

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 15, 2024

New Issue
Book-Entry Only

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. For a more detailed explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "TAX MATTERS" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "TAX MATTERS" herein.)

LAWRENCE COUNTY, TENNESSEE

\$20,800,000* GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024

Dated: Date of Delivery

Due: March 1, as shown below*

The \$20,800,000* General Obligation Public Improvement Bonds, Series 2024 (the "Bonds") of Lawrence County, Tennessee (the "County") will be issued in fully registered book-entry only form, without coupons, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. The Bonds will bear interest at the annual rates shown below, payable semiannually on March 1 and September 1 of each year, commencing on March 1, 2025, calculated on the basis of a 360-day year consisting of twelve 30-day months.

So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest with respect to the Bonds shall be payable to Cede & Co., which will in turn remit principal and interest payments on the Bonds to DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. Purchasers will not receive physical delivery of Bonds purchased by them. See "DESCRIPTION OF THE BONDS-Book-Entry-Only System." U.S. Bank Trust Company, National Association, Nashville, Tennessee, is the registration and paying agent for the Bonds (the "Registration Agent").

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. See "Security and Sources of Payment" herein. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

The Bonds are subject to redemption prior to their stated maturities as more fully set forth herein.

Table with 10 columns: Maturity (March 1)*, Principal*, Interest Rate, Price or Yield, CUSIP No.** (March 1)*, Principal*, Interest Rate, Price or Yield, CUSIP No.**. Rows list maturities from 2025 to 2037 with corresponding principal amounts and CUSIP numbers.

The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by Charles Holt, Esq., Counsel to the County. The Bonds, in book-entry form, are expected to be available for delivery through The Depository Trust Company in New York, New York, on or about September 5, 2024.*

GUARDIAN ADVISORS, LLC
Municipal Advisor

_____, 2024

*Preliminary, subject to change

** Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Issuer makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

This Official Statement has been prepared by:

GUARDIAN ADVISORS, LLC

Municipal Advisor to Lawrence County

Guardian Advisors, LLC provides fiduciary services only and does not broker, underwrite or deal in securities. Any investment interest in the Bonds herein described will be referred to the Underwriter.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by Lawrence County, Tennessee (the "County") from time to time, may be treated as an Official Statement with respect to the Bonds described herein that is deemed final by the County as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the County or by Guardian Advisors, LLC (the "Municipal Advisor") to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the County or the Bonds must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which information is given in this Official Statement.

In making an investment decision, investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of Lawrence County, Tennessee General Obligation Public Improvement Bonds, Series 2024.

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NOTICE OF SALE

LAWRENCE COUNTY, TENNESSEE

\$20,800,000* GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024

Notice is hereby given that Lawrence County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all of the County's \$20,800,000* General Obligation Public Improvement Bonds, Series 2024 (the "Bonds") until:

10:30 A.M. C.S.T. on August 22, 2024.

Written bids must be addressed and delivered to the County to the attention of the Lawrence County Executive, c/o Guardian Advisors, LLC, 740 Cane Creek Road, Hohenwald, Tennessee 38462, emailed to Guardian Advisors, LLC at guardianadvisorsllc@gmail.com or faxed to Guardian Advisors, LLC at (931) 796-0779. Electronic bids must be submitted to PARITY® via BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. **The sale on August 22, 2024 may be postponed prior to the time bids are received as published on www.I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via www.I-dealProspectus.com upon forty-eight hours notice.**

The Bonds will be dated the date of delivery and will mature on March 1 in the years 2025 through 2049, inclusive, with term bonds optional. The interest rate or rates on the Bonds shall not exceed five percent (5.00%) per annum and shall be payable semi-annually on March 1 and September 1, commencing March 1, 2025. No bid for the Bonds will be considered for less than ninety-eight and three-quarters percent (98.75%) of par or for more than one hundred six percent (106.0%) of par. The Bonds maturing March 1, 2035 and thereafter are callable on March 1, 2034 and thereafter as provided in the Detailed Notice of Sale. The Bonds will be awarded to the bidder whose bid results in the lowest true interest cost on the Bonds.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the Issuer will require bidders to comply with the "hold-the-offering-price rule" for purposes of determining the issue price of the Bonds.

The book-entry only Bonds (except that the Bonds shall not be required to be book-entry if purchased by a bidder who does not intend to reoffer the Bonds) and approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, will be furnished at the expense of the County. Additional information, including the Official Statement and Detailed Notice of Sale, may be obtained from the office of the County Executive, 200 West Gaines, Suite 201, Lawrenceburg, Tennessee 38464, or from the County's Municipal Advisor, Guardian Advisors, LLC, 740 Cane Creek Road, Hohenwald, Tennessee 38462, telephone: (931) 796-0777 or (866) 823-2500; fax: (931) 796-0779, Attention: Stephen L. Bates.

If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the provider of electronic bidding services, this Notice of Sale shall control.

David Morgan
County Executive

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DETAILED NOTICE OF SALE

LAWRENCE COUNTY, TENNESSEE

\$20,800,000* GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024

Notice is hereby given that Lawrence County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the County's \$20,800,000* General Obligation Public Improvement Bonds, Series 2024 (the " Bonds") until:

10:30 A.M. C.S.T. on August 22, 2024.

Written bids must be addressed and delivered to the County to the attention of the Lawrence County Executive, c/o Guardian Advisors, LLC, 740 Cane Creek Road, Hohenwald, Tennessee 38462, emailed to Guardian Advisors, LLC at guardianadvisorsllc@gmail.com or faxed to Guardian Advisors, LLC at (931) 796-0779. Electronic bids must be submitted to PARITY® via BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. **The sale on August 22, 2024 may be postponed prior to the time bids are received as published on www.I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via www.I-dealProspectus.com upon forty-eight hours notice.** The Bonds will be awarded on such sale date by the County Executive.

Terms of Bonds and Book-Entry System

The Bonds will be issued in fully registered, book-entry form, be dated the date of delivery, be issued, or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate (except that the Bonds shall not be required to be issued in book-entry form or issued in \$5,000 denominations or multiples thereof if purchased by a bidder who does not intend to reoffer the Bonds), and will mature and be payable on March 1 of each year as follows:

<u>Year*</u>	<u>Principal*</u>	<u>Year*</u>	<u>Principal*</u>
2025	\$450,000	2038	\$850,000
2026	470,000	2039	890,000
2027	495,000	2040	925,000
2028	520,000	2041	960,000
2029	545,000	2042	1,000,000
2030	575,000	2043	1,040,000
2031	600,000	2044	1,085,000
2032	635,000	2045	1,125,000
2033	665,000	2046	1,170,000
2034	695,000	2047	1,220,000
2035	730,000	2048	1,265,000
2036	770,000	2049	1,315,000
2037	805,000		

* Preliminary, subject to change.

Except as otherwise provided herein in the case of a bidder who does not intend to reoffer the Bonds, the Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates made to the public. One Bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC.

Interest on the Bonds will be payable semiannually on March 1 and September 1, beginning March 1, 2025, and principal of the Bonds will be payable, at maturity or upon redemption, to DTC or its nominee as registered owner of the Bonds (except as otherwise provided herein in the case of a bidder who does not intend to reoffer the Bonds). Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If the book-entry-only system for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond certificates in fully registered form will be delivered to, and registered in the names of, the DTC participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent"), at its principal corporate trust office, and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the resolution authorizing the Bonds.

Redemption – Optional and Mandatory

Bonds maturing March 1, 2025 through March 1, 2034 shall mature without option of prior redemption. Bonds maturing on March 1, 2035 and thereafter shall be subject to redemption prior to maturity at the option of the County on and after March 1, 2034 as a whole or in part, at any time, at the redemption price of par, plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the Bonds to be redeemed shall be selected by the Board of County Commissioners in its discretion. If less than all of a Bond within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

At the option of the bidders, certain consecutive serial maturities of the Bonds may be designated as one or more Term Bonds, each Term Bond bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Term Bonds, each Term Bond shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount of each such

serial maturity, together with accrued interest to the date fixed for redemption. The mandatory sinking fund redemption shall be made on the date on which each designated serial maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed above for such principal payment date. Term Bonds to be redeemed within a single maturity shall be selected in the manner provided above for optional redemption of Bonds within a single maturity.

Authority, Security and Purpose

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

The Bonds are being issued for the purpose of providing funds for the (i) acquisition of land for, design, site development, construction, improvement, renovation, repair and equipping of (a) streets, roads and bridges, including but not limited to sidewalks, signage, signalization, lighting and drainage improvements, and (b) public buildings, including but not limited to schools and solid waste facilities; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) acquisition of all property, real and personal, related to the foregoing (collectively, the "Projects"); (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the Bonds.

The Bonds are being issued pursuant to Sections 9-21-101, *et seq.*, Tennessee Code Annotated, as amended, and a resolution duly adopted by the Board of County Commissioners of the County on June 25, 2024.

Revised Maturity Schedule

The aggregate principal amount (the "Preliminary Aggregate Principal Amount") and the annual principal amounts (the "Preliminary Annual Principal Amounts" and collectively with the Preliminary Aggregate Principal Amount, the "Preliminary Amounts") of the Bonds set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Bonds. Any such revisions (the "Revised Aggregate Principal Amount", the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON TM3 (www.I-dealProspectus.com) NOT LATER THAN 4:00 P.M., CENTRAL DAYLIGHT TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS, IF ANY. Prospective bidders may request notification by facsimile transmission of any revisions in the Preliminary Amounts by so advising and faxing their telecopier number(s) to (931) 796-0779 Guardian Advisors, LLC, Municipal Advisor to the County, by 12:00 Noon, Central Standard Time, at least one day prior to the date for receipt of the bids.

Changes to Aggregate Principal Amount and to Maturity Schedule

The County reserves the right to change the Revised Aggregate Principal Amount and the Revised Annual Principal Amounts of the Bonds after determination of the winning bidder, by increasing or decreasing the principal amount of each maturity to the extent necessary to provide for approximately level debt service for the Bonds. Such changes, if any, will determine the final annual principal amounts (the "Final Annual Principal Amounts") and the final aggregate principal amount (the "Final Aggregate Principal Amount"), provided that the aggregate principal amount of the Bonds may not be decreased by more than 10% and does not exceed \$20,805,000. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices will not change. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID

OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The County anticipates that the Final Annual Principal Amounts and the Final Aggregate Principal Amount for the Bonds will be communicated to the successful bidder prior to the award of the Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE ASSUMPTION THAT THE COUPON RATE, REOFFERING PRICE, AND THE UNDERWRITER'S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

Bids, Award and Good Faith Deposit

Written bids must be submitted on the Official Bid Form, included in the Preliminary Official Statement or a reasonable facsimile thereof, either enclosed in a sealed envelope marked "Bid for Bonds" and addressed and delivered to the Lawrence County Executive, c/o Guardian Advisors, LLC, 740 Cane Creek Road, Hohenwald, Tennessee 38462, emailed to Guardian Advisors, LLC at guardianadvisorsllc@gmail.com or faxed to Guardian Advisors, LLC at (931) 796-0779. The bidder's name must be clearly marked on the submission. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed written bid made to the County. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The County will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the County Executive and/or BiDCOMP/PARITY®, respectively, before the time stated above. The County is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

Bids for the Bonds must be for all and not less than all of the Bonds. Bidders must bid not less than ninety-eight and three-quarters percent (98.75%) of par or more than one hundred six percent (106.0%) of par, and name the interest rate or rates the Bonds are to bear in multiples of one-eighth (1/8th) or one-twentieth (1/20th) of one percent (1%), but no rate specified for the Bonds shall be in excess of five percent (5.00%) per annum. There is no limitation on the number of rates of interest which may be specified for the Bonds, but one rate of interest shall apply to all the Bonds of a maturity. Bidders may designate two or more consecutive serial maturities as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities.

The Bonds will be awarded to the bidder whose bid results in the lowest true interest cost for the Bonds, unless no award is made. The lowest true interest cost on the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of the Bonds) produces a yield equal to the purchase price of the Bonds exclusive of accrued interest. For the purpose of calculating the true interest cost, the principal amount of Term Bonds, if any, scheduled for mandatory sinking fund redemption as part of a Term Bond shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal. In the event that two or more of the bidders offer to purchase the Bonds at the same lowest true interest cost, the County Executive shall determine, in his sole discretion, which of the bidders shall be awarded the Bonds.

The right to waive any irregularity or informality in any bid, and to reject any or all bids, is reserved by the County. Notice of rejection of any bid will be made promptly. Award of the Bonds will be made by the County Executive on August 22, 2024, unless all bids are rejected.

A good faith check is not required to accompany a bid. However, the successful bidder for the Bonds will be required to forward an amount equal to **two percent (2%) of the par amount of the Bonds** either by overnight delivery in the form of a certified check or bank cashier's or treasurer's check or by wire transfer for arrival no later than the day following the sale date. Instructions for wire transfers will be given to the successful bidder. Such good faith deposit shall be held as a guarantee of good faith, to be forfeited to said County by said successful bidder as liquidated damages should he or it fail to take up and pay for the Bonds when ready. The good faith deposit of the bidder whose proposal is accepted will be held unused until the delivery of the Bonds or forfeiture. No interest will be paid upon any good faith deposit. In the event of the failure of the County to deliver said Bonds to the purchaser in accordance with the terms of this notice within thirty (30) days after the date of sale, said good faith deposit will, at the option of the purchaser, be promptly returned to the purchaser.

Establishment of Issue Price

General. The winning bidder shall assist the County in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County's Municipal Advisor identified herein and any notice or report to be provided to the County may be provided to the County's Municipal Advisor.

Anticipated Compliance with Competitive Sale Requirements. The County anticipates that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- the County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders shall have an equal opportunity to bid;
- the County expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are Not Met. In the event that the competitive sale requirements are not satisfied with respect to the Bonds, the County intends to treat the initial offering prices of the Bonds to the public as the issue price of such Bonds (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Application of the Hold-the-Offering-Price Rule. If the competitive sale requirements are not satisfied, then the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or

- the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The County acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to:

(A) (1) report the prices at which it sells to the public any unsold Bonds of each maturity allocated to it to which the hold-the-offering-price rule applies until the close of the fifth (5th) business day after the sale date; and (2) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the successful bidder and as set forth in the related pricing wires;

(B) promptly notify the successful bidder of any sales of the Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public; and

(C) acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it to which the hold-the-offering-price rule applies until the close of the fifth (5th) business day after the sale date and (B) comply with the

hold-the-offering-price rule, if applicable, if and for so long as directed by the successful bidder or the underwriter and as set forth in the related pricing wires.

Definitions. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- “public” means any person other than an underwriter or a related party,
- “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- “sale date” means the date that the Bonds are awarded by the County to the winning bidder.

Issue Price Certificate. The winning bidder will be required to provide the County, at closing, with an issue price certificate consistent with the foregoing, together with any supporting documentation such as pricing wires or equivalent communications. A form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit A. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the delivery date of the Bonds, the issue price certificate may be modified in a manner approved by the County.

Provision of Information for the Official Statement

The successful bidders must furnish the following information to the County to complete the *Official Statement* in final form within 2 hours after receipt and award of the bids for the Bonds:

1. The initial offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidders are part of a group or syndicate; and
4. Any other material information necessary to complete the *Official Statement* in final form but not known to the County.

Continuing Disclosure Agreement

The County will, at the time the Bonds are delivered, execute a Continuing Disclosure Agreement in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County not later than twelve (12) months after each of the County's fiscal years (the “Annual Report”), and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board at emma.msrb.org and any State Information Depository established in the State of Tennessee. The specific nature of

the information to be contained in the Annual Report or the notices of events will be summarized in the County's Official Statement to be prepared and distributed in connection with the sale of the Bonds.

Closing Certificates

Upon delivery of the Bonds, the County will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the Official Statement, in final form (as described herein), signed by the County Executive and the County Clerk acting in their official capacities to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the Official Statement, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, misleading, (b) since the date of the Official Statement, in final form, no event has occurred which should have been set forth in such amendment or supplement, (c) there has been no material adverse change in the operation or the affairs of the County since the date of the Official Statement, in final form, and having attached thereto a copy of the Official Statement, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) a non-arbitrage certificate which supports the conclusions that based upon facts, estimates and circumstances in effect, upon delivery of the Bonds, the proceeds of the Bonds will not be based in a manner which would cause the Bonds to be arbitrage bonds; (iii) certificates as to the delivery and payment, signed by the County Executive and/or County Clerk acting in their official capacities, evidencing delivery and payment for the Bonds; and (iv) a signature identification and incumbency certificate, signed by the County Executive and County Clerk acting in their official capacities certifying as to the due execution of the Bonds. If the successful bidder does not intend to reoffer the Bonds and no Official Statement is prepared, the County shall not be required to deliver any certificates upon delivery of the Bonds relating to an Official Statement.

Bond Counsel Opinion

The approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel (which will be delivered with the Bonds, together with the transcripts), will be furnished to the purchaser of the Bonds at the expense of the County. As set forth in the Official Statement and subject to the limitations set forth therein, bond counsel's opinion will include an opinion that, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. Owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. For a discussion of the above matters and the Tennessee state tax exemption, reference is made to the Official Statement and the form of bond counsel opinion contained in the Official Statement.

Delivery, Payment and CUSIPs

The Bonds are expected to be ready for delivery within thirty (30) days after the sale of the Bonds, in book-entry only form. At least seven (7) days' notice of delivery will be given the successful bidder. Delivery will be made through The Depository Trust Company, New York, New York at the expense of the purchaser(s). Payment for the Bonds must be made in federal funds or other immediately available funds. As provided herein, the Bonds shall not be required to be issued in book-entry form if purchased by a bidder who does not intend to reoffer the Bonds.

Unless the successful bidder does not intend to reoffer the Bonds, the Municipal Advisor will request the assignment of CUSIP numbers prior to the sale of the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the County; provided, however, that the CUSIP Service Bureau charges for the assignment

of said numbers will be the responsibility of and will be paid for by the successful bidder. Although CUSIP numbers will be printed on the Bonds (except where the Bonds will not be reoffered, in which case, CUSIP numbers are not required), the County will assume no obligation for assignment or insertion of such numbers on the Bonds or the correctness of such numbers, and neither failure to print or type any such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser(s) thereof to accept delivery of and make payment for the Bonds.

Preliminary and Final Official Statements

The successful bidder will be provided with copies of the final Official Statement by the County sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Final Official Statements will be provided to the successful bidder not later than seven (7) business days after the sale, or if the County or its Municipal Advisor is notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent, the Final Official Statements will be provided in sufficient time to accompany such confirmation. Copies of the Preliminary Official Statement may be obtained at the office of the County Executive, 200 West Gaines, Suite 201, Lawrenceburg, Tennessee 38464, or from the County's Municipal Advisor, Guardian Advisors, LLC, 740 Cane Creek Road, Hohenwald, Tennessee 38462 (931-796-0777/866-823-2500), Attention: Stephen L. Bates. If the successful bidder does not intend to reoffer the Bonds, no Final Official Statement is required to be prepared and, in such case, the successful bidder shall execute and deliver an investment certificate to the County, in a form satisfactory to Bond Counsel, upon delivery of the Bonds.

David Morgan, County Executive

EXHIBIT A

LAWRENCE COUNTY, TENNESSEE

\$ _____ GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("_____"), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the "Bonds").

[Assuming the Qualified Competitive Sale Requirements Are Satisfied]

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by _____ are the prices listed below (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by _____ in formulating its bid to purchase the Bonds. Attached as Schedule A is a true and correct copy of the bid provided by _____ to purchase the Bonds.

(b) _____ was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by _____ constituted a firm offer to purchase the Bonds.

**[Assuming the Qualified Competitive Sale Requirements Are Not Satisfied
and the Hold-the-Offering-Price Rule Applies]**

1. Initial Offering Price.

(a) _____ offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in its bid attached hereto as Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Detailed Notice of Sale for the Bonds, _____ has agreed in writing that, for each maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such maturity during the Holding Period (as defined below) for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, _____ has neither offered nor sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. As used in this paragraph, the term "Holding Period" means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Maturity has been sold to the Public at a price that is no higher than the Initial Offering Price for such Maturity.

[End]

2. Defined Terms.

(a) *County or Issuer* means Lawrence County, Tennessee.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is [August 22, 2024].

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents _____’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: [Issue Date]

[NAME OF PURCHASER, as Underwriter]

By: _____

Name: _____

Title: _____

[SCHEDULE A]

[SCHEDULE B]

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OFFICIAL BID FORM

The Honorable David Morgan
 Lawrence County Executive
 200 West Gaines, Suite 201
 Lawrenceburg, Tennessee 38464

August 22, 2024

Dear Mr. Morgan:

For your legally issued, properly executed Lawrence County, Tennessee (the "County") \$20,800,000 General Obligation Public Improvement Bonds, Series 2024 (the "Bonds") and in all respects to be as more fully outlined in your Detailed Notice of Sale, which by reference is made a part hereof, we will pay you a sum of \$_____.

The Bonds will be dated the date of delivery, will mature on March 1 as shown below, and shall bear interest at the following rates:

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Year</u>	<u>Principal</u>	<u>Coupon</u>
2025	\$450,000	_____ %	2038	\$850,000	_____
2026	470,000	_____	2039	890,000	_____
2027	495,000	_____	2040	925,000	_____
2028	520,000	_____	2041	960,000	_____
2029	545,000	_____	2042	1,000,000	_____
2030	575,000	_____	2043	1,040,000	_____
2031	600,000	_____	2044	1,085,000	_____
2032	635,000	_____	2045	1,125,000	_____
2033	665,000	_____	2046	1,170,000	_____
2034	695,000	_____	2047	1,220,000	_____
2035	730,000	_____	2048	1,265,000	_____
2036	770,000	_____	2049	1,315,000	_____
2037	805,000	_____			

We have the option to designate two or more consecutive serial maturities as Term Bonds as indicated below (if more than three Term Bonds, please indicate):

Term Bond 1: from March 1, ____ to March 1, ____ @ ____ %
 Term Bond 2: from March 1, ____ to March 1, ____ @ ____ %
 Term Bond 3: from March 1, ____ to March 1, ____ @ ____ %

This bid is made with the understanding that the County will furnish without cost to us the unqualified approving legal opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel to the County, and the executed Bonds. Delivery of the book-entry-only Bonds will be made through The Depository Trust Company, New York, New York, at the County's expense,

elsewhere at our expense. It is understood that the Bonds shall not be required to be issued in book-entry form if we do not intend to reoffer the Bonds.

It is understood that if we are the successful bidder for the Bonds, we shall be required to send a good faith deposit in the amount of **two percent (2%) of the par amount of the Bonds** in order to secure the faithful performance of the terms of this bid in accordance with the Detailed Notice of Sale.

Respectfully submitted,

Firm Name: _____

Signature: _____

Title: _____

Phone: _____

(For informational purposes only):

Total Interest Cost from September 5, 2024 to final maturity: \$ _____

Less: Premium Bid: \$ _____

Add: Discount Bid: \$ _____

Net Interest Cost: \$ _____

True Interest Rate: \$ _____

Accepted this 22nd day of August, 2024

David Morgan, County Executive

Attest:

Russ Brewer, County Clerk

LAWRENCE COUNTY, TENNESSEE

The Honorable David Morgan, County Executive

Board of County Commissioners

Wayne Yocum
Dave Ray
Will Burnett
Travis Cauwels
Delano Benefield
Shane Eaton

Dennis C. Gillespie
Sandy Newton
Ricky Skillington
Chris Sutherland
Jonathan Bradley
Scott Franks

Tim Clifton
Roy Hagan
Barry Luffman
Phillip Heatherly
Tammy Wisdom
Randy Brewer

Director of Accounts and Budgets

Brandi Williams

County Officials

Russ Brewer, County Clerk
Kiley T. Weathers, County Trustee
Brady Hutton, Tax Assessor
Michael Adkins, Director of Schools

County Attorney

Charles Holt, Esq.
Lawrenceburg, Tennessee

Municipal Advisor

Guardian Advisors, LLC
Hohenwald, Tennessee

Bond Counsel

Bass, Berry & Sims PLC
Nashville, Tennessee

Registration and Paying Agent

U.S. Bank Trust Company, National Association
Nashville, Tennessee

Underwriter

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SUMMARY STATEMENT

This Summary is expressly qualified by the entire Official Statement which should be viewed in its entirety by potential investors.

ISSUER	Lawrence County, Tennessee (the "County").
ISSUE	\$20,800,000* General Obligation Public Improvement Bonds, Series 2024 (the "Bonds"), dated September 5, 2024*, maturing March 1, 2025 through March 1, 2049, inclusive*, with interest payable each March 1 and September 1, commencing March 1, 2025.
PURPOSE	The Bonds are being issued for the purpose of providing funds for the (i) acquisition of land for, design, site development, construction, improvement, renovation, repair and equipping of (a) streets, roads and bridges, including but not limited to sidewalks, signage, signalization, lighting and drainage improvements, and (b) public buildings, including but not limited to schools and solid waste facilities; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) acquisition of all property, real and personal, related to the foregoing (collectively, the "Projects"); (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the Bonds.
OPTIONAL REDEMPTION	Bonds maturing March 1, 2035 and thereafter are subject to redemption prior to maturity at the option of the County on and after March 1, 2034 at the price of par plus interest accrued to the redemption date.
SECURITY	Unlimited ad valorem taxes to be levied on all taxable property within the County. The full faith and credit of the County are irrevocably pledged to the prompt payment of principal of and interest on the Bonds.
RATING	<p>The Bonds have been assigned a rating of "A1" by Moody's Investors Service ("Moody's"), based on documents and other information provided by the County. The rating reflects only the view of Moody's, and neither the County nor the Municipal Advisor makes any representation as to the appropriateness of such rating.</p> <p>There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by Moody's if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from Moody's.</p>
TAX MATTERS	Bass, Berry & Sims PLC will provide an unqualified opinion as to the tax exemption of the Bonds discussed under "TAX MATTERS" herein.
REGISTRATION AND PAYING AGENT	U.S. Bank Trust Company, National Association, Nashville, Tennessee
MUNICIPAL ADVISOR	Guardian Advisors, LLC, Hohenwald, Tennessee

* Preliminary, subject to change.

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OFFICIAL STATEMENT

LAWRENCE COUNTY, TENNESSEE

\$20,800,000* GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024

The purpose of this Official Statement, including the appendices attached hereto, is to set forth certain information concerning Lawrence County, a political subdivision of the State of Tennessee (the "County"), and its \$20,800,000* General Obligation Public Improvement Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to the authority of Sections 9-21-101, et seq. Tennessee Code Annotated (the "Act") and a resolution of the Board of County Commissioners of the County, adopted on June 25, 2024 (the "Resolution").

The proceeds from the sale of the Bonds will be used to provide funds for the (i) acquisition of land for, design, site development, construction, improvement, renovation, repair and equipping of (a) streets, roads and bridges, including but not limited to sidewalks, signage, signalization, lighting and drainage improvements, and (b) public buildings, including but not limited to schools and solid waste facilities; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) acquisition of all property, real and personal, related to the foregoing (collectively, the "Projects"); (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the Bonds. For a more complete description of the use of Bond proceeds, see the sections entitled "THE BONDS" – Disposition of Bond Proceeds" and "THE BONDS" – Plan of Finance" contained herein.

Included in this Official Statement are descriptions of the Bonds, the Resolution and the County. All references to the Resolution are qualified in their entirety by references to the document itself. All capitalized terms used herein and not otherwise defined have the meanings set forth in the Resolution. Copies of the Resolution and any other documents described in this Official Statement may be obtained from the office of the County Executive.

THE BONDS

Description

The Bonds, dated as of September 5, 2024*, will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will mature on the dates and in the amounts set forth on the cover page and bear interest at the rates per annum set forth on the cover page calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest on the Bonds will be payable semiannually on March 1 and September 1 of each year (herein an "Interest Payment Date"), commencing March 1, 2025.

The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. U.S. Bank Trust Company, National Association, Nashville, Tennessee (the "Registration Agent"), will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire

* Preliminary, subject to change.

transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Optional Redemption

The Bonds maturing March 1, 2025 through March 1, 2034 shall mature without option of prior redemption. The Bonds maturing March 1, 2035 and thereafter shall be subject to redemption prior to maturity at the option of the County on March 1, 2034 and thereafter as a whole or in part at any time at the redemption price of par, plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners of the County (or "Governing Body") in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interest within the maturity to be redeemed shall be selected as follows:

- (i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Mandatory Redemption

Subject to the credit hereinafter provided, the County shall redeem Bonds maturing March 1, 20__ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to

the date of redemption. DTC, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
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*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds maturing March 1, 20__ to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond maturing March 1, 20__ so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Notice of Redemption

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail or certified mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants, or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, if applicable), notices of which shall be given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

Security and Sources of Payment

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The full faith and credit of the County are irrevocably pledged to the prompt payment of principal of and interest on the Bonds.

