,165,025	1,471,279	1,465,317	300,292
Special Education Program	433,350	500,674	500,912	67,562
Board of Education	359	0	392	33
Transportation	587	4,041	587	0
<u>Operation of Non-Instructional Services</u>				
Food Service	615	0	756	141
Total Expenditures	\$ 4,500,028	\$ 5,008,580	\$ 5,104,084	\$ 604,056
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,738	\$ 29,374	\$ 29,380	\$ 358
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (29,379)	\$ (29,376)	\$ (29,379)	\$ 0
Total Other Financing Sources	\$ (29,379)	\$ (29,376)	\$ (29,379)	\$ 0
Net Change in Fund Balance	\$ 359	\$ (2)	\$ 1	\$ 358
Fund Balance, July 1, 2017	32,860	32,860	32,860	0
Fund Balance, June 30, 2018	\$ 33,219	\$ 32,858	\$ 32,861	\$ 358

## 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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 832,321	\$ 885,050	\$ 859,550	\$ (27,229)
Other Local Revenues	870	3,100	1,100	(230)
State of Tennessee	37,579	37,000	37,600	(21)
Federal Government	3,487,173	3,310,000	3,530,000	(42,827)
Total Revenues	\$ 4,357,943	\$ 4,235,150	\$ 4,428,250	\$ (70,307)
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 4,326,551	\$ 4,355,150	\$ 4,470,645	\$ 144,094
Total Expenditures	\$ 4,326,551	\$ 4,355,150	\$ 4,470,645	\$ 144,094
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,392	\$ (120,000)	\$ (42,395)	\$ 73,787
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,488	\$ 0	\$ 0	\$ 4,488
Total Other Financing Sources	\$ 4,488	\$ 0	\$ 0	\$ 4,488
Net Change in Fund Balance	\$ 35,880	\$ (120,000)	\$ (42,395)	\$ 78,275
Fund Balance, July 1, 2017	1,289,347	1,347,093	1,347,093	(57,746)
Fund Balance, June 30, 2018	\$ 1,325,227	\$ 1,227,093	\$ 1,304,698	\$ 20,529

## 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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 133,561	\$ 148,500	\$ 162,500	\$ (28,939)
State of Tennessee	794	3,500	3,500	(2,706)
Total Revenues	<u>\$ 134,355</u>	<u>\$ 152,000</u>	<u>\$ 166,000</u>	<u>\$ (31,645)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Community Services	\$ 125,025	\$ 152,000	\$ 166,000	\$ 40,975
Total Expenditures	<u>\$ 125,025</u>	<u>\$ 152,000</u>	<u>\$ 166,000</u>	<u>\$ 40,975</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 9,330</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,330</u>
Net Change in Fund Balance	\$ 9,330	\$ 0	\$ 0	\$ 9,330
Fund Balance, July 1, 2017	<u>57,319</u>	<u>51,208</u>	<u>51,208</u>	<u>6,111</u>
Fund Balance, June 30, 2018	<u><u>\$ 66,649</u></u>	<u><u>\$ 51,208</u></u>	<u><u>\$ 51,208</u></u>	<u><u>\$ 15,441</u></u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Lawrence County, Tennessee  
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds  
For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-18
<b>NOTES PAYABLE</b>									
<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	\$ 2,990,000	\$ 0	\$ 265,000	\$ 0	\$ 2,725,000
General Obligation Capital Outlay Note Series 2016	2,000,000	1.60	3-3-16	3-1-23	1,725,000	0	277,500	0	1,447,500
Total Payable through General Debt Service Fund					<u>\$ 4,715,000</u>	<u>\$ 0</u>	<u>\$ 542,500</u>	<u>\$ 0</u>	<u>\$ 4,172,500</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	\$ 1,725,000	\$ 0	\$ 277,500	\$ 0	\$ 1,447,500
<u>Payable through Education Debt Service Fund</u>									
General Obligation School Capital Outlay Note Series 2016	1,750,000	2.96	3-9-18	3-1-21	\$ 0	\$ 1,750,000	\$ 0	\$ 0	\$ 1,750,000
Total Notes Payable					<u>\$ 6,440,000</u>	<u>\$ 1,750,000</u>	<u>\$ 820,000</u>	<u>\$ 0</u>	<u>\$ 7,370,000</u>
<b>CAPITAL LEASES PAYABLE</b>									
<u>Payable through Highway/Public Works Fund</u>									
Wheel Loader for Highway Department	208,015	2.49	5-7-15	5-7-19	\$ 106,565	\$ 0	\$ 52,628	\$ 0	\$ 53,937
Skytrim for Highway Department	195,910	3.20	2-3-16	2-3-19	97,907	0	48,181	0	49,726
Total Payable through Highway/Public Works Fund					<u>\$ 204,472</u>	<u>\$ 0</u>	<u>\$ 100,809</u>	<u>\$ 0</u>	<u>\$ 103,663</u>
<u>Payable through General Fund</u>									
Patrol Vehicles for Sheriff Department	286,044	4.85	3-13-17	3-13-19	\$ 186,146	\$ 0	\$ 90,870	\$ 0	\$ 95,276
Total Capital Leases Payable					<u>\$ 390,618</u>	<u>\$ 0</u>	<u>\$ 191,679</u>	<u>\$ 0</u>	<u>\$ 198,939</u>
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Refunding, Series 2005	7,755,000	3.79	3-15-05	12-14-17	\$ 5,015,000	\$ 0	\$ 475,000	\$ 4,540,000	\$ 0
General Obligation, Series 2008	4,250,000	4.28	3-18-08	12-14-17	3,450,000	0	115,000	3,335,000	0
School Refunding, Series 2010	2,700,000	3.70	1-13-10	10-1-34	1,720,000	0	845,000	0	875,000
School Improvement, Series 2010	2,160,000	3.70	1-13-10	10-1-34	1,725,000	0	85,000	0	1,640,000
General Obligation, Series 2012	132,000	3.38	4-26-12	4-26-50	122,581	0	2,079	0	120,502
General Obligation, Series 2012	165,000	3.38	6-21-12	6-21-50	153,225	0	2,599	0	150,626
General Obligation, Series 2012	2,750,000	3.38	12-1-12	12-1-27	2,085,000	0	170,000	0	1,915,000
School Refunding, Series 2014	3,170,000	1.08	7-23-14	8-1-19	1,925,000	0	635,000	0	1,290,000
General Obligation Refunding, Series 2016	7,015,000	1.70	4-27-16	5-1-31	6,610,000	0	415,000	0	6,195,000
General Obligation Refunding, Series 2017	8,215,000	2.57	4-28-17	4-1-37	8,215,000	0	330,000	0	7,885,000
General Obligation Improvement, Series 2017	495,000	2.57	4-28-17	4-1-37	495,000	0	20,000	0	475,000
General Obligation Refunding, Series 2017A	7,860,000	2.70	12-14-17	12-1-36	0	7,860,000	0	0	7,860,000
General Obligation Improvement, Series 2017A	1,505,000	2.70	12-14-17	12-1-36	0	1,505,000	0	0	1,505,000
Total Bonds Payable					<u>\$ 31,515,806</u>	<u>\$ 9,365,000</u>	<u>\$ 3,094,678</u>	<u>\$ 7,875,000</u>	<u>\$ 29,911,128</u>



Exhibit J-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 3,259,835	\$ 748,239	\$ 4,008,074
2020	2,414,999	682,874	3,097,873
2021	1,805,168	634,355	2,439,523
2022	1,850,342	589,244	2,439,586
2023	1,895,522	542,740	2,438,262
2024	1,945,708	494,053	2,439,761
2025	1,995,901	442,074	2,437,975
2026	2,051,100	387,500	2,438,600
2027	1,466,306	344,991	1,811,297
2028	1,506,519	307,585	1,814,104
2029	1,326,739	271,303	1,598,042
2030	1,366,966	236,325	1,603,291
2031	1,397,202	200,290	1,597,492
2032	892,445	161,928	1,054,373
2033	917,695	134,670	1,052,365
2034	942,956	106,547	1,049,503
2035	973,224	77,427	1,050,651
2036	868,501	50,206	918,707
2037	888,788	25,260	914,048
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	\$ 29,911,128	\$ 6,474,181	\$ 36,385,309

(Continued)

Exhibit J-2

Lawrence County, Tennessee

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 1,400,000	\$ 155,054	\$ 1,555,054
2020	1,440,000	123,816	1,563,816
2021	1,470,000	91,079	1,561,079
2022	880,000	58,206	938,206
2023	905,000	41,969	946,969
2024	310,000	24,418	334,418
2025	315,000	17,972	332,972
2026	320,000	11,025	331,025
2027	330,000	3,712	333,712
Total	<u>\$ 7,370,000</u>	<u>\$ 527,251</u>	<u>\$ 7,897,251</u>

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2019	\$ 198,939	\$ 7,555	\$ 206,494
Total	<u>\$ 198,939</u>	<u>\$ 7,555</u>	<u>\$ 206,494</u>

## Exhibit J-3

Lawrence County, Tennessee  
Schedule of Notes Receivable  
June 30, 2018

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-18
<u>Industrial/Economic Development Fund</u>						
Airport Renovation	Lawrenceburg-Lawrence County Airport	\$ 150,000	5-18-07	Various	0%	<u>\$ 43,012</u>
Total Notes Receivable						<u><u>\$ 43,012</u></u>

Exhibit J-4

Lawrence County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Lawrence County School Department

For the Year Ended June 30, 2018

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General Debt Service Fund	Higher Education Fund	Capital Outlay	<u>\$ 1,492,200</u>
Total Transfers Primary Government			<u><u>\$ 1,492,200</u></u>
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 29,379</u>
Total Transfers Discretely Presented Lawrence County School Department			<u><u>\$ 29,379</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, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 91,919	\$ 100,000	Auto-Owners Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	82,802	100,000	"
Director of Schools	State Board of Education and County Board of Education	155,288 (1)	(6)	
Trustee	Section 8-24-102, <i>TCA</i>	75,274	1,660,000	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	75,274 (2)	50,000	"
Director of Accounts and Budgets	County Commission	67,500 (3)	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	75,274	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	75,274	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	75,274 (4)	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	75,274	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	86,942 (5)	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			400,000	Tennessee Risk Managemnet Trust

- (1) Includes a cell phone allowance of \$1,800, travel allowance of \$12,000, accrued vacation leave of \$3,984, and a one-time bonus of \$145. Does not include a \$2,000 career ladder CEO supplement, a \$2,149 Long-term Disability Policy, or a \$262 Life Insurance Policy (\$100,000).
- (2) Does not include Tennessee Master Assessor supplement of \$1,000.
- (3) Does not include longevity pay of \$750.
- (4) Does not include special commissioner fees of \$10,377.
- (5) Does not include a law enforcement training supplement of \$600.
- (6) Covered under the School's Blanket Bond.