Remedies

Pursuant to State law, any holder of the Bonds may by mandamus or other suit, action or proceeding, enforce such holder's rights against the County, the Governing Body or any officer, agent or employee of the County, including but not limited to, the right to require the County, the Governing Body and any proper officer, agent or employee of the County to assess, levy and collect taxes to pay when due principal of and interest and any premium on the Bonds.

The Bonds are not obligations of the State of Tennessee (the "State") or of any other public jurisdiction other than the County.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). Only one fully-registered Bond certificate will be issued in the aggregate principal amount of each maturity of the Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which

may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the Registration Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Disposition of Bond Proceeds

The following table sets forth the estimated sources and uses of the funds in connection with the issuance of the Bonds.

Sources:	Bond Proceeds	\$ _____
	Original Issue (Discount) Premium	_____
	Total	<u>\$ _____</u>
Uses:	Deposit to Construction Fund	\$ _____
	Underwriter's Discount	_____
	Costs of Issuance	_____
	Total	<u>\$ _____</u>

Plan of Finance

As provided herein, the Bonds are being issued, in part, to provide funds to finance the Projects. Monies used to finance the Projects will be deposited to the Construction Fund established by the Resolution and used only to finance the Projects and related costs in the manner provided in the Resolution.

Defeasance

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

- (a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;
- (b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);
- (c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable under the Resolution by the County with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in the Resolution, neither Federal Obligations nor moneys deposited with the Registration Agent nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. Federal Obligations means direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

FUTURE BONDS

The County has not authorized any other additional future general obligation debt at this time. It is not possible, however, to foresee all capital needs, and circumstances may change.

INVESTMENT CONSIDERATIONS

General

The purchase of the Bonds is subject to a number of investment considerations. The following is a discussion of certain investment considerations, which, among others, could affect the ability of the County to pay the principal of and interest and premium, if any, on the Bonds and which could also affect the marketability of, or the market price for, the Bonds. Such discussion is not, and is not intended to be, a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement, including the Appendices attached hereto. Each prospective purchaser of any Bond should read this Official Statement, including the Appendices attached hereto, in its entirety and consult such prospective purchaser's own investment or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Bonds.

Enforceability of Remedies

The remedies available to the holders or beneficial owners of the Bonds upon any event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The enforceability of remedies or rights with respect to the Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Under existing law, municipalities must obtain the consent of state governments in order to avail themselves of federal bankruptcy protection under Title 11 of the United States Code. There is currently no law in the State granting such consent. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the rights of creditors generally or as to the availability of any particular remedy.

Secondary Market Prices

No assurance can be given that a secondary market for any of the Bonds will be available and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event a holder or beneficial owner thereof determines to solicit purchasers of the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current holder or beneficial owner of the Bonds, depending on existing market conditions and other factors.

Adverse Weather Events

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The County's location in the southern United States near various waterways increases its vulnerability to extreme heat and flooding. In addition to extreme heat and flooding, the County may face other threats due to changing weather patterns, including possible drought conditions and damaging wind that could become more severe and frequent. The County cannot predict the timing, extent or severity of any adverse weather events and their impact on the County's operations and finances.

Cyber Security

The County utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information. As a result, the County may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt County services and operations and subject the County to legal action. The County has no knowledge of, nor historical record of, any material successful cyber security breach or related attack. Attempted cyber security attacks against organizations or entities similar to the County, however, are increasingly common. In January 2024, the Federal Bureau of Investigation issued a specific warning that international hackers are working to attack governmental infrastructure in the United States. To mitigate against such risks, the County has instituted cyber-security training for certain employees and engages a third-party for cyber protection. Despite the County's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

COVID-19 and Other Public Health Emergencies

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has affected and may continue to affect the entire world, including the County. In March 2020, in response to the COVID-19 outbreak, the Governor of the State issued a state of emergency and the World Health Organization declared the COVID-19 outbreak to be a global health emergency. The spread of COVID-19 led, from time to time, to quarantine and other "social distancing" measures. These measures included: (i) the closure, from time to time, of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduced capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments and (v) the closure, from time to time, of school buildings and community centers. The Governor of the State lifted the state of emergency in April 2021. The World Health Organization declared an end to the global health emergency in May 2023. The County is unable to predict whether and to what extent any increases in COVID-19 cases or the

emergence of any other epidemic or pandemic may disrupt the local or global economy, or whether any such disruption may adversely affect the operations or financial condition of the County.

Various types of information regarding employment, income trends, and business activity in the County are detailed in Appendix C, including historical data collected both before and during the COVID-19 pandemic. Certain data and other information collected prior to and during the COVID-19 outbreak may not reflect current conditions. For example, some of the largest employers and taxpayers in the County may have been forced to reduce their employment during the COVID-19 outbreak and may be similarly affected as a result of any future epidemic, pandemic or other public health emergency. For additional information, see Appendix C to the Official Statement.

LITIGATION

There is no litigation of any nature now pending or, to the knowledge of the County, threatened to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the County taken with respect to the issuance and sale of the Bonds, the pledge or application of any monies or security provided for the payment of the Bonds or the existence or the powers of the County insofar as they relate to the authorization, sale and issuance of the Bonds or such pledge or application of monies and security.

RATINGS

The Bonds have been assigned a rating of "A1" by Moody's Investors Service ("Moody's") based on documents and other information provided by the County. The rating reflects only the view of Moody's, and neither the County nor the Municipal Advisor makes any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by Moody's if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from Moody's.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be delivered with the Bonds. (See Appendix A). Certain legal matters will be passed upon for the County by Charles Holt, Esq., Lawrenceburg, Tennessee, Counsel to the County.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986 (the "Code"), and
- is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

The Code imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "Bond premium" on that Bond. The tax accounting treatment of Bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with Bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with Bond premium, it should consult its tax advisor regarding the tax accounting treatment of Bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Information Reporting and Backup Withholding. Unless the recipient is otherwise exempt, interest on the Bonds is subject to Federal information reporting requirements which can be generally satisfied upon the filing of a Form W-9, "Request for Taxpayer Identification Number and Certification." Failure to satisfy the information reporting requirements does not affect the excludability of the interest on the Bonds, but will result in a tax being withheld from the interest payment, calculated as set forth in the Code. Once the required information is provided, such amounts withheld would be allowed as a refund or credit against the Bondholder's Federal income tax.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. Further, such proposals may impact the marketability of the Bonds simply by being proposed. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Miscellaneous

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

THE UNDERWRITER

_____ (the "Underwriter"), acting for and on behalf of itself and such other securities dealers as may be designated, will purchase the Bonds for an aggregate purchase price of \$_____ (consisting of \$_____ aggregate principal amount, less \$_____ underwriter's discount, plus \$_____ original issue premium, less \$_____ original issue discount), plus accrued interest to the date of delivery.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

CONTINUING DISCLOSURE

The County will at the time the Bonds are delivered execute a Continuing Disclosure Agreement under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and

operating data relating to the County and to provide notice of the occurrence of certain enumerated events. The financial information and operating data and notices of events will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at emma.msrb.org and with any State Information Depository which may hereafter be established in Tennessee. The specific nature of the information to be contained in the Annual Report or the notices of events can be found in the form of the Continuing Disclosure Agreement attached hereto as Appendix B. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule"). The County believes that it has complied in all material respects within the prior five (5) years with its previous undertakings with respect to the Rule.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights of the holders of the Bonds. Any of the estimates is subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is deemed near final for the purposes of the Rule and does not contain any untrue statement of a material fact which should be included in this Official Statement for the purpose for which the Official Statement is to be used, or which is necessary in order to make statements herein contained, in light of the circumstances under which they were made not misleading in any material respect.

FORWARD-LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

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CERTIFICATE OF ISSUER

I, David Morgan, do hereby certify that I am the duly qualified and acting County Executive of Lawrence County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement issued in connection with the sale of its General Obligation Public Improvement Bonds, Series 2024, dated September __, 2024, of said County that to the best of my knowledge, information and belief (a) the description and statements contained in said Official Statement were at the time of the acceptance of the winning bid and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of acceptance of the winning bid and does not on the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this ____ day of _____, 2024

/s/ _____
County Executive

I, Russ Brewer, do hereby certify that I am the duly qualified and acting County Clerk of Lawrence County, Tennessee, and as such official I do hereby further certify that David Morgan is the duly qualified and acting County Executive of said County and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of Lawrence County, Tennessee as of the date subscribed to the foregoing certificate.

/s/ _____
County Clerk

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APPENDIX A

Proposed Form of Bond Counsel Opinion of Bass, Berry & Sims PLC,
Nashville, Tennessee relating to the Bonds.

(Proposed Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

(Dated Closing Date)

We have acted as bond counsel to Lawrence County, Tennessee (the "Issuer") in connection with the issuance of \$_____ General Obligation Public Improvement Bonds, Series 2024, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of County Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other

similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

APPENDIX B

Form of Continuing Disclosure Agreement.

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered as of this ____ day of _____, 2024 by Lawrence County, Tennessee (the "Issuer") in connection with the issuance of its General Obligation Public Improvement Bonds, Series 2024 (the "Bonds"). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the "Rule") of the Securities and Exchange Commission (the "SEC"). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolution.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July of each calendar year and ending June 30 of the following calendar year.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement of the Issuer, dated _____, 2024, relating to the Bonds.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Registered Owner" means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

"Resolution" shall mean the bond resolution adopted by the County Commission of the Issuer on June 25, 2024.

"State" shall mean the State of Tennessee.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository to which continuing disclosure information shall be sent pursuant to State law. As of the date of this Disclosure Agreement, there is no State Repository.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information.* For Fiscal Years ending on or after June 30, 2024, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The Issuer's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer's audited financial statements are not available, then the Issuer's unaudited financial statements; and

(ii) Operating data of the type included under the following headings of the Official Statement, which data may be presented in a manner other than as set in the Official Statement:

1. "Combined Statement of Revenues and Expenditures, All Government Fund Types for the Fiscal Year";
2. "Statement of Ending Fund Balances";
3. "Property Tax Base";
4. "Property Tax Rates, Assessments, Levies and Collections";
5. "Property Tax Rates and Allocations ";
6. "Top Ten Taxpayers";
7. "Per Capita Ratios";
8. "Sales Tax Receipts";
9. "Outstanding Debt"; and
10. "Debt Service Requirements".

(b) *Audited Financial Statements.* For Fiscal Years ending on or after June 30, 2024, the Issuer shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices.* The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;

- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation* of the Issuer, any of which reflect financial difficulties.

* As used in subsections (xv) and (xvi), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information.* The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement.* The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

(a) This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

LAWRENCE COUNTY, TENNESSEE

By: _____
County Executive

APPENDIX C

Supplemental Information Regarding the County.

THE ISSUER

The County

Lawrence County (the "County") was established in 1817 and is governed by a County Executive and an 18-member Board of Commissioners, all of which serve 4-year terms. Lawrence County is located in the south-central portion of the State of Tennessee, with Lawrenceburg, the county seat, located approximately 77 miles south of Nashville and approximately 40 miles north of Florence, Alabama. The County has an approximate land area of 405,760 acres, with approximately 50% being in farmland. In addition to raising livestock and livestock products, principal crops include cotton, soybeans, corn, hay, wheat, tobacco and other grains and vegetables. The County is known for having been a home to frontiersmen Davy Crockett (who had served as a former County Clerk and Congressman). Located within the County is a portion of the scenic Natchez Trace Parkway and David Crockett State Park, which provides residents and tourists with outdoor recreational activities.

The County provides public services, including law enforcement, fire protection, highway and bridge maintenance, public education, ambulance and emergency response service and solid waste disposal. The County currently has 1,286 employees, of which 962 are employed by the County Board of Education. Transportation facilities are provided by CSX Railroad, U.S. Highway 43 and 64, State Highways 20, 98, 240, 241, 242 and 227.

The County has four incorporated cities: Lawrenceburg, the County seat, Ethridge, Loretto and Saint Joseph. Population trends for the entire County is as follows:

1960	28,049	2000.....	39,926
1970.....	29,097	2010.....	41,869
1980.....	34,110	2020.....	44,159
1990.....	35,303		

Source: U.S. Census Bureau.

Industry

Leading industries and companies located in the County are as follows:

	<u>Employees</u>	<u>Type Business</u>
Modine Mfg Company	628	Charge Air Coolers
Graphic Packaging	235	Extruded film, Printed Cartons
Plasman	179	Automobile Windows
Aviagen	140	Poultry
Southern Craft Mfg.	138	Metal Caskets
TPR Federal Mogul	117	Automotive Engine Cylinders
AOC Metal Works	113	Steel Racks
Cabinets to Go	80	Cabinet Supplier
Homtex Inc.	77	Textiles
Craig Industries	74	Construction Attachments
Hughes-Parker Industries, LLC	70	Metal Stamping
Iron City Stamping	68	Metal Stamping
Advanced Design Solutions	65	Automotive Racks
DRM, LLC	59	Industry Automation
Blickman	50	Stainless Steel Medical Equipment
QuickParts	36	3D Printing

Lawrence County has a 100-acre Industrial Park north of Lawrenceburg having access to rail, utilities, and 4-laned U.S. Highway 43.

Source: Lawrence Chamber of Commerce.

Employment

Employment information for Lawrence County and the State of Tennessee was supplied by the Tennessee Department of Labor and Workforce Development.

<u>Year</u>	<u>Labor Force</u>		<u>Employed Persons</u>		<u>Unemployment Rate</u>	
	<u>County</u>	<u>State</u>	<u>County</u>	<u>State</u>	<u>County</u>	<u>State</u>
2019	19,252	3,339,445	18,471	3,227,700	4.1%	3.3%
2020	19,249	3,299,159	17,761	3,053,560	7.7%	7.4%
2021	19,315	3,321,356	18,445	3,172,858	4.5%	4.5%
2022	19,266	3,361,979	18,594	3,247,975	3.5%	3.4%
2023	19,325	3,379,605	18,653	3,267,935	3.5%	3.3%
* May/24	19,324	3,404,227	18,762	3,308,112	2.9%	2.8%

* Most recent month available.

Source: State of Tennessee, Department of Labor and Workforce Development.

Basis of Accounting and Presentation

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The modified accrual basis of accounting is used to account for all governmental fund types of the County. Revenues for such funds are recognized as they become measurable and available as net current assets. Expenditures, other than interest or long-term debt, are recognized when incurred and measurable. All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred except for prepaid expenses, which are fully expended at the time of payment.

Investment and Cash Management Policies

Investment of County operating funds is controlled by state statute and local policies and administered by the County Trustee. Generally, such policies limit investment instruments to direct United States Government obligations, those issued by United States Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by collateral pledges at 105% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loans associations must be collateralized as shown above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds of trusts upon residential property in the state equal to at least 150% of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the County. For reporting purposes, all investments are stated at cost, which approximates market value. The County Trustee is responsible for all County investments.

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*** Combined Statement of Revenues and Expenditures, All Governmental Fund Types
(extracted from audited annual reports)**

	Audit 2021	Audit 2022	Audit 2023	Estimated ** 2024
Revenues:				
Local Taxes	\$ 32,247,289	\$ 33,408,664	\$ 34,306,165	\$ 34,866,663
Licenses & Permits	\$ 60,292	\$ 60,077	\$ 57,529	\$ 57,100
Forfeitures & Penalties	\$ 170,858	\$ 165,458	\$ 159,134	\$ 147,504
Charges for Current Services	\$ 4,239,535	\$ 4,493,792	\$ 4,798,265	\$ 5,209,266
Other Local Revenues	\$ 3,389,683	\$ 3,137,533	\$ 4,423,918	\$ 1,505,615
Fees from County Officials	\$ 1,404,312	\$ 1,304,866	\$ 1,285,363	\$ 1,272,171
State of Tennessee	\$ 49,613,193	\$ 48,271,592	\$ 52,751,050	\$ 79,887,034
Federal Government	\$ 16,834,417	\$ 27,631,609	\$ 19,965,396	\$ 5,673,976
Other Governmental Groups	\$ 10,635,665	\$ 2,055,140	\$ 2,316,018	\$ 1,450,058
Total Revenues	\$ 118,595,244	\$ 120,528,731	\$ 120,062,838	\$ 130,069,387
Other Sources:				
Proceeds from Refunding Debt	\$ 1,375,000	\$ -	\$ -	\$ -
New Debt Proceeds	\$ 6,000,000	\$ -	\$ -	\$ 2,000,000
Premiums on Debt Issued	\$ 365,548	\$ -	\$ -	\$ -
Capital Leases/Loans Issued	\$ 504,138	\$ -	\$ -	\$ -
Insurance Recovery	\$ 111,184	\$ 501,226	\$ 457,083	\$ 12,155
Operating Transfers	\$ 2,200,300	\$ 8,942,593	\$ 8,425,107	\$ 1,831,434
Total Other sources	\$ 10,556,170	\$ 9,443,819	\$ 8,882,190	\$ 3,843,589
Total Revenues & Other Sources	\$ 129,151,414	\$ 129,972,550	\$ 128,945,028	\$ 133,912,976
Expenditures:				
General	\$ 1,578,231	\$ 1,657,237	\$ 1,810,753	\$ 2,112,427
Finance	\$ 1,561,884	\$ 1,796,807	\$ 2,004,157	\$ 1,700,071
Administration of Justice	\$ 1,653,792	\$ 1,876,709	\$ 2,039,893	\$ 2,491,349
Public Safety	\$ 7,069,666	\$ 7,581,686	\$ 7,345,427	\$ 9,896,332
Public Health & Welfare	\$ 5,186,775	\$ 5,605,548	\$ 6,100,115	\$ 7,799,269
Social, Cultural & Recreational	\$ 407,261	\$ 508,210	\$ 568,771	\$ 668,918
Ag & Natural Resources	\$ 150,955	\$ 204,491	\$ 284,887	\$ 258,658
Other Operations	\$ 1,467,229	\$ 1,413,912	\$ 1,314,009	\$ 1,520,406
Highways	\$ 4,474,615	\$ 5,210,331	\$ 5,574,991	\$ 9,101,858
Education Instruction	\$ 40,851,627	\$ 39,564,823	\$ 42,059,853	\$ 45,836,150
Support Services for Education	\$ 21,217,670	\$ 21,996,796	\$ 24,023,438	\$ 23,422,560
Non-Instructional Services	\$ 7,978,482	\$ 8,223,638	\$ 10,142,361	\$ 1,325,910
Education Capital Outlay	\$ 133,308	\$ 3,407,454	\$ 9,119,723	\$ 4,319,740
Education Capital Projects	\$ 1,926,443	\$ 8,964,876	\$ 6,761,703	\$ 214,655
Principal on Debt	\$ 4,457,016	\$ 4,260,708	\$ 4,638,551	\$ 4,137,532
Interest on Debt	\$ 1,652,749	\$ 1,596,478	\$ 1,474,445	\$ 1,399,646
Other Debt Service	\$ 319,810	\$ 1,215,074	\$ 1,214,630	\$ 1,221,444
Capital Projects/Donated Proj's	\$ 10,752,350	\$ 1,690,764	\$ 6,223,669	\$ 13,697,804
Total Expenditures	\$ 112,839,863	\$ 116,775,542	\$ 132,701,376	\$ 131,124,729
Other Uses:				
Payments to Rfg Debt Escrow	\$ 1,413,607	\$ -	\$ -	\$ -
Restatement	\$ (1,591,851)	\$ -	\$ -	\$ -
Operating Transfers	\$ 2,200,300	\$ 8,942,593	\$ 8,425,107	\$ 556,996
Total Other Uses	\$ 2,022,056	\$ 8,942,593	\$ 8,425,107	\$ 556,996
Total Expenditures & Other Uses	\$ 114,861,919	\$ 125,718,135	\$ 141,126,483	\$ 131,681,725
Excess (Deficiency)	\$ 14,289,495	\$ 4,254,415	\$ (12,181,455)	\$ 2,231,251
Combined Fund Balance (Beginning)	\$ 38,368,893	\$ 52,658,388	\$ 56,912,803	\$ 44,731,348
Combined Fund Balance (Ending)	\$ 52,658,388	\$ 56,912,803	\$ 44,731,348	\$ 46,962,599

** Unaudited. Compiled by the Municipal Advisor from unaudited County reports.

Statement of Ending Fund Balances (extracted from audited annual reports)

	AUDIT <u>06/30/2021</u>	AUDIT <u>06/30/2022</u>	AUDIT <u>06/30/2023</u>	ESTIMATED * <u>06/30/2024</u>
General Fund	\$ 8,910,883	\$ 17,998,013	\$ 10,966,139	\$ 10,471,939
Solid Waste Fund	592,153	633,213	398,294	1,693,095
Highways/Public Works	1,666,177	1,780,498	1,524,876	994,212
Debt Service Fund	6,144,256	6,508,454	6,663,673	6,515,808
General Capital Projects	0	0	3,127,648	1,216,079
Non-Major Gen/Gov Fund(s)	2,136,482	1,081,524	548,942	237,403
General Purpose School Fund	12,267,668	15,194,977	13,571,204	18,212,151
School Federal Projects	1,650,000	1,650,000	1,586,343	0
Education Capital Projects	15,925,043	6,976,359	3,144,042	2,778,542
Central Cafeteria	0	0	0	0
Non-Major School Fund(s)	<u>\$ 3,365,726</u>	<u>\$ 5,089,765</u>	<u>\$ 3,200,147</u>	<u>\$ 853,568</u>
Ending Balances	\$ 52,658,388	\$ 56,912,803	\$ 44,731,308	** \$ 42,972,797

* Unaudited.

** This Statement of Ending Fund Balances for Fiscal Year 2024 excludes the (\$3,989,802) non-budgeted funds of School Federal Projects, School Internal Service, Endowment, and the fund of Constitutional Officers Fees.

Statement of Proposed Operations for Fiscal Year 2025

	Fund Balance <u>07/01/24</u>	Estimated <u>Revenue</u>	Estimated <u>Available Funds</u>	Estimated <u>Expenditures</u>	Fund Balance <u>06/30/25</u>
County General	\$ 10,471,939	\$ 22,632,292	\$ 33,104,231	\$ 23,485,330	\$ 9,618,901
Courthouse/Jail Maint.	65,637	14,400	80,037	25,200	54,837
Industrial/Econ Dev	122,526	1,809,500	1,932,026	1,847,059	84,967
Drug Control	44,362	15,200	59,562	33,200	26,362
Highways	994,212	6,218,589	7,212,801	7,123,879	88,922
Gen. Purpose School	18,212,151	70,519,648	88,731,799	71,936,540	16,795,259
Central Cafeteria	2,778,542	5,693,340	8,471,882	5,693,340	2,778,542
Extended Day Prog.	153,567	147,000	300,567	147,000	153,567
Debt Service	6,515,808	6,138,376	12,654,184	6,541,714	6,112,470
Capital Projects	1,216,079	0	1,216,079	700,000	516,079
Education Cap Projects	700,001	700,000	1,400,001	700,000	700,001
Hwy Cap Projects	4,878	0	4,878	0	4,878
Solid Waste	<u>\$ 1,693,095</u>	<u>\$ 2,446,311</u>	<u>\$ 4,139,406</u>	<u>\$ 3,062,238</u>	<u>\$ 1,077,168</u>
Totals	\$ 42,972,797	\$ 116,334,656	\$ 159,307,453	\$ 121,295,500	\$ 38,011,953

Source: Fiscal Year 2025 Lawrence County Budget.

Property Tax

The County is authorized to levy a tax on all property within the County without limitation as to rate or amount. All real and personal property within the County is assessed in accordance with the State constitution and statutory provisions by the County Tax Assessor except most utility property, which is assessed by the State Public Service Commission. All property taxes are due on October 1 of each year based on appraisals as of January 1 of the same calendar. All property taxes are delinquent on March 1 of the following calendar year.

Tennessee law requires every county to undergo a countywide revaluation of all real property on a 4-, 5-, or 6-year reappraisal cycle. The assessor of property is responsible for the cyclical revaluation with some assistance and oversight from the Comptroller's Division of Property Assessments. The goal is fair and equitable assessments that reflect market value as of January 1 of the revaluation year. The County changed the reappraisal schedule to a four (4) year reappraisal schedule in March, 2024.

Upon completion of the reappraisal and reassessment processes, the governing body of the County and the municipalities located in the County must determine and certify a tax rate which will provide the same ad valorem tax

revenue for the jurisdiction as was levied prior to reappraisal and reassessment, as required by Title 67, Chapter 5, Part 17, Tennessee Code Annotated, as amended. The estimated assessed value of all new construction and improvements placed on the tax rolls since the previous year, and the assessed value of all deletions from the previous tax roll are excluded in computing the new tax rate. As a result, the property tax rate is adjusted preventing a taxing unit from collecting additional property tax revenues solely as a result of reappraisal. Upon compliance with state law and certification of a tax rate providing the same property tax revenue as was collected before reappraisal, a governing body may vote thereafter to approve a tax rate change which would produce more or less tax revenue. The County's last reappraisal program, conducted by the State Board of Equalization, Division of Property Assessment, was completed and went into effect in 2022.

Property Tax Base

The following information on assessed property tax values for Tax Year 2024 was supplied by the Lawrence County Assessor of Property Office.

Property Classification:	* <u>Assessed Value:</u>
Real Property:	
Industrial and Commercial	\$ 168,444,090
Residential	577,228,275
Farm, Open Space, Agricultural, Forest and Mineral	214,930,655
Personal Property	<u>58,518,163</u>
Total Real Property	\$ 1,019,121,183
Public Utility Assessments	\$ 24,908,571
Total Real and Personal Property	\$ 1,044,029,754

* Unaudited.

Property Tax Rates, Assessments, Levies and Collections

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Assessed Valuations</u>	<u>Taxes Levied</u>	<u>Uncollected Taxes Filed in Chancery Court as of 6/30/2024</u>
2010	2.7386	576,729,143	\$ 15,794,304	\$ 0
2011	2.7386	584,072,070	15,995,398	0
2012	2.7386	582,306,006	15,947,032	0
2013	2.7386	586,406,148	16,059,319	563
2014	2.7386	592,214,290	16,218,380	563
2015	3.0600	603,758,248	18,475,002	9,123
2016	2.9589	632,746,947	18,722,349	7,050
2017	2.9589	638,636,438	18,896,614	391
2018	2.9589	643,798,343	19,049,349	700
2019	2.9589	656,506,565	19,425,373	4,809
2020	2.9589	673,842,965	19,938,339	11,318
2021	2.9589	683,802,300	20,233,026	17,734
2022	2.0105	1,006,053,827	20,226,711	153,435
2023	2.0105	1,033,597,600	20,828,297	N/A
2024	2.0105	1,044,029,754	20,990,218	N/A

* Unaudited.

Source: Assessor of Property; Chancery Court Clerk & Master.

Property Tax Rates and Allocations

<u>Tax Year</u>	<u>General Fund</u>	<u>Highways</u>	<u>Schools</u>	<u>Solid Waste</u>	<u>* Debt Service</u>	<u>Total</u>
2015	\$ 1.2900	\$ 0.2800	\$ 1.0000	\$ 0.0600	\$ 0.4300	\$ 3.0600
* 2016	1.2695	0.2674	0.9550	0.0240	0.4430	2.9589
* 2017	1.2695	0.2674	0.9550	0.0240	0.4430	2.9589
* 2018	1.3154	0.2652	0.9298	0.0235	0.4250	2.9589
* 2019	1.3054	0.2652	0.9298	0.0585	0.4000	2.9589
2020	1.3231	0.2615	0.9166	0.0577	0.4000	2.9589
2021	1.4231	0.2615	0.9166	0.0577	0.3000	2.9589
2022	0.9670	0.1777	0.6228	0.0392	0.2038	2.0105
2023	1.1597	0.1877	0.5119	0.0592	0.0920	2.0105
2024	1.1329	0.1911	0.5119	0.0387	0.1359	2.0105

* Includes the separate levies for Education Debt Service and Highway Debt Service.

Source: Lawrence County Office of Accounts and Budgets; Comprehensive Annual Financial Reports of the County.

Top Ten Taxpayers for Tax Year 2023

<u>Taxpayer</u>	<u>Type Business</u>	<u>Assessed Value</u>	<u>Taxes Levied</u>
Texas Eastern Transmission	Gas Pipeline	\$ 10,703,767	\$ 215,200
Mda US, LLC	Boiler, Tank & Shipping Containers	7,263,963	146,041
Crockett Hospital	Acute Care Hospital	6,444,000	129,556
Graphic Packaging International	Extruded Film/Printed Cartons	6,014,173	120,915
Modine Mfg	Air Coolers	5,860,677	117,829
Dura Operating, LLC (Plasman US Holdings)	Automotive	5,073,215	101,997
GMO Threshold	Timber	4,468,550	89,840
Keystone Properties	Real Estate	4,158,470	83,616
CSX Transportation	Railroad	3,890,632	78,222
Walmart	Retail Superstore	<u>3,816,280</u>	<u>76,726</u>
		\$ 57,693,727	\$ 1,159,942

The top ten taxpayers for the tax year 2023, as shown above, represent approximately 5.5260615% of the total amount of assessed value of \$ 1,044,029,754.

Source: Lawrence County Trustee's Office.

Per Capita Ratios as of August 15, 2024 (including the effect of the Bonds) *

<u>Taxable Property</u>		<u>Total Debt:</u>	
Assessed.....	\$23,642.51	Gross.....	\$1,550.78
Actual Market Value	\$87,553.42	Net.....	\$1,403.23

Direct Gross Debt	\$ 68,480,984
Less: General Debt Service Funds	<u>(6,515,808)</u>
Net Direct Debt	\$ 61,965,176

<u>Per Capita Overlapping Debt</u>	<u>Gross Debt</u>	<u>Net Debt</u>	<u>Net Debt Per Capita</u>
Lawrence County	\$ 68,480,984	\$ 61,965,176	\$ 1,403.23
Lawrenceburg	36,805,000	7,591,203	652.56
Ethridge	506,305	0	0
Saint Joseph	21,138	0	0
Loretto	<u>1,559,851</u>	<u>0</u>	<u>0</u>
Total	\$ 107,373,278	\$ 69,556,379	\$ 2,055.79

* Par amount of Bonds is estimated to be \$20,800,000 although such amount is preliminary and subject to change.

Lawrence County School System

The Lawrence County Board of Education (the "Board") provides administrative and operational direction for the Lawrence County School System (the "School System"). Members of the Board are elected by the voters of Lawrence County and consist of nine (9) members. The present members of the Board, their terms of office and their occupations are as follows:

<u>Board Member</u>	<u>Current Term</u>	<u>Occupation</u>
John Daniel	2022 – 2026	Manufacturing
Jerry Dryden	2020 – 2024	Retired Educator
Royce Neidert	2020 – 2024	Retired
Kevin Caruso	2020 – 2024	Manufacturing
Ricky Mabry, Sr.	2020 – 2024	Retired
Corey Rochelle	2022 – 2026	Business Owner
Brenda Jacobs	2022 – 2026	Homemaker
Nick Hartsfield	2020 – 2026	Golf Course Supt.
Kirk Weathers	2022 – 2026	Physical Therapist

Mr. Michael Adkins was appointed Director of Schools by the Board of Education on June 05, 2020, his contract was extended in January, 2024 and expires May 31, 2028.

Enrollment and Attendance

Enrollment and average daily attendance of the School System for prior years and the average for the current school year was provided by the Board and is detailed in the following table:

<u>School Year</u>	<u>Net Enrollment</u>	<u>Average Daily Attendance</u>
2012 – 2013	6,610	6,724
2013 – 2014	6,647	6,529
2014 – 2015	6,611	6,365
2015 – 2016	6,607	6,520
2016 – 2017	6,921	6,551
2017 – 2018	6,811	6,245
2018 – 2019	6,706	6,696
2019 – 2020	6,693	6,374
2020 – 2021	6,412	6,181
2021 – 2022	6,536	6,316
* 2022 – 2023	7,022	6,609
* 2023 – 2024	7,044	6,527
2024 – 2025	(School Year resumes August 5, 2024)	

Source: State of Tennessee, Department of Education.

* Numbers provided by the Lawrence County Board of Education.

Existing School Facilities

The Board currently operates 13 schools within Lawrence County. There are four (4) K-6 elementary schools, four (4) K-8 elementary schools, one (1) middle school, three (3) high schools and one (1) adult learning center. The County also operates a state of the art Technology Center located on the Lawrence County High School campus in Lawrenceburg.

Higher Education

Located in Lawrenceburg near the intersection of U.S. Highway 43 and U.S. Highway 64 is the Southern Tennessee Higher Education Center (the "Center"). The facility is a satellite campus of Columbia State Community College and provides the ability for other colleges and universities to offer programs to enable students to receive a Bachelor's Degree. The facility is a two level, 40,000 square foot academic classroom building, with associated parking, pedestrian walkways and outdoor gathering spaces that encompass approximately 12.9 of the 52 acres.

Sales Tax

Local Option Sales Tax

Counties and incorporated municipalities are authorized to levy a local option sales tax ("Sales Tax") on the same privileges on which the State levies a sales tax pursuant to Title 67, Chapter 6, Part 7 of Tennessee Code Annotated, as amended (the "Sales Tax Act"). Any Sales Tax rate levied by a county or municipality is limited to two and three-quarters percent (2-3/4%), in addition to the State sales tax rate of seven percent (7%). One-half of all Sales Tax collected throughout the County from a county implemented tax rate, must be expended for educational purposes. The remaining one-half is remitted to the County or the municipalities located within the County, depending on the jurisdiction in which the tax is collected, and may be used for any County or municipal purpose. However, a county or municipality may provide, by contract, for other distribution of the one-half not required to be allocated to school purposes. The County voted by referendum to increase its sales tax rate by ½% to the maximum rate of 2-3/4% on December 19, 1995. The Sales Tax shall continue until such time as said tax shall be terminated by action of the Board of County Commissioners.

The Sales Tax is collected and administered by the State of Tennessee Department of Revenue (the "Department") and is disbursed to the County Trustee on a monthly basis, net of collection and administration fees incurred by the Department. The County Trustee disburses the Sales Tax revenues among the County and its incorporated municipalities.

Total audited sales tax receipts within the County for prior years are as follows:

<u>Fiscal Year</u>	<u>Total Sales Tax Receipts</u>	<u>Sales Tax Receipts to Debt Service Fund</u>
2005	8,687,178	1,290,688
2006	9,409,135	1,328,727
2007	9,486,929	1,335,189
2008	9,426,004	1,323,958
2009	9,830,767	1,371,367
2010	9,651,137	1,373,622
2011	9,768,805	1,377,703
2012	10,282,965	1,430,244
2013	10,348,226	1,438,400
2014	10,212,002	1,426,778
2015	10,566,441	* 1,277,135
2016	11,686,479	1,584,910
**2017	11,398,673	1,194,407
2018	11,752,367	1,248,117
2019	12,247,060	1,225,259
2020	13,043,265	1,415,742
2021	15,300,769	1,699,737
2022	16,870,010	1,884,789
2023	18,250,593	2,034,164
***2024	19,498,762	2,189,366

* Approximately \$250,000 was allocated to Education Capital Projects.

** The expiration of Sales Tax Agreement with the City of Lawrenceburg occurred at the end of fiscal year 2016.

*** Unaudited.

Source: Comprehensive Annual Reports; County Trustee; Office of Accounts and Budgets.

Outstanding Debt (as of August 15, 2024)

Description of Debt

	<u>Original Amount</u>	<u>Unpaid Principal</u>	<u>Coupon Rate</u>	<u>Remaining FY Debt Service</u>	<u>Final Maturity</u>
<u>Capital Outlay Notes/Loans</u>					
Capital Outlay Notes, Series 2014 dated 12/19/2014	\$ 3,500,000	\$ 965,000	2.0%-2.25%	\$ 332,972	12/1/2026
Capital Outlay Notes, Series 2023 dated 08/22/2023	\$ 2,000,000	\$ 1,600,000	4.800%	\$ 446,800	3/1/2028
School EESI Loan, Series 2020 dated 10/26/2020	\$ 3,000,000	\$ 2,150,984	1.50%	\$ 230,870	11/1/2032
TOTAL NOTES & LOANS	\$ 8,500,000	\$ 4,715,984		\$ 1,010,642	
<u>General Obligation Bonds</u>					
G.O. RFG Bonds, Series 2016 dated 04/27/2016	\$ 7,015,000	\$ 3,535,000	2.0-2.25%	\$ 547,038	5/1/2031
G.O. RFG & Imp, Series 2017 dated 04/28/2017	\$ 8,710,000	\$ 6,170,000	3.0-2.70%	\$ 569,900	4/1/2037
G.O. RFG Bonds, Series 2020 dated 10/22/2020	\$ 1,375,000	\$ 1,065,000	2.00%	\$ 128,675	10/1/2032
Public Imp. Bonds, Series 2012 dated 12/18/2012	\$ 2,750,000	\$ 810,000	2.0%-2.125%	\$ 209,769	12/1/2027
RFG & Imp Bonds, Series 2017A dated 12/14/2017	\$ 9,365,000	\$ 4,815,000	3.0%-3.125%	\$ 963,194	12/1/2036
G.O. School Bonds, Series 2019 dated 05/15/2019	\$ 9,975,000	\$ 7,180,000	3.00%	\$ 850,100	5/1/2034
Public Imp. Bonds, Series 2019A dated 11/13/2019	\$ 15,550,000	\$ 13,970,000	5.0%-3.0%	\$ 893,713	11/1/2044
Public Imp. Bonds, Series 2020 dated 09/22/2020	\$ -	\$ 5,420,000	3.0-2.0%	\$ 310,590	10/1/2044
TOTAL BONDS	\$ 54,740,000	\$ 42,965,000		\$ 4,472,978	
Grand Total - All Debt	\$ 63,240,000	\$ 47,680,984		\$ 5,483,620	

Outstanding Debt Service Requirements (as of 08/15/2024)

FY	Capital Outlay Note, Series 2014		G.O. Public Improvement Bonds, Series 2012		Capital Outlay Note, Series 2023	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 315,000	\$ 17,972	\$ 195,000	\$ 14,769	\$ 370,000	\$ 76,800
2026	\$ 320,000	\$ 11,025	\$ 200,000	\$ 10,819	\$ 390,000	\$ 59,040
2027	\$ 330,000	\$ 3,713	\$ 205,000	\$ 6,641	\$ 410,000	\$ 40,320
2028	\$ -	\$ -	\$ 210,000	\$ 2,231	\$ 430,000	\$ 20,640
2029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 965,000	\$ 32,709	\$ 810,000	\$ 34,459	\$ 1,600,000	\$ 196,800

FY	G.O. Refunding Bonds, Series 2020		G.O. Refunding Bonds, Series 2016		School Bonds, Series 2019	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 105,000	\$ 23,675	\$ 475,000	\$ 72,038	\$ 620,000	\$ 230,100
2026	\$ 110,000	\$ 20,975	\$ 485,000	\$ 62,538	\$ 640,000	\$ 211,500
2027	\$ 115,000	\$ 17,600	\$ 495,000	\$ 52,838	\$ 660,000	\$ 192,300
2028	\$ 115,000	\$ 14,438	\$ 505,000	\$ 42,938	\$ 680,000	\$ 172,500
2029	\$ 120,000	\$ 11,500	\$ 515,000	\$ 32,838	\$ 700,000	\$ 152,100
2030	\$ 120,000	\$ 8,800	\$ 525,000	\$ 22,538	\$ 720,000	\$ 131,100
2031	\$ 125,000	\$ 6,350	\$ 535,000	\$ 12,038	\$ 750,000	\$ 102,300
2032	\$ 125,000	\$ 3,850	\$ -	\$ -	\$ 780,000	\$ 72,300
2033	\$ 130,000	\$ 1,300	\$ -	\$ -	\$ 805,000	\$ 48,900
2034	\$ -	\$ -	\$ -	\$ -	\$ 825,000	\$ 24,750
2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
'40-'50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 1,065,000	\$ 108,488	\$ 3,535,000	\$ 297,763	\$ 7,180,000	\$ 1,337,850

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FY	<u>School EESI Loan</u> <u>Series 2020</u>		<u>G.O. Refunding Bonds,</u> <u>Series 2017</u>		<u>G.O. RFG & Improvement Bonds,</u> <u>Series 2017A</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 205,160	\$ 25,710	\$ 405,000	\$ 164,900	\$ 830,000	\$ 133,194
2026	\$ 249,912	\$ 27,132	\$ 415,000	\$ 152,750	\$ 855,000	\$ 107,919
2027	\$ 253,692	\$ 23,352	\$ 425,000	\$ 144,450	\$ 240,000	\$ 91,494
2028	\$ 257,520	\$ 19,524	\$ 435,000	\$ 132,975	\$ 255,000	\$ 84,069
2029	\$ 261,408	\$ 15,636	\$ 445,000	\$ 121,230	\$ 260,000	\$ 76,344
2030	\$ 265,356	\$ 11,688	\$ 460,000	\$ 109,215	\$ 270,000	\$ 68,394
2031	\$ 269,364	\$ 7,680	\$ 470,000	\$ 96,795	\$ 275,000	\$ 60,219
2032	\$ 273,432	\$ 3,612	\$ 485,000	\$ 84,105	\$ 285,000	\$ 51,819
2033	\$ 115,140	\$ 261	\$ 500,000	\$ 71,010	\$ 290,000	\$ 43,194
2034	\$ -	\$ -	\$ 510,000	\$ 57,510	\$ 300,000	\$ 34,344
2035	\$ -	\$ -	\$ 525,000	\$ 43,740	\$ 310,000	\$ 25,000
2036	\$ -	\$ -	\$ 540,000	\$ 29,565	\$ 320,000	\$ 15,156
2037	\$ -	\$ -	\$ 555,000	\$ 14,985	\$ 325,000	\$ 5,078
2038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 2,150,984	\$ 134,595	\$ 6,170,000	\$ 1,223,230	\$ 4,815,000	\$ 796,222

FY	<u>G.O. Public Improvement Bonds,</u> <u>Series 2019A</u>		<u>G.O. Public Improvement Bonds,</u> <u>Series 2020</u>		<u>Current Total</u> <u>Principal</u>		<u>Current Total</u> <u>Interest</u>	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 450,000	\$ 443,713	\$ 205,000	\$ 105,590	\$ 4,175,160	\$ 1,308,460		
2026	\$ 470,000	\$ 420,713	\$ 210,000	\$ 99,365	\$ 4,344,912	\$ 1,183,775		
2027	\$ 495,000	\$ 396,588	\$ 220,000	\$ 92,915	\$ 3,848,692	\$ 1,062,209		
2028	\$ 520,000	\$ 371,213	\$ 225,000	\$ 86,240	\$ 3,632,520	\$ 946,767		
2029	\$ 550,000	\$ 344,463	\$ 230,000	\$ 79,415	\$ 3,081,408	\$ 833,525		
2030	\$ 575,000	\$ 316,338	\$ 240,000	\$ 72,365	\$ 3,175,356	\$ 740,437		
2031	\$ 600,000	\$ 292,963	\$ 245,000	\$ 66,315	\$ 3,269,364	\$ 644,659		
2032	\$ 620,000	\$ 274,663	\$ 250,000	\$ 62,365	\$ 2,818,432	\$ 552,713		
2033	\$ 635,000	\$ 257,822	\$ 250,000	\$ 59,365	\$ 2,725,140	\$ 481,852		
2034	\$ 650,000	\$ 242,563	\$ 255,000	\$ 56,080	\$ 2,540,000	\$ 415,246		
2035	\$ 665,000	\$ 226,947	\$ 260,000	\$ 52,475	\$ 1,760,000	\$ 348,162		
2036	\$ 680,000	\$ 210,550	\$ 260,000	\$ 48,705	\$ 1,800,000	\$ 303,976		
2037	\$ 700,000	\$ 193,300	\$ 265,000	\$ 44,768	\$ 1,845,000	\$ 258,131		
2038	\$ 715,000	\$ 174,898	\$ 270,000	\$ 40,553	\$ 985,000	\$ 215,450		
2039	\$ 735,000	\$ 155,323	\$ 275,000	\$ 36,056	\$ 1,010,000	\$ 191,379		
2040	\$ 760,000	\$ 134,950	\$ 280,000	\$ 31,338	\$ 1,040,000	\$ 166,288		
2041	\$ 780,000	\$ 112,800	\$ 285,000	\$ 26,394	\$ 1,065,000	\$ 139,194		
2042	\$ 805,000	\$ 89,025	\$ 290,000	\$ 21,000	\$ 1,095,000	\$ 110,025		
2043	\$ 830,000	\$ 64,500	\$ 295,000	\$ 15,150	\$ 1,125,000	\$ 79,650		
2044	\$ 855,000	\$ 39,225	\$ 300,000	\$ 9,200	\$ 1,155,000	\$ 48,425		
2045	\$ 880,000	\$ 13,200	\$ 310,000	\$ 3,100	\$ 1,190,000	\$ 16,300		
2046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ 13,970,000	\$ 4,775,751	\$ 5,420,000	\$ 1,108,753	\$ 47,680,984	\$ 10,046,620		

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FY	* ADD: G.O. Public Improvement, Series 2024		* Series 2024	New Combined	New Combined	New Combined
	<i>Principal</i>	<i>Interest</i>	<i>Principal & Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>P&I</i>
2025	\$ 440,000	\$ 497,541	\$ 937,541	\$ 4,615,160	\$ 1,806,001	\$ 6,421,161
2026	\$ 460,000	\$ 973,081	\$ 1,433,081	\$ 4,804,912	\$ 2,156,856	\$ 6,961,768
2027	\$ 485,000	\$ 950,081	\$ 1,435,081	\$ 4,333,692	\$ 2,012,290	\$ 6,345,982
2028	\$ 510,000	\$ 925,831	\$ 1,435,831	\$ 4,142,520	\$ 1,872,598	\$ 6,015,118
2029	\$ 535,000	\$ 900,331	\$ 1,435,331	\$ 3,616,408	\$ 1,733,856	\$ 5,350,264
2030	\$ 560,000	\$ 873,581	\$ 1,433,581	\$ 3,735,356	\$ 1,614,018	\$ 5,349,374
2031	\$ 590,000	\$ 845,581	\$ 1,435,581	\$ 3,859,364	\$ 1,490,240	\$ 5,349,604
2032	\$ 615,000	\$ 816,081	\$ 1,431,081	\$ 3,433,432	\$ 1,368,795	\$ 4,802,227
2033	\$ 650,000	\$ 785,331	\$ 1,435,331	\$ 3,375,140	\$ 1,267,183	\$ 4,642,323
2034	\$ 680,000	\$ 752,831	\$ 1,432,831	\$ 3,220,000	\$ 1,168,078	\$ 4,388,078
2035	\$ 715,000	\$ 718,831	\$ 1,433,831	\$ 2,475,000	\$ 1,066,993	\$ 3,541,993
2036	\$ 750,000	\$ 683,081	\$ 1,433,081	\$ 2,550,000	\$ 987,058	\$ 3,537,058
2037	\$ 790,000	\$ 645,581	\$ 1,435,581	\$ 2,635,000	\$ 903,712	\$ 3,538,712
2038	\$ 830,000	\$ 606,081	\$ 1,436,081	\$ 1,815,000	\$ 821,531	\$ 2,636,531
2039	\$ 870,000	\$ 564,581	\$ 1,434,581	\$ 1,880,000	\$ 755,960	\$ 2,635,960
2040	\$ 910,000	\$ 521,081	\$ 1,431,081	\$ 1,950,000	\$ 687,369	\$ 2,637,369
2041	\$ 960,000	\$ 475,581	\$ 1,435,581	\$ 2,025,000	\$ 614,775	\$ 2,639,775
2042	\$ 1,005,000	\$ 427,581	\$ 1,432,581	\$ 2,100,000	\$ 537,606	\$ 2,637,606
2043	\$ 1,055,000	\$ 377,331	\$ 1,432,331	\$ 2,180,000	\$ 456,981	\$ 2,636,981
2044	\$ 1,100,000	\$ 331,175	\$ 1,431,175	\$ 2,255,000	\$ 379,600	\$ 2,634,600
2045	\$ 1,150,000	\$ 283,050	\$ 1,433,050	\$ 2,340,000	\$ 299,350	\$ 2,639,350
2046	\$ 1,200,000	\$ 231,300	\$ 1,431,300	\$ 1,200,000	\$ 231,300	\$ 1,431,300
2047	\$ 1,255,000	\$ 177,300	\$ 1,432,300	\$ 1,255,000	\$ 177,300	\$ 1,432,300
2048	\$ 1,315,000	\$ 120,825	\$ 1,435,825	\$ 1,315,000	\$ 120,825	\$ 1,435,825
2049	\$ 1,370,000	\$ 61,650	\$ 1,431,650	\$ 1,370,000	\$ 61,650	\$ 1,431,650
	\$ 20,800,000	\$ 14,545,303	\$ 35,345,303	\$ 68,480,984	\$ 24,591,924	\$ 93,072,908

* Estimated using a true interest rate of 4.379455%. Preliminary, subject to change.

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APPENDIX D

Annual Financial Report of Lawrence County, Tennessee
for the Fiscal Year ended June 30, 2023.

45361903.4



ANNUAL FINANCIAL REPORT

Lawrence County, Tennessee

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
LAWRENCE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2023

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

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

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Summary of Audit Findings

Annual Financial Report
Lawrence County, Tennessee
For the Year Ended June 30, 2023

Scope

We have audited the basic financial statements of Lawrence County as of and for the year ended June 30, 2023.

Results

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

Our audit resulted in three findings and recommendations, which we have reviewed with Lawrence County management. The 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:

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Vehicle bid specifications applied to only one brand.
-

OFFICE OF COUNTY CLERK

- ◆ Bank statements were not accurately reconciled with the general ledger.



INTRODUCTORY SECTION

Lawrence County Officials
June 30, 2023

Officials

David Morgan, County Executive
Ryan Krick, Road Superintendent
Michael Adkins, Director of Schools
Kiley Weathers, Trustee
Brady Hutton, Assessor of Property
Russ Brewer, County Clerk
Tommy Lee Kidd, Circuit, General Sessions, and Juvenile Courts Clerk
Kristy Gang, Clerk and Master
Terra Dickey, Register of Deeds
John Myers, Sheriff
Brandi Williams, Director of Accounts and Budgets

Board of County Commissioners

David Morgan, County Executive, Chairman	Delano Benefield
Chris Sutherland	Scott Franks
Wayne Yocum	Phillip Heatherly
Dennis Gillespie	Roy Hagan
Ricky Skillington	Travis Cauwels
Dave Ray	Tammy Wisdom
John Bradley	Shane Eaton
Sandy Newton	Will Burnett
Barry Luffman	Randy Brewer
Tim Clifton	

Board of Education

Kevin Caruso, Chairman	Jerry Dryden
Kirk Weathers	Corey Rochelle
Brenda Jacobs	Nicky Hartsfield
Ricky Mabry	John Daniel
Royce Neidert	

Audit Committee

Karen Woodall, Chairman	Kelsey Glass
Scott Franks	Jerry Putman
Jim Brewer	

FINANCIAL SECTION



JASON E. MUMPOWER
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 Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Lawrence County School Department (a discretely presented component unit), which represent 2.09 percent, 2.42 percent, and 3.73 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2023. Those amounts were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Lawrence County School Department's Internal School Fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lawrence County, Tennessee, and to meet our other ethical responsibilities, in accordance with

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lawrence County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Lawrence County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lawrence County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in the total other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 and General Capital Projects funds, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Lawrence County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 15, 2023

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Lawrence County, Tennessee
Statement of Net Position
June 30, 2023

	Primary Government Governmental Activities	Component Unit Lawrence County School Department
<u>ASSETS</u>		
Cash	\$ 170,088	\$ 2,132,685
Equity in Pooled Cash and Investments	22,554,007	15,797,846
Inventories	0	157,353
Accounts Receivable	8,969,019	3,467
Allowance for Uncollectible	(1,870,790)	0
Due from Other Governments	1,703,483	6,374,004
Property Taxes Receivable	16,107,269	5,502,009
Allowance for Uncollectible Property Taxes	(259,395)	(88,606)
Net Pension Asset - Agent Plan	1,068,964	457,691
Net Pension Asset - Teacher Retirement Plan	0	116,190
Net Pension Asset - Teacher Legacy Pension Plan	0	9,325,640
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	472,070
Capital Assets:		
Assets Not Depreciated:		
Land	1,315,719	1,604,544
Construction in Progress	2,977,756	19,589,061
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	30,579,289	33,735,779
Infrastructure	8,885,723	0
Other Capital Assets	5,216,380	6,742,527
Total Assets	<u>\$ 97,417,512</u>	<u>\$ 101,922,260</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 140,896	\$ 0
Pension Changes in Experience	893,963	1,923,148
Pension Changes in Assumptions	2,384,883	6,999,295
Pension Changes in Investment Earnings	80,445	230,532
Pension Changes in Proportion	0	398,914
Pension Contributions After Measurement Date	593,704	2,275,209
OPEB Changes in Experience	0	539,339
OPEB Changes in Assumptions	56,614	1,066,678
OPEB Changes in Proportion	0	43,979
OPEB Contributions After Measurement Date	12,610	555,689
Total Deferred Outflows of Resources	<u>\$ 4,163,115</u>	<u>\$ 14,032,783</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental</u> <u>Activities</u>	Component Unit <u>Lawrence</u> <u>County</u> <u>School</u> <u>Department</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,138,540	\$ 27,054
Accrued Payroll	0	0
Payroll Deductions Payable	126,754	2,539,481
Contracts Payable	389,699	0
Retainage Payable	47,246	0
Accrued Interest Payable	228,636	0
Due to State of Tennessee	402	0
Due to Other Governments	0	68,356
Noncurrent Liabilities:		
Due Within One Year - Debt	3,879,291	0
Due Within One Year - Other	739,541	80,837
Due in More Than One Year - Debt	48,062,240	0
Due in More Than One Year - Other	769,619	12,814,759
Total Liabilities	<u>\$ 55,381,968</u>	<u>\$ 15,530,487</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 15,300,451	\$ 5,226,412
Pension Changes in Experience	351,893	1,797,011
Pension Changes in Proportion	0	220,686
OPEB Changes in Experience	193,700	1,554,854
OPEB Changes in Assumptions	240,848	2,271,946
OPEB Changes in Proportion	0	1,090,445
Total Deferred Inflows of Resources	<u>\$ 16,086,892</u>	<u>\$ 12,161,354</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 27,486,755	\$ 61,671,911
Restricted for:		
General Government	97,704	0
Administration of Justice	96,248	0
Public Safety	129,669	0
Public Health and Welfare	343,051	0
Social, Cultural, and Recreational Services	151,922	0
Highway/Public Works	1,795,691	0
Education	0	5,490,622
Pensions	1,068,964	10,371,591
Unrestricted	<u>(1,058,237)</u>	<u>10,729,078</u>
Total Net Position	<u>\$ 30,111,767</u>	<u>\$ 88,263,202</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, 2023

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	\$ 4,015,326	\$ 334,567	\$ 178,155	\$ 0	\$ (3,502,604)	\$ 0
Finance	2,006,941	1,345,487	0	0	(661,454)	0
Administration of Justice	1,997,068	602,480	7,847	0	(1,386,741)	0
Public Safety	7,470,601	1,022,556	364,250	0	(6,083,795)	0
Public Health and Welfare	6,195,510	2,804,811	991,621	486,746	(1,912,332)	0
Social, Cultural, and Recreational Services	1,120,169	2,134	20,088	0	(1,097,947)	0
Agriculture and Natural Resources	290,891	0	0	0	(290,891)	0
Highways	7,534,730	9,453	3,133,998	227,453	(4,163,826)	0
Education	706,517	1,128,944	0	0	422,427	0
Interest on Long-term Debt	1,450,431	0	0	0	(1,450,431)	0
Total Primary Government	\$ 32,788,184	\$ 7,250,432	\$ 4,695,959	\$ 714,199	\$ (20,127,594)	\$ 0
Component Unit:						
Lawrence County School Department	\$ 75,558,037	\$ 3,836,822	\$ 16,367,430	\$ 3,803,899	\$ 0	\$ (51,549,886)

(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	Unit
				Governmental	Lawrence County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 11,982,337	\$ 6,227,650
Property Taxes Levied for Debt Service					2,008,666	0
Local Option Sales Tax					2,053,715	9,241,442
Hotel/Motel Tax					253,237	0
Wheel Tax					1,063,053	0
Litigation Tax - General					89,652	0
Litigation Tax - Jail, Workhouse, or Courthouse					83,952	0
Business Tax					567,957	0
Mixed Drink Tax					182	0
Mineral Severance Tax					47,538	0
Wholesale Beer Tax					211,644	0
Other Local Taxes					68,672	29,561
Grants and Contributions Not Restricted to Specific Programs					2,117,650	45,999,833
Unrestricted Investment Income					499,003	28,766
Miscellaneous					24,324	524,114
Total General Revenues					<u>\$ 21,071,582</u>	<u>\$ 62,051,366</u>
Change in Net Position					\$ 943,988	\$ 10,501,480
Net Position, July 1, 2022					<u>29,167,779</u>	<u>77,761,722</u>
Net Position, June 30, 2023					<u>\$ 30,111,767</u>	<u>\$ 88,263,202</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, 2023