## Exhibit J-6

Lawrence County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2018

	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	\$ 7,970,096	\$ 0	\$ 142,243	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	258,014	0	4,525	0	0	0
Trustee's Collections - Bankruptcy	522	0	9	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	156,414	0	2,815	0	0	0
Interest and Penalty	43,797	0	789	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	360,876	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	27,584	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	113,778	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	128,539	0	0	0	0	0
Litigation Tax - Special Purpose	72,225	19,501	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	7,770	0	0	0	0	0
Litigation Tax - Courthouse Security	1,663	0	0	0	0	0
Business Tax	361,991	0	0	0	0	0
Mixed Drink Tax	160	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	136,101	0	0	0	0	0
Total Local Taxes	\$ 9,641,820	\$ 19,501	\$ 150,381	\$ 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>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,458	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	49,392	0	0	0	0	0
<u>Permits</u>						
Beer Permits	3,737	0	0	0	0	0
Total Licenses and Permits	<u>\$ 54,587</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	\$ 31,973	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	32,262	0	0	0	0	0
Drug Control Fines	15,460	0	0	0	13,332	0
Drug Court Fees	713	0	0	0	0	0
Jail Fees	4,805	0	0	0	0	0
Data Entry Fee - Circuit Court	2,692	0	0	0	0	0
Courtroom Security Fee	0	750	0	0	0	0
<u>Criminal Court</u>						
Officers Costs	2,304	0	0	0	0	0
DUI Treatment Fines	1,674	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	20,472	0	0	0	0	0
Fines for Littering	618	0	0	0	0	0
Officers Costs	52,408	0	0	0	0	0
Game and Fish Fines	470	0	0	0	0	0
Drug Control Fines	7,521	0	0	0	7,703	0
Drug Court Fees	1,446	0	0	0	0	0

(Continued)

## Exhibit J-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
DUI Treatment Fines	\$ 9,581	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - General Sessions Court	18,512	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	1,278	0	0	0	0	0
Officers Costs	2,172	0	0	0	0	0
Data Entry Fee - Juvenile Court	454	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	3,159	0	0	0	0	0
Data Entry Fee - Chancery Court	5,100	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	6,883	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	13,642	0
Total Fines, Forfeitures, and Penalties	\$ 215,074	\$ 750	\$ 0	\$ 0	\$ 41,560	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 399,409	\$ 0	\$ 0	0
Residential Waste Collection Charge	0	0	635,676	0	0	0
Tipping Fees	0	0	1,247	0	0	0
Solid Waste Disposal Fee	0	0	5,195	0	0	0
Surcharge - Waste Tire Disposal	0	0	46,040	0	0	0
Patient Charges	1,924,201	0	0	0	0	0
Service Charges	1,967	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</u>						
Copy Fees	\$ 6,604	\$ 0	\$ 0	\$ 0	\$ 0	0
Library Fees	3,195	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	93,175	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	471,729
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	10,377
Data Processing Fee - Register	13,144	0	0	0	0	0
Data Processing Fee - Sheriff	2,717	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,150	0	0	0	0	0
Data Processing Fee - County Clerk	2,767	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	1,564	0	0	0	0	0
Total Charges for Current Services	\$ 2,053,584	\$ 0	\$ 1,087,567	\$ 0	\$ 0	482,106
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 98,392	\$ 0	\$ 584	\$ 0	\$ 0	0
Lease/Rentals	300	0	0	0	0	0
Sale of Materials and Supplies	113	0	0	0	0	0
Commissary Sales	21,278	0	0	0	0	0
Sale of Recycled Materials	0	0	173,461	0	0	0
E-Rate Funding	1,567	0	0	0	0	0
Miscellaneous Refunds	29,139	0	423	0	0	0
Expenditure Credits	290	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>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Property	300	0	0	0	0	0
Contributions and Gifts	35	0	0	0	0	0
Total Other Local Revenues	\$ 151,414	\$ 0	\$ 174,468	\$ 0	\$ 0	0
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 192,051	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee	460,181	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	140,211	0	0	0	0	0
General Sessions Court Clerk	232,045	0	0	0	0	0
Clerk and Master	152,049	0	0	0	0	0
Juvenile Court Clerk	55,276	0	0	0	0	0
Register	168,074	0	0	0	0	0
Sheriff	19,513	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,419,400	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 12,415	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	30,600	0	0	0	0	0
Other Public Safety Grants	26,005	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>Health and Welfare Grants</u>						
Health Department Programs	\$ 453,272	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	47,063	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	54,951	0	0	0	0	0
Beer Tax	17,839	0	0	0	0	0
Vehicle Certificate of Title Fees	9,925	0	0	0	0	0
Alcoholic Beverage Tax	96,515	0	0	0	0	0
State Revenue Sharing - T.V.A.	400,000	0	0	0	0	0
State Revenue Sharing - Telecommunications	78,658	0	0	0	0	0
Contracted Prisoner Boarding	924,586	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	2,500	0	0	0	0	0
Other State Revenues	8,173	0	0	0	0	0
Total State of Tennessee	\$ 2,177,666	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 90,300	\$ 0	0
Homeland Security Grants	0	0	0	0	0	0
Law Enforcement Grants	35,781	0	0	0	0	0
Other Federal through State	135,343	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>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 6,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 177,524	\$ 0	\$ 0	\$ 90,300	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	431,626	0	0	0	0	0
Contracted Services	2,720	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	12,834	0	0	0	0	0
<u>Other</u>						
Other	2,047	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 449,227	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 16,340,296	\$ 20,251	\$ 1,412,416	\$ 90,300	\$ 41,560	\$ 482,106

(Continued)

## Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds				Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service		General Capital Projects	Higher Education
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 1,605,250	\$ 1,863,763	\$ 393,516	\$ 393,516	\$	0	0
Trustee's Collections - Prior Year	52,401	58,739	12,478	12,478		0	0
Trustee's Collections - Bankruptcy	106	122	26	26		0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	31,766	36,534	7,762	7,762		0	0
Interest and Penalty	8,897	10,229	2,173	2,173		0	0
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0		0	0
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0		0	0
Payments in-Lieu-of Taxes - Other	0	0	0	0		0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	1,248,117	0	0		0	0
Hotel/Motel Tax	0	0	0	0		0	0
Wheel Tax	0	966,805	0	0		0	0
Litigation Tax - General	0	0	0	0		0	0
Litigation Tax - Special Purpose	0	0	0	0		0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	119,549	0	0		0	0
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0		0	0
Litigation Tax - Courthouse Security	0	0	0	0		0	0
Business Tax	0	0	0	0		0	0
Mixed Drink Tax	0	0	0	0		0	0
Mineral Severance Tax	37,362	0	0	0		0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	84,246	0	0		0	0
Wholesale Beer Tax	0	0	0	0		0	0
Total Local Taxes	\$ 1,735,782	\$ 4,388,104	\$ 415,955	\$ 415,955	\$	0	0

(Continued)

## Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Funds		
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	General Capital Projects	Higher Education	
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Cable TV Franchise	0	0	0	0	0	0	
<u>Permits</u>							
Beer Permits	0	0	0	0	0	0	
Total Licenses and Permits	<u>\$ 0</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	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Officers Costs	0	0	0	0	0	0	
Drug Control Fines	0	0	0	0	0	0	
Drug Court Fees	0	0	0	0	0	0	
Jail Fees	0	0	0	0	0	0	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	
Courtroom Security Fee	0	0	0	0	0	0	
<u>Criminal Court</u>							
Officers Costs	0	0	0	0	0	0	
DUI Treatment Fines	0	0	0	0	0	0	
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	
Fines for Littering	0	0	0	0	0	0	
Officers Costs	0	0	0	0	0	0	
Game and Fish Fines	0	0	0	0	0	0	
Drug Control Fines	0	0	0	0	0	0	
Drug Court Fees	0	0	0	0	0	0	

(Continued)

## Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	General Capital Projects	Higher Education
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
DUI Treatment Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	0	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Residential Waste Collection Charge	0	0	0	0	0	0
Tipping Fees	0	0	0	0	0	0
Solid Waste Disposal Fee	0	0	0	0	0	0
Surcharge - Waste Tire Disposal	0	0	0	0	0	0
Patient Charges	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	General Capital Projects	Higher Education
<u>Charges for Current Services (Cont.)</u>						
<u>Fees</u>						
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Library Fees	0	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	0	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	0	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	0	60,000	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0
Commissary Sales	0	0	0	0	0	0
Sale of Recycled Materials	8,605	0	0	0	0	0
E-Rate Funding	0	0	0	0	0	0
Miscellaneous Refunds	529	0	0	0	0	0
Expenditure Credits	0	0	0	0	0	0

(Continued)



## Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	General Capital Projects	Higher Education
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 12,800	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Property	0	0	0	0	0	0
Contributions and Gifts	0	0	0	0	0	0
Total Other Local Revenues	\$ 21,934	\$ 60,000	\$ 0	\$ 0	\$ 0	0
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee	0	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0	0
Clerk and Master	0	0	0	0	0	0
Juvenile Court Clerk	0	0	0	0	0	0
Register	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	0	0	127,739	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	0
Other Public Safety Grants	0	0	0	0	0	0

(Continued)

## Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	General Capital Projects	Higher Education
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Health Department Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Works Grants</u>						
State Aid Program	788,196	0	0	0	0	0
Litter Program	0	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	0
Beer Tax	0	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	292,646	0	0	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	2,565,719	0	0	0	0	0
Petroleum Special Tax	30,210	0	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 3,384,125	\$ 292,646	\$ 0	\$ 0	\$ 127,739	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Fund	Debt Service Funds			Capital Projects Funds	
	Highway / Public Works	General Debt Service	Education Debt Service	Highway Debt Service	General Capital Projects	Higher Education
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 120,447	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	300,000	0	0	0	1,500,000
Contracted Services	0	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	0
<u>Other</u>						
Other	0	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 120,447</u>	<u>\$ 300,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,500,000</u>
Total	<u>\$ 5,262,288</u>	<u>\$ 5,040,750</u>	<u>\$ 415,955</u>	<u>\$ 415,955</u>	<u>\$ 127,739</u>	<u>\$ 1,500,000</u>

(Continued)

## Exhibit J-6

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

	Capital Projects Fund		Other Capital Projects	Total
<hr/>				
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$	0	\$	12,368,384
Trustee's Collections - Prior Year		0		398,635
Trustee's Collections - Bankruptcy		0		811
Circuit Clerk/Clerk and Master Collections - Prior Years		0		243,053
Interest and Penalty		0		68,058
Payments in-Lieu-of Taxes - T.V.A.		0		2,290
Payments in-Lieu-of Taxes - Local Utilities		0		360,876
Payments in-Lieu-of Taxes - Other		0		27,584
<u>County Local Option Taxes</u>				
Local Option Sales Tax		0		1,248,117
Hotel/Motel Tax		0		113,778
Wheel Tax		0		966,805
Litigation Tax - General		0		128,539
Litigation Tax - Special Purpose		0		91,726
Litigation Tax - Jail, Workhouse, or Courthouse		0		119,549
Litigation Tax - Victim-Offender Mediation Center		0		7,770
Litigation Tax - Courthouse Security		0		1,663
Business Tax		0		361,991
Mixed Drink Tax		0		160
Mineral Severance Tax		0		37,362
<u>Statutory Local Taxes</u>				
Bank Excise Tax		0		84,246
Wholesale Beer Tax		0		136,101
Total Local Taxes	\$	0	\$	16,767,498

(Continued)