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 600	\$ 1,225	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	10,023,423	434,586	1,699,474	6,382,047	3,471,334
Accounts Receivable	6,704,927	2,063,338	43,569	105,526	0
Allowance for Uncollectibles	(1,657,587)	(213,203)	0	0	0
Due from Other Governments	715,058	0	522,449	363,469	0
Due from Other Funds	0	0	0	0	0
Property Taxes Receivable	12,464,701	636,294	2,017,439	988,835	0
Allowance for Uncollectible Property Taxes	(200,735)	(10,247)	(32,489)	(15,924)	0
Total Assets	<u>\$ 28,050,387</u>	<u>\$ 2,911,993</u>	<u>\$ 4,250,442</u>	<u>\$ 7,823,953</u>	<u>\$ 3,471,334</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 258,210	\$ 116,182	\$ 475,317	\$ 1,000	\$ 105,806
Payroll Deductions Payable	111,298	0	15,456	0	0
Contracts Payable	0	0	0	0	226,180
Retainage Payable	0	0	0	0	11,700
Due to Other Funds	64,500	0	0	0	0
Due to State of Tennessee	402	0	0	0	0
Total Liabilities	<u>\$ 434,410</u>	<u>\$ 116,182</u>	<u>\$ 490,773</u>	<u>\$ 1,000</u>	<u>\$ 343,686</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 11,840,340	\$ 604,422	\$ 1,916,385	\$ 939,304	\$ 0
Deferred Delinquent Property Taxes	423,626	21,625	68,565	33,607	0
Other Deferred/Unavailable Revenue	4,385,872	1,771,470	249,843	186,369	0
Total Deferred Inflows of Resources	<u>\$ 16,649,838</u>	<u>\$ 2,397,517</u>	<u>\$ 2,234,793</u>	<u>\$ 1,159,280</u>	<u>\$ 0</u>

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for General Government	97,704	0	0	0	0
Restricted for Administration of Justice	96,248	0	0	0	0
Restricted for Public Safety	16,650	0	0	0	0
Restricted for Public Health and Welfare	343,051	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	76,123	0	0	0	0
Restricted for Highways/Public Works	0	0	1,524,876	0	0
Committed:					
Committed for General Government	19,122	0	0	0	0
Committed for Finance	0	0	0	0	0
Committed for Public Safety	61,237	0	0	0	0
Committed for Public Health and Welfare	0	398,294	0	0	0
Committed for Debt Service	0	0	0	6,663,673	0
Committed for Capital Projects	0	0	0	0	3,127,648
Assigned:					
Assigned for General Government	553,044	0	0	0	0
Unassigned	9,702,960	0	0	0	0
Total Fund Balances	<u>\$ 10,966,139</u>	<u>\$ 398,294</u>	<u>\$ 1,524,876</u>	<u>\$ 6,663,673</u>	<u>\$ 3,127,648</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,050,387</u>	<u>\$ 2,911,993</u>	<u>\$ 4,250,442</u>	<u>\$ 7,823,953</u>	<u>\$ 3,471,334</u>

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 168,263		\$ 170,088
Equity in Pooled Cash and Investments	543,143		22,554,007
Accounts Receivable	51,659		8,969,019
Allowance for Uncollectibles	0		(1,870,790)
Due from Other Governments	102,507		1,703,483
Due from Other Funds	64,500		64,500
Property Taxes Receivable	0		16,107,269
Allowance for Uncollectible Property Taxes	0		(259,395)
Total Assets	\$ 930,072		\$ 47,438,181
<u>LIABILITIES</u>			
Accounts Payable	\$ 182,025		\$ 1,138,540
Payroll Deductions Payable	0		126,754
Contracts Payable	163,519		389,699
Retainage Payable	35,546		47,246
Due to Other Funds	0		64,500
Due to State of Tennessee	0		402
Total Liabilities	\$ 381,090		\$ 1,767,141
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0		\$ 15,300,451
Deferred Delinquent Property Taxes	0		547,423
Other Deferred/Unavailable Revenue	0		6,593,554
Total Deferred Inflows of Resources	\$ 0		\$ 22,441,428

(Continued)

Exhibit C-1

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

FUND BALANCES

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other	Govern- mental	Funds
Nonspendable:			
Endowments	\$ 75,799	\$	75,799
Restricted:			
Restricted for General Government	0		97,704
Restricted for Administration of Justice	0		96,248
Restricted for Public Safety	113,019		129,669
Restricted for Public Health and Welfare	0		343,051
Restricted for Social, Cultural, and Recreational Services	0		76,123
Restricted for Highways/Public Works	0		1,524,876
Committed:			
Committed for General Government	122,378		141,500
Committed for Finance	77,665		77,665
Committed for Public Safety	0		61,237
Committed for Public Health and Welfare	129,443		527,737
Committed for Debt Service	0		6,663,673
Committed for Capital Projects	30,678		3,158,326
Assigned:			
Assigned for General Government	0		553,044
Unassigned	0		9,702,960
Total Fund Balances	<u>\$ 548,982</u>	<u>\$</u>	<u>23,229,612</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 930,072</u>	<u>\$</u>	<u>47,438,181</u>

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, 2023

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)		\$ 23,229,612
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Add: land	\$ 1,315,719	
Add: construction in progress	2,977,756	
Add: buildings and improvements net of accumulated depreciation	30,579,289	
Add: infrastructure net of accumulated depreciation	8,885,723	
Add: other capital assets net of accumulated depreciation	<u>5,216,380</u>	48,974,867
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (1,275,000)	
Less: other loans payable	(2,434,548)	
Less: bonds payable	(46,150,000)	
Less: unamortized premium on debt	(2,081,983)	
Add: deferred amount on refunding	140,896	
Less: compensated absences payable	(734,541)	
Less: landfill postclosure care costs	(494,252)	
Less: net OPEB liability	(280,367)	
Less: accrued interest on bonds and notes	<u>(228,636)</u>	(53,538,431)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expenses in future years.		
Add: deferred outflows of resources related to pensions	\$ 3,952,995	
Less: deferred inflows of resources related to pensions	(351,893)	
Add: deferred outflows of resources related to OPEB	69,224	
Less: deferred inflows of resources related to OPEB	<u>(434,548)</u>	3,235,778
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,068,964
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>7,140,977</u>
Net position of governmental activities (Exhibit A)		<u>\$ 30,111,767</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, 2023

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 11,015,216	\$ 394,907	\$ 1,840,214	\$ 5,328,953	\$ 0
Licenses and Permits	55,976	0	0	0	0
Fines, Forfeitures, and Penalties	117,317	0	0	0	0
Charges for Current Services	2,123,565	1,314,125	0	0	0
Other Local Revenues	616,068	196,786	100,479	35,004	50,000
Fees Received From County Officials	1,285,363	0	0	0	0
State of Tennessee	3,045,149	0	3,207,557	0	0
Federal Government	591,875	0	0	0	0
Other Governments and Citizens Groups	300,279	26,986	157,154	1,128,944	0
Total Revenues	\$ 19,150,808	\$ 1,932,804	\$ 5,305,404	\$ 6,492,901	\$ 50,000
<u>Expenditures</u>					
Current:					
General Government	\$ 1,810,753	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,280,902	0	0	0	0
Administration of Justice	2,037,793	0	0	0	0
Public Safety	7,289,245	0	0	0	0
Public Health and Welfare	3,933,320	2,166,795	0	0	0
Social, Cultural, and Recreational Services	568,771	0	0	0	0
Agriculture and Natural Resources	284,887	0	0	0	0
Other Operations	1,276,499	928	4,205	0	0
Highways	0	0	5,574,991	0	0
Debt Service:					
Principal on Debt	0	0	0	4,638,551	0
Interest on Debt	0	0	0	1,474,445	0
Other Debt Service	0	0	0	85,686	0

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 89,297	\$ 0	\$ 0	\$ 0	\$ 4,859,632
Total Expenditures	\$ 18,571,467	\$ 2,167,723	\$ 5,579,196	\$ 6,198,682	\$ 4,859,632
Excess (Deficiency) of Revenues Over Expenditures	\$ 579,341	\$ (234,919)	\$ (273,792)	\$ 294,219	\$ (4,809,632)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 142,851	\$ 0	\$ 119,012	\$ 0	\$ 0
Transfers In	0	0	0	0	7,754,066
Transfers Out	(7,754,066)	0	(100,842)	(139,000)	(214,158)
Total Other Financing Sources (Uses)	\$ (7,611,215)	\$ 0	\$ 18,170	\$ (139,000)	\$ 7,539,908
Net Change in Fund Balances	\$ (7,031,874)	\$ (234,919)	\$ (255,622)	\$ 155,219	\$ 2,730,276
Fund Balance, July 1, 2022	17,998,013	633,213	1,780,498	6,508,454	397,372
Fund Balance, June 30, 2023	\$ 10,966,139	\$ 398,294	\$ 1,524,876	\$ 6,663,673	\$ 3,127,648

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 229,519		\$ 18,808,809
Licenses and Permits	0		55,976
Fines, Forfeitures, and Penalties	41,817		159,134
Charges for Current Services	738,747		4,176,437
Other Local Revenues	0		998,337
Fees Received From County Officials	0		1,285,363
State of Tennessee	0		6,252,706
Federal Government	486,746		1,078,621
Other Governments and Citizens Groups	2,655		1,616,018
Total Revenues	<u>\$ 1,499,484</u>		<u>\$ 34,431,401</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0		\$ 1,810,753
Finance	723,255		2,004,157
Administration of Justice	2,100		2,039,893
Public Safety	56,182		7,345,427
Public Health and Welfare	0		6,100,115
Social, Cultural, and Recreational Services	0		568,771
Agriculture and Natural Resources	0		284,887
Other Operations	32,377		1,314,009
Highways	0		5,574,991
Debt Service:			
Principal on Debt	0		4,638,551
Interest on Debt	0		1,474,445
Other Debt Service	0		85,686

(Continued)

Exhibit C-3

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

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 1,274,740	\$	6,223,669
Total Expenditures	<u>\$ 2,088,654</u>	<u>\$</u>	<u>39,465,354</u>
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (589,170)	 \$	 <u>(5,033,953)</u>
 <u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$	261,863
Transfers In	454,000		8,208,066
Transfers Out	0		(8,208,066)
Total Other Financing Sources (Uses)	<u>\$ 454,000</u>	<u>\$</u>	<u>261,863</u>
 Net Change in Fund Balances	 \$ (135,170)	 \$	 (4,772,090)
Fund Balance, July 1, 2022	<u>684,152</u>		<u>28,001,702</u>
 Fund Balance, June 30, 2023	 <u>\$ 548,982</u>	 <u>\$</u>	 <u>23,229,612</u>

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, 2023

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)		\$ (4,772,090)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their 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	\$ 5,159,519	
Less: current-year depreciation expense	<u>(4,338,429)</u>	821,090
(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		(137,923)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2022	\$ (7,702,206)	
Add: deferred delinquent property taxes and other deferred June 30, 2023	<u>7,140,977</u>	(561,229)
(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 those differences in the treatment of long-term debt and related items.		
Add: change in premium on debt issuances	\$ 141,759	
Less: change in deferred amount on refunding debt	(24,102)	
Add: principal payments on notes	1,058,835	
Add: principal payments on bonds	3,340,784	
Add: principal payments on other loans	<u>238,932</u>	4,756,208
(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 compensated absences payable	\$ 10,239	
Change in landfill postclosure care costs	164,239	
Change in net OPEB liability	144,646	
Change in accrued interest payable	24,014	
Change in deferred outflows of resources related to pensions	860,805	
Change in deferred outflows of resources related to OPEB	(11,832)	
Change in deferred inflows of resources related to pensions	5,058,884	
Change in deferred inflows of resources related to OPEB	(113,115)	
Change in net pension asset	<u>(5,299,948)</u>	<u>837,932</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 943,988</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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 11,015,216	\$ 0	\$ 11,015,216	\$ 10,733,604	\$ 10,733,604	\$ 281,612
Licenses and Permits	55,976	0	55,976	59,295	59,295	(3,319)
Fines, Forfeitures, and Penalties	117,317	0	117,317	125,253	125,253	(7,936)
Charges for Current Services	2,123,565	0	2,123,565	2,322,267	2,322,267	(198,702)
Other Local Revenues	616,068	0	616,068	120,750	121,902	494,166
Fees Received From County Officials	1,285,363	0	1,285,363	1,251,155	1,251,155	34,208
State of Tennessee	3,045,149	0	3,045,149	2,837,454	3,525,331	(480,182)
Federal Government	591,875	0	591,875	477,375	778,409	(186,534)
Other Governments and Citizens Groups	300,279	0	300,279	100,000	179,356	120,923
Total Revenues	\$ 19,150,808	\$ 0	\$ 19,150,808	\$ 18,027,153	\$ 19,096,572	\$ 54,236
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 146,393	\$ 0	\$ 146,393	\$ 168,872	\$ 168,872	\$ 22,479
Beer Board	1,231	0	1,231	2,083	2,083	852
County Mayor/Executive	262,621	0	262,621	268,654	268,654	6,033
County Attorney	50,929	0	50,929	52,247	52,247	1,318
Election Commission	304,445	0	304,445	364,382	377,587	73,142
Register of Deeds	304,008	0	304,008	304,080	307,616	3,608
County Buildings	673,630	(1,287)	672,343	593,458	746,934	74,591
Preservation of Records	67,496	0	67,496	72,811	88,590	21,094
<u>Finance</u>						
Accounting and Budgeting	435,423	0	435,423	478,279	450,212	14,789
Purchasing	22,514	0	22,514	0	40,540	18,026
Property Assessor's Office	395,606	(245)	395,361	413,275	413,275	17,914
County Trustee's Office	92,869	0	92,869	96,671	108,671	15,802

(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 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
County Clerk's Office	\$ 139,593	\$ 0	\$ 139,593	\$ 154,297	\$ 170,392	\$ 30,799
Data Processing	194,897	0	194,897	285,518	285,518	90,621
<u>Administration of Justice</u>						
Circuit Court	691,158	(400)	690,758	799,478	844,778	154,020
General Sessions Court	379,414	0	379,414	386,862	398,462	19,048
Chancery Court	403,023	0	403,023	430,641	442,641	39,618
Juvenile Court	242,325	0	242,325	250,527	263,027	20,702
Other Administration of Justice	46,194	0	46,194	33,219	73,454	27,260
Courtroom Security	144,397	0	144,397	176,777	176,777	32,380
Victim Assistance Programs	131,282	0	131,282	162,000	166,335	35,053
<u>Public Safety</u>						
Sheriff's Department	3,506,998	(8,000)	3,498,998	4,225,588	4,268,688	769,690
Jail	2,739,990	0	2,739,990	3,145,081	3,528,562	788,572
Workhouse	58,463	0	58,463	58,500	58,500	37
Work Release Program	48,212	0	48,212	65,464	65,464	17,252
Fire Prevention and Control	2,000	0	2,000	2,000	2,000	0
Civil Defense	21,517	0	21,517	34,717	34,717	13,200
Rescue Squad	412,500	0	412,500	412,500	412,500	0
Other Emergency Management	339,245	0	339,245	339,245	339,245	0
County Coroner/Medical Examiner	160,320	0	160,320	104,151	179,151	18,831
<u>Public Health and Welfare</u>						
Local Health Center	151,484	0	151,484	156,113	160,113	8,629
Rabies and Animal Control	87,500	0	87,500	87,500	87,500	0
Ambulance/Emergency Medical Services	2,804,523	(795)	2,803,728	2,998,401	3,028,225	224,497
Alcohol and Drug Programs	171,411	0	171,411	157,166	174,383	2,972

(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 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Other Local Health Services	\$ 116,393	\$ 0	\$ 116,393	\$ 172,846	\$ 657,846	\$ 541,453
Appropriation to State	499,818	0	499,818	525,011	578,211	78,393
Other Public Health and Welfare	102,191	0	102,191	89,102	102,192	1
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	62,957	0	62,957	30,000	80,000	17,043
Libraries	438,609	0	438,609	445,835	537,725	99,116
Other Social, Cultural, and Recreational	67,205	0	67,205	67,500	67,500	295
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	205,188	(100)	205,088	175,007	208,707	3,619
Soil Conservation	79,699	0	79,699	63,720	80,878	1,179
<u>Other Operations</u>						
Tourism	53,400	0	53,400	56,400	56,400	3,000
Industrial Development	243,102	0	243,102	205,479	243,102	0
Airport	69,000	0	69,000	69,000	69,000	0
Veterans' Services	136,291	0	136,291	144,759	150,297	14,006
Other Charges	647,126	0	647,126	605,446	650,507	3,381
COVID-19 Grant #10	28,587	0	28,587	24,250	34,550	5,963
Miscellaneous	98,993	0	98,993	120,000	120,000	21,007
<u>Capital Projects</u>						
General Administration Projects	24,797	0	24,797	25,000	25,000	203
Public Utility Projects	64,500	0	64,500	0	64,500	0
Total Expenditures	\$ 18,571,467	\$ (10,827)	\$ 18,560,640	\$ 20,099,912	\$ 21,912,128	\$ 3,351,488
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 579,341	\$ 10,827	\$ 590,168	\$ (2,072,759)	\$ (2,815,556)	\$ 3,405,724

(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 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 142,851	\$ 0	\$ 142,851	\$ 70,000	\$ 189,975	\$ (47,124)
Transfers In	0	0	0	4,287,033	8,574,066	(8,574,066)
Transfers Out	(7,754,066)	0	(7,754,066)	(7,754,066)	(7,892,298)	138,232
Total Other Financing Sources	<u>\$ (7,611,215)</u>	<u>\$ 0</u>	<u>\$ (7,611,215)</u>	<u>\$ (3,397,033)</u>	<u>\$ 871,743</u>	<u>\$ (8,482,958)</u>
Net Change in Fund Balance	\$ (7,031,874)	\$ 10,827	\$ (7,021,047)	\$ (5,469,792)	\$ (1,943,813)	\$ (5,077,234)
Fund Balance, July 1, 2022	<u>17,998,013</u>	<u>(10,827)</u>	<u>17,987,186</u>	<u>12,417,410</u>	<u>12,417,410</u>	<u>5,569,776</u>
Fund Balance, June 30, 2023	<u>\$ 10,966,139</u>	<u>\$ 0</u>	<u>\$ 10,966,139</u>	<u>\$ 6,947,618</u>	<u>\$ 10,473,597</u>	<u>\$ 492,542</u>

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 and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 394,907	\$ 383,452	\$ 383,452	\$ 11,455
Charges for Current Services	1,314,125	1,225,516	1,225,516	88,609
Other Local Revenues	196,786	177,200	177,200	19,586
Other Governments and Citizens Groups	26,986	23,000	23,000	3,986
Total Revenues	<u>\$ 1,932,804</u>	<u>\$ 1,809,168</u>	<u>\$ 1,809,168</u>	<u>\$ 123,636</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Landfill Operation and Maintenance	\$ 2,166,795	\$ 2,086,634	\$ 2,192,624	\$ 25,829
<u>Other Operations</u>				
Industrial Development	928	0	928	0
Total Expenditures	<u>\$ 2,167,723</u>	<u>\$ 2,086,634</u>	<u>\$ 2,193,552</u>	<u>\$ 25,829</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (234,919)</u>	<u>\$ (277,466)</u>	<u>\$ (384,384)</u>	<u>\$ 149,465</u>
Net Change in Fund Balance	\$ (234,919)	\$ (277,466)	\$ (384,384)	\$ 149,465
Fund Balance, July 1, 2022	633,213	629,767	629,767	3,446
Fund Balance, June 30, 2023	<u>\$ 398,294</u>	<u>\$ 352,301</u>	<u>\$ 245,383</u>	<u>\$ 152,911</u>

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

Exhibit C-7

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 1,840,214	\$ 0	\$ 1,840,214	\$ 1,806,182	\$ 1,806,182	\$ 34,032
Other Local Revenues	100,479	0	100,479	0	98,769	1,710
State of Tennessee	3,207,557	0	3,207,557	2,985,883	2,982,663	224,894
Other Governments and Citizens Groups	157,154	0	157,154	0	155,973	1,181
Total Revenues	\$ 5,305,404	\$ 0	\$ 5,305,404	\$ 4,792,065	\$ 5,043,587	\$ 261,817
Expenditures						
Other Operations						
Industrial Development	\$ 4,205	\$ 0	\$ 4,205	\$ 0	\$ 4,206	\$ 1
Highways						
Administration	295,444	(995)	294,449	318,600	318,626	24,177
Highway and Bridge Maintenance	4,083,560	(18,035)	4,065,525	3,632,668	4,312,215	246,690
Operation and Maintenance of Equipment	846,099	(3,318)	842,781	796,365	869,386	26,605
Other Charges	129,274	0	129,274	131,050	131,050	1,776
Capital Outlay	220,614	0	220,614	620,000	220,680	66
Total Expenditures	\$ 5,579,196	\$ (22,348)	\$ 5,556,848	\$ 5,498,683	\$ 5,856,163	\$ 299,315
Excess (Deficiency) of Revenues Over Expenditures	\$ (273,792)	\$ 22,348	\$ (251,444)	\$ (706,618)	\$ (812,576)	\$ 561,132
Other Financing Sources (Uses)						
Insurance Recovery	\$ 119,012	\$ 0	\$ 119,012	\$ 0	\$ 119,012	\$ 0
Transfers Out	(100,842)	0	(100,842)	(113,333)	(327,509)	226,667
Total Other Financing Sources	\$ 18,170	\$ 0	\$ 18,170	\$ (113,333)	\$ (208,497)	\$ 226,667
Net Change in Fund Balance	\$ (255,622)	\$ 22,348	\$ (233,274)	\$ (819,951)	\$ (1,021,073)	\$ 787,799
Fund Balance, July 1, 2022	1,780,498	(22,348)	1,758,150	1,840,001	1,840,001	(81,851)
Fund Balance, June 30, 2023	\$ 1,524,876	\$ 0	\$ 1,524,876	\$ 1,020,050	\$ 818,928	\$ 705,948

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

Exhibit D-1

Lawrence County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,956,924
Equity in Pooled Cash and Investments	115,694
Accounts Receivable	1,641
Due from Other Governments	<u>1,252,561</u>
Total Assets	<u>\$ 3,326,820</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 2,152
Due to Other Taxing Units	<u>1,252,561</u>
Total Liabilities	<u>\$ 1,254,713</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 2,072,107</u>
Total Net Position	<u><u>\$ 2,072,107</u></u>

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

Exhibit D-2

Lawrence County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 7,021,724
Fines/Fees and Other Collections	8,336,754
Drug Task Force Collections	88,584
District Attorney General Collections	<u>12,187</u>
Total Additions	<u>\$ 15,459,249</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 7,021,724
Payments to State	5,901,218
Payments to Cities	51,694
Payments to Individuals and Others	1,930,161
Payment of Drug Task Force Expenses	106,510
Payment of District Attorney General Expenses	<u>8,656</u>
Total Deductions	<u>\$ 15,019,963</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 439,286
Net Position, July 1, 2022	<u>1,632,821</u>
Net Position, June 30, 2023	<u><u>\$ 2,072,107</u></u>

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

LAWRENCE COUNTY, TENNESSEE
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LAWRENCE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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

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

Lawrence County issues all debt for the discretely presented Lawrence County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2023.

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. 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 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. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

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.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions related to the disposal of Lawrence County’s solid waste. Local taxes and general service charges are the foundational revenues of this 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.

General Capital Projects Fund - The General Capital Projects Fund is used to account for the financial resources accumulated and payments for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Lawrence County reports the following fund types:

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.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Lawrence County, funds 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.

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

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

School Federal Projects Fund – This special revenue 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.

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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; the State Treasurer's Intermediate Term Investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Lawrence County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Lawrence County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, 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. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that

is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Lawrence County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value.

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 uncollectible. Ambulance and solid waste receivables allowance for uncollectible is based on historical collection data. The allowance for uncollectible property taxes is less than 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 a 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.

Retainage payable in the primary government's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

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. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Lawrence County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Lawrence County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Lawrence County School Department has not withdrawn any funds from the trust to pay pension costs. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. 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

6. 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. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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. These items are for a deferred charge on refunding, pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension changes in investment earnings, pension and OPEB changes in proportionate share, and employer contributions made to the pension and OPEB plans after the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension and OPEB changes in experience, pension and OPEB changes

in proportionate share, OPEB changes in assumptions, and various receivables for revenues which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. 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.

8. Long-term Debt and 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 and unamortized premium on debt, 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.

9. 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, 2023, Lawrence County had \$28,968,087 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, and shall remain binding unless removed in the same manner.

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 has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

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 Pension 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 Pension 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 Pension 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 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

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 and the school department's Internal School Fund (special revenue funds), which are not budgeted. 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, 2023, the Lawrence County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
School Department:	
Major Fund:	
General Purpose School	\$ 2,061,442

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Lawrence County and the 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(s) nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three 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 90 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 fair 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.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

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, the State Treasurer’s Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer’s Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer’s Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. 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.

Investment Balances. As of June 30, 2023, Lawrence County had the following investments carried at fair value within the fair value hierarchy established by generally accepted accounting principles. Except for the investment in State of Tennessee bonds, all investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Lawrence County and the discretely presented Lawrence County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Maturities	Fair Value
Investments at Fair Value:			
U.S. Treasury Bills	N/A	Various	\$ 20,565,746

Investment by Fair Value Level	Fair Value 6-30-23	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury Bills	\$ 20,565,746	\$ 20,565,746	\$ 0	\$ 0

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Lawrence County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

TCRS Stabilization Trust

Legal Provisions. The Lawrence County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by 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 trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Lawrence County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2023, the Lawrence County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 146,342
Developed Market International Equity	N/A	N/A	66,090
Emerging Market International Equity	N/A	N/A	18,883
U.S. Fixed Income	N/A	N/A	94,414
Real Estate	N/A	N/A	47,207
Short-term Securities	N/A	N/A	4,720
NAV - Private Equity and Strategic Lending	N/A	N/A	94,414
 Total			\$ 472,070

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag20045.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

Primary Government - Governmental Activities:

	Balance				Balance
	7-1-22	Increases	Decreases		6-30-23
Capital Assets Not Depreciated:					
Land	\$ 1,315,719	\$ 0	\$ 0	\$	1,315,719
Construction in Progress	114,447	2,863,309	0		2,977,756
Total Capital Assets Not Depreciated	\$ 1,430,166	\$ 2,863,309	\$ 0	\$	4,293,475
Capital Assets Depreciated:					
Buildings and Improvements	\$ 42,229,408	\$ 40,668	\$ 0	\$	42,270,076
Infrastructure	83,464,616	340,046	0		83,804,662
Other Capital Assets	15,983,999	1,915,496	(799,923)		17,099,572
Total Capital Assets Depreciated	\$ 141,678,023	\$ 2,296,210	\$ (799,923)	\$	143,174,310
Less Accumulated Depreciation For:					
Buildings and Improvements	\$ 10,650,433	\$ 1,040,354	\$ 0	\$	11,690,787
Infrastructure	72,620,270	2,298,669	0		74,918,939
Other Capital Assets	11,545,786	999,406	(662,000)		11,883,192
Total Accumulated Depreciation	\$ 94,816,489	\$ 4,338,429	\$ (662,000)	\$	98,492,918
Total Capital Assets Depreciated, Net	\$ 46,861,534	\$ (2,042,219)	\$ (137,923)	\$	44,681,392
Governmental Activities Capital Assets, Net	\$ 48,291,700	\$ 821,090	\$ (137,923)	\$	48,974,867

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

Governmental Activities:

General Government	\$ 964,043
Finance	15,780
Public Safety	281,402
Public Health and Welfare	429,906
Social, Cultural, and Recreational Services	75,524
Agriculture and Natural Resources	2,662
Other Operations	128
Highways	<u>2,568,984</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,338,429</u>

Net Investment in Capital Assets

Capital Assets	\$ 48,974,867
Less:	
Outstanding principal of capital debt and other capital borrowings	(6,580,711)
Outstanding principal balance of debt and other borrowing used to refund capital-related debt	(14,310,750)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(596,651)</u>
Net Investment in Capital Assets	<u>\$ 27,486,755</u>

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

	Balance			Balance
	7-1-22	Increases	Decreases	6-30-23
Capital Assets Not Depreciated:				
Land	\$ 1,443,954	\$ 160,590	\$ 0	\$ 1,604,544
Construction in Progress	11,143,828	16,322,368	(7,877,135)	19,589,061
Total Capital Assets Not Depreciated	\$ 12,587,782	\$ 16,482,958	\$ (7,877,135)	\$ 21,193,605
Capital Assets Depreciated:				
Buildings and Improvements	\$ 65,653,824	\$ 8,829,732	\$ 0	\$ 74,483,556
Other Capital Assets	17,888,208	1,756,627	(273,575)	19,371,260
Total Capital Assets Depreciated	\$ 83,542,032	\$ 10,586,359	\$ (273,575)	\$ 93,854,816
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 39,131,696	\$ 1,616,081	\$ 0	\$ 40,747,777
Other Capital Assets	11,693,348	1,208,960	(273,575)	12,628,733
Total Accumulated Depreciation	\$ 50,825,044	\$ 2,825,041	\$ (273,575)	\$ 53,376,510
Total Capital Assets Depreciated, Net	\$ 32,716,988	\$ 7,761,318	\$ 0	\$ 40,478,306
Governmental Activities Capital Assets, Net	\$ 45,304,770	\$ 24,244,276	\$ (7,877,135)	\$ 61,671,911

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

Governmental Activities:

Instruction	\$ 2,253,802
Support Services	438,269
Operation of Non-instructional Services	<u>132,970</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,825,041</u>

C. Construction Commitments

On June 30, 2023, Lawrence County had uncompleted construction contracts of approximately \$527,846 in the General Capital Projects Fund for building construction/renovations. Lawrence County transferred funds from the General Fund to fund these construction contracts. Also, the county had uncompleted construction contracts of \$917,433 in the Industrial/Economic Development Fund for waterline extensions to be funded with future grant funds.

On June 30, 2023, Lawrence County School Department had uncompleted construction contracts of approximately \$397,221 in the Education Capital Projects Fund for building construction/renovations. Lawrence County issued general obligation bonds to fund these construction contracts. Any additional funding required for these future expenditures will be provided from the General Purpose School Fund.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
Nonmajor governmental	General	\$ 64,500
Discretely Presented School Department:		
Central Cafeteria	School Federal Projects	63,657

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Capital Projects Fund	Nonmajor governmental funds	
General Fund	\$ 7,754,066	\$ 0	Capital expenditures
Highway/Public Works Fund	0	100,842	"
General Debt Service Fund	0	139,000	"
General Capital Projects Fund	0	214,158	"
Total	\$ 7,754,066	\$ 454,000	

Discretely Presented Lawrence County School Department

Transfer Out	Transfer In	
	General Purpose School Fund	Purpose
School Federal Projects Fund	\$ 217,041	Indirect costs
Total	\$ 217,041	

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. Long-term Debt

Primary Government

General Obligation Bonds, Notes and Other Loans

General Obligation Bonds – Lawrence County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department.

In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements – Lawrence County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 12 years for notes and up to 13 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds	1.6 to 3.38 %	10-1-44	\$ 36,275,000	\$ 30,360,000
General Obligation Bonds - Refunding	1.26 to 2.7	4-1-37	24,465,000	15,790,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	1.83	12-1-26	3,500,000	1,275,000
Other Loans - Fixed rate	1.5	11-1-32	3,044,529	2,434,548

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2023, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 3,185,000	\$ 1,290,314	\$ 4,475,314
2025	3,285,000	1,187,978	4,472,978
2026	3,385,000	1,086,578	4,471,578
2027	2,855,000	994,825	3,849,825
2028	2,945,000	906,598	3,851,598
2029-2033	13,885,000	3,214,309	17,099,309
2034-2038	8,930,000	1,540,965	10,470,965
2039-2043	5,335,000	686,536	6,021,536
2044-2045	2,345,000	64,723	2,409,723
Total	\$ 46,150,000	\$ 10,972,826	\$ 57,122,826

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2024	\$ 310,000	\$ 24,418	\$ 334,418
2025	315,000	17,972	332,972
2026	320,000	11,025	331,025
2027	330,000	3,711	333,711
Total	\$ 1,275,000	\$ 57,126	\$ 1,332,126

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2024	\$ 242,532	\$ 34,512	\$ 277,044
2025	246,192	30,852	277,044
2026	249,912	27,132	277,044
2027	253,692	23,352	277,044
2028	257,520	19,524	277,044
2029-2033	1,184,700	38,877	1,223,577
Total	\$ 2,434,548	\$ 174,249	\$ 2,608,797

There is \$6,663,673 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,045, based on the 2020 federal census. Total debt per capita, including bonds, notes, other loans, and unamortized debt premiums, totaled \$1,176, based on the 2020 federal census.

During the year, the school department contributed \$1,128,944 to service some of the debt issued on its behalf by the primary government.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

Governmental Activities:	Unamortized	
	Bonds	Premium on Debt
Balance, July 1, 2022	\$ 49,490,784	\$ 2,223,742
Reductions	(3,340,784)	(141,759)
Balance, June 30, 2023	<u>\$ 46,150,000</u>	<u>\$ 2,081,983</u>
Balance Due Within One Year	<u>\$ 3,185,000</u>	<u>\$ 141,759</u>

Governmental Activities:	Other	
	Notes - Direct Placement	Loans - Direct Placement
Balance, July 1, 2022	\$ 2,333,835	\$ 2,673,480
Reductions	(1,058,835)	(238,932)
Balance, June 30, 2023	<u>\$ 1,275,000</u>	<u>\$ 2,434,548</u>
Balance Due Within One Year	<u>\$ 310,000</u>	<u>\$ 242,532</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 51,941,531
Less: Balance Due Within One Year - Debt	<u>(3,879,291)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 48,062,240</u>

F. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2022	\$ 744,780	\$ 658,491	\$ 425,013
Additions	946,762	0	75,789
Reductions	(957,001)	(164,239)	(220,435)
Balance, June 30, 2023	<u>\$ 734,541</u>	<u>\$ 494,252</u>	<u>\$ 280,367</u>
Balance Due Within One Year	<u>\$ 734,541</u>	<u>\$ 5,000</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2023	\$ 1,509,160
Less: Balance Due Within One Year - Other	<u>(739,541)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 769,619</u>

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

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, 2023, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2022	\$ 81,488	\$ 13,262,443
Additions	80,630	1,887,068
Reductions	(81,281)	(2,334,752)
Balance, June 30, 2023	<u>\$ 80,837</u>	<u>\$ 12,814,759</u>
Balance Due Within One Year	<u>\$ 80,837</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2023	\$ 12,895,596
Less: Balance Due Within One Year - Other	<u>(80,837)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 12,814,759</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 Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2023, totaled \$217,803. 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 \$250,000 for property and \$450,000 for liability for each insured event.

Lawrence County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under provisions of Section 29-20-401, *Tennessee Code Annotated*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

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 Annual Comprehensive 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 Annual Comprehensive 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

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

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. Changes in Administration

On August 31, 2022, T. R. Williams left the Office of County Executive and was succeeded by David Morgan, Donnie Joe Brown left the Office of Road Superintendent and was succeeded by Ryan Krick, Chuck Kizer left the Office of County Clerk and was succeeded by Russ Brewer, and Debbie Riddle left the Office of Circuit, General Sessions and Juvenile Courts Clerk and was succeeded by Tommy Lee Kidd.

On December 1, 2022, Teresa Purcell left the Office of Director of Accounts and Budgets and was succeeded by Brandi Williams on December 20, 2022.

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Lawrence County closed its sanitary landfill in 2001. The \$494,252 reported as postclosure care liability on June 30, 2023, represents amounts based on what it would cost to perform all postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

Lawrence County and the city of Lawrenceburg jointly operate the Lawrenceburg-Lawrence County Airport. A six-member board, including three appointees from the county and three from the city, governs the Lawrenceburg-Lawrence County Airport. Lawrence County has control over budgeting and financing the joint venture only to the extent of representation by the three members appointed. Lawrence County contributed \$69,000 to the operations of the joint venture during the year ended June 30, 2023.

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 \$243,102 to the Lawrence County Joint Economic Development Board during the year ended June 30, 2023.

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, 2023.

Lawrence County does not retain an equity interest in any of the above-noted joint ventures. Complete financial statements for the Lawrenceburg-Lawrence County Airport, the Lawrence County Joint Economic Development Board, and the DTF can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

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

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

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

G. Jointly Governed Organization

Lawrence County, in conjunction with Giles and Maury counties, created the Tennessee Southern Railroad Authority (TSRA). The TSRA's board includes the Lawrence County Executive and county executive/mayor of Giles and Maury counties, a representative appointed by the respective county commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Lawrence County did not appropriate any funds to the authority for the year ended June 30, 2023.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Lawrence County and non-certified employees of the discretely presented Lawrence County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 70.02 percent, the non-certified employees of the discretely presented school department comprise 29.98 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	376
Inactive Employees Entitled To But Not Yet Receiving	
Benefits	573
Active Employees	603
 Total	 <u>1,552</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 to the plan. 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, 2023, the employer contributions for Lawrence County were \$811,695 based on a rate of 5.35 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, 2022, 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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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, 2021	\$ 61,816,183	\$ 72,346,792	\$ (10,530,609)
Changes for the Year:			
Service Cost	\$ 1,669,810	\$ 0	\$ 1,669,810
Interest	4,192,152	0	4,192,152
Differences Between Expected and Actual Experience	1,595,906	0	1,595,906
Contributions-Employer	0	354,561	(354,561)
Contributions-Employees	0	894,198	(894,198)
Net Investment Income	0	(2,737,712)	2,737,712
Benefit Payments, Including Refunds of Employee Contributions	(2,760,070)	(2,760,070)	0
Administrative Expense	0	(57,133)	57,133
Net Changes	\$ 4,697,798	\$ (4,306,156)	\$ 9,003,954
Balance, June 30, 2022	\$ 66,513,981	\$ 68,040,636	\$ (1,526,655)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	70.02%	\$ 46,573,089	\$ 47,642,053	\$ (1,068,964)
School Department	29.98%	19,940,892	20,398,583	(457,691)
Total		\$ 66,513,981	\$ 68,040,636	\$ (1,526,655)

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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Lawrence County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 7,798,278 \$ (1,526,655) \$ (9,183,092)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, Lawrence County recognized pension expense (negative pension expense) of \$862,798.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 1,276,725	\$ 502,561
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	114,889	0
Changes in Assumptions	3,406,003	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	811,695	N/A
Total	<u>\$ 5,609,312</u>	<u>\$ 502,561</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the following fiscal period.

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

		Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	70.02%	\$ 3,952,995	\$ 351,893
School Department	29.98%	1,656,317	150,668
Total		<u>\$ 5,609,312</u>	<u>\$ 502,561</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
2024	\$ 806,754
2025	865,370
2026	790,112
2027	1,832,820
2028	0
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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 70.02 percent and the non-certified employees of the discretely presented school department comprise 29.98 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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 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 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, 2023, to the Teacher Retirement Plan were \$80,330, which is 2.87 percent of covered payroll. In addition, employer contributions of \$79,531, which is 1.13 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$116,190) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was 0.383560 percent. The proportion as of June 30, 2021, was 0.341902 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the Lawrence County School Department recognized pension expense (negative pension expense) of \$159,726.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department reported deferred

outflows 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	\$ 6,353	\$ 70,593
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	36,624	0
Changes in Assumptions	136,111	0
Changes in Proportion of Net Pension Liability (Asset)	10,653	58,046
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	80,330	N/A
Total	<u>\$ 270,071</u>	<u>\$ 128,639</u>

The school department's employer contributions of \$80,330, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ (1,814)
2025	(1,441)
2026	(7,459)
2027	56,331
2028	2,248
Thereafter	13,237

Actuarial Assumptions. The total pension liability as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 net pension liability (asset) of Lawrence County calculated using the discount rate of 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 609,930 \$ (116,190) \$ (646,481)

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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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.

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, 2023, to the Teacher Legacy Pension Plan were \$1,976,888, which is 10.16 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). On June 30, 2023, the school department reported a liability (asset) of (\$9,325,640) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was 0.760404 percent. The proportion measured on June 30, 2021, was 0.791206 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$114,672.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 1,534,033	\$ 1,575,750
Changes in Assumptions	5,842,064	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	159,464	0
Changes in Proportion of Net Pension Liability (Asset)	388,261	162,640
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	1,976,888	N/A
	<hr/>	<hr/>
Total	<u>\$ 9,900,710</u>	<u>\$ 1,738,390</u>

The school department's employer contributions of \$1,976,888 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ 967,296
2025	1,791,919
2026	(1,495,848)
2027	4,922,065
2028	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 as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income Real Estate	6.57	20
Short-term Securities	1.20	20
	4.38	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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 net pension liability (asset) of Lawrence County calculated using the discount rate of 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 18,470,878 \$ (9,325,640) \$ (32,478,293)

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 \$375,881 and teachers contributed \$187,355 to this deferred compensation pension plan.

I. 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 include OPEB 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 meet the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of Lawrence County are provided healthcare under a Local Government Plan (LGP) until they reach Medicare eligibility. Likewise, 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 county and the school department’s total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022, 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, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.54 percent, based on an average rating of AA/Aa as shown on the Bond Buyers 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, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, 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, 2016 - June 30, 2020. 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 PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-2020 from 2010. 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, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 7.36 percent to 8.37 percent.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Lawrence County 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.

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, 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, 2022, the following employees were covered by the benefit terms:

	<u>Total</u>
Inactive Employees Currently Receiving Benefit Payments	2
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefits	<u>225</u>
 Total	 <u>227</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, 2023, the county paid \$12,610 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability – As of the Measurement Date

	<u>Lawrence County</u>
Balance July 1, 2021	\$ 425,013
Changes for the Year:	
Service Cost	\$ 46,301
Interest	10,050
Difference between Expected and Actual Experience	(48,986)
Changes in Assumption and Other Inputs	(139,918)
Benefit Payments	<u>(12,093)</u>
Net Changes	<u>\$ (144,646)</u>
 Balance June 30, 2022	 <u>\$ 280,367</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the county recognized negative OPEB expense of (\$7,089). At June 30, 2023, 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	\$ 193,700
Changes of Assumptions/Inputs	56,614	240,848
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2022	<u>12,610</u>	<u>0</u>
Total	<u>\$ 69,224</u>	<u>\$ 434,548</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

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
2024	\$ (63,440)
2025	(63,440)
2026	(63,440)
2027	(61,476)
2028	(50,090)
Thereafter	(76,048)

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:

<u>Discount Rate</u>	Current		
	1% Decrease	Discount Rate	1% Increase
Lawrence County	2.54%	3.54%	4.54%

Total OPEB Liability \$ 304,285 \$ 280,367 \$ 258,274

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:

<u>Healthcare Cost Trend Rate</u>	Current		
	1% Decrease	Trend Rate	1% Increase
Lawrence County	7.37 to 3.5%	8.37 to 4.5%	9.37 to 5.5%

Total OPEB Liability \$ 247,528 \$ 280,367 \$ 319,747

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. The Lawrence County School Department (LCSD) provides post-retirement health care benefits, in accordance with contract provisions, to all employees who retire from the

school department on or after 30 years' service (ten of the 30 with the LCSD) or age 55 (or over) with at least 17 years' service (ten of the 17 with LCSD). The school department pays the cost of individual coverage for accident and health insurance until the individual reaches the age of 65. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided by the state for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees Currently Receiving Benefit Payments	54
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	1
Active Employees Eligible For Benefits	<u>610</u>
Total	<u><u>665</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 \$555,689 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	<u>Share of Collective Liability</u>		
	<u>Lawrence County School Department</u> 71.31%	<u>State of TN</u> 28.69%	<u>Total OPEB Liability</u>
Balance July 1, 2021	\$ 13,262,443	\$ 5,087,429	\$ 18,349,872
Changes for the Year:			
Service Cost	\$ 724,218	\$ 291,371	\$ 1,015,589
Interest	292,753	117,782	410,535
Difference between Expected and Actuarial Experience	417,812	168,096	585,908
Changes in Assumption and Other Inputs	(1,361,269)	(307,901)	(1,669,170)
Benefit Payments	(521,198)	(201,068)	(722,266)
Net Changes	<u>\$ (447,684)</u>	<u>\$ 68,280</u>	<u>\$ (379,404)</u>
Balance June 30, 2022	<u>\$ 12,814,759</u>	<u>\$ 5,155,709</u>	<u>\$ 17,970,468</u>

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 \$426,783 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 71.31 percent and the State of Tennessee's share was 28.69 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$815,533 including the state's share of the expense. At June 30, 2023, 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	\$ 539,339	\$ 1,554,854
Changes of Assumptions/Inputs	1,066,678	2,271,946
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	43,979	1,090,445
Benefits Paid After the Measurement Date of June 30, 2022	<u>555,689</u>	<u>0</u>
Total	<u>\$ 2,205,685</u>	<u>\$ 4,917,245</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

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	School Department
2024	\$ (628,221)
2025	(628,221)
2026	(628,221)
2027	(588,477)
2028	(464,428)
Thereafter	(329,681)

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>	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
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Proportionate Share of the Collective Total OPEB Liability	\$ 13,752,594	\$ 12,814,759	\$ 11,919,532
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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.

<u>Healthcare Cost Trend Rate</u>	1% Decrease 7.37 to 3.5%	Current Rates 8.37 to 4.5%	1% Increase 9.37 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 1,148,503	\$ 12,814,759	\$ 14,353,092
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J. Office of Central Accounting and Budgeting

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

K. Purchasing Laws

Office of Central Purchasing

Purchasing procedures for the Office of County Executive and the highway department are governed by the County Purchasing Law of 1957, Section 5-14-101 et seq., *Tennessee Code Annotated (TCA)*. Purchases for the highway department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. Section 5-14-101 et seq., *TCA*, provides for a purchasing agent, appointed by the county executive and approved by the Lawrence County Commission, to make all purchases. Effective September 24, 2013, the Lawrence County Commission added the duties of the purchasing agent to the director of accounts and budgets. This statute also provides for a County

Purchasing Committee to assist the purchasing agent in the determination of overall purchasing policies. These statutes require all purchases exceeding \$25,000 to be made on the basis of publicly advertised competitive bids. Additionally, the county commission requires three quotes for purchases over \$10,000.

Office of Director of Schools

Purchasing procedures for the Lawrence County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000. Additionally, the Board of Education requires three quotes for all purchases less than \$25,000 (whenever possible), and competitive bids on all purchases made from federal grant funds exceeding \$5,000.

L. Subsequent Event

On August 25, 2023, Lawrence County issued capital outlay notes totaling \$2,000,000 for county capital projects.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 1,271,060	\$ 1,211,026	\$ 1,232,011	\$ 1,265,829	\$ 1,353,325	\$ 1,341,143	\$ 1,407,715	\$ 1,393,087	\$ 1,669,810
Interest	2,948,844	3,048,419	3,165,275	3,352,588	3,489,668	3,613,810	3,777,259	3,893,867	4,192,152
Differences Between Actual and Expected Experience	(787,746)	(607,124)	159,180	(394,656)	(875,115)	(190,218)	(902,119)	(172,788)	1,595,906
Changes of Assumptions	0	0	0	1,226,363	0	0	0	5,676,671	0
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(2,183,175)	(2,047,274)	(2,138,286)	(2,072,594)	(2,414,198)	(2,739,495)	(2,580,164)	(2,760,070)
Net Change in Total Pension Liability	\$ 1,526,452	\$ 1,469,146	\$ 2,509,192	\$ 3,311,838	\$ 1,895,284	\$ 2,350,537	\$ 1,543,360	\$ 8,210,673	\$ 4,697,798
Total Pension Liability, Beginning	38,999,701	40,526,153	41,995,299	44,504,491	47,816,329	49,711,613	52,062,150	53,605,510	61,816,183
Total Pension Liability, Ending (a)	\$ 40,526,153	\$ 41,995,299	\$ 44,504,491	\$ 47,816,329	\$ 49,711,613	\$ 52,062,150	\$ 53,605,510	\$ 61,816,183	\$ 66,513,981
Plan Fiduciary Net Position									
Contributions - Employer	\$ 1,393,943	\$ 1,320,163	\$ 1,397,768	\$ 1,433,034	\$ 1,450,213	\$ 1,490,029	\$ 1,083,294	\$ 1,127,462	\$ 354,561
Contributions - Employee	676,878	676,371	961,918	448,058	743,238	766,540	774,283	812,302	894,198
Net Investment Income	5,879,061	1,271,681	1,129,720	4,952,304	4,028,396	3,908,335	2,769,114	14,906,860	(2,737,712)
Benefit Payments, Including Refunds of Employee Contributions	(1,905,706)	(2,183,175)	(2,047,274)	(2,138,286)	(2,072,594)	(2,414,198)	(2,739,495)	(2,580,164)	(2,760,070)
Administrative Expense	(22,110)	(28,821)	(43,608)	(48,925)	(54,409)	(49,937)	(49,962)	(50,733)	(57,133)
Other	0	0	0	(25)	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 6,022,066	\$ 1,056,219	\$ 1,398,524	\$ 4,646,160	\$ 4,094,844	\$ 3,700,769	\$ 1,837,234	\$ 14,215,727	\$ (4,306,156)
Plan Fiduciary Net Position, Beginning	35,375,249	41,397,315	42,453,534	43,852,058	48,498,218	52,593,062	56,293,831	58,131,065	72,346,792
Plan Fiduciary Net Position, Ending (b)	\$ 41,397,315	\$ 42,453,534	\$ 43,852,058	\$ 48,498,218	\$ 52,593,062	\$ 56,293,831	\$ 58,131,065	\$ 72,346,792	\$ 68,040,636
Net Pension Liability (Asset), Ending (a - b)	\$ (871,162)	\$ (458,235)	\$ 652,433	\$ (681,889)	\$ (2,881,449)	\$ (4,231,681)	\$ (4,525,555)	\$ (10,530,609)	\$ (1,526,655)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.15%	101.09%	98.53%	101.43%	105.80%	108.13%	108.44%	117.04%	102.30%
Covered Payroll	\$ 13,507,051	\$ 13,508,240	\$ 14,307,019	\$ 14,667,955	\$ 14,843,552	\$ 15,251,089	\$ 15,475,580	\$ 16,245,751	\$ 17,728,166
Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.45%	3.39%	4.56%	(4.65)%	(19.41)%	(27.75)%	(29.24)%	(64.82)%	(8.61)%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the 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	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 1,393,943	\$ 1,320,163	\$ 1,397,768	\$ 1,433,034	\$ 1,450,213	\$ 1,490,029	\$ 1,075,556	\$ 1,127,462	\$ 319,105	\$ 811,695
Less: Contributions in Relation to the Actuarially Determined Contribution	(1,393,943)	(1,320,163)	(1,397,768)	(1,433,034)	(1,450,213)	(1,490,029)	(1,083,294)	(1,127,462)	(354,561)	(811,695)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (7,738)	\$ 0	\$ (35,456)	\$ 0
Covered Payroll	\$ 13,507,051	\$ 13,508,240	\$ 14,307,019	\$ 14,667,955	\$ 14,843,552	\$ 15,251,089	\$ 15,475,580	\$ 16,245,751	\$ 17,728,166	\$ 45,094,167
Contributions as a Percentage of Covered Payroll	10.32%	9.77%	9.77%	9.77%	9.77%	9.77%	7.00%	6.94%	2.00%	5.35%

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the 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	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 13,833	\$ 48,374	\$ 81,585	\$ 98,331	\$ 65,843	\$ 78,006	\$ 99,675	\$ 131,656	\$ 80,330
Less: Contributions in Relation to the Contractually Required Contribution	(13,833)	(48,374)	(81,585)	(98,331)	(65,843)	(78,006)	(99,675)	(131,656)	(80,330)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 345,812	\$ 1,209,349	\$ 1,937,690	\$ 2,493,546	\$ 3,393,963	\$ 3,842,677	\$ 4,934,380	\$ 6,550,107	\$ 3,996,533
Contributions as a Percentage of Covered Payroll	4%	4%	4%	4%	1.94%	2.03%	2.02%	2.01%	2.87%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%
 2020: Pension - 2.03%, SRT - 1.97%
 2021: Pension - 2.02%, SRT - 1.98%
 2022: Pension - 2.01%, SRT - 1.99%
 2023: Pension - 2.87%, SRT - 1.13%

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	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 2,266,972	\$ 2,284,174	\$ 2,269,765	\$ 2,287,823	\$ 2,278,712	\$ 2,569,550	\$ 2,639,259	\$ 2,666,988	\$ 2,577,517	\$ 1,976,888
Less: Contributions in Relation to the Contractually Required Contribution	(2,266,972)	(2,284,174)	(2,269,765)	(2,287,823)	(2,278,712)	(2,569,550)	(2,639,259)	(2,666,988)	(2,577,517)	(1,976,888)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 25,528,961	\$ 25,267,416	\$ 25,108,537	\$ 25,409,660	\$ 25,060,676	\$ 24,565,513	\$ 24,828,382	\$ 25,968,707	\$ 24,957,991	\$ 19,193,087
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.33%	10.16%

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.166438%	0.274849%	0.310756%	0.281306%	0.320728%	0.304509%	0.341902%	0.383560%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (6,696)	\$ (28,613)	\$ (81,990)	\$ (127,580)	\$ (181,046)	\$ (173,157)	\$ (370,353)	\$ (116,190)
Covered Payroll	\$ 345,812	\$ 1,209,349	\$ 1,937,690	\$ 2,493,546	\$ 3,393,963	\$ 3,842,677	\$ 4,934,380	\$ 6,550,107
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.23)%	(5.12)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.650421%	0.674967%	0.695552%	0.715930%	0.716684%	0.732611%	0.745988%	0.791206%	0.760404%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (105,690)	\$ 276,490	\$ 4,346,814	\$ (234,241)	\$ (2,521,952)	\$ (7,532,558)	\$ (5,688,707)	\$ (34,126,606)	\$ (9,325,640)
Covered Payroll	\$ 25,528,961	\$ 25,267,416	\$ 25,108,537	\$ 25,409,660	\$ 25,060,676	\$ 24,565,513	\$ 24,828,382	\$ 25,968,707	\$ 24,957,991
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094253%	17.31%	(.92)%	(10.06)%	(30.66)%	(22.91)%	(131.41)%	(37.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

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
Primary Government
For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 46,959	\$ 44,426	\$ 52,552	\$ 50,823	\$ 61,127	\$ 46,301
Interest	15,268	19,530	21,001	19,271	13,825	10,050
Differences Between Actual and Expected Experience	0	(57,396)	(110,440)	(34,262)	(62,897)	(48,986)
Changes in Assumptions or Other Inputs	(27,516)	30,552	25,124	47,370	(142,388)	(139,918)
Benefit Payments	(4,793)	(8,125)	(19,410)	(15,805)	(18,093)	(12,093)
Net Change in Total OPEB Liability	\$ 29,918	\$ 28,987	\$ (31,173)	\$ 67,397	\$ (148,426)	\$ (144,646)
Total OPEB Liability, Beginning	478,310	508,228	537,215	506,042	573,439	425,013
Total OPEB Liability, Ending	\$ 508,228	\$ 537,215	\$ 506,042	\$ 573,439	\$ 425,013	\$ 280,367
Covered Employee Payroll	\$ 8,904,896	\$ 9,386,103	\$ 10,071,303	\$ 9,965,184	\$ 10,578,700	\$ 11,963,596
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.71%	5.72%	5.02%	5.75%	4.02%	2.34%

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

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

- For the 2019 plan year - from 5.4% to 6.75%
- For the 2020 plan year - from 6.75% to 6.03%
- For the 2021 plan year - from 6.03% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%
- For the 2023 plan year - from 7.36% to 8.37%

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

Lawrence County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios
Discretely Presented Lawrence County School Department
For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 1,610,450	\$ 1,502,935	\$ 1,012,315	\$ 764,815	\$ 972,638	\$ 1,015,589
Interest	713,301	880,300	696,172	599,474	421,520	410,535
Changes in Benefit Terms	0	(3,585,307)	(1,913,334)	0	0	0
Differences Between Actual and Expected Experience	0	(3,610,217)	295,263	(634,518)	110,294	585,908
Changes in Assumptions or Other Inputs	(1,059,033)	676,565	(1,211,182)	1,792,748	(891,514)	(1,669,170)
Benefit Payments	(789,339)	(926,251)	(820,874)	(746,195)	(723,495)	(722,266)
Net Change in Total OPEB Liability	\$ 475,379	\$ (5,061,975)	\$ (1,941,640)	\$ 1,776,324	\$ (110,557)	\$ (379,404)
Total OPEB Liability, Beginning	23,212,341	23,687,720	18,625,745	16,684,105	18,460,429	18,349,872
Total OPEB Liability, Ending	\$ 23,687,720	\$ 18,625,745	\$ 16,684,105	\$ 18,460,429	\$ 18,349,872	\$ 17,970,468
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 5,007,442	\$ 4,568,634	\$ 4,380,444	\$ 4,765,504	\$ 5,087,429	\$ 5,155,709
Employer Proportionate Share of the Total OPEB Liability	18,680,278	14,057,111	12,303,661	13,694,925	13,262,443	12,814,759
Covered Employee Payroll	\$ 32,901,250	\$ 34,363,765	\$ 34,842,637	\$ 36,093,652	\$ 38,043,035	\$ 39,010,778
Net OPEB Liability as a Percentage of Covered Employee Payroll	56.78%	40.91%	35.31%	37.94%	34.86%	32.85%

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

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

- For the 2019 plan year - from 5.4% to 6.75%
- For the 2020 plan year - from 6.75% to 6.03%
- For the 2021 plan year - from 6.03% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%
- For the 2023 plan year - from 7.36% to 8.37%

Note 3: No assets are accumulated in the 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, 2023

I. TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2023 were calculated based on the July 1, 2021, 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	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation; averaging 4%
Investment Rate of Return	6.75%, 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	2.125%

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 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 percent; and modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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.