## Exhibit J-6

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

	Capital Projects Fund		Other Capital Projects	Total
<hr/>				
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$	0	\$	1,458
Cable TV Franchise		0		49,392
<u>Permits</u>				
Beer Permits		0		3,737
Total Licenses and Permits	\$	0	\$	54,587
<hr/>				
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$	0	\$	31,973
Officers Costs		0		32,262
Drug Control Fines		0		28,792
Drug Court Fees		0		713
Jail Fees		0		4,805
Data Entry Fee - Circuit Court		0		2,692
Courtroom Security Fee		0		750
<u>Criminal Court</u>				
Officers Costs		0		2,304
DUI Treatment Fines		0		1,674
<u>General Sessions Court</u>				
Fines		0		20,472
Fines for Littering		0		618
Officers Costs		0		52,408
Game and Fish Fines		0		470
Drug Control Fines		0		15,224
Drug Court Fees		0		1,446

(Continued)

## Exhibit J-6

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

	Capital Projects Fund		Other Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>General Sessions Court (Cont.)</u>				
DUI Treatment Fines	\$	0	\$	9,581
Data Entry Fee - General Sessions Court		0		18,512
<u>Juvenile Court</u>				
Fines		0		1,278
Officers Costs		0		2,172
Data Entry Fee - Juvenile Court		0		454
<u>Chancery Court</u>				
Officers Costs		0		3,159
Data Entry Fee - Chancery Court		0		5,100
<u>Judicial District Drug Program</u>				
Drug Task Force Forfeitures and Seizures		0		6,883
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property		0		13,642
Total Fines, Forfeitures, and Penalties	\$	0	\$	257,384
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Commercial and Industrial Waste Collection Charge	\$	0	\$	399,409
Residential Waste Collection Charge		0		635,676
Tipping Fees		0		1,247
Solid Waste Disposal Fee		0		5,195
Surcharge - Waste Tire Disposal		0		46,040
Patient Charges		0		1,924,201
Service Charges		0		1,967

(Continued)

## Exhibit J-6

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

	Capital Projects Fund		Other Capital Projects	Total
<hr/>				
<u>Charges for Current Services (Cont.)</u>				
<u>Fees</u>				
Copy Fees	\$	0	\$	6,604
Library Fees		0		3,195
Greenbelt Late Application Fee		0		100
Telephone Commissions		0		93,175
Constitutional Officers' Fees and Commissions		0		471,729
Special Commissioner Fees/Special Master Fees		0		10,377
Data Processing Fee - Register		0		13,144
Data Processing Fee - Sheriff		0		2,717
Sexual Offender Registration Fee - Sheriff		0		4,150
Data Processing Fee - County Clerk		0		2,767
<u>Education Charges</u>				
Other Charges for Services		0		1,564
Total Charges for Current Services	\$	0	\$	3,623,257
<hr/>				
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$	0	\$	98,976
Lease/Rentals		0		60,300
Sale of Materials and Supplies		0		113
Commissary Sales		0		21,278
Sale of Recycled Materials		0		182,066
E-Rate Funding		0		1,567
Miscellaneous Refunds		0		30,091
Expenditure Credits		0		290

(Continued)

## Exhibit J-6

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

	Capital Projects Fund		Other Capital Projects	Total
<hr/>				
<u>Other Local Revenues (Cont.)</u>				
<u>Nonrecurring Items</u>				
Sale of Equipment	\$	0	\$	12,800
Sale of Property		0		300
Contributions and Gifts		0		35
Total Other Local Revenues	\$	0	\$	407,816
<hr/>				
<u>Fees Received From County Officials</u>				
<u>Excess Fees</u>				
County Clerk	\$	0	\$	192,051
Trustee		0		460,181
<u>Fees In-Lieu-of Salary</u>				
Circuit Court Clerk		0		140,211
General Sessions Court Clerk		0		232,045
Clerk and Master		0		152,049
Juvenile Court Clerk		0		55,276
Register		0		168,074
Sheriff		0		19,513
Total Fees Received From County Officials	\$	0	\$	1,419,400
<hr/>				
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$	0	\$	12,415
Solid Waste Grants		0		127,739
<u>Public Safety Grants</u>				
Law Enforcement Training Programs		0		30,600
Other Public Safety Grants		0		26,005

(Continued)



## Exhibit J-6

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

	Capital Projects Fund		Other Capital Projects	Total
<hr/>				
<u>State of Tennessee (Cont.)</u>				
<u>Health and Welfare Grants</u>				
Health Department Programs	\$	0	\$	453,272
<u>Public Works Grants</u>				
State Aid Program		0		788,196
Litter Program		0		47,063
<u>Other State Revenues</u>				
Income Tax		0		54,951
Beer Tax		0		17,839
Vehicle Certificate of Title Fees		0		9,925
Alcoholic Beverage Tax		0		96,515
State Revenue Sharing - T.V.A.		0		692,646
State Revenue Sharing - Telecommunications		0		78,658
Contracted Prisoner Boarding		0		924,586
Gasoline and Motor Fuel Tax		0		2,565,719
Petroleum Special Tax		0		30,210
Registrar's Salary Supplement		0		15,164
Other State Grants		0		2,500
Other State Revenues		0		8,173
Total State of Tennessee	\$	0	\$	5,982,176
<hr/>				
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$	0	\$	90,300
Homeland Security Grants		42,157		42,157
Law Enforcement Grants		0		35,781
Other Federal through State		0		135,343

(Continued)

## Exhibit J-6

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

	Capital Projects Fund	
	Other Capital Projects	Total
<hr/>		
<u>Federal Government (Cont.)</u>		
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	\$ 0	\$ 6,400
Total Federal Government	<u>\$ 42,157</u>	<u>\$ 309,981</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Paving and Maintenance	\$ 0	\$ 120,447
Contributions	0	2,231,626
Contracted Services	0	2,720
<u>Citizens Groups</u>		
Donations	0	12,834
<u>Other</u>		
Other	0	2,047
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 2,369,674</u>
Total	<u>\$ 42,157</u>	<u>\$ 31,191,773</u>

Exhibit J-7

Lawrence County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Lawrence County School Department  
For the Year Ended June 30, 2018

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,596,408	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,596,408
Trustee's Collections - Prior Year	250,606	0	0	0	0	250,606
Trustee's Collections - Bankruptcy	372	0	0	0	0	372
Circuit Clerk/Clerk and Master Collections - Prior Years	111,375	0	0	0	0	111,375
Interest and Penalty	31,185	0	0	0	0	31,185
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,635,721	0	0	0	0	5,635,721
Mixed Drink Tax	8,862	0	0	0	0	8,862
Total Local Taxes	\$ 11,634,529	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,634,529
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,506	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,506
Total Licenses and Permits	\$ 1,506	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,506
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 0	\$ 0	\$ 0	\$ 133,561	\$ 0	\$ 133,561
Lunch Payments - Children	0	0	445,328	0	0	445,328
Lunch Payments - Adults	0	0	108,501	0	0	108,501
Income from Breakfast	0	0	84,865	0	0	84,865
A la Carte Sales	0	0	187,747	0	0	187,747
Receipts from Individual Schools	72,675	0	5,840	0	0	78,515
Other Charges for Services	69,358	0	40	0	0	69,398
Total Charges for Current Services	\$ 142,033	\$ 0	\$ 832,321	\$ 133,561	\$ 0	\$ 1,107,915

(Continued)

## Exhibit J-7

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 870	\$ 0	\$ 0	\$ 870
Lease/Rentals	1,200	0	0	0	0	1,200
Sale of Materials and Supplies	4,081	0	0	0	0	4,081
Miscellaneous Refunds	13,613	0	0	0	0	13,613
<u>Nonrecurring Items</u>						
Sale of Equipment	11,172	0	0	0	0	11,172
Damages Recovered from Individuals	2,178	0	0	0	0	2,178
Contributions and Gifts	34,745	0	0	0	0	34,745
<u>Other Local Revenues</u>						
Other Local Revenues	60	0	0	0	0	60
Total Other Local Revenues	\$ 67,049	\$ 0	\$ 870	\$ 0	\$ 0	\$ 67,919
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 216,632	\$ 0	\$ 0	\$ 0	\$ 0	\$ 216,632
<u>State Education Funds</u>						
Basic Education Program	36,984,847	0	0	0	0	36,984,847
Early Childhood Education	1,147,746	0	0	0	0	1,147,746
School Food Service	18,492	0	37,579	0	0	56,071
Driver Education	24,815	0	0	0	0	24,815
Other State Education Funds	328,937	0	0	0	0	328,937
Career Ladder Program	145,751	0	0	0	0	145,751
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	200,000	0	0	0	0	200,000

(Continued)

## Exhibit J-7

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Other State Revenues	\$ 0	\$ 0	\$ 0	\$ 794	\$ 0	\$ 794
Total State of Tennessee	\$ 39,067,220	\$ 0	\$ 37,579	\$ 794	\$ 0	\$ 39,105,593
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,151,423	\$ 0	\$ 0	\$ 2,151,423
USDA - Commodities	0	0	332,135	0	0	332,135
Breakfast	0	0	834,302	0	0	834,302
USDA - Other	0	0	137,423	0	0	137,423
USDA Food Service Equipment Grant	0	0	31,890	0	0	31,890
Vocational Education - Basic Grants to States	0	126,835	0	0	0	126,835
Title I Grants to Local Education Agencies	0	1,870,279	0	0	0	1,870,279
Special Education - Grants to States	44,372	1,598,051	0	0	0	1,642,423
Special Education Preschool Grants	0	50,215	0	0	0	50,215
English Language Acquisition Grants	5,845	0	0	0	0	5,845
Rural Education	0	102,081	0	0	0	102,081
Eisenhower Professional Development State Grants	0	251,574	0	0	0	251,574
Other Federal through State	211,982	530,731	0	0	0	742,713
Total Federal Government	\$ 262,199	\$ 4,529,766	\$ 3,487,173	\$ 0	\$ 0	\$ 8,279,138
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,740,654	\$ 1,740,654
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,740,654	\$ 1,740,654
Total	\$ 51,174,536	\$ 4,529,766	\$ 4,357,943	\$ 134,355	\$ 1,740,654	\$ 61,937,254

## Exhibit J-8

Lawrence County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2018

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	43,408	
Social Security		2,655	
Pensions		3,304	
Employer Medicare		621	
Advertising		566	
Audit Services		28,692	
Data Processing Services		1,220	
Dues and Memberships		9,730	
Travel		4,914	
Office Supplies		67	
Other Supplies and Materials		63	
Workers' Compensation Insurance		92	
Other Charges		173	
Data Processing Equipment		4,127	
Total County Commission			\$ 99,632

Beer Board

Board and Committee Members Fees	\$	1,150	
Social Security		71	
Employer Medicare		17	
Legal Notices, Recording, and Court Costs		242	
Criminal Investigation of Applicants - TBI		203	
Total Beer Board			1,683

County Mayor/Executive

County Official/Administrative Officer	\$	91,919	
Secretary(ies)		37,357	
Social Security		7,238	
Pensions		12,616	
Employee and Dependent Insurance		330	
Life Insurance		74	
Medical Insurance		13,127	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		39	
Employer Medicare		1,693	
Dues and Memberships		2,000	
Evaluation and Testing		14	
Maintenance Agreements		590	
Pest Control		50	
Postal Charges		138	
Printing, Stationery, and Forms		96	
Office Supplies		1,029	
Other Supplies and Materials		673	
Workers' Compensation Insurance		316	
Other Charges		227	
Total County Mayor/Executive			170,029

(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		12	
Total County Attorney			\$ 7,057

Election Commission

County Official/Administrative Officer	\$	67,747	
Deputy(ies)		45,231	
Overtime Pay		968	
Election Commission		3,100	
Election Workers		18,270	
Social Security		7,057	
Pensions		10,012	
Medical Insurance		19,192	
Unemployment Compensation		73	
Employer Medicare		1,650	
Contracts with Private Agencies		11,215	
Data Processing Services		8,500	
Dues and Memberships		150	
Evaluation and Testing		14	
Legal Notices, Recording, and Court Costs		1,319	
Maintenance Agreements		490	
Pest Control		150	
Postal Charges		1,198	
Printing, Stationery, and Forms		305	
Rentals		800	
Travel		2,596	
Data Processing Supplies		115	
Office Supplies		1,626	
Utilities		4,682	
Other Supplies and Materials		24	
Liability Insurance		3,574	
Workers' Compensation Insurance		268	
Total Election Commission			210,326

Register of Deeds

County Official/Administrative Officer	\$	75,274	
Deputy(ies)		74,871	
Part-time Personnel		2,506	
Longevity Pay		750	
Social Security		9,001	
Pensions		13,916	
Medical Insurance		25,142	
Unemployment Compensation		140	
Employer Medicare		2,105	

(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.)