Special Purpose Fund – The Special Purpose Fund is used to account for revenues received from rental income and expenditures related to a county building that offers college classes.

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.

Capital Projects Funds

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

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

Permanent Funds

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

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

Exhibit F-1

Lawrence County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Industrial / Economic Development	Special Purpose	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	168,263	\$ 168,263
Equity in Pooled Cash and Investments	56,659	142,939	4,307	53,736	0	257,641
Accounts Receivable	978	21,562	0	1,646	27,473	51,659
Due from Other Governments	0	102,507	0	0	0	102,507
Due from Other Funds	0	64,500	0	0	0	64,500
Total Assets	<u>\$ 57,637</u>	<u>\$ 331,508</u>	<u>\$ 4,307</u>	<u>\$ 55,382</u>	<u>\$ 195,736</u>	<u>\$ 644,570</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 3,000	\$ 0	\$ 0	\$ 0	3,000
Contracts Payable	0	163,519	0	0	0	163,519
Retainage Payable	0	35,546	0	0	0	35,546
Total Liabilities	<u>\$ 0</u>	<u>\$ 202,065</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 202,065</u>
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Restricted:						
Restricted for Public Safety	57,637	0	0	55,382	0	113,019
Committed:						
Committed for General Government	0	0	4,307	0	118,071	122,378
Committed for Finance	0	0	0	0	77,665	77,665
Committed for Public Health and Welfare	0	129,443	0	0	0	129,443
Committed for Capital Projects	0	0	0	0	0	0
Total Fund Balances	<u>\$ 57,637</u>	<u>\$ 129,443</u>	<u>\$ 4,307</u>	<u>\$ 55,382</u>	<u>\$ 195,736</u>	<u>\$ 442,505</u>
Total Liabilities and Fund Balances	<u>\$ 57,637</u>	<u>\$ 331,508</u>	<u>\$ 4,307</u>	<u>\$ 55,382</u>	<u>\$ 195,736</u>	<u>\$ 644,570</u>

(Continued)

Exhibit F-1

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

	Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Highway Capital Projects	Endowment	
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 168,263
Equity in Pooled Cash and Investments	209,703	75,799	543,143
Accounts Receivable	0	0	51,659
Due from Other Governments	0	0	102,507
Due from Other Funds	0	0	64,500
	\$ 209,703	\$ 75,799	\$ 930,072
<u>LIABILITIES</u>			
Accounts Payable	\$ 179,025	\$ 0	\$ 182,025
Contracts Payable	0	0	163,519
Retainage Payable	0	0	35,546
Total Liabilities	\$ 179,025	\$ 0	\$ 381,090
<u>FUND BALANCES</u>			
Nonspendable:			
Endowments	\$ 0	\$ 75,799	\$ 75,799
Restricted:			
Restricted for Public Safety	0	0	113,019
Committed:			
Committed for General Government	0	0	122,378
Committed for Finance	0	0	77,665
Committed for Public Health and Welfare	0	0	129,443
Committed for Capital Projects	30,678	0	30,678
Total Fund Balances	\$ 30,678	\$ 75,799	\$ 548,982
Total Liabilities and Fund Balances	\$ 209,703	\$ 75,799	\$ 930,072

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, 2023

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Industrial / Economic Development	Special Purpose	Drug Control	Constitu - tional Officers - Fees	Total
<u>Revenues</u>						
Local Taxes	\$ 17,875	\$ 211,644	\$ 0	\$ 0	\$ 0	\$ 229,519
Fines, Forfeitures, and Penalties	293	0	0	41,524	0	41,817
Charges for Current Services	0	0	0	0	738,747	738,747
Federal Government	0	486,746	0	0	0	486,746
Other Governments and Citizens Groups	0	0	2,655	0	0	2,655
Total Revenues	<u>\$ 18,168</u>	<u>\$ 698,390</u>	<u>\$ 2,655</u>	<u>\$ 41,524</u>	<u>\$ 738,747</u>	<u>\$ 1,499,484</u>
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 723,255	\$ 723,255
Administration of Justice	0	0	0	0	2,100	2,100
Public Safety	0	0	0	56,182	0	56,182
Other Operations	25,860	0	6,517	0	0	32,377
Capital Projects	0	963,715	0	0	0	963,715
Total Expenditures	<u>\$ 25,860</u>	<u>\$ 963,715</u>	<u>\$ 6,517</u>	<u>\$ 56,182</u>	<u>\$ 725,355</u>	<u>\$ 1,777,629</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,692)</u>	<u>\$ (265,325)</u>	<u>\$ (3,862)</u>	<u>\$ (14,658)</u>	<u>\$ 13,392</u>	<u>\$ (278,145)</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 140,000	\$ 0	\$ 0	\$ 0	\$ 140,000
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 140,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 140,000</u>
Net Change in Fund Balances	\$ (7,692)	\$ (125,325)	\$ (3,862)	\$ (14,658)	\$ 13,392	\$ (138,145)
Fund Balance, July 1, 2022	65,329	254,768	8,169	70,040	182,344	580,650
Fund Balance, June 30, 2023	<u>\$ 57,637</u>	<u>\$ 129,443</u>	<u>\$ 4,307</u>	<u>\$ 55,382</u>	<u>\$ 195,736</u>	<u>\$ 442,505</u>

(Continued)

Exhibit F-2

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

	Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Highway Capital Projects	Endowment	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 229,519
Fines, Forfeitures, and Penalties	0	0	41,817
Charges for Current Services	0	0	738,747
Federal Government	0	0	486,746
Other Governments and Citizens Groups	0	0	2,655
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,499,484</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 0	\$ 723,255
Administration of Justice	0	0	2,100
Public Safety	0	0	56,182
Other Operations	0	0	32,377
Capital Projects	311,025	0	1,274,740
Total Expenditures	<u>\$ 311,025</u>	<u>\$ 0</u>	<u>\$ 2,088,654</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (311,025)</u>	<u>\$ 0</u>	<u>\$ (589,170)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 314,000	\$ 0	\$ 454,000
Total Other Financing Sources (Uses)	<u>\$ 314,000</u>	<u>\$ 0</u>	<u>\$ 454,000</u>
Net Change in Fund Balances	\$ 2,975	\$ 0	\$ (135,170)
Fund Balance, July 1, 2022	<u>27,703</u>	<u>75,799</u>	<u>684,152</u>
Fund Balance, June 30, 2023	<u>\$ 30,678</u>	<u>\$ 75,799</u>	<u>\$ 548,982</u>

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 17,875	\$ 14,000	\$ 14,000	\$ 3,875
Fines, Forfeitures, and Penalties	293	450	450	(157)
Total Revenues	<u>\$ 18,168</u>	<u>\$ 14,450</u>	<u>\$ 14,450</u>	<u>\$ 3,718</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 25,860	\$ 50,450	\$ 50,450	\$ 24,590
Total Expenditures	<u>\$ 25,860</u>	<u>\$ 50,450</u>	<u>\$ 50,450</u>	<u>\$ 24,590</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,692)</u>	<u>\$ (36,000)</u>	<u>\$ (36,000)</u>	<u>\$ 28,308</u>
Net Change in Fund Balance	\$ (7,692)	\$ (36,000)	\$ (36,000)	\$ 28,308
Fund Balance, July 1, 2022	<u>65,329</u>	<u>62,871</u>	<u>62,871</u>	<u>2,458</u>
Fund Balance, June 30, 2023	<u><u>\$ 57,637</u></u>	<u><u>\$ 26,871</u></u>	<u><u>\$ 26,871</u></u>	<u><u>\$ 30,766</u></u>

Exhibit F-4

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 211,644	\$ 190,000	\$ 190,000	\$ 21,644
Federal Government	486,746	630,000	630,000	(143,254)
Total Revenues	<u>\$ 698,390</u>	<u>\$ 820,000</u>	<u>\$ 820,000</u>	<u>\$ (121,610)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 3,248	\$ 20,000	\$ 20,000	\$ 16,752
Public Utility Projects	960,467	1,003,000	1,005,150	44,683
Total Expenditures	<u>\$ 963,715</u>	<u>\$ 1,023,000</u>	<u>\$ 1,025,150</u>	<u>\$ 61,435</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (265,325)</u>	<u>\$ (203,000)</u>	<u>\$ (205,150)</u>	<u>\$ (60,175)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 140,000	\$ 0	\$ 140,000	\$ 0
Total Other Financing Sources	<u>\$ 140,000</u>	<u>\$ 0</u>	<u>\$ 140,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (125,325)	\$ (203,000)	\$ (65,150)	\$ (60,175)
Fund Balance, July 1, 2022	<u>254,768</u>	<u>286,696</u>	<u>286,696</u>	<u>(31,928)</u>
Fund Balance, June 30, 2023	<u><u>\$ 129,443</u></u>	<u><u>\$ 83,696</u></u>	<u><u>\$ 221,546</u></u>	<u><u>\$ (92,103)</u></u>

Exhibit F-5

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Governments and Citizens Groups	\$ 2,655	\$ 5,000	\$ 5,000	\$ (2,345)
Total Revenues	\$ 2,655	\$ 5,000	\$ 5,000	\$ (2,345)
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 6,517	\$ 6,450	\$ 7,950	\$ 1,433
Total Expenditures	\$ 6,517	\$ 6,450	\$ 7,950	\$ 1,433
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,862)	\$ (1,450)	\$ (2,950)	\$ (912)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 8,169	\$ (8,169)
Total Other Financing Sources	\$ 0	\$ 0	\$ 8,169	\$ (8,169)
Net Change in Fund Balance	\$ (3,862)	\$ (1,450)	\$ 5,219	\$ (9,081)
Fund Balance, July 1, 2022	8,169	8,168	8,168	1
Fund Balance, June 30, 2023	\$ 4,307	\$ 6,718	\$ 13,387	\$ (9,080)

Exhibit F-6

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 41,524	\$ 20,500	\$ 20,500	\$ 21,024
Total Revenues	\$ 41,524	\$ 20,500	\$ 20,500	\$ 21,024
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 56,182	\$ 41,800	\$ 61,270	\$ 5,088
Total Expenditures	\$ 56,182	\$ 41,800	\$ 61,270	\$ 5,088
Excess (Deficiency) of Revenues Over Expenditures	\$ (14,658)	\$ (21,300)	\$ (40,770)	\$ 26,112
Net Change in Fund Balance	\$ (14,658)	\$ (21,300)	\$ (40,770)	\$ 26,112
Fund Balance, July 1, 2022	70,040	59,851	59,851	10,189
Fund Balance, June 30, 2023	\$ 55,382	\$ 38,551	\$ 19,081	\$ 36,301

Exhibit F-7

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Capital Projects</u>				
Highway and Street Capital Projects	\$ 311,025	\$ 0	\$ 314,000	\$ 2,975
Total Expenditures	\$ 311,025	\$ 0	\$ 314,000	\$ 2,975
Excess (Deficiency) of Revenues Over Expenditures	\$ (311,025)	\$ 0	\$ (314,000)	\$ 2,975
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 314,000	\$ 0	\$ 314,000	\$ 0
Total Other Financing Sources	\$ 314,000	\$ 0	\$ 314,000	\$ 0
Net Change in Fund Balance	\$ 2,975	\$ 0	\$ 0	\$ 2,975
Fund Balance, July 1, 2022	27,703	27,703	27,703	0
Fund Balance, June 30, 2023	\$ 30,678	\$ 27,703	\$ 27,703	\$ 2,975

Major Governmental Funds

General Debt Service Fund

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

General Capital Projects Fund

The General Capital Projects Fund is used to account for the financial resources accumulated and payments for principal and interest on long-term general obligation debt of governmental funds.

Exhibit G-1

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,328,953	\$ 5,036,505	\$ 5,036,505	\$ 292,448
Other Local Revenues	35,004	35,000	35,000	4
Other Governments and Citizens Groups	1,128,944	1,128,944	1,128,944	0
Total Revenues	\$ 6,492,901	\$ 6,200,449	\$ 6,200,449	\$ 292,452
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 2,728,684	\$ 3,070,783	\$ 2,728,684	\$ 0
Highways and Streets	537,435	453,803	537,435	0
Education	1,372,432	1,113,932	1,372,432	0
<u>Interest on Debt</u>				
General Government	971,608	995,594	971,608	0
Highways and Streets	16,936	9,730	16,936	0
Education	485,901	466,177	485,901	0
<u>Other Debt Service</u>				
General Government	85,686	94,500	92,630	6,944
Total Expenditures	\$ 6,198,682	\$ 6,204,519	\$ 6,205,626	\$ 6,944
Excess (Deficiency) of Revenues Over Expenditures	\$ 294,219	\$ (4,070)	\$ (5,177)	\$ 299,396
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 113,333	\$ 0	\$ 0
Transfers Out	(139,000)	0	(139,000)	0
Total Other Financing Sources	\$ (139,000)	\$ 113,333	\$ (139,000)	\$ 0
Net Change in Fund Balance	\$ 155,219	\$ 109,263	\$ (144,177)	\$ 299,396
Fund Balance, July 1, 2022	6,508,454	6,533,162	6,533,162	(24,708)
Fund Balance, June 30, 2023	\$ 6,663,673	\$ 6,642,425	\$ 6,388,985	\$ 274,688

Exhibit G-2

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Total Revenues	\$ 50,000	\$ 0	\$ 50,000	\$ 0
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 4,159,632	\$ 370,349	\$ 4,602,981	\$ 443,349
Education Capital Projects	700,000	0	700,000	0
Total Expenditures	\$ 4,859,632	\$ 370,349	\$ 5,302,981	\$ 443,349
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,809,632)	\$ (370,349)	\$ (5,252,981)	\$ 443,349
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 7,754,066	\$ 0	\$ 7,752,298	\$ 1,768
Transfers Out	(214,158)	0	(874,158)	660,000
Total Other Financing Sources	\$ 7,539,908	\$ 0	\$ 6,878,140	\$ 661,768
Net Change in Fund Balance	\$ 2,730,276	\$ (370,349)	\$ 1,625,159	\$ 1,105,117
Fund Balance, July 1, 2022	397,372	428,770	428,770	(31,398)
Fund Balance, June 30, 2023	\$ 3,127,648	\$ 58,421	\$ 2,053,929	\$ 1,073,719

Custodial Funds

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

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.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues that are held in trust for the benefit of the judicial district drug task force.

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

Exhibit H-1

Lawrence County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2023

	Custodial Funds					Total
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Judicial District Drug	District Attorney General		
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,934,875	\$ 22,049	\$ 0	\$ 1,956,924	
Equity in Pooled Cash and Investments	0	0	101,337	14,357	115,694	
Accounts Receivable	0	1,193	448	0	1,641	
Due from Other Governments	1,252,561	0	0	0	1,252,561	
Total Assets	<u>\$ 1,252,561</u>	<u>\$ 1,936,068</u>	<u>\$ 123,834</u>	<u>\$ 14,357</u>	<u>\$ 3,326,820</u>	
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 2,152	\$ 0	\$ 2,152	
Due to Other Taxing Units	1,252,561	0	0	0	1,252,561	
Total Liabilities	<u>\$ 1,252,561</u>	<u>\$ 0</u>	<u>\$ 2,152</u>	<u>\$ 0</u>	<u>\$ 1,254,713</u>	
<u>NET POSITION</u>						
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 1,936,068	\$ 121,682	\$ 14,357	\$ 2,072,107	
Total Net Position	<u>\$ 0</u>	<u>\$ 1,936,068</u>	<u>\$ 121,682</u>	<u>\$ 14,357</u>	<u>\$ 2,072,107</u>	

Exhibit H-2

Lawrence County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>				
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Judicial District Drug	District Attorney General	Total
<u>ADDITIONS</u>					
Sales Tax Collections for Other Governments	\$ 7,021,724	\$ 0	\$ 0	\$ 0	\$ 7,021,724
Fines/Fees and Other Collections	0	8,336,754	0	0	8,336,754
Drug Task Force Collections	0	0	88,584	0	88,584
District Attorney General Collections	0	0	0	12,187	12,187
Total Additions	<u>\$ 7,021,724</u>	<u>\$ 8,336,754</u>	<u>\$ 88,584</u>	<u>\$ 12,187</u>	<u>\$ 15,459,249</u>
<u>DEDUCTIONS</u>					
Payment of Sales Tax Collections to Other Governments	\$ 7,021,724	\$ 0	\$ 0	\$ 0	\$ 7,021,724
Payments to State	0	5,901,218	0	0	5,901,218
Payments to Cities	0	51,694	0	0	51,694
Payments to Individuals and Others	0	1,930,161	0	0	1,930,161
Payment of Drug Task Force Expenses	0	0	106,510	0	106,510
Payment of District Attorney General Expenses	0	0	0	8,656	8,656
Total Deductions	<u>\$ 7,021,724</u>	<u>\$ 7,883,073</u>	<u>\$ 106,510</u>	<u>\$ 8,656</u>	<u>\$ 15,019,963</u>
Change in Net Position	\$ 0	\$ 453,681	\$ (17,926)	\$ 3,531	\$ 439,286
Net Position July 1, 2022	0	1,482,387	139,608	10,826	1,632,821
Net Position June 30, 2023	<u>\$ 0</u>	<u>\$ 1,936,068</u>	<u>\$ 121,682</u>	<u>\$ 14,357</u>	<u>\$ 2,072,107</u>

Lawrence County School Department

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

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

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

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

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

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 41,964,217	\$ 305,660	\$ 7,662,169	\$ 0	\$ (33,996,388)
Support Services	23,337,489	3,214,994	3,928,431	3,803,899	(12,390,165)
Operation of Non-instructional Services	10,256,331	316,168	4,776,830	0	(5,163,333)
Total Governmental Activities	\$ 75,558,037	\$ 3,836,822	\$ 16,367,430	\$ 3,803,899	\$ (51,549,886)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,227,650
Local Option Sales Tax					9,241,442
Other Local Taxes					29,561
Grants and Contributions Not Restricted to Specific Programs					45,999,833
Unrestricted Investment Income					28,766
Miscellaneous					524,114
Total General Revenues					\$ 62,051,366
Change in Net Position					\$ 10,501,480
Net Position, July 1, 2022					77,761,722
Net Position, June 30, 2023					\$ 88,263,202

Exhibit I-2

Lawrence County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Lawrence County School Department
 June 30, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,100	\$ 2,131,585	\$ 2,132,685
Equity in Pooled Cash and Investments	11,661,084	78,960	2,924,351	1,133,451	15,797,846
Inventories	0	0	157,353	0	157,353
Accounts Receivable	0	0	0	3,467	3,467
Due from Other Governments	4,468,869	1,807,244	97,891	0	6,374,004
Due from Other Funds	0	0	63,657	0	63,657
Property Taxes Receivable	5,502,009	0	0	0	5,502,009
Allowance for Uncollectible Property Taxes	(88,606)	0	0	0	(88,606)
Restricted Assets	472,070	0	0	0	472,070
Total Assets	\$ 22,015,426	\$ 1,886,204	\$ 3,244,352	\$ 3,268,503	\$ 30,414,485
<u>LIABILITIES</u>					
Accounts Payable	\$ 27,054	\$ 0	\$ 0	\$ 0	\$ 27,054
Payroll Deductions Payable	2,202,967	236,204	100,310	0	2,539,481
Due to Other Funds	0	63,657	0	0	63,657
Due to Other Governments	0	0	0	68,356	68,356
Total Liabilities	\$ 2,230,021	\$ 299,861	\$ 100,310	\$ 68,356	\$ 2,698,548
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,226,412	\$ 0	\$ 0	\$ 0	\$ 5,226,412
Deferred Delinquent Property Taxes	186,991	0	0	0	186,991
Other Deferred/Unavailable Revenue	800,798	0	0	0	800,798
Total Deferred Inflows of Resources	\$ 6,214,201	\$ 0	\$ 0	\$ 0	\$ 6,214,201

(Continued)

Exhibit I-2

Lawrence County, Tennessee
 Balance Sheet - Governmental Funds
Discretely Presented Lawrence County School Department (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 0	\$ 157,353	\$ 0	\$ 157,353
Restricted:					
Restricted for Education	0	0	2,986,689	2,346,580	5,333,269
Restricted for Hybrid Retirement Stabilization Funds	472,070	0	0	0	472,070
Committed:					
Committed for Education	0	1,586,343	0	853,567	2,439,910
Assigned:					
Assigned for Education	2,184,622	0	0	0	2,184,622
Assigned for Capital Outlay	571,000	0	0	0	571,000
Unassigned	10,343,512	0	0	0	10,343,512
Total Fund Balances	<u>\$ 13,571,204</u>	<u>\$ 1,586,343</u>	<u>\$ 3,144,042</u>	<u>\$ 3,200,147</u>	<u>\$ 21,501,736</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,015,426</u>	<u>\$ 1,886,204</u>	<u>\$ 3,244,352</u>	<u>\$ 3,268,503</u>	<u>\$ 30,414,485</u>

Exhibit I-3

Lawrence County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Lawrence County School Department
June 30, 2023

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)		\$ 21,501,736	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,604,544	
Add: construction in progress		19,589,061	
Add: buildings and improvements net of accumulated depreciation		33,735,779	
Add: other capital assets net of accumulated depreciation		<u>6,742,527</u>	61,671,911
(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	\$	(80,837)	
Less: net OPEB liability		<u>(12,814,759)</u>	(12,895,596)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expenses in future years.			
Add: deferred outflows of resources related to pensions	\$	11,827,098	
Less: deferred inflows of resources related to pensions		(2,017,697)	
Add: deferred outflows of resources related to OPEB		2,205,685	
Less: deferred inflows of resources related to OPEB		<u>(4,917,245)</u>	7,097,841
(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	\$	457,691	
Add: net pension asset - teacher retirement plan		116,190	
Add: net pension asset - teacher legacy pension plan		<u>9,325,640</u>	9,899,521
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>987,789</u>
Net position of governmental activities (Exhibit A)			<u>\$ 88,263,202</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, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 15,497,356	\$ 0	\$ 0	\$ 0	\$ 15,497,356
Licenses and Permits	1,553	0	0	0	1,553
Charges for Current Services	147,260	0	316,168	158,400	621,828
Other Local Revenues	208,828	0	7,391	3,209,362	3,425,581
State of Tennessee	46,455,284	0	35,724	7,336	46,498,344
Federal Government	1,381,871	12,321,808	5,156,488	26,608	18,886,775
Other Governments and Citizens Groups	0	0	0	700,000	700,000
Total Revenues	\$ 63,692,152	\$ 12,321,808	\$ 5,515,771	\$ 4,101,706	\$ 85,631,437
<u>Expenditures</u>					
Current:					
Instruction	\$ 36,374,419	\$ 5,685,434	\$ 0	\$ 0	\$ 42,059,853
Support Services	20,786,010	3,237,428	0	0	24,023,438
Operation of Non-Instructional Services	1,419,183	141,663	5,469,590	3,111,925	10,142,361
Capital Outlay	6,015,824	3,103,899	0	0	9,119,723
Debt Service:					
Other Debt Service	1,128,944	0	0	0	1,128,944
Capital Projects	0	0	0	6,761,703	6,761,703
Total Expenditures	\$ 65,724,380	\$ 12,168,424	\$ 5,469,590	\$ 9,873,628	\$ 93,236,022
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,032,228)	\$ 153,384	\$ 46,181	\$ (5,771,922)	\$ (7,604,585)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 191,414	\$ 0	\$ 3,806	\$ 0	\$ 195,220
Transfers In	217,041	0	0	0	217,041
Transfers Out	0	(217,041)	0	0	(217,041)
Total Other Financing Sources (Uses)	\$ 408,455	\$ (217,041)	\$ 3,806	\$ 0	\$ 195,220
Net Change in Fund Balances	\$ (1,623,773)	\$ (63,657)	\$ 49,987	\$ (5,771,922)	\$ (7,409,365)
Fund Balance, July 1, 2022	15,194,977	1,650,000	3,094,055	8,972,069	28,911,101
Fund Balance, June 30, 2023	\$ 13,571,204	\$ 1,586,343	\$ 3,144,042	\$ 3,200,147	\$ 21,501,736

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, 2023

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)		\$ (7,409,365)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their 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	\$ 19,192,182	
Less: current-year depreciation expense	<u>(2,825,041)</u>	16,367,141
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2022	\$ (986,492)	
Add: deferred delinquent property taxes and other deferred June 30, 2023	<u>987,789</u>	1,297
(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	\$ 651	
Change in net OPEB liability	447,684	
Change in deferred outflows of resources related to pensions	(2,012,520)	
Change in deferred outflows of resources related to OPEB	139,447	
Change in deferred inflows of resources related to pensions	32,146,472	
Change in deferred inflows of resources related to OPEB	(420,192)	
Change in net pension asset - agent plan	(3,704,006)	
Change in net pension asset - teacher retirement plan	(254,163)	
Change in net pension asset - teacher legacy pension plan	<u>(24,800,966)</u>	<u>1,542,407</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 10,501,480</u>

Exhibit I-6

Lawrence County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Lawrence County School Department
June 30, 2023

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>Extended</u>	<u>Internal</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>School</u>	<u>School</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Program</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 2,131,585	\$ 2,131,585	\$ 0	\$ 2,131,585
Equity in Pooled Cash and Investments	218,795	0	218,795	914,656	1,133,451
Accounts Receivable	3,128	339	3,467	0	3,467
Total Assets	<u>\$ 221,923</u>	<u>\$ 2,131,924</u>	<u>\$ 2,353,847</u>	<u>\$ 914,656</u>	<u>\$ 3,268,503</u>
<u>LIABILITIES</u>					
Due to Other Governments	\$ 68,356	\$ 0	\$ 68,356	\$ 0	\$ 68,356
Total Liabilities	<u>\$ 68,356</u>	<u>\$ 0</u>	<u>\$ 68,356</u>	<u>\$ 0</u>	<u>\$ 68,356</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 0	\$ 2,131,924	\$ 2,131,924	\$ 214,656	\$ 2,346,580
Committed:					
Committed for Education	153,567	0	153,567	700,000	853,567
Total Fund Balances	<u>\$ 153,567</u>	<u>\$ 2,131,924</u>	<u>\$ 2,285,491</u>	<u>\$ 914,656</u>	<u>\$ 3,200,147</u>
Total Liabilities and Fund Balances	<u>\$ 221,923</u>	<u>\$ 2,131,924</u>	<u>\$ 2,353,847</u>	<u>\$ 914,656</u>	<u>\$ 3,268,503</u>

Exhibit I-7

Lawrence County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>Extended</u>	<u>Internal</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>School</u>	<u>School</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Program</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 158,400	\$ 0	\$ 158,400	\$ 0	\$ 158,400
Other Local Revenues	0	3,209,362	3,209,362	0	3,209,362
State of Tennessee	7,336	0	7,336	0	7,336
Federal Government	26,608	0	26,608	0	26,608
Other Governments and Citizens Groups	0	0	0	700,000	700,000
Total Revenues	<u>\$ 192,344</u>	<u>\$ 3,209,362</u>	<u>\$ 3,401,706</u>	<u>\$ 700,000</u>	<u>\$ 4,101,706</u>
<u>Expenditures</u>					
Current:					
Operation of Non-Instructional Services	\$ 169,916	\$ 2,942,009	\$ 3,111,925	\$ 0	\$ 3,111,925
Capital Projects	0	0	0	6,761,703	6,761,703
Total Expenditures	<u>\$ 169,916</u>	<u>\$ 2,942,009</u>	<u>\$ 3,111,925</u>	<u>\$ 6,761,703</u>	<u>\$ 9,873,628</u>
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 22,428	\$ 267,353	\$ 289,781	\$ (6,061,703)	\$ (5,771,922)
Net Change in Fund Balances	\$ 22,428	\$ 267,353	\$ 289,781	\$ (6,061,703)	\$ (5,771,922)
Fund Balance, July 1, 2022	131,139	1,864,571	1,995,710	6,976,359	8,972,069
Fund Balance, June 30, 2023	<u>\$ 153,567</u>	<u>\$ 2,131,924</u>	<u>\$ 2,285,491</u>	<u>\$ 914,656</u>	<u>\$ 3,200,147</u>