Data Processing Services	\$	2,545	
Dues and Memberships		850	
Evaluation and Testing		14	
Operating Lease Payments		14,450	
Maintenance Agreements		1,130	
Pest Control		50	
Postal Charges		546	
Printing, Stationery, and Forms		15	
Travel		959	
Office Supplies		1,650	
Workers' Compensation Insurance		280	
Total Register of Deeds			\$ 226,194

County Buildings

Supervisor/Director	\$	19,731	
Custodial Personnel		62,546	
Longevity Pay		1,450	
Overtime Pay		3,174	
Social Security		5,161	
Pensions		6,562	
Life Insurance		25	
Medical Insurance		19,941	
Dental Insurance		81	
Disability Insurance		87	
Unemployment Compensation		112	
Employer Medicare		1,207	
Communication		48,581	
Contracts with Private Agencies		3,625	
Evaluation and Testing		58	
Maintenance and Repair Services - Buildings		76,517	
Maintenance and Repair Services - Equipment		3,710	
Maintenance and Repair Services - Vehicles		2,807	
Pest Control		750	
Postal Charges		57	
Rentals		3,600	
Travel		999	
Other Contracted Services		276	
Custodial Supplies		11,270	
Food Supplies		8,985	
Gasoline		3,452	
Utilities		151,173	
Other Supplies and Materials		934	
Workers' Compensation Insurance		3,958	
Other Self-insured Claims		500	
Data Processing Equipment		1,083	
Other Equipment		1,093	
Other Capital Outlay		1,057	
Total County Buildings			444,562

(Continued)



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		1,835	
Pensions		3,005	
Medical Insurance		6,842	
Unemployment Compensation		28	
Employer Medicare		429	
Communication		2,000	
Contracts with Private Agencies		484	
Dues and Memberships		30	
Maintenance Agreements		3,338	
Maintenance and Repair Services - Buildings		138	
Pest Control		150	
Postal Charges		87	
Office Supplies		232	
Utilities		6,631	
Other Supplies and Materials		3,384	
Workers' Compensation Insurance		64	
Data Processing Equipment		79	
Office Equipment		3,309	
Total Preservation of Records			\$ 62,817

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	67,500	
Accountants/Bookkeepers		142,764	
Part-time Personnel		36	
Longevity Pay		2,500	
In-service Training		369	
Social Security		12,404	
Pensions		19,736	
Employee and Dependent Insurance		360	
Life Insurance		74	
Medical Insurance		33,653	
Dental Insurance		242	
Disability Insurance		235	
Unemployment Compensation		163	
Employer Medicare		2,901	
Communication		724	
Data Processing Services		13,779	
Dues and Memberships		709	
Legal Notices, Recording, and Court Costs		304	
Maintenance Agreements		504	
Maintenance and Repair Services - Buildings		265	
Pest Control		500	
Postal Charges		2,272	
Printing, Stationery, and Forms		2,009	

(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.)

Travel	\$	2,496	
Office Supplies		4,830	
Utilities		7,332	
Other Supplies and Materials		403	
Workers' Compensation Insurance		460	
Other Charges		518	
Data Processing Equipment		9,627	
Furniture and Fixtures		1,007	
Office Equipment		250	
Total Accounting and Budgeting			\$ 330,926

Property Assessor's Office

County Official/Administrative Officer	\$	75,274	
Deputy(ies)		111,276	
Salary Supplements		1,000	
Longevity Pay		2,300	
Other Salaries and Wages		32,372	
Board and Committee Members Fees		1,220	
Social Security		13,385	
Pensions		21,613	
Employee and Dependent Insurance		324	
Life Insurance		74	
Medical Insurance		32,472	
Dental Insurance		121	
Unemployment Compensation		144	
Employer Medicare		3,130	
Data Processing Services		12,181	
Dues and Memberships		2,255	
Maintenance Agreements		3,074	
Maintenance and Repair Services - Vehicles		603	
Pest Control		50	
Postal Charges		1,871	
Printing, Stationery, and Forms		304	
Travel		1,867	
Gasoline		1,476	
Office Supplies		3,051	
Workers' Compensation Insurance		2,424	
Other Charges		184	
Office Equipment		4,560	
Total Property Assessor's Office			328,605

County Trustee's Office

Pensions	\$	18,811	
Employee and Dependent Insurance		360	
Life Insurance		74	
Medical Insurance		27,367	
Dental Insurance		242	

(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.)

Disability Insurance	\$	261	
Unemployment Compensation		112	
Data Processing Services		14,508	
Dues and Memberships		655	
Pest Control		50	
Postal Charges		7,452	
Printing, Stationery, and Forms		6,572	
Office Supplies		1,446	
Workers' Compensation Insurance		1,728	
Data Processing Equipment		8,630	
Office Equipment		1,854	
Total County Trustee's Office			\$ 90,122

County Clerk's Office

Pensions	\$	23,567	
Employee and Dependent Insurance		510	
Life Insurance		105	
Medical Insurance		38,039	
Dental Insurance		101	
Disability Insurance		367	
Unemployment Compensation		190	
Communication		1,235	
Dues and Memberships		875	
Evaluation and Testing		14	
Legal Notices, Recording, and Court Costs		53	
Maintenance Agreements		24,002	
Pest Control		50	
Postal Charges		6,970	
Printing, Stationery, and Forms		1,831	
Travel		175	
Office Supplies		4,056	
Workers' Compensation Insurance		564	
Furniture and Fixtures		921	
Office Equipment		5,650	
Total County Clerk's Office			109,275

Data Processing

Assistant(s)	\$	36,400	
Supervisor/Director		67,600	
Longevity Pay		300	
Social Security		6,355	
Pensions		10,190	
Medical Insurance		13,241	
Unemployment Compensation		56	
Employer Medicare		1,486	
Communication		2,217	
Maintenance Agreements		900	

(Continued)

## Exhibit J-8

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

General Fund (Cont.)Finance (Cont.)Data Processing (Cont.)

Travel	\$	177	
Office Supplies		50	
Other Supplies and Materials		57	
Workers' Compensation Insurance		1,196	
Data Processing Equipment		13,997	
Total Data Processing			\$ 154,222

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	75,274	
Deputy(ies)		254,744	
Longevity Pay		5,850	
Jury and Witness Expense		12,457	
Social Security		19,843	
Pensions		32,815	
Employee and Dependent Insurance		390	
Life Insurance		74	
Medical Insurance		64,599	
Unemployment Compensation		254	
Employer Medicare		4,641	
Data Processing Services		25,646	
Dues and Memberships		915	
Evaluation and Testing		1,650	
Legal Notices, Recording, and Court Costs		79	
Maintenance Agreements		6,589	
Maintenance and Repair Services - Office Equipment		207	
Pest Control		85	
Postal Charges		4,574	
Printing, Stationery, and Forms		5,079	
Travel		5,554	
Office Supplies		7,545	
Workers' Compensation Insurance		800	
Other Charges		480	
Data Processing Equipment		1,223	
Total Circuit Court			531,367

General Sessions Court

Judge(s)	\$	155,239	
Deputy(ies)		40,066	
Guards		55,431	
Temporary Personnel		1,220	
Part-time Personnel		8,280	
Longevity Pay		750	
Overtime Pay		3,385	
Social Security		13,104	
Pensions		24,196	
Employee and Dependent Insurance		60	

(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.)

Life Insurance	\$	4	
Medical Insurance		27,179	
Disability Insurance		44	
Unemployment Compensation		146	
Employer Medicare		3,065	
Dues and Memberships		760	
Evaluation and Testing		28	
Pest Control		85	
Postal Charges		34	
Printing, Stationery, and Forms		192	
Travel		2,063	
Office Supplies		1,751	
Other Supplies and Materials		462	
Workers' Compensation Insurance		536	
Other Charges		29	
Data Processing Equipment		4,761	
Total General Sessions Court			\$ 342,870

Chancery Court

County Official/Administrative Officer	\$	75,274	
Deputy(ies)		129,361	
Longevity Pay		2,150	
Social Security		12,466	
Pensions		18,984	
Employee and Dependent Insurance		690	
Life Insurance		143	
Medical Insurance		25,630	
Dental Insurance		465	
Disability Insurance		500	
Unemployment Compensation		172	
Employer Medicare		2,915	
Data Processing Services		9,384	
Dues and Memberships		715	
Evaluation and Testing		14	
Maintenance Agreements		690	
Pest Control		85	
Postal Charges		8,015	
Printing, Stationery, and Forms		1,950	
Travel		232	
Office Supplies		2,456	
Other Supplies and Materials		1,590	
Workers' Compensation Insurance		452	
Office Equipment		2,207	
Total Chancery Court			296,540

Juvenile Court

Deputy(ies)	\$	47,407	
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(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.)

Youth Service Officer(s)	\$	7,915	
Salary Supplements		62,400	
Longevity Pay		250	
Overtime Pay		2,302	
In-service Training		175	
Social Security		7,248	
Pensions		11,526	
Medical Insurance		18,961	
Unemployment Compensation		57	
Employer Medicare		1,695	
Postal Charges		867	
Travel		1,420	
Other Supplies and Materials		250	
Workers' Compensation Insurance		260	
Data Processing Equipment		498	
Total Juvenile Court			\$ 163,231

Courtroom Security

Deputy(ies)	\$	127,104	
Longevity Pay		500	
Overtime Pay		2,513	
Social Security		7,622	
Pensions		12,713	
Medical Insurance		26,225	
Unemployment Compensation		107	
Employer Medicare		1,782	
Evaluation and Testing		14	
Maintenance and Repair Services - Equipment		10,554	
Law Enforcement Supplies		585	
Law Enforcement Equipment		18,340	
Total Courtroom Security			208,059

Victim Assistance Programs

Assistant(s)	\$	40,024	
Social Security		2,481	
Pensions		3,612	
Life Insurance		74	
Disability Insurance		261	
Unemployment Compensation		28	
Employer Medicare		580	
Contracts with Private Agencies		10,350	
Printing, Stationery, and Forms		56	
Travel		592	
Total Victim Assistance Programs			58,058

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	86,942
Supervisor/Director		61,206
Deputy(ies)		582,205
Investigator(s)		208,273
Captain(s)		57,497
Lieutenant(s)		227,977
Sergeant(s)		257,731
Secretary(ies)		168,218
School Resource Officer		354,019
Longevity Pay		22,300
Overtime Pay		59,612
In-service Training		57,623
Social Security		126,998
Pensions		189,014
Employee and Dependent Insurance		2,783
Life Insurance		682
Medical Insurance		300,799
Dental Insurance		1,576
Disability Insurance		2,002
Unemployment Compensation		1,690
Employer Medicare		29,701
Communication		2,170
Contracts with Private Agencies		10,184
Data Processing Services		415
Dues and Memberships		2,955
Evaluation and Testing		2,451
Maintenance Agreements		7,101
Maintenance and Repair Services - Buildings		1,830
Maintenance and Repair Services - Office Equipment		108
Maintenance and Repair Services - Vehicles		104,397
Pest Control		235
Postal Charges		1,256
Printing, Stationery, and Forms		1,746
Rentals		22,100
Towing Services		3,779
Travel		16,299
Custodial Supplies		11,622
Gasoline		104,940
Law Enforcement Supplies		23,207
Office Supplies		11,770
Tires and Tubes		12,375
Uniforms		35,381
Utilities		12,227
Other Supplies and Materials		1,560
Workers' Compensation Insurance		63,344
Other Self-insured Claims		2,000
Other Charges		1,497

(Continued)

## Exhibit J-8

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

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

Data Processing Equipment	\$	24,887	
Furniture and Fixtures		4,973	
Law Enforcement Equipment		2,600	
Motor Vehicles		26,099	
Total Sheriff's Department			\$ 3,314,356

Jail

Assistant(s)	\$	35,529	
Lieutenant(s)		45,434	
Sergeant(s)		110,161	
Medical Personnel		125,711	
Guards		770,034	
Longevity Pay		4,800	
Overtime Pay		21,612	
In-service Training		1,020	
Social Security		64,429	
Pensions		87,641	
Employee and Dependent Insurance		2,801	
Life Insurance		555	
Medical Insurance		204,971	
Dental Insurance		1,495	
Disability Insurance		1,697	
Unemployment Compensation		1,493	
Employer Medicare		15,068	
Communication		10,992	
Contracts with Private Agencies		1,161	
Evaluation and Testing		4,730	
Maintenance Agreements		6,587	
Maintenance and Repair Services - Buildings		31,375	
Maintenance and Repair Services - Equipment		21,900	
Pest Control		300	
Printing, Stationery, and Forms		322	
Travel		4,724	
Custodial Supplies		28,764	
Drugs and Medical Supplies		45,952	
Food Supplies		314,278	
Law Enforcement Supplies		3,804	
Office Supplies		1,995	
Uniforms		22,655	
Utilities		264,579	
Other Supplies and Materials		56,827	
Medical Claims		262,192	
Workers' Compensation Insurance		32,844	
Other Self-insured Claims		5,000	
Other Charges		360	
Data Processing Equipment		244	
Furniture and Fixtures		4,419	
Total Jail			2,620,455

(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	\$	8,200	
Guards		18,530	
Social Security		508	
Unemployment Compensation		8	
Employer Medicare		119	
Food Supplies		5,011	
Gasoline		1,877	
Other Charges		23,604	
Total Workhouse			\$ 57,857

Work Release Program

Maintenance and Repair Services - Equipment	\$	292	
Maintenance and Repair Services - Vehicles		196	
Food Supplies		3,110	
Gasoline		1,548	
Other Supplies and Materials		1,962	
Total Work Release Program			7,108

Fire Prevention and Control

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

Civil Defense

Maintenance and Repair Services - Equipment	\$	375	
Maintenance and Repair Services - Vehicles		4,483	
Travel		470	
Other Supplies and Materials		1,478	
Data Processing Equipment		48	
Total Civil Defense			6,854

Rescue Squad

Contributions	\$	322,500	
Total Rescue Squad			322,500

Other Emergency Management

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

County Coroner/Medical Examiner

Social Security	\$	465	
Pensions		733	
Employer Medicare		109	
Maintenance and Repair Services - Vehicles		1,168	
Medical and Dental Services		10,000	
Travel		240	
Other Contracted Services		92,000	
Gasoline		559	
Other Supplies and Materials		100	
Total County Coroner/Medical Examiner			105,374

(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

Communication	\$	2,810	
Contracts with Government Agencies		90,290	
Dues and Memberships		375	
Janitorial Services		20,400	
Legal Notices, Recording, and Court Costs		130	
Maintenance and Repair Services - Buildings		2,279	
Pest Control		285	
Disposal Fees		400	
Food Supplies		337	
Utilities		24,955	
Other Supplies and Materials		1,874	
Other Charges		1,890	
Building Construction		11,017	
Total Local Health Center			\$ 157,042

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	55,782
Assistant(s)		45,360
Medical Personnel		985,344
Secretary(ies)		25,030
Part-time Personnel		39,758
Longevity Pay		8,500
Overtime Pay		68,353
In-service Training		2,545
Social Security		73,096
Pensions		107,303
Employee and Dependent Insurance		90
Life Insurance		13
Medical Insurance		164,590
Disability Insurance		118
Unemployment Compensation		939
Employer Medicare		17,095
Communication		6,106
Contracts with Private Agencies		118,135
Dues and Memberships		720
Evaluation and Testing		516
Licenses		2,875
Maintenance Agreements		2,092
Maintenance and Repair Services - Buildings		1,250
Maintenance and Repair Services - Equipment		6,360
Maintenance and Repair Services - Vehicles		57,451
Pest Control		150
Postal Charges		103
Printing, Stationery, and Forms		156
Towing Services		310
Travel		4,255
Disposal Fees		915

(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.)

Other Contracted Services	\$	2,646	
Custodial Supplies		2,669	
Drugs and Medical Supplies		111,421	
Gasoline		68,490	
Office Supplies		1,415	
Tires and Tubes		9,205	
Uniforms		7,360	
Utilities		20,273	
Other Supplies and Materials		108	
Liability Insurance		13,735	
Vehicle and Equipment Insurance		26,601	
Workers' Compensation Insurance		114,188	
Other Charges		1,486	
Communication Equipment		9,900	
Data Processing Equipment		3,088	
Total Ambulance/Emergency Medical Services			\$ 2,187,895

Alcohol and Drug Programs

Other Salaries and Wages	\$	33,370	
Social Security		1,571	
Pensions		3,196	
Unemployment Compensation		49	
Employer Medicare		367	
Advertising		2,954	
Communication		958	
Dues and Memberships		200	
Postal Charges		123	
Travel		5,664	
Office Supplies		10,681	
Total Alcohol and Drug Programs			59,133

Other Local Health Services

Advertising	\$	500	
Travel		300	
Office Supplies		16,619	
Workers' Compensation Insurance		16	
Total Other Local Health Services			17,435

Appropriation to State

Longevity Pay	\$	1,100	
Overtime Pay		2,643	
Other Salaries and Wages		333,691	
Social Security		19,478	
Pensions		29,262	
Employee and Dependent Insurance		1,136	
Life Insurance		242	
Medical Insurance		42,526	

(Continued)

## Exhibit J-8

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

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

Dental Insurance	\$	788	
Disability Insurance		824	
Unemployment Compensation		388	
Employer Medicare		4,555	
Evaluation and Testing		56	
Travel		8,855	
Other Supplies and Materials		1,506	
Liability Insurance		414	
Workers' Compensation Insurance		1,820	
Other Charges		3,989	
Total Appropriation to State			\$ 453,273

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		42,432	
Part-time Personnel		53,688	
Longevity Pay		750	
Social Security		9,971	
Medical Insurance		26,411	
Unemployment Compensation		252	
Employer Medicare		2,332	
Advertising		102	
Communication		4,110	
Dues and Memberships		210	
Evaluation and Testing		42	
Janitorial Services		5,900	
Maintenance Agreements		2,302	
Maintenance and Repair Services - Buildings		1,976	
Maintenance and Repair Services - Equipment		411	
Pest Control		350	
Postal Charges		1,527	
Printing, Stationery, and Forms		226	
Travel		248	
Custodial Supplies		1,398	
Instructional Supplies and Materials		6,500	
Library Books/Media		31,932	

(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.)

Office Supplies	\$	5,240	
Periodicals		4,101	
Utilities		25,395	
Refunds		61	
Workers' Compensation Insurance		352	
Data Processing Equipment		5,960	
Furniture and Fixtures		258	
Office Equipment		593	
Total Libraries			\$ 307,023

Other Social, Cultural, and Recreational

Contributions	\$	55,000	
Total Other Social, Cultural, and Recreational			55,000

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	111,894	
Secretary(ies)		4,619	
Board and Committee Members Fees		325	
Social Security		286	
Pensions		265	
Unemployment Compensation		18	
Employer Medicare		67	
Communication		1,865	
Dues and Memberships		415	
Maintenance Agreements		679	
Pest Control		120	
Disposal Fees		400	
Gasoline		501	
Utilities		7,961	
Workers' Compensation Insurance		12	
Total Agricultural Extension Service			129,427

Soil Conservation

Salary Supplements	\$	40,286	
Social Security		2,321	
Pensions		3,936	
Medical Insurance		5,886	
Unemployment Compensation		28	
Employer Medicare		543	
Postal Charges		38	
Workers' Compensation Insurance		80	
Other Charges		150	
Total Soil Conservation			53,268

Other Agriculture and Natural Resources

Advertising	\$	862	
Total Other Agriculture and Natural Resources			862

(Continued)

## Exhibit J-8

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

General Fund (Cont.)Other OperationsTourism

Contributions	\$	74,201	
Dues and Memberships		<u>1,000</u>	
Total Tourism			\$ 75,201

Industrial Development

Contributions	\$	<u>172,536</u>	
Total Industrial Development			172,536

Airport

Contributions	\$	<u>69,000</u>	
Total Airport			69,000

Veterans' Services

Supervisor/Director	\$	31,200	
Secretary(ies)		27,463	
Longevity Pay		650	
Social Security		3,472	
Pensions		5,795	
Employee and Dependent Insurance		360	
Life Insurance		74	
Medical Insurance		6,842	
Dental Insurance		242	
Disability Insurance		261	
Unemployment Compensation		56	
Employer Medicare		812	
Communication		1,624	
Maintenance Agreements		1,005	
Maintenance and Repair Services - Buildings		63	
Maintenance and Repair Services - Vehicles		3,151	
Pest Control		100	
Postal Charges		146	
Printing, Stationery, and Forms		48	
Travel		297	
Disposal Fees		400	
Gasoline		485	
Office Supplies		784	
Utilities		2,666	
Other Supplies and Materials		2,748	
Workers' Compensation Insurance		<u>124</u>	
Total Veterans' Services			90,868

Other Charges

Contracts with Private Agencies	\$	350	
Data Processing Services		9,632	
Legal Notices, Recording, and Court Costs		67	
Other Supplies and Materials		400	
Building and Contents Insurance		<u>72,406</u>	

(Continued)

## Exhibit J-8

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

General Fund (Cont.)Other Operations (Cont.)Other Charges (Cont.)