Exhibit I-8

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lawrence County School Department
General Purpose School Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 15,497,356	\$ 0	\$ 0	\$ 15,497,356	\$ 12,438,874	\$ 12,438,874	\$ 3,058,482
Licenses and Permits	1,553	0	0	1,553	1,000	1,000	553
Charges for Current Services	147,260	0	0	147,260	65,000	104,000	43,260
Other Local Revenues	208,828	0	0	208,828	7,500	102,624	106,204
State of Tennessee	46,455,284	0	0	46,455,284	42,349,748	50,889,507	(4,434,223)
Federal Government	1,381,871	0	0	1,381,871	0	1,376,328	5,543
Total Revenues	\$ 63,692,152	\$ 0	\$ 0	\$ 63,692,152	\$ 54,862,122	\$ 64,912,333	\$ (1,220,181)
Expenditures							
Instruction							
Regular Instruction Program	\$ 28,136,855	\$ 0	\$ 0	\$ 28,136,855	\$ 27,222,779	\$ 28,444,289	\$ 307,434
Alternative Instruction Program	378,942	0	0	378,942	416,950	393,450	14,508
Special Education Program	3,844,136	0	0	3,844,136	4,235,825	3,916,610	72,474
Career and Technical Education Program	3,124,594	0	0	3,124,594	2,674,031	7,076,031	3,951,437
COVID-19 Expenditures	889,892	0	0	889,892	0	889,892	0
Support Services							
Health Services	370,528	0	0	370,528	672,080	507,292	136,764
Other Student Support	1,702,020	0	0	1,702,020	1,784,525	1,831,825	129,805
Regular Instruction Program	1,603,504	(1,156)	0	1,602,348	1,359,650	1,678,376	76,028
Alternative Instruction Program	38,300	0	0	38,300	35,500	45,500	7,200
Special Education Program	519,054	0	0	519,054	338,850	522,350	3,296
Career and Technical Education Program	154,514	0	0	154,514	99,140	248,140	93,626
Technology	637,001	0	0	637,001	588,750	655,650	18,649
Other Programs	217,803	0	0	217,803	0	217,803	0
Board of Education	1,154,591	0	0	1,154,591	1,147,870	1,237,500	82,909
Director of Schools	371,365	0	0	371,365	401,629	406,804	35,439
Office of the Principal	4,044,768	0	0	4,044,768	4,064,795	4,096,020	51,252
Fiscal Services	369,739	0	0	369,739	376,381	379,381	9,642
Human Services/Personnel	173,456	0	0	173,456	186,500	186,500	13,044

(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 7/1/2022	Add: Encumbrances 6/30/2023	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	\$ 4,192,127	\$ (16,938)	\$ 3,473	\$ 4,178,662	\$ 4,083,732	\$ 4,229,732	\$ 51,070
Maintenance of Plant	2,141,654	(91,681)	117,958	2,167,931	1,091,050	2,399,550	231,619
Transportation	3,042,749	0	219,902	3,262,651	2,780,950	3,803,082	540,431
Central and Other	52,837	0	0	52,837	80,000	80,000	27,163
<u>Operation of Non-Instructional Services</u>							
Community Services	330,549	0	0	330,549	92,090	433,850	103,301
Early Childhood Education	1,088,634	0	0	1,088,634	0	1,090,084	1,450
<u>Capital Outlay</u>							
Regular Capital Outlay	6,015,824	(1,043,183)	1,720,109	6,692,750	0	8,356,955	1,664,205
<u>Other Debt Service</u>							
Education	1,128,944	0	0	1,128,944	1,129,045	1,129,045	101
Total Expenditures	\$ 65,724,380	\$ (1,152,958)	\$ 2,061,442	\$ 66,632,864	\$ 54,862,122	\$ 74,255,711	\$ 7,622,847
Excess (Deficiency) of Revenues Over Expenditures							
	\$ (2,032,228)	\$ 1,152,958	\$ (2,061,442)	\$ (2,940,712)	\$ 0	\$ (9,343,378)	\$ 6,402,666
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 191,414	\$ 0	\$ 0	\$ 191,414	\$ 0	\$ 143,015	\$ 48,399
Transfers In	217,041	0	0	217,041	0	0	217,041
Total Other Financing Sources	\$ 408,455	\$ 0	\$ 0	\$ 408,455	\$ 0	\$ 143,015	\$ 265,440
Net Change in Fund Balance							
Fund Balance, July 1, 2022	\$ (1,623,773)	\$ 1,152,958	\$ (2,061,442)	\$ (2,532,257)	\$ 0	\$ (9,200,363)	\$ 6,668,106
	15,194,977	(1,152,958)	0	14,042,019	4,065,584	14,830,276	(788,257)
Fund Balance, June 30, 2023	\$ 13,571,204	\$ 0	\$ (2,061,442)	\$ 11,509,762	\$ 4,065,584	\$ 5,629,913	\$ 5,879,849

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 12,321,808	\$ 20,339,595	\$ 21,150,022	\$ (8,828,214)
Total Revenues	\$ 12,321,808	\$ 20,339,595	\$ 21,150,022	\$ (8,828,214)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,137,664	\$ 10,861,539	\$ 10,698,234	\$ 6,560,570
Special Education Program	1,441,462	1,409,447	1,543,433	101,971
Career and Technical Education Program	106,308	132,517	106,308	0
<u>Support Services</u>				
Health Services	529,457	321,154	547,208	17,751
Other Student Support	286,157	223,396	350,183	64,026
Regular Instruction Program	1,575,633	1,906,867	2,219,774	644,141
Special Education Program	613,483	534,776	649,536	36,053
Technology	0	217,262	217,262	217,262
Office of the Principal	0	162,550	0	0
Transportation	232,698	110,000	356,778	124,080
<u>Operation of Non-Instructional Services</u>				
Community Services	141,663	142,066	142,066	403
<u>Capital Outlay</u>				
Regular Capital Outlay	3,103,899	3,441,545	3,441,545	337,646
Total Expenditures	\$ 12,168,424	\$ 19,463,119	\$ 20,272,327	\$ 8,103,903
Excess (Deficiency) of Revenues Over Expenditures	\$ 153,384	\$ 876,476	\$ 877,695	\$ (724,311)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (217,041)	\$ (876,476)	\$ (877,695)	\$ 660,654
Total Other Financing Sources	\$ (217,041)	\$ (876,476)	\$ (877,695)	\$ 660,654
Net Change in Fund Balance	\$ (63,657)	\$ 0	\$ 0	\$ (63,657)
Fund Balance, July 1, 2022	1,650,000	0	0	1,650,000
Fund Balance, June 30, 2023	\$ 1,586,343	\$ 0	\$ 0	\$ 1,586,343

Exhibit I-10

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lawrence County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 316,168	\$ 0	\$ 316,168	\$ 249,050	\$ 320,050	\$ (3,882)
Other Local Revenues	7,391	0	7,391	1,500	8,000	(609)
State of Tennessee	35,724	0	35,724	38,000	38,000	(2,276)
Federal Government	5,156,488	0	5,156,488	3,805,000	5,207,950	(51,462)
Total Revenues	<u>\$ 5,515,771</u>	<u>\$ 0</u>	<u>\$ 5,515,771</u>	<u>\$ 4,093,550</u>	<u>\$ 5,574,000</u>	<u>\$ (58,229)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 5,469,590	\$ (120,606)	\$ 5,348,984	\$ 4,458,500	\$ 5,626,500	\$ 277,516
Total Expenditures	<u>\$ 5,469,590</u>	<u>\$ (120,606)</u>	<u>\$ 5,348,984</u>	<u>\$ 4,458,500</u>	<u>\$ 5,626,500</u>	<u>\$ 277,516</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 46,181</u>	<u>\$ 120,606</u>	<u>\$ 166,787</u>	<u>\$ (364,950)</u>	<u>\$ (52,500)</u>	<u>\$ 219,287</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 3,806	\$ 0	\$ 3,806	\$ 0	\$ 4,000	\$ (194)
Total Other Financing Sources	<u>\$ 3,806</u>	<u>\$ 0</u>	<u>\$ 3,806</u>	<u>\$ 0</u>	<u>\$ 4,000</u>	<u>\$ (194)</u>
Net Change in Fund Balance	\$ 49,987	\$ 120,606	\$ 170,593	\$ (364,950)	\$ (48,500)	\$ 219,093
Fund Balance, July 1, 2022	<u>3,094,055</u>	<u>(120,606)</u>	<u>2,973,449</u>	<u>1,559,684</u>	<u>1,559,684</u>	<u>1,413,765</u>
Fund Balance, June 30, 2023	<u>\$ 3,144,042</u>	<u>\$ 0</u>	<u>\$ 3,144,042</u>	<u>\$ 1,194,734</u>	<u>\$ 1,511,184</u>	<u>\$ 1,632,858</u>

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 158,400	\$ 140,000	\$ 151,500	\$ 6,900
State of Tennessee	7,336	9,000	9,000	(1,664)
Federal Government	26,608	0	47,982	(21,374)
Total Revenues	<u>\$ 192,344</u>	<u>\$ 149,000</u>	<u>\$ 208,482</u>	<u>\$ (16,138)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Community Services	\$ 169,916	\$ 149,000	\$ 241,752	\$ 71,836
Total Expenditures	<u>\$ 169,916</u>	<u>\$ 149,000</u>	<u>\$ 241,752</u>	<u>\$ 71,836</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 22,428</u>	<u>\$ 0</u>	<u>\$ (33,270)</u>	<u>\$ 55,698</u>
Net Change in Fund Balance	\$ 22,428	\$ 0	\$ (33,270)	\$ 55,698
Fund Balance, July 1, 2022	<u>131,139</u>	<u>109,468</u>	<u>109,468</u>	<u>21,671</u>
Fund Balance, June 30, 2023	<u>\$ 153,567</u>	<u>\$ 109,468</u>	<u>\$ 76,198</u>	<u>\$ 77,369</u>

Exhibit I-12

Lawrence County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lawrence County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Governments and Citizens Groups	\$ 700,000	\$ 0	\$ 700,000	\$ 0
Total Revenues	\$ 700,000	\$ 0	\$ 700,000	\$ 0
<u>Expenditures</u>				
<u>Capital Projects</u>				
Education Capital Projects	\$ 6,761,703	\$ 7,420,207	\$ 8,120,207	\$ 1,358,504
Total Expenditures	\$ 6,761,703	\$ 7,420,207	\$ 8,120,207	\$ 1,358,504
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,061,703)	\$ (7,420,207)	\$ (7,420,207)	\$ 1,358,504
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 800,000	\$ (800,000)
Total Other Financing Sources	\$ 0	\$ 0	\$ 800,000	\$ (800,000)
Net Change in Fund Balance	\$ (6,061,703)	\$ (7,420,207)	\$ (6,620,207)	\$ 558,504
Fund Balance, July 1, 2022	6,976,359	7,441,184	7,441,184	(464,825)
Fund Balance, June 30, 2023	\$ 914,656	\$ 20,977	\$ 820,977	\$ 93,679

MISCELLANEOUS SCHEDULES

Exhibit J-1

Lawrence County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Capital Outlay Note Series 2014	\$ 3,500,000	1.83	% 12-19-14	12-1-26	\$ 1,580,000	\$ 305,000	\$ 1,275,000
General Obligation Capital Outlay Note Series 2016	2,000,000	1.60	3-3-16	9-1-22	300,000	300,000	0
General Obligation Capital Outlay Note Series 2016	2,000,000	1.60	3-3-16	9-1-22	300,000	300,000	0
General Obligation Highway Capital Outlay Note Series 2019	450,000	2.55	10-9-19	9-26-22	153,835	153,835	0
Total Notes Payable					<u>\$ 2,333,835</u>	<u>\$ 1,058,835</u>	<u>\$ 1,275,000</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Energy Efficient Schools Initiative	3,044,529	1.5	6-25-19	11-1-32	\$ 2,673,480	\$ 238,932	\$ 2,434,548
Total Other Loans Payable					<u>\$ 2,673,480</u>	<u>\$ 238,932</u>	<u>\$ 2,434,548</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation, Series 2012	132,000	3.38	4-26-12	5-26-23	\$ 111,460	\$ 111,460	\$ 0
General Obligation, Series 2012	165,000	3.38	6-21-12	5-26-23	139,324	139,324	0
General Obligation, Series 2012	2,750,000	3.38	12-1-12	12-1-27	1,195,000	190,000	1,005,000
General Obligation Refunding, Series 2016	7,015,000	1.70	4-27-16	5-1-31	4,455,000	455,000	4,000,000
General Obligation Refunding, Series 2017	8,215,000	2.57	4-28-17	4-1-37	6,545,000	360,000	6,185,000
General Obligation Improvement, Series 2017	495,000	2.57	4-28-17	4-1-37	395,000	20,000	375,000
General Obligation Refunding, Series 2017A	7,860,000	2.70	12-14-17	12-1-36	5,155,000	720,000	4,435,000
General Obligation Improvement, Series 2017A	1,505,000	2.70	12-14-17	12-1-36	1,255,000	65,000	1,190,000
General Obligation School Improvement, Series 2019	9,975,000	2.47	5-15-19	5-1-34	8,350,000	575,000	7,775,000
General Obligation Improvement, Series 2019A	15,550,000	2.68	11-1-19	11-1-44	14,800,000	405,000	14,395,000
General Obligation School Bond Series 2020	6,000,000	1.60	9-22-20	10-1-44	5,815,000	195,000	5,620,000
General Obligation School Refunding Bond Series 2020	1,375,000	1.26	10-22-20	10-1-32	1,275,000	105,000	1,170,000
Total Bonds Payable					<u>\$ 49,490,784</u>	<u>\$ 3,340,784</u>	<u>\$ 46,150,000</u>

Exhibit J-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2024	\$ 3,185,000	\$ 1,290,314	\$ 4,475,314
2025	3,285,000	1,187,978	4,472,978
2026	3,385,000	1,086,578	4,471,578
2027	2,855,000	994,825	3,849,825
2028	2,945,000	906,598	3,851,598
2029	2,820,000	817,890	3,637,890
2030	2,910,000	728,749	3,638,749
2031	3,000,000	636,977	3,636,977
2032	2,545,000	549,102	3,094,102
2033	2,610,000	481,591	3,091,591
2034	2,540,000	415,247	2,955,247
2035	1,760,000	348,162	2,108,162
2036	1,800,000	303,976	2,103,976
2037	1,845,000	258,129	2,103,129
2038	985,000	215,451	1,200,451
2039	1,010,000	191,379	1,201,379
2040	1,040,000	166,288	1,206,288
2041	1,065,000	139,194	1,204,194
2042	1,095,000	110,025	1,205,025
2043	1,125,000	79,650	1,204,650
2044	1,155,000	48,425	1,203,425
2045	1,190,000	16,298	1,206,298
Total	\$ 46,150,000	\$ 10,972,826	\$ 57,122,826

(Continued)

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2024	\$ 310,000	\$ 24,418	\$ 334,418
2025	315,000	17,972	332,972
2026	320,000	11,025	331,025
2027	330,000	3,711	333,711
Total	<u>\$ 1,275,000</u>	<u>\$ 57,126</u>	<u>\$ 1,332,126</u>

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2024	\$ 242,532	\$ 34,512	\$ 277,044
2025	246,192	30,852	277,044
2026	249,912	27,132	277,044
2027	253,692	23,352	277,044
2028	257,520	19,524	277,044
2029	261,408	15,636	277,044
2030	265,356	11,688	277,044
2031	269,364	7,680	277,044
2032	273,432	3,612	277,044
2033	115,140	261	115,401
Total	<u>\$ 2,434,548</u>	<u>\$ 174,249</u>	<u>\$ 2,608,797</u>

Exhibit J-3

Lawrence County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Capital expenditures	\$ 7,754,066
Highway/Public Works	Highway Capital Projects	"	100,842
General Debt Service	"	"	139,000
General Capital Projects	Industrial/Economic Development	"	140,000
"	Highway Capital Projects	"	<u>74,158</u>
Total Transfers Primary Government			<u>\$ 8,208,066</u>
<u>DISCRETELY PRESENTED LAWRENCE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 217,041</u>
Total Transfers Discretely Presented Lawrence County School Department			<u>\$ 217,041</u>

Lawrence County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2023

Official	Authorization	Bond	Surety
County Executive - T.R. Williams (7/1/22-8/31/22)	Section 8-24-102, TCA	\$ (1)	Local Government Property and Casualty Fund
Base salary/Total compensation			
			<u>\$ 18,226</u>
County Executive - David Morgan (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			<u>\$ 91,128</u>
Total County Executive compensation			<u>\$ 109,354</u>
Road Superintendent - Donnie Joe Brown (7/1/22-8/31/22)	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			<u>\$ 16,404</u>
Road Superintendent - Ryan Krick (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			<u>\$ 82,021</u>
Total Road Superintendent compensation			<u>\$ 98,425</u>
Director of Schools	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary			\$ 129,805
Travel allowance			12,000
Health, vision, life and dental insurance premiums			8,166
Vacation days unused			8,113
Cell phone allowance			1,800
Total compensation			<u>\$ 159,884</u>
Trustee	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			<u>\$ 89,477</u>
Assessor of Property	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			<u>\$ 89,477</u>
County Clerk - Chuck Kizer (7/1/22-8/31/22)	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			<u>\$ 14,913</u>
County Clerk - Russ Brewer (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation			<u>\$ 74,564</u>
Total County Clerk Compensation			<u>\$ 89,477</u>

(Continued)

Lawrence County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Lawrence County School Department (Cont.)

Official	Authorization	Bond	Surety
Circuit, General Sessions and Juvenile Courts Clerk - Debbie Riddle (7/1/22-8/31/23)	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 14,913		
Circuit, General Sessions and Juvenile Courts Clerk - Tommy Lee Kidd (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 74,564		
Total Circuit, General Sessions and Juvenile Courts Clerk compensation	\$ 89,477		
Clerk and Master	Section 8-24-102, TCA	100,000	Auto-Owners Insurance Company
Base salary	\$ 89,477	(1)	Local Government Property and Casualty Fund
Special commissioner fees	2,100		
Total compensation	\$ 91,577		
Register of Deeds	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 89,477		
Sheriff	Section 8-24-102, TCA	(1)	Local Government Property and Casualty Fund
Base salary	\$ 98,425		
Superintendent of workhouse	4,921		
Law enforcement training supplement	800		
Total compensation	\$ 104,146		
Director of Accounts and Budgets - Teresa Purcell (7/1/22-12/1/22)	County Commission	(1)	Local Government Property and Casualty Fund
Base salary	\$ 39,554		
Longevity pay	2,200		
Vacation days unused	14,305		
Chief executive officer training supplement	2,455		
Total compensation	\$ 58,514		
Director of Accounts and Budgets - Brandi Williams (12/20/22-6/30/23)	County Commission	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	35,654		
Total Director of Accounts and Budgets compensation	\$ 152,682		
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Local Government Property and Casualty Fund
Employee Fidelity - School Department		400,000	Tennessee Risk Management Trust

(1) Official is under the employee fidelity insurance coverage.

Exhibit J-5

Lawrence County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2023

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,246,650	\$ 0	\$ 375,502	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	357,646	0	14,498	0	0	0
Trustee's Collections - Bankruptcy	216	0	9	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	69,634	0	2,823	0	0	0
Interest and Penalty	51,157	0	2,075	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	308,547	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	17,251	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	253,237	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	89,652	0	0	0	0	0
Litigation Tax - Special Purpose	45,313	17,875	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	5,437	0	0	0	0	0
Litigation Tax - Courthouse Security	47	0	0	0	0	0
Business Tax	567,957	0	0	0	0	0
Mixed Drink Tax	182	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	0	0	0	211,644	0	0
Total Local Taxes	\$ 11,015,216	\$ 17,875	\$ 394,907	\$ 211,644	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,492	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	51,887	0	0	0	0	0
<u>Permits</u>						
Beer Permits	2,597	0	0	0	0	0
Total Licenses and Permits	\$ 55,976	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 10,332	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	14,641	0	0	0	0	0
Drug Control Fines	3,111	0	0	0	0	3,749
Jail Fees	5,797	0	0	0	0	0
Data Entry Fee - Circuit Court	2,120	0	0	0	0	0
Courtroom Security Fee	0	293	0	0	0	0
<u>Criminal Court</u>						
Officers Costs	678	0	0	0	0	0
DUI Treatment Fines	5,415	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	10,631	0	0	0	0	0
Fines for Littering	738	0	0	0	0	0
Officers Costs	25,650	0	0	0	0	0
Game and Fish Fines	490	0	0	0	0	0
Drug Control Fines	4,555	0	0	0	0	4,482
DUI Treatment Fines	5,139	0	0	0	0	0
Data Entry Fee - General Sessions Court	11,014	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 9,783	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	437	0	0	0	0	0
Data Entry Fee - Juvenile Court	563	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,995	0	0	0	0	0
Data Entry Fee - Chancery Court	4,228	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	33,293
Total Fines, Forfeitures, and Penalties	\$ 117,317	\$ 293	\$ 0	\$ 0	\$ 0	\$ 41,524
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 466,671	\$ 0	\$ 0	\$ 0
Residential Waste Collection Charge	0	0	665,680	0	0	0
Tipping Fees	0	0	137	0	0	0
Surcharge - General	0	0	70,867	0	0	0
Solid Waste Disposal Fee	0	0	47,369	0	0	0
Surcharge - Waste Tire Disposal	0	0	63,401	0	0	0
Patient Charges	1,951,813	0	0	0	0	0
Service Charges	2,690	0	0	0	0	0
<u>Fees</u>						
Copy Fees	8,562	0	0	0	0	0
Library Fees	2,134	0	0	0	0	0
Telephone Commissions	93,933	0	0	0	0	0
Additional Fees - Titling and Registration	36,951	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
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	14,734	0	0	0	0	0
Data Processing Fee - Sheriff	1,421	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,350	0	0	0	0	0
Data Processing Fee - County Clerk	3,947	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	30	0	0	0	0	0
Total Charges for Current Services	\$ 2,123,565	\$ 0	\$ 1,314,125	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 498,926	\$ 0	\$ 77	\$ 0	\$ 0	\$ 0
Lease/Rentals	0	0	0	0	0	0
Commissary Sales	75,195	0	0	0	0	0
Sale of Recycled Materials	0	0	196,709	0	0	0
Miscellaneous Refunds	4,136	0	0	0	0	0
Expenditure Credits	175	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	37,286	0	0	0	0	0
Damages Recovered from Individuals	350	0	0	0	0	0
Total Other Local Revenues	\$ 616,068	\$ 0	\$ 196,786	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 100,818	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	502,583	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	120,476	0	0	0	0	0
General Sessions Court Clerk	172,490	0	0	0	0	0
Clerk and Master	125,937	0	0	0	0	0
Juvenile Court Clerk	22,343	0	0	0	0	0
Register	219,063	0	0	0	0	0
Sheriff	21,653	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,285,363	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 7,847	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	34,400	0	0	0	0	0
Other Public Safety Grants	172,901	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	328,480	0	0	0	0	0
Other Health and Welfare Grants	137,315	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	68,390	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	1,934	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Beer Tax	\$ 19,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Certificate of Title Fees	11,574	0	0	0	0	0
Alcoholic Beverage Tax	126,161	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	210,828	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,030,241	0	0	0	0	0
State Revenue Sharing - Telecommunications	75,355	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	48,048	0	0	0	0	0
Contracted Prisoner Boarding	749,697	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	7,141	0	0	0	0	0
Other State Revenues	473	0	0	0	0	0
Total State of Tennessee	<u>\$ 3,045,149</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 486,746	\$ 0	\$ 0
Homeland Security Grants	11,864	0	0	0	0	0
Law Enforcement Grants	19,478	0	0	0	0	0
COVID-19 Grant E	28,588	0	0	0	0	0
Other Federal through State	358,732	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	173,213	0	0	0	0	0
Total Federal Government	<u>\$ 591,875</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 486,746</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 155,567	\$ 0	\$ 26,986	\$ 0	\$ 2,655	\$ 0
<u>Citizens Groups</u>						
Donations	10,018	0	0	0	0	0
<u>Other</u>						
Other	2,749	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	131,945	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 300,279</u>	<u>\$ 0</u>	<u>\$ 26,986</u>	<u>\$ 0</u>	<u>\$ 2,655</u>	<u>\$ 0</u>
Total	<u>\$ 19,150,808</u>	<u>\$ 18,168</u>	<u>\$ 1,932,804</u>	<u>\$ 698,390</u>	<u>\$ 2,655</u>	<u>\$ 41,524</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 1,702,185	\$ 1,950,238	\$ 0	\$ 13,274,575
Trustee's Collections - Prior Year	0	65,723	75,376	0	513,243
Trustee's Collections - Bankruptcy	0	40	46	0	311
Circuit Clerk/Clerk and Master Collections - Prior Years	0	12,796	14,676	0	99,929
Interest and Penalty	0	9,403	10,782	0	73,417
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	2,290
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	308,547
Payments in-Lieu-of Taxes - Other	0	0	0	0	17,251
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	2,034,164	0	2,034,164
Hotel/Motel Tax	0	0	0	0	253,237
Wheel Tax	0	0	1,063,053	0	1,063,053
Litigation Tax - General	0	0	0	0	89,652
Litigation Tax - Special Purpose	0	0	0	0	63,188
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	83,952	0	83,952
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	5,437
Litigation Tax - Courthouse Security	0	0	0	0	47
Business Tax	0	0	0	0	567,957
Mixed Drink Tax	0	0	0	0	182
Mineral Severance Tax	0	50,067	0	0	50,067
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	96,666	0	96,666
Wholesale Beer Tax	0	0	0	0	211,644
Total Local Taxes	\$ 0	\$ 1,840,214	\$ 5,328,953	\$ 0	\$ 18,808,809

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>Fund</u>	<u>Projects Fund</u>	
	<u>Officers -</u>	<u>Public</u>	<u>General</u>	<u>General</u>	
	<u>Fees</u>	<u>Works</u>	<u>Debt</u>	<u>Capital</u>	<u>Total</u>
			<u>Service</u>	<u>Projects</u>	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	1,492
Cable TV Franchise	0	0	0	0	51,887
<u>Permits</u>					
Beer Permits	0	0	0	0	2,597
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>55,976</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	10,332
Officers Costs	0	0	0	0	14,641
Drug Control Fines	0	0	0	0	6,860
Jail Fees	0	0	0	0	5,797
Data Entry Fee - Circuit Court	0	0	0	0	2,120
Courtroom Security Fee	0	0	0	0	293
<u>Criminal Court</u>					
Officers Costs	0	0	0	0	678
DUI Treatment Fines	0	0	0	0	5,415
<u>General Sessions Court</u>					
Fines	0	0	0	0	10,631
Fines for Littering	0	0	0	0	738
Officers Costs	0	0	0	0	25,650
Game and Fish Fines	0	0	0	0	490
Drug Control Fines	0	0	0	0	9,037
DUI Treatment Fines	0	0	0	0	5,139
Data Entry Fee - General Sessions Court	0	0	0	0	11,014

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	9,783
Officers Costs	0	0	0	0	437
Data Entry Fee - Juvenile Court	0	0	0	0	563
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	1,995
Data Entry Fee - Chancery Court	0	0	0	0	4,228
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	33,293
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	159,134
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	466,671
Residential Waste Collection Charge	0	0	0	0	665,680
Tipping Fees	0	0	0	0	137
Surcharge - General	0	0	0	0	70,867
Solid Waste Disposal Fee	0	0	0	0	47,369
Surcharge - Waste Tire Disposal	0	0	0	0	63,401
Patient Charges	0	0	0	0	1,951,813
Service Charges	0	0	0	0	2,690
<u>Fees</u>					
Copy Fees	0	0	0	0	8,562
Library Fees	0	0	0	0	2,134
Telephone Commissions	0	0	0	0	93,933
Additional Fees - Titling and Registration	0	0	0	0	36,951

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>Fund</u>	<u>Projects Fund</u>	
	<u>Officers -</u>	<u>Public</u>	<u>General</u>	<u>General</u>	
	<u>Fees</u>	<u>Works</u>	<u>Debt</u>	<u>Capital</u>	<u>Total</u>
			<u>Service</u>	<u>Projects</u>	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Constitutional Officers' Fees and Commissions	\$ 736,647	\$ 0	\$ 0	\$ 0	\$ 736,647
Special Commissioner Fees/Special Master Fees	2,100	0	0	0	2,100
Data Processing Fee - Register	0	0	0	0	14,734
Data Processing Fee - Sheriff	0	0	0	0	1,421
Sexual Offender Registration Fee - Sheriff	0	0	0	0	7,350
Data Processing Fee - County Clerk	0	0	0	0	3,947
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	30
Total Charges for Current Services	\$ 738,747	\$ 0	\$ 0	\$ 0	\$ 4,176,437
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 499,003
Lease/Rentals	0	0	35,004	0	35,004
Commissary Sales	0	0	0	0	75,195
Sale of Recycled Materials	0	9,453	0	0	206,162
Miscellaneous Refunds	0	26	0	0	4,162
Expenditure Credits	0	0	0	0	175
<u>Nonrecurring Items</u>					
Sale of Equipment	0	91,000	0	50,000	178,286
Damages Recovered from Individuals	0	0	0	0	350
Total Other Local Revenues	\$ 0	\$ 100,479	\$ 35,004	\$ 50,000	\$ 998,337

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,818
Trustee	0	0	0	0	502,583
<u>Fees In-Lieu-of Salary</u>					
Circuit Court Clerk	0	0	0	0	120,476
General Sessions Court Clerk	0	0	0	0	172,490
Clerk and Master	0	0	0	0	125,937
Juvenile Court Clerk	0	0	0	0	22,343
Register	0	0	0	0	219,063
Sheriff	0	0	0	0	21,653
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,285,363
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,847
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	34,400
Other Public Safety Grants	0	0	0	0	172,901
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	328,480
Other Health and Welfare Grants	0	0	0	0	137,315
<u>Public Works Grants</u>					
State Aid Program	0	227,453	0	0	227,453
Litter Program	0	0	0	0	68,390
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	1,934

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Beer Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,200
Vehicle Certificate of Title Fees	0	0	0	0	11,574
Alcoholic Beverage Tax	0	0	0	0	126,161
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	210,828
State Revenue Sharing - T.V.A.	0	0	0	0	1,030,241
State Revenue Sharing - Telecommunications	0	0	0	0	75,355
State Shared Sports Gaming Privilege Tax	0	0	0	0	48,048
Contracted Prisoner Boarding	0	0	0	0	749,697
Gasoline and Motor Fuel Tax	0	2,953,283	0	0	2,953,283
Petroleum Special Tax	0	26,821	0	0	26,821
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	7,141
Other State Revenues	0	0	0	0	473
Total State of Tennessee	\$ 0	\$ 3,207,557	\$ 0	\$ 0	\$ 6,252,706
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 486,746
Homeland Security Grants	0	0	0	0	11,864
Law Enforcement Grants	0	0	0	0	19,478
COVID-19 Grant E	0	0	0	0	28,588
Other Federal through State	0	0	0	0	358,732
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	173,213
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,078,621

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>Fund</u>	<u>Projects Fund</u>	
	<u>Officers -</u>	<u>Public</u>	<u>General</u>	<u>General</u>	
	<u>Fees</u>	<u>Works</u>	<u>Debt</u>	<u>Capital</u>	<u>Total</u>
			<u>Service</u>	<u>Projects</u>	
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 1,128,944	\$ 0	\$ 1,314,152
<u>Citizens Groups</u>					
Donations	0	157,154	0	0	167,172
<u>Other</u>					
Other	0	0	0	0	2,749
Opioid Settlement Funds - Past Remediation	0	0	0	0	131,945
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 157,154</u>	<u>\$ 1,128,944</u>	<u>\$ 0</u>	<u>\$ 1,616,018</u>
Total	<u>\$ 738,747</u>	<u>\$ 5,305,404</u>	<u>\$ 6,492,901</u>	<u>\$ 50,000</u>	<u>\$ 34,431,401</u>

Exhibit J-6

Lawrence County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2023

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,964,807	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	230,344	0	0	0	0
Trustee's Collections - Bankruptcy	139	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	44,848	0	0	0	0
Interest and Penalty	32,952	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	9,194,705	0	0	0	0
Mixed Drink Tax	29,561	0	0	0	0
Total Local Taxes	\$ 15,497,356	\$ 0	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,553	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 1,553	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 11,000	\$ 0	\$ 0	\$ 0	\$ 0
Tuition - Other	0	0	0	158,400	0
Lunch Payments - Adults	0	0	127,314	0	0
A la Carte Sales	0	0	188,854	0	0
Receipts from Individual Schools	77,315	0	0	0	0
Other Charges for Services	58,945	0	0	0	0
Total Charges for Current Services	\$ 147,260	\$ 0	\$ 316,168	\$ 158,400	\$ 0

(Continued)

Exhibit J-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 27,838	\$ 0	\$ 928	\$ 0	0
Sale of Materials and Supplies	5,632	0	0	0	0
Miscellaneous Refunds	500	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	13,765	0	6,463	0	0
Damages Recovered from Individuals	10,578	0	0	0	0
Contributions and Gifts	84,490	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	66,025	0	0	0	3,209,362
Total Other Local Revenues	<u>\$ 208,828</u>	<u>\$ 0</u>	<u>\$ 7,391</u>	<u>\$ 0</u>	<u>\$ 3,209,362</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 217,803	\$ 0	\$ 0	\$ 0	0
<u>State Education Funds</u>					
Basic Education Program	43,564,489	0	0	0	0
Early Childhood Education	1,108,710	0	0	0	0
School Food Service	0	0	35,724	0	0
Driver Education	18,977	0	0	0	0
Other State Education Funds	800,872	0	0	0	0
Career Ladder Program	86,816	0	0	0	0
Other Vocational	554,867	0	0	0	0
<u>Other State Revenues</u>					
Other State Grants	102,000	0	0	0	0

(Continued)

Exhibit J-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Other State Revenues	\$ 750	\$ 0	\$ 0	\$ 7,336	\$ 0
Total State of Tennessee	<u>\$ 46,455,284</u>	<u>\$ 0</u>	<u>\$ 35,724</u>	<u>\$ 7,336</u>	<u>\$ 0</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,140,348	\$ 0	\$ 0
USDA - Commodities	0	0	352,213	0	0
Breakfast	0	0	1,205,330	0	0
USDA - Other	0	0	43,215	0	0
Vocational Education - Basic Grants to States	0	154,516	0	0	0
Title I Grants to Local Education Agencies	0	2,131,498	0	0	0
Special Education - Grants to States	5,574	1,873,273	0	0	0
Special Education Preschool Grants	0	56,443	0	0	0
English Language Acquisition Grants	6,542	0	0	0	0
Rural Education	0	164,978	0	0	0
21st Century Community Learning Centers	196,124	0	0	0	0
Eisenhower Professional Development State Grants	0	296,699	0	0	0
COVID-19 Grant #4	0	103,366	0	0	0
COVID-19 Grant B	0	173,117	0	0	0
COVID-19 Grant D	0	153,875	0	0	0
American Rescue Plan Act Grant #1	0	6,274,318	0	0	0
American Rescue Plan Act Grant #2	0	101,967	0	0	0
American Rescue Plan Act Grant #3	0	26,131	0	0	0
American Rescue Plan Act Grant #4	0	698	0	0	0
Other Federal through State	283,739	646,765	415,382	0	0

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
COVID-19 Grant #6	\$ 889,892	\$ 0	\$ 0	\$ 0	\$ 0
American Rescue Plan Act Grant #6	0	0	0	26,608	0
Other Direct Federal Revenue	0	164,164	0	0	0
Total Federal Government	<u>\$ 1,381,871</u>	<u>\$ 12,321,808</u>	<u>\$ 5,156,488</u>	<u>\$ 26,608</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 63,692,152</u>	<u>\$ 12,321,808</u>	<u>\$ 5,515,771</u>	<u>\$ 192,344</u>	<u>\$ 3,209,362</u>

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 5,964,807
Trustee's Collections - Prior Year	0	230,344
Trustee's Collections - Bankruptcy	0	139
Circuit Clerk/Clerk and Master Collections - Prior Years	0	44,848
Interest and Penalty	0	32,952
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	9,194,705
Mixed Drink Tax	0	29,561
Total Local Taxes	<u>\$ 0</u>	<u>\$ 15,497,356</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 1,553
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 1,553</u>
<u>Charges for Current Services</u>		
<u>Education Charges</u>		
Tuition - Regular Day Students	\$ 0	\$ 11,000
Tuition - Other	0	158,400
Lunch Payments - Adults	0	127,314
A la Carte Sales	0	188,854
Receipts from Individual Schools	0	77,315
Other Charges for Services	0	58,945
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 621,828</u>

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 28,766
Sale of Materials and Supplies	0	5,632
Miscellaneous Refunds	0	500
<u>Nonrecurring Items</u>		
Sale of Equipment	0	20,228
Damages Recovered from Individuals	0	10,578
Contributions and Gifts	0	84,490
<u>Other Local Revenues</u>		
Other Local Revenues	0	3,275,387
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 3,425,581</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
On-behalf Contributions for OPEB	\$ 0	\$ 217,803
<u>State Education Funds</u>		
Basic Education Program	0	43,564,489
Early Childhood Education	0	1,108,710
School Food Service	0	35,724
Driver Education	0	18,977
Other State Education Funds	0	800,872
Career Ladder Program	0	86,816
Other Vocational	0	554,867
<u>Other State Revenues</u>		
Other State Grants	0	102,000

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<hr/>		
<u>State of Tennessee (Cont.)</u>		
<u>Other State Revenues (Cont.)</u>		
Other State Revenues	\$ 0	\$ 8,086
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 46,498,344</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
USDA School Lunch Program	\$ 0	\$ 3,140,348
USDA - Commodities	0	352,213
Breakfast	0	1,205,330
USDA - Other	0	43,215
Vocational Education - Basic Grants to States	0	154,516
Title I Grants to Local Education Agencies	0	2,131,498
Special Education - Grants to States	0	1,878,847
Special Education Preschool Grants	0	56,443
English Language Acquisition Grants	0	6,542
Rural Education	0	164,978
21st Century Community Learning Centers	0	196,124
Eisenhower Professional Development State Grants	0	296,699
COVID-19 Grant #4	0	103,366
COVID-19 Grant B	0	173,117
COVID-19 Grant D	0	153,875
American Rescue Plan Act Grant #1	0	6,274,318
American Rescue Plan Act Grant #2	0	101,967
American Rescue Plan Act Grant #3	0	26,131
American Rescue Plan Act Grant #4	0	698
Other Federal through State	0	1,345,886

(Continued)

Exhibit J-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<hr/>		
<u>Federal Government (Cont.)</u>		
<u>Direct Federal Revenue</u>		
COVID-19 Grant #6	\$ 0	\$ 889,892
American Rescue Plan Act Grant #6	0	26,608
Other Direct Federal Revenue	0	164,164
Total Federal Government	<u>\$ 0</u>	<u>\$ 1,080,664</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 700,000	\$ 700,000
Total Other Governments and Citizens Groups	<u>\$ 700,000</u>	<u>\$ 700,000</u>
Total	<u>\$ 700,000</u>	<u>\$ 85,631,437</u>

Exhibit J-7

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2023

General Fund

General Government

County Commission

Educational Incentive - Official/Admin Officer	\$	1,210	
Board and Committee Members Fees		66,667	
In-service Training		1,300	
Social Security		4,112	
Pensions		2,566	
Employer Medicare		962	
Advertising		558	
Audit Services		40,257	
Data Processing Services		7,360	
Dues and Memberships		11,864	
Travel		5,328	
Food Supplies		384	
Office Supplies		492	
Other Supplies and Materials		512	
Workers' Compensation Insurance		85	
Other Charges		2,736	
Total County Commission			\$ 146,393

Beer Board

Board and Committee Members Fees	\$	750	
Social Security		46	
Employer Medicare		11	
Legal Notices, Recording, and Court Costs		281	
Workers' Compensation Insurance		3	
Criminal Investigation of Applicants - TBI		140	
Total Beer Board			1,231

County Mayor/Executive

County Official/Administrative Officer	\$	109,354	
Secretary(ies)		81,223	
Longevity Pay		800	
In-service Training		1,325	
Social Security		11,492	
Pensions		8,893	
Life Insurance		19	
Medical Insurance		21,128	
Disability Insurance		65	
Unemployment Compensation		74	
Employer Medicare		2,688	
Dues and Memberships		1,920	
Evaluation and Testing		57	
Maintenance Agreements		593	
Pest Control		60	
Postal Charges		117	
Printing, Stationery, and Forms		271	
Travel		11,717	
Food Supplies		3,479	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Office Supplies	\$	1,710	
Other Supplies and Materials		985	
Workers' Compensation Insurance		424	
Other Charges		1,746	
Data Processing Equipment		1,460	
Furniture and Fixtures		1,021	
Total County Mayor/Executive			\$ 262,621

County Attorney

County Official/Administrative Officer	\$	45,000	
Social Security		2,790	
Pensions		2,475	
Employer Medicare		652	
Workers' Compensation Insurance		12	
Total County Attorney			50,929

Election Commission

County Official/Administrative Officer	\$	80,529	
Deputy(ies)		48,067	
Temporary Personnel		8,025	
Educational Incentive - Official/Admin Officer		2,495	
Longevity Pay		500	
Overtime Pay		210	
Election Commission		2,996	
Election Workers		45,000	
In-service Training		200	
Social Security		9,295	
Pensions		7,248	
Medical Insurance		18,468	
Unemployment Compensation		51	
Employer Medicare		2,174	
Contracts with Private Agencies		22,605	
Data Processing Services		4,106	
Evaluation and Testing		913	
Legal Notices, Recording, and Court Costs		2,644	
Maintenance Agreements		16,486	
Maintenance and Repair Services - Buildings		12,408	
Pest Control		180	
Postal Charges		2,239	
Printing, Stationery, and Forms		925	
Rentals		1,825	
Travel		24	
Office Supplies		4,702	
Utilities		4,973	
Other Supplies and Materials		504	
Liability Insurance		4,195	
Workers' Compensation Insurance		273	
Data Processing Equipment		185	
Total Election Commission			304,445

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	89,477	
Deputy(ies)		121,649	
Educational Incentive - Official/Admin Officer		3,535	
Longevity Pay		3,200	
Social Security		12,952	
Pensions		11,982	
Medical Insurance		32,702	
Unemployment Compensation		63	
Employer Medicare		3,029	
Data Processing Services		2,300	
Dues and Memberships		1,428	
Lease Payments		14,272	
Maintenance Agreements		593	
Pest Control		60	
Postal Charges		607	
Printing, Stationery, and Forms		155	
Travel		3,063	
Office Supplies		1,427	
Other Supplies and Materials		676	
Workers' Compensation Insurance		316	
Other Charges		406	
Furniture and Fixtures		116	
Total Register of Deeds			\$ 304,008

County Buildings

Supervisor/Director	\$	53,814
Custodial Personnel		56,748
Longevity Pay		500
Overtime Pay		5,723
In-service Training		150
Social Security		7,173
Pensions		5,386
Employee and Dependent Insurance		804
Life Insurance		136
Medical Insurance		8,176
Dental Insurance		471
Disability Insurance		348
Unemployment Compensation		77
Employer Medicare		1,678
Communication		257,842
Evaluation and Testing		57
Maintenance Agreements		3,371
Maintenance and Repair Services - Buildings		87,285
Maintenance and Repair Services - Equipment		267
Maintenance and Repair Services - Vehicles		1,510
Pest Control		1,200
Postal Charges		16

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Rentals	\$	888	
Custodial Supplies		14,804	
Food Supplies		9,982	
Gasoline		7,936	
Office Supplies		146	
Small Tools		932	
Tires and Tubes		211	
Uniforms		200	
Utilities		135,293	
Other Supplies and Materials		814	
Workers' Compensation Insurance		2,824	
Other Charges		1,761	
Furniture and Fixtures		1,757	
Other Capital Outlay		3,350	
Total County Buildings			\$ 673,630

Preservation of Records

Supervisor/Director	\$	40,426	
Social Security		2,428	
Pensions		2,224	
Medical Insurance		8,176	
Unemployment Compensation		21	
Employer Medicare		568	
Communication		2,265	
Contracts with Private Agencies		539	
Data Processing Services		775	
Dues and Memberships		30	
Maintenance Agreements		1,946	
Maintenance and Repair Services - Buildings		818	
Pest Control		180	
Office Supplies		2,059	
Utilities		4,943	
Workers' Compensation Insurance		60	
Office Equipment		38	
Total Preservation of Records			67,496

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	75,208	
Accountants/Bookkeepers		179,478	
Part-time Personnel		690	
Educational Incentive - Official/Admin Officer		10,937	
Longevity Pay		4,800	
Overtime Pay		14,305	
In-service Training		2,500	
Social Security		16,825	
Pensions		15,656	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Employee and Dependent Insurance	\$	60	
Life Insurance		37	
Medical Insurance		37,688	
Dental Insurance		128	
Disability Insurance		141	
Unemployment Compensation		101	
Employer Medicare		3,935	
Communication		3,486	
Data Processing Services		27,957	
Dues and Memberships		836	
Janitorial Services		4,250	
Legal Notices, Recording, and Court Costs		1,493	
Maintenance Agreements		6,062	
Maintenance and Repair Services - Buildings		314	
Postal Charges		3,319	
Printing, Stationery, and Forms		3,298	
Travel		5,477	
Office Supplies		4,392	
Utilities		7,027	
Other Supplies and Materials		1,091	
Workers' Compensation Insurance		427	
Other Charges		450	
Data Processing Equipment		3,055	
Total Accounting and Budgeting			\$ 435,423

Purchasing

County Official/Administrative Officer	\$	18,462	
Longevity Pay		1,000	
Social Security		1,187	
Pensions		1,070	
Employee and Dependent Insurance		270	
Life Insurance		31	
Dental Insurance		107	
Disability Insurance		109	
Employer Medicare		278	
Total Purchasing			22,514

Property Assessor's Office

County Official/Administrative Officer	\$	89,477	
Deputy(ies)		153,491	
Longevity Pay		7,200	
Other Salaries and Wages		40,426	
Board and Committee Members Fees		849	
In-service Training		500	
Social Security		17,320	
Pensions		15,982	
Employee and Dependent Insurance		720	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Life Insurance	\$	149	
Medical Insurance		32,702	
Dental Insurance		514	
Disability Insurance		218	
Unemployment Compensation		107	
Employer Medicare		4,051	
Data Processing Services		14,219	
Dues and Memberships		1,985	
Maintenance Agreements		1,615	
Maintenance and Repair Services - Vehicles		1,479	
Pest Control		60	
Postal Charges		3,580	
Printing, Stationery, and Forms		259	
Travel		525	
Gasoline		1,559	
Office Supplies		3,445	
Other Supplies and Materials		190	
Workers' Compensation Insurance		2,304	
Other Charges		516	
Office Equipment		164	
Total Property Assessor's Office			\$ 395,606

County Trustee's Office

Pensions	\$	11,736	
Employee and Dependent Insurance		388	
Life Insurance		87	
Medical Insurance		23,110	
Dental Insurance		257	
Disability Insurance		305	
Unemployment Compensation		103	
Data Processing Services		18,678	
Dues and Memberships		768	
Evaluation and Testing		43	
Maintenance Agreements		593	
Pest Control		60	
Postal Charges		8,562	
Printing, Stationery, and Forms		6,960	
Office Supplies		1,155	
Other Supplies and Materials		102	
Workers' Compensation Insurance		329	
Other Charges		10,558	
Data Processing Equipment		7,365	
Office Equipment		1,710	
Total County Trustee's Office			92,869

County Clerk's Office

Pensions	\$	20,474	
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(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Employee and Dependent Insurance	\$	60	
Life Insurance		81	
Medical Insurance		55,072	
Disability Insurance		283	
Unemployment Compensation		230	
On-behalf Payments to OPEB		375	
Dues and Memberships		1,353	
Evaluation and Testing		158	
Legal Notices, Recording, and Court Costs		25	
Maintenance Agreements		26,880	
Pest Control		60	
Postal Charges		14,828	
Printing, Stationery, and Forms		935	
Travel		1,321	
Office Supplies		6,672	
Other Supplies and Materials		1,274	
Workers' Compensation Insurance		748	
Other Charges		4,939	
Data Processing Equipment		3,825	
Total County Clerk's Office			\$ 139,593

Data Processing

Supervisor/Director	\$	73,251	
Data Processing Personnel		34,615	
Social Security		6,547	
Pensions		4,558	
Medical Insurance		13,080	
Unemployment Compensation		63	
Employer Medicare		1,531	
Communication		1,276	
Data Processing Services		6,511	
Dues and Memberships		26	
Evaluation and Testing		43	
Maintenance Agreements		38,740	
Office Supplies		422	
Other Supplies and Materials		344	
Workers' Compensation Insurance		469	
Data Processing Equipment		13,421	
Total Data Processing			194,897

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	89,477	
Deputy(ies)		372,120	
Part-time Personnel		1,178	
Longevity Pay		9,400	
Overtime Pay		4,519	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Jury and Witness Expense	\$	16,200	
In-service Training		300	
Social Security		27,856	
Pensions		25,422	
Employee and Dependent Insurance		1,080	
Life Insurance		201	
Medical Insurance		54,247	
Dental Insurance		343	
Disability Insurance		479	
Unemployment Compensation		200	
Employer Medicare		6,515	
On-behalf Payments to OPEB		875	
Data Processing Services		35,113	
Dues and Memberships		1,138	
Evaluation and Testing		43	
Legal Notices, Recording, and Court Costs		419	
Maintenance Agreements		6,113	
Maintenance and Repair Services - Office Equipment		67	
Pest Control		102	
Postal Charges		3,627	
Printing, Stationery, and Forms		4,629	
Travel		3,404	
Office Supplies		8,058	
Other Supplies and Materials		1,412	
Workers' Compensation Insurance		592	
Other Charges		2,636	
Data Processing Equipment		3,346	
Furniture and Fixtures		10,047	
Total Circuit Court			\$ 691,158

General Sessions Court

Judge(s)	\$	175,066
Deputy(ies)		43,232
Guards		70,172
Longevity Pay		1,700
Overtime Pay		9,502
Social Security		17,427
Pensions		13,170
Employee and Dependent Insurance		46
Life Insurance		45
Medical Insurance		23,367
Disability Insurance		261
Unemployment Compensation		86
Employer Medicare		4,076
On-behalf Payments to OPEB		250
Dues and Memberships		500
Evaluation and Testing		57

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Maintenance Agreements	\$	835	
Pest Control		102	
Postal Charges		38	
Printing, Stationery, and Forms		288	
Travel		1,327	
Office Supplies		2,999	
Other Supplies and Materials		330	
Workers' Compensation Insurance		499	
Other Charges		8,979	
Data Processing Equipment		2,242	
Furniture and Fixtures		1,402	
Office Equipment		1,416	
Total General Sessions Court			\$ 379,414

Chancery Court

County Official/Administrative Officer	\$	89,477	
Deputy(ies)		186,408	
Longevity Pay		5,600	
Social Security		16,755	
Pensions		14,588	
Medical Insurance		45,128	
Unemployment Compensation		116	
Employer Medicare		3,919	
Data Processing Services		12,875	
Dues and Memberships		958	
Evaluation and Testing		43	
Pest Control		102	
Postal Charges		2,628	
Printing, Stationery, and Forms		2,139	
Office Supplies		1,054	
Other Supplies and Materials		1,700	
Workers' Compensation Insurance		428	
Other Charges		8,469	
Data Processing Equipment		9,391	
Office Equipment		1,245	
Total Chancery Court			403,023

Juvenile Court

Deputy(ies)	\$	74,628	
Youth Service Officer(s)		7,847	
Salary Supplements		89,478	
Longevity Pay		2,400	
Overtime Pay		1,462	
In-service Training		30	
Social Security		10,587	
Pensions		9,595	
Medical Insurance		23,069	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Unemployment Compensation	\$	37	
Employer Medicare		2,476	
Dues and Memberships		380	
Postal Charges		750	
Travel		4,022	
Office Supplies		2,190	
Other Supplies and Materials		557	
Workers' Compensation Insurance		268	
Other Charges		9,295	
Data Processing Equipment		3,254	
Total Juvenile Court			\$ 242,325

Other Administration of Justice

Secretary(ies)	\$	37,252	
Social Security		2,310	
Pensions		2,049	
Life Insurance		74	
Disability Insurance		261	
Unemployment Compensation		21	
Employer Medicare		540	
Travel		3,106	
Office Supplies		470	
Other Charges		111	
Total Other Administration of Justice			46,194

Courtroom Security

Deputy(ies)	\$	102,434	
Longevity Pay		1,900	
Bonus Payments		1,000	
Social Security		6,254	
Pensions		5,793	
Medical Insurance		23,305	
Unemployment Compensation		62	
Employer Medicare		1,463	
Evaluation and Testing		83	
Maintenance and Repair Services - Equipment		225	
Travel		250	
Law Enforcement Supplies		662	
Uniforms		966	
Total Courtroom Security			144,397

Victim Assistance Programs

Assistant(s)	\$	48,877	
Longevity Pay		600	
Other Salaries and Wages		44,596	
Social Security		5,758	
Pensions		5,174	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Victim Assistance Programs (Cont.)

Medical Insurance	\$	16,351	
Unemployment Compensation		42	
Employer Medicare		1,347	
Contracts with Private Agencies		5,437	
Maintenance and Repair Services - Buildings		178	
Other Supplies and Materials		562	
Workers' Compensation Insurance		96	
Data Processing Equipment		683	
Furniture and Fixtures		1,581	
Total Victim Assistance Programs			\$ 131,282

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	103,346
Supervisor/Director		78,144
Deputy(ies)		667,518
Investigator(s)		158,346
Captain(s)		65,127
Lieutenant(s)		215,683
Sergeant(s)		305,158
Secretary(ies)		162,736
School Resource Officer		449,450
Longevity Pay		40,000
Overtime Pay		70,163
Bonus Payments		11,000
In-service Training		38,387
Social Security		139,837
Pensions		119,478
Employee and Dependent Insurance		2,822
Life Insurance		521
Medical Insurance		346,861
Dental Insurance		1,352
Disability Insurance		1,424
Unemployment Compensation		1,149
Employer Medicare		32,704
Advertising		600
Communication		4,802
Contracts with Private Agencies		2,205
Data Processing Services		11,946
Dues and Memberships		5,263
Evaluation and Testing		1,543
Legal Notices, Recording, and Court Costs		365
Maintenance Agreements		19,476
Maintenance and Repair Services - Buildings		2,898
Maintenance and Repair Services - Equipment		2,041
Maintenance and Repair Services - Office Equipment		980
Maintenance and Repair Services - Vehicles		74,621

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Pest Control	\$	282	
Postal Charges		1,257	
Printing, Stationery, and Forms		2,041	
Rentals		11,700	
Towing Services		3,125	
Travel		26,963	
Custodial Supplies		4,919	
Gasoline		125,677	
Law Enforcement Supplies		25,608	
Office Supplies		8,926	
Tires and Tubes		10,728	
Uniforms		31,746	
Utilities		6,832	
Other Supplies and Materials		934	
Workers' Compensation Insurance		53,986	
Other Self-insured Claims		1,000	
Other Charges		11,394	
Data Processing Equipment		19,210	
Furniture and Fixtures		3,650	
Law Enforcement Equipment		19,074	
Total Sheriff's Department			\$ 3,506,998

Jail

Assistant(s)	\$	43,767
Lieutenant(s)		59,186
Sergeant(s)		158,754
Medical Personnel		90,403
Guards		740,290
Part-time Personnel		3,612
Longevity Pay		11,200
Overtime Pay		85,593
Bonus Payments		11,500
Other Salaries and Wages		31,900
In-service Training		588
Social Security		74,457
Pensions		55,234
Employee and Dependent Insurance		1,531
Life Insurance		371
Medical Insurance		195,833
Dental Insurance		268
Disability Insurance		1,261
Unemployment Compensation		946
Employer Medicare		17,413
Advertising		120
Communication		21,451
Contracts with Private Agencies		26,400
Evaluation and Testing		4,095

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance Agreements	\$	7,898	
Maintenance and Repair Services - Buildings		87,203	
Maintenance and Repair Services - Equipment		5,846	
Maintenance and Repair Services - Vehicles		56	
Pest Control		600	
Printing, Stationery, and Forms		490	
Travel		7,327	
Other Contracted Services		44,185	
Custodial Supplies		21,070	
Drugs and Medical Supplies		66,884	
Food Supplies		267,976	
Gasoline		247	
Office Supplies		1,049	
Uniforms		11,970	
Utilities		228,911	
Other Supplies and Materials		57,272	
Medical Claims		217,769	
Workers' Compensation Insurance		43,143	
Other Charges		12,000	
Data Processing Equipment		18,800	
Furniture and Fixtures		1,754	
Law Enforcement Equipment		1,367	
Total