Liability Insurance	\$ 124,902	
Trustee's Commission	212,022	
Vehicle and Equipment Insurance	61,124	
Other Charges	<u>3,169</u>	
Total Other Charges		\$ 484,072

Miscellaneous

Tax Relief Program	\$ <u>55,503</u>	
Total Miscellaneous		55,503

Principal on DebtGeneral Government

Principal on Capital Leases	\$ <u>90,870</u>	
Total General Government		90,870

Interest on DebtGeneral Government

Interest on Capital Leases	\$ <u>9,028</u>	
Total General Government		9,028

Capital ProjectsGeneral Administration Projects

Communication	\$ <u>21,860</u>	
Total General Administration Projects		<u>21,860</u>

Total General Fund \$ 15,184,594

Courthouse and Jail Maintenance FundOther OperationsOther Charges

Maintenance and Repair Services - Buildings	\$ 4,282	
Trustee's Commission	<u>191</u>	
Total Other Charges		\$ <u>4,473</u>

Total Courthouse and Jail Maintenance Fund 4,473

Solid Waste/Sanitation FundPublic Health and WelfareLandfill Operation and Maintenance

Salary Supplements	\$ 40,131	
Laborers	216,409	
Secretary(ies)	30,002	
Clerical Personnel	26,954	
Longevity Pay	3,900	
Overtime Pay	1,271	
In-service Training	300	
Social Security	<u>17,573</u>	

(Continued)

## Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Landfill Operation and Maintenance (Cont.)

Pensions	\$	28,004	
Medical Insurance		77,572	
Unemployment Compensation		2,190	
Employer Medicare		4,110	
Communication		2,317	
Contracts with Private Agencies		780,014	
Data Processing Services		1,840	
Dues and Memberships		577	
Engineering Services		12,250	
Evaluation and Testing		821	
Maintenance Agreements		1,645	
Maintenance and Repair Services - Buildings		4,862	
Maintenance and Repair Services - Equipment		12,225	
Maintenance and Repair Services - Vehicles		5,771	
Pest Control		100	
Postal Charges		9,205	
Printing, Stationery, and Forms		2,186	
Travel		2,114	
Brokerage Fees - Recyclables		66,912	
Permits		2,650	
Other Contracted Services		1,467	
Crushed Stone		1,324	
Custodial Supplies		1,762	
Diesel Fuel		11,286	
Food Supplies		8,630	
Garage Supplies		23,029	
Gasoline		2,664	
Office Supplies		1,200	
Propane Gas		3,976	
Small Tools		253	
Tires and Tubes		2,352	
Uniforms		632	
Utilities		31,604	
Wire		5,041	
Other Supplies and Materials		18	
Building and Contents Insurance		6,572	
Liability Insurance		1,849	
Refunds		655	
Trustee's Commission		13,404	
Vehicle and Equipment Insurance		3,781	
Workers' Compensation Insurance		12,865	
Other Charges		429	
Data Processing Equipment		630	
Total Landfill Operation and Maintenance			\$ 1,489,328

Total Solid Waste/Sanitation Fund \$ 1,489,328

(Continued)



## Exhibit J-8

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

Industrial/Economic Development FundCapital ProjectsGeneral Administration Projects

Contributions	\$ 35,971	
Total General Administration Projects		\$ 35,971

Public Utility Projects

Contracts with Private Agencies	\$ 90,300	
Total Public Utility Projects		90,300

Total Industrial/Economic Development Fund		\$ 126,271
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Drug Control FundPublic SafetyDrug Enforcement

Communication	\$ 10,978	
Contracts with Private Agencies	1,023	
Confidential Drug Enforcement Payments	18,000	
Maintenance and Repair Services - Buildings	36	
Veterinary Services	226	
Animal Food and Supplies	978	
Trustee's Commission	413	
Other Charges	131	
Motor Vehicles	24,500	
Total Drug Enforcement		\$ 56,285

Total Drug Control Fund		56,285
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Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$ 208,650	
Total County Trustee's Office		\$ 208,650

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 271,154	
Total County Clerk's Office		271,154

Administration of JusticeChancery Court

Special Commissioner Fees/Special Master Fees	\$ 10,377	
Total Chancery Court		10,377

Total Constitutional Officers - Fees Fund		490,181
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Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 82,802	
Accountants/Bookkeepers	73,840	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Longevity Pay	\$	750	
Social Security		9,565	
Pensions		15,377	
Employee and Dependent Insurance		180	
Life Insurance		37	
Medical Insurance		17,188	
Dental Insurance		121	
Unemployment Compensation		420	
Employer Medicare		2,237	
Communication		4,576	
Contracts with Private Agencies		960	
Data Processing Services		400	
Dues and Memberships		4,261	
Evaluation and Testing		1,860	
Legal Notices, Recording, and Court Costs		112	
Maintenance Agreements		142	
Pest Control		200	
Printing, Stationery, and Forms		572	
Travel		5,076	
Custodial Supplies		205	
Office Supplies		1,609	
Utilities		13,084	
Workers' Compensation Insurance		768	
Other Charges		4,430	
Office Equipment		59	
Total Administration			\$ 240,831

Highway and Bridge Maintenance

Foremen	\$	129,444
Equipment Operators		297,181
Equipment Operators - Light		244,221
Truck Drivers		238,151
Laborers		138,373
Longevity Pay		13,100
Social Security		63,186
Pensions		100,709
Employee and Dependent Insurance		357
Life Insurance		70
Medical Insurance		190,018
Dental Insurance		241
Disability Insurance		260
Unemployment Compensation		6,660
Employer Medicare		14,777
Rentals		16,450
Asphalt		1,149,963
Asphalt - Cold Mix		51,240
Concrete		3,560

(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.)

Crushed Stone	\$	412,358	
Pipe - Metal		87,386	
Road Signs		23,324	
Wood Products		71	
Workers' Compensation Insurance		73,706	
Other Charges		31,642	
Total Highway and Bridge Maintenance			\$ 3,286,448

Operation and Maintenance of Equipment

Mechanic(s)	\$	151,221	
Longevity Pay		1,900	
Social Security		9,173	
Pensions		14,961	
Medical Insurance		27,367	
Unemployment Compensation		840	
Employer Medicare		2,145	
Maintenance and Repair Services - Equipment		121,390	
Diesel Fuel		127,327	
Garage Supplies		2,191	
Gasoline		34,154	
Lubricants		17,729	
Tires and Tubes		38,834	
Workers' Compensation Insurance		5,162	
Other Charges		8,694	
Total Operation and Maintenance of Equipment			563,088

Other Charges

Building and Contents Insurance	\$	1,695	
Liability Insurance		22,970	
Trustee's Commission		59,596	
Vehicle and Equipment Insurance		29,617	
Other Charges		1,700	
Total Other Charges			115,578

Capital Outlay

Highway Construction	\$	764,705	
Other Construction		245,223	
Total Capital Outlay			1,009,928

Principal on DebtHighways and Streets

Principal on Capital Leases	\$	100,809	
Total Highways and Streets			100,809

Interest on DebtHighways and Streets

Interest on Capital Leases	\$	5,786	
Total Highways and Streets			5,786

Total Highway/Public Works Fund \$ 5,322,468

(Continued)

## Exhibit J-8

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

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$ 963,378	
Principal on Notes	329,594	
Total General Government		\$ 1,292,972

Highways and Streets

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

Education

Principal on Bonds	\$ 2,056,500	
Principal on Notes	212,906	
Total Education		2,269,406

Interest on DebtGeneral Government

Interest on Bonds	\$ 640,540	
Interest on Notes	53,857	
Total General Government		694,397

Highways and Streets

Interest on Bonds	\$ 17,828	
Total Highways and Streets		17,828

Education

Interest on Bonds	\$ 244,124	
Interest on Notes	38,660	
Total Education		282,784

Other Debt ServiceGeneral Government

Trustee's Commission	\$ 66,481	
Other Debt Issuance Charges	124,896	
Other Debt Service	3,337,771	
Total General Government		3,529,148

Education

Other Debt Issuance Charges	\$ 104,906	
Other Debt Service	4,556,770	
Total Education		4,661,676

Total General Debt Service Fund \$ 12,823,011

Education Debt Service FundOther Debt ServiceEducation

Trustee's Commission	\$ 8,260	
Total Education		\$ 8,260

Total Education Debt Service Fund 8,260

(Continued)

## Exhibit J-8

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

Highway Debt Service FundPrincipal on DebtHighways and Streets

Principal on Notes	\$ 277,500	
Total Highways and Streets		\$ 277,500

Interest on DebtHighways and Streets

Interest on Notes	\$ 26,422	
Total Highways and Streets		26,422

Other Debt ServiceHighways and Streets

Trustee's Commission	\$ 8,260	
Total Highways and Streets		8,260

Total Highway Debt Service Fund		\$ 312,182
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General Capital Projects FundCapital ProjectsGeneral Administration Projects

Contracts with Private Agencies	\$ 840,680	
Engineering Services	5,800	
Maintenance and Repair Services - Buildings	12,670	
Crushed Stone	7,542	
Pipe - Metal	128	
Building Construction	45,165	
Building Improvements	34,467	
Motor Vehicles	389,954	
Other Capital Outlay	41,573	
Total General Administration Projects		\$ 1,377,979

Public Health and Welfare Projects

Building Improvements	\$ 3,700	
Total Public Health and Welfare Projects		3,700

Education Capital Projects

Contributions	\$ 1,740,654	
Other Debt Issuance Charges	9,346	
Total Education Capital Projects		1,750,000

Total General Capital Projects Fund		3,131,679
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Highway Capital Projects FundCapital ProjectsHighway and Street Capital Projects

Highway Construction	\$ 225,063	
Total Highway and Street Capital Projects		\$ 225,063

Total Highway Capital Projects Fund		225,063
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(Continued)

## Exhibit J-8

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

<u>Higher Education Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Advertising	\$	2,450	
Architects		667,731	
Total Education Capital Projects			\$ 670,181
Total Higher Education Fund			\$ 670,181
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Other Charges	\$	8,812	
Total Public Safety Projects			\$ 8,812
Total Other Capital Projects Fund			8,812
Total Governmental Funds - Primary Government			\$ 39,852,788

## 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, 2018

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 16,738,948	
Career Ladder Program	96,183	
Homebound Teachers	17,025	
Educational Assistants	681,973	
Other Salaries and Wages	1,800	
Certified Substitute Teachers	29,698	
Non-certified Substitute Teachers	220,019	
Social Security	1,039,512	
Pensions	1,570,181	
Medical Insurance	3,184,452	
Unemployment Compensation	6,097	
Employer Medicare	244,240	
Other Contracted Services	122,903	
Instructional Supplies and Materials	457,896	
Textbooks - Bound	3,242	
Other Supplies and Materials	16,226	
Regular Instruction Equipment	307,275	
Total Regular Instruction Program		\$ 24,737,670

Alternative Instruction Program

Teachers	\$ 182,155	
Educational Assistants	46,948	
Non-certified Substitute Teachers	51	
Social Security	13,358	
Pensions	21,094	
Medical Insurance	51,513	
Employer Medicare	3,124	
Instructional Supplies and Materials	4,053	
Other Supplies and Materials	1,867	
Total Alternative Instruction Program		324,163

Special Education Program

Teachers	\$ 1,147,914	
Career Ladder Program	6,000	
Homebound Teachers	13,685	
Educational Assistants	627,889	
Speech Pathologist	243,994	
Other Salaries and Wages	58,181	
Certified Substitute Teachers	1,428	
Non-certified Substitute Teachers	44,523	
Social Security	123,765	
Pensions	192,197	
Medical Insurance	515,629	
Employer Medicare	29,165	
Contracts with Private Agencies	39,600	
Instructional Supplies and Materials	13,953	
Other Supplies and Materials	1,017	
Total Special Education Program		3,058,940

(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.)Career and Technical Education Program

Teachers	\$	1,407,063	
Career Ladder Program		6,000	
Certified Substitute Teachers		1,887	
Non-certified Substitute Teachers		26,954	
Social Security		85,626	
Pensions		128,236	
Medical Insurance		270,361	
Employer Medicare		20,072	
Contracts with Other School Systems		178,400	
Maintenance and Repair Services - Equipment		961	
Other Contracted Services		2,172	
Instructional Supplies and Materials		48,823	
Textbooks - Bound		6,238	
Other Supplies and Materials		1,233	
Vocational Instruction Equipment		146,715	
Total Career and Technical Education Program			\$ 2,330,741

Support ServicesAttendance

Supervisor/Director	\$	36,648	
Employer Medicare		531	
Travel		424	
Total Attendance			37,603

Health Services

Supervisor/Director	\$	73,957	
Medical Personnel		340,906	
Other Salaries and Wages		20,326	
Social Security		23,974	
Pensions		37,648	
Medical Insurance		127,822	
Employer Medicare		5,607	
Travel		648	
Other Contracted Services		1,584	
Drugs and Medical Supplies		5,816	
Other Supplies and Materials		1,932	
In Service/Staff Development		2,695	
Other Charges		1,031	
Total Health Services			643,946

Other Student Support

Guidance Personnel	\$	761,038	
Other Salaries and Wages		70,551	
Social Security		47,189	
Pensions		73,067	
Medical Insurance		110,383	

(Continued)



Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Employer Medicare	\$	11,461	
Evaluation and Testing		58,034	
Travel		472	
In Service/Staff Development		4,782	
Other Charges		341	
Total Other Student Support			\$ 1,137,318

Regular Instruction Program

Supervisor/Director	\$	245,413	
Career Ladder Program		2,400	
Librarians		606,364	
Other Salaries and Wages		34,592	
Social Security		52,733	
Pensions		80,854	
Medical Insurance		141,765	
Employer Medicare		12,333	
Travel		9,073	
Other Contracted Services		56,548	
Other Supplies and Materials		37,699	
In Service/Staff Development		15,410	
Other Charges		2,410	
Other Equipment		46,472	
Total Regular Instruction Program			1,344,066

Alternative Instruction Program

Travel	\$	570	
Other Contracted Services		4,850	
Other Supplies and Materials		107	
In Service/Staff Development		123	
Other Charges		2,116	
Total Alternative Instruction Program			7,766

Special Education Program

Supervisor/Director	\$	79,106	
Career Ladder Program		1,300	
Other Salaries and Wages		26,588	
Social Security		6,310	
Pensions		9,494	
Medical Insurance		15,586	
Employer Medicare		1,476	
Travel		11,698	
Other Contracted Services		34,002	
Other Supplies and Materials		6,704	
In Service/Staff Development		2,885	
Other Charges		180	
Total Special Education Program			195,329

(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.)

Career and Technical Education Program

Supervisor/Director	\$	37,438	
Other Salaries and Wages		14,831	
Social Security		2,977	
Pensions		4,848	
Medical Insurance		6,095	
Employer Medicare		696	
Travel		38,093	
Other Supplies and Materials		4,775	
In Service/Staff Development		120	
Other Charges		4,077	
Total Career and Technical Education Program			\$ 113,950

Technology

Supervisor/Director	\$	67,576	
Computer Programmer(s)		127,231	
Other Salaries and Wages		21,545	
Social Security		13,269	
Pensions		20,198	
Medical Insurance		36,084	
Employer Medicare		3,103	
Internet Connectivity		68,400	
Travel		1,719	
Other Contracted Services		14,531	
Data Processing Supplies		3,864	
Other Supplies and Materials		6,497	
In Service/Staff Development		31	
Data Processing Equipment		33,004	
Total Technology			417,052

Other Programs

On-behalf Payments to OPEB	\$	216,632	
Total Other Programs			216,632

Board of Education

Secretary to Board	\$	2,400	
Board and Committee Members Fees		21,600	
Social Security		1,041	
Pensions		469	
Medical Insurance		268,455	
Employer Medicare		348	
Audit Services		14,935	
Dues and Memberships		11,783	
Legal Services		17,358	
Travel		865	
Other Contracted Services		7,290	
Other Supplies and Materials		10	

(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.)

Liability Insurance	\$	90,805	
Trustee's Commission		248,932	
Workers' Compensation Insurance		327,938	
In Service/Staff Development		3,898	
Other Charges		234	
Total Board of Education			\$ 1,018,361

Director of Schools

County Official/Administrative Officer	\$	155,288	
Career Ladder Program		2,000	
Secretary(ies)		34,762	
Social Security		10,080	
Pensions		17,678	
Medical Insurance		9,488	
Employer Medicare		2,708	
Other Fringe Benefits		2,411	
Communication		55,184	
Dues and Memberships		5,159	
Maintenance and Repair Services - Equipment		422	
Postal Charges		10,545	
Travel		1,271	
Other Contracted Services		19,269	
Office Supplies		5,476	
Other Supplies and Materials		1,466	
Other Charges		129	
Administration Equipment		2,183	
Total Director of Schools			335,519

Office of the Principal

Principals	\$	932,687	
Career Ladder Program		9,300	
Assistant Principals		1,259,016	
Secretary(ies)		566,744	
Social Security		166,021	
Pensions		255,159	
Medical Insurance		389,451	
Employer Medicare		38,827	
Contributions		339,276	
Dues and Memberships		11,700	
Other Contracted Services		4,851	
Other Supplies and Materials		2,207	
In Service/Staff Development		26,080	
Other Charges		5,695	
Total Office of the Principal			4,007,014

(Continued)

## Exhibit J-9

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

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

Supervisor/Director	\$	72,937	
Accountants/Bookkeepers		109,668	
Social Security		11,164	
Pensions		17,841	
Medical Insurance		19,614	
Employer Medicare		2,611	
Data Processing Services		28,719	
Travel		394	
Other Contracted Services		1,999	
Other Supplies and Materials		592	
In Service/Staff Development		626	
Total Fiscal Services			\$ 266,165

Human Services/Personnel

Supervisor/Director	\$	81,367	
Secretary(ies)		32,347	
Social Security		6,377	
Pensions		10,548	
Medical Insurance		18,155	
Employer Medicare		1,491	
Dues and Memberships		700	
Travel		454	
Other Contracted Services		950	
Other Supplies and Materials		206	
In Service/Staff Development		2,511	
Other Charges		99	
Total Human Services/Personnel			155,205

Operation of Plant

Custodial Personnel	\$	629,396	
Other Salaries and Wages		471,559	
Social Security		64,964	
Pensions		99,273	
Medical Insurance		278,470	
Unemployment Compensation		1,619	
Employer Medicare		15,193	
Laundry Service		12,802	
Travel		9,040	
Disposal Fees		37,304	
Other Contracted Services		52,405	
Custodial Supplies		140,169	
Electricity		1,249,457	
Natural Gas		179,492	
Water and Sewer		219,026	
Other Supplies and Materials		3,285	
Building and Contents Insurance		162,221	

(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.)

In Service/Staff Development	\$	2,587	
Other Charges		709	
Plant Operation Equipment		41,923	
Total Operation of Plant			\$ 3,670,894

Maintenance of Plant

Supervisor/Director	\$	58,923	
Other Salaries and Wages		337,360	
Social Security		24,034	
Pensions		38,717	
Medical Insurance		62,392	
Employer Medicare		5,621	
Laundry Service		7,546	
Maintenance and Repair Services - Equipment		5,403	
Maintenance and Repair Services - Vehicles		2,756	
Travel		212	
Other Contracted Services		419,787	
Other Supplies and Materials		468,880	
In Service/Staff Development		825	
Other Charges		4,156	
Maintenance Equipment		5,234	
Total Maintenance of Plant			1,441,846

Transportation

Supervisor/Director	\$	58,923	
Mechanic(s)		217,185	
Bus Drivers		882,803	
Clerical Personnel		29,620	
Other Salaries and Wages		71,191	
Social Security		73,401	
Pensions		108,370	
Medical Insurance		449,750	
Employer Medicare		17,190	
Communication		5,850	
Contracts with Parents		6,818	
Laundry Service		4,944	
Maintenance and Repair Services - Equipment		108	
Maintenance and Repair Services - Vehicles		150	
Medical and Dental Services		2,200	
Travel		9,955	
Other Contracted Services		17,407	
Coal		475	
Diesel Fuel		222,754	
Gasoline		33,638	
Tires and Tubes		34,392	
Vehicle Parts		105,895	

(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.)

Other Supplies and Materials	\$	8,417	
Vehicle and Equipment Insurance		45,776	
In Service/Staff Development		962	
Other Charges		1,035	
Transportation Equipment		242,868	
Total Transportation			\$ 2,652,077

Central and Other

Other Salaries and Wages	\$	42,171	
Social Security		2,321	
Pensions		4,120	
Medical Insurance		14,841	
Employer Medicare		543	
Other Contracted Services		13,597	
Total Central and Other			77,593

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	23,551	
Teachers		116,132	
Career Ladder Program		1,000	
Educational Assistants		16,558	
Other Salaries and Wages		66,013	
Social Security		12,974	
Pensions		20,375	
Medical Insurance		6,315	
Employer Medicare		3,034	
Travel		297	
Other Contracted Services		4,160	
Food Supplies		1,692	
Instructional Supplies and Materials		5,927	
Other Supplies and Materials		19,873	
In Service/Staff Development		4,892	
Other Charges		5,790	
Total Community Services			308,583

Early Childhood Education

Teachers	\$	558,656	
Clerical Personnel		24,134	
Educational Assistants		170,415	
Certified Substitute Teachers		561	
Non-certified Substitute Teachers		15,351	
Social Security		43,721	
Pensions		69,733	
Medical Insurance		196,896	
Employer Medicare		10,233	

(Continued)

## Exhibit J-9

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Early Childhood Education (Cont.)

Travel	\$	528	
Instructional Supplies and Materials		34,783	
Other Supplies and Materials		10,592	
In Service/Staff Development		8,120	
Other Charges		2,905	
Regular Instruction Equipment		1,451	
Total Early Childhood Education			\$ 1,148,079

Capital OutlayRegular Capital Outlay

Other Contracted Services	\$	1,744,772	
Building Improvements		456,794	
Total Regular Capital Outlay			2,201,566

Other Debt ServiceEducation

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

Total General Purpose School Fund \$ 52,148,078

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	485,865	
Educational Assistants		183,461	
Other Salaries and Wages		6,485	
Certified Substitute Teachers		1,081	
Non-certified Substitute Teachers		24,138	
Social Security		40,086	
Pensions		58,804	
Medical Insurance		169,349	
Employer Medicare		9,454	
Instructional Supplies and Materials		123,276	
Other Supplies and Materials		4,832	
Other Charges		1,184	
Total Regular Instruction Program			\$ 1,108,015

Special Education Program

Teachers	\$	467,593	
Educational Assistants		236,158	
Speech Pathologist		102,326	
Certified Substitute Teachers		459	
Non-certified Substitute Teachers		28,636	
Social Security		47,876	
Pensions		72,825	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	180,216	
Employer Medicare		11,238	
Instructional Supplies and Materials		23,309	
Other Supplies and Materials		656	
Total Special Education Program			\$ 1,171,292

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	951	
Other Supplies and Materials		2,808	
Vocational Instruction Equipment		55,339	
Total Career and Technical Education Program			59,098

Support Services

Health Services

Medical Personnel	\$	26,424	
Social Security		1,379	
Pensions		2,399	
Medical Insurance		12,410	
Employer Medicare		323	
Other Equipment		13,620	
Total Health Services			56,555

Other Student Support

Supervisor/Director	\$	67,482	
Social Workers		89,671	
Certified Substitute Teachers		1,683	
Non-certified Substitute Teachers		25,500	
Social Security		10,954	
Pensions		14,214	
Medical Insurance		31,797	
Employer Medicare		2,586	
Travel		17,902	
Other Contracted Services		76,803	
Office Supplies		3,090	
Other Supplies and Materials		9,110	
In Service/Staff Development		104,239	
Other Charges		29,923	
Other Equipment		20,178	
Total Other Student Support			505,132

Regular Instruction Program

Supervisor/Director	\$	7,830	
Other Salaries and Wages		771,186	
Social Security		46,385	
Pensions		70,546	
Medical Insurance		124,628	

(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.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	10,850	
Library Books/Media		12,806	
Other Supplies and Materials		3,713	
In Service/Staff Development		116,806	
Other Charges		<u>275</u>	
Total Regular Instruction Program			\$ 1,165,025

Special Education Program

Psychological Personnel	\$	116,125	
Clerical Personnel		33,592	
Other Salaries and Wages		88,661	
Social Security		14,117	
Pensions		21,841	
Medical Insurance		39,795	
Employer Medicare		3,302	
Travel		2,640	
Other Contracted Services		98,959	
Other Supplies and Materials		6,390	
In Service/Staff Development		<u>7,928</u>	
Total Special Education Program			433,350

Board of Education

Criminal Investigation of Applicants - TBI	\$	<u>359</u>	
Total Board of Education			359

Transportation

Bus Drivers	\$	500	
Social Security		31	
Pensions		49	
Employer Medicare		<u>7</u>	
Total Transportation			587

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	<u>615</u>	
Total Food Service			<u>615</u>

Total School Federal Projects Fund \$ 4,500,028

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	71,264	
Accountants/Bookkeepers		36,129	
Cafeteria Personnel		1,215,043	
Bonus Payments		<u>145</u>	

(Continued)

## Exhibit J-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Social Security	\$	78,586	
Pensions		80,474	
Medical Insurance		291,254	
Employer Medicare		18,379	
Maintenance and Repair Services - Equipment		80,916	
Transportation - Other than Students		33,678	
Travel		1,295	
Other Contracted Services		44,812	
Food Supplies		1,705,527	
Office Supplies		8,615	
USDA - Commodities		332,135	
Other Supplies and Materials		187,414	
In Service/Staff Development		3,193	
Food Service Equipment		137,692	
Total Food Service			\$ 4,326,551

Total Central Cafeteria Fund \$ 4,326,551

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	96,867	
Social Security		5,995	
Pensions		8,427	
Employer Medicare		1,405	
Other Supplies and Materials		7,903	
Trustee's Commission		1,369	
Other Charges		3,059	
Total Community Services			\$ 125,025

Total Extended School Program Fund 125,025

Total Governmental Funds - Lawrence County School Department \$ 61,099,682

Lawrence County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2018

	Cities - Sales Tax Fund
	<hr/>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 4,868,529
Total Cash Receipts	<u>\$ 4,868,529</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 4,819,844
Trustee's Commission	48,685
Total Cash Disbursements	<u>\$ 4,868,529</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash, July 1, 2017	<hr/> 0
 Cash, June 30, 2018	 <u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

**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***

Independent Auditor's Report

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, 2018, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements, and have issued our report thereon dated January 29, 2019.

**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 are described in the accompanying Schedule of Findings and Questioned Costs as items: 2018-001 and 2018-002.

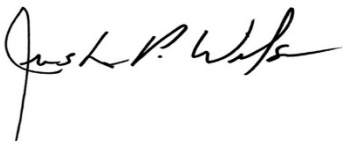
### **Lawrence County's Response to the Findings**

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

### **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

January 29, 2019

JPW/kp



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

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

**Independent Auditor's Report**

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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2018.

### **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 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.

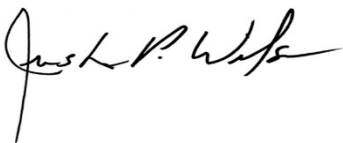
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



## **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, 2018, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements. We issued our report thereon dated January 29, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on 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.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

January 29, 2019

JPW/kp

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, 2018

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	\$ 332,135 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	834,302
National School Lunch Program	10.555	N/A	2,151,423 (5)
Fresh Fruit and Vegetable Program	10.582	N/A	112,877
Passed-through State Department of Human Services:			
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	24,546
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	31,890
Total U.S. Department of Agriculture			<u>\$ 3,487,173</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)	\$ 90,300
Total U.S. Department of Housing and Urban Development			<u>\$ 90,300</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
Crime Victim Assistance	16.575	(3)	\$ 69,174
Total U.S. Department of Justice			<u>\$ 69,174</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(3)	\$ 500
Total U.S. Institute of Museum and Library Services			<u>\$ 500</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,873,944
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,642,112
Special Education - Preschool Grants	84.173	N/A	50,215
Career and Technical Education - Basic Grants to States	84.048	N/A	126,835
Education for Homeless Children and Youth	84.196	N/A	5,055
Twenty-first Century Community Learning Centers	84.287	N/A	211,982
Rural Education	84.358	N/A	102,081
English Language Acquisition State Grants	84.365	N/A	5,845
Supporting Effective Instruction State Grants	84.367	N/A	251,469
Student Support and Academic Enrichment Program	84.424	N/A	33,084
Total U.S. Department of Education			<u>\$ 4,302,622</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)	\$ 418,471
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	(3)	35,781
CCDF Cluster:			
Child Care and Development Block Grant	93.575	(3)	70,513
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(3)	65,669
Total U.S. Department of Health and Human Services			<u>\$ 590,434</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(3)	\$ 42,157
Total U.S. Department of Homeland Security			<u>\$ 42,157</u>
Total Expenditures of Federal Grants			<u>\$ 8,582,360</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)	\$ 10,653
K-3 Literacy Unit Starter and Text Set Grant - State Department of Education	N/A	(3)	3,900
CTE Equipment Grant - State Department of Education	N/A	(3)	135,921
Safe Schools Act - State Department of Education	N/A	(3)	31,381
Early Childhood Education - State Department of Education	N/A	(3)	1,147,746
Coordinated School Health - State Department of Education	N/A	(3)	100,000
Internet Connectivity - State Department of Education	N/A	(3)	17,470
Litter Program - State Department of Transportation	N/A	(3)	47,063
Family Resources Center - State Department of Education	N/A	(3)	29,612
Health Department Programs - State Department of Health	N/A	(3)	453,272
Class 1 Old Closed Landfill Grant - State Department of Environment and Conservation	N/A	(3)	127,739
ADP Grant - Tennessee State Library and Archives	N/A	(3)	2,500
Administrative Office of the Courts Court Security Grant Program - Supreme Court of Tennessee	N/A	(3)	26,005
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	(3)	12,415
Total State Grants			<u>\$ 2,145,677</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 minimis cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Child Nutrition Cluster total \$3,342,406; Special Education Cluster (IDEA) total \$1,692,327.

(5) Total for CFDA No. 10.555 is \$2,483,558.

Lawrence County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2018

*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 not. 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, 2018.

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

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2017	201	2017-001	The Internal Revenue Service Assessed the County Interest and Penalty Totaling \$2,207.	N/A	Corrected
2017	202	2017-002	The Office had Deficiencies in Computer System Backup Procedures.	N/A	Corrected

***Prior-year Federal Awards Findings***

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

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**LAWRENCE COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2018**

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

**Financial Statements:**

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

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Number: 84.010 Title I Grants to Local Educational Agencies
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 SCHOOLS**

#### **FINDING 2018-001**

#### **EXPENDITURES EXCEEDED APPROPRIATIONS** (Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the county commission in the Regular Capital Outlay major appropriation category (the legal level of control) of the General Purpose School Fund by \$203,259. Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures.

#### **RECOMMENDATION**

Expenditures should be held within appropriations approved by the county commission.

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#### **MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS**

We concur with the finding. This finding is a result of a geothermal repair at a school. This repair was approved by the board of education during the final board meeting of the fiscal year in June 2018. The board of education approved the funding for this repair; however, the department failed to submit a formal budget amendment to reflect this expenditure within the General Purpose School Budget.

In the future, the department will include in the resolution a corresponding budget amendment when items of this nature are approved by the board of education.

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## **OFFICE OF SHERIFF**

**FINDING 2018-002**

### **AN INVESTIGATION AT THE LAWRENCE COUNTY SHERIFF DEPARTMENT RESULTED IN SEVERAL INDICTMENTS**

(Noncompliance Under *Government Auditing Standards*)

An investigation by the Comptroller's Division of Investigations disclosed that the former Lawrence County Sheriff and his captain violated the law in several instances regarding the handling of inmates at the Lawrence County Jail. On May 10, 2018, the Lawrence County Grand Jury indicted the former sheriff on one count of Use of Inmates for Personal Gain, two counts of Official Misconduct, and one count of Tampering with Evidence; and indicted the captain on one count of Official Misconduct. On January 17, 2019, the former sheriff was indicted on an additional charge of using Inmate Labor for Private Purposes. Court dates for all charges have been set for March 7, 2019. Details of the investigation can be found in a report released by the Comptroller's Division of Investigations at [www.comptroller.tn.gov/ia](http://www.comptroller.tn.gov/ia).

### **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, 2018.



**Lawrence County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2018**

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 SCHOOLS**

2018-001	Expenditures Exceeded Appropriations.	226
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# LAWRENCE COUNTY SCHOOL SYSTEM

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

## Corrective Action Plan

### **FINDING: EXPENDITURES EXCEEDED APPROPRIATIONS**

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

**Person Responsible for Implementing the Corrective Action:**  
Jessica Eledge, CFO

**Anticipated Completion Date of Corrective Action:**  
Immediately

#### **Planned Corrective Action:**

This finding is a result of a geothermal repair at a school. This repair was approved by the Board of Education during the final board meeting of the fiscal year in June 2018. The Board of Education approved the funding for this repair; however, the department failed to submit a formal budget amendment to reflect this expenditure within the General Purpose School Budget.

In the future, the department will include in the resolution a corresponding budget amendment when items of this nature are approved by the Board of Education.



Johnny McDaniel  
Director of Schools



Jessica Eledge  
Chief Financial Officer

## **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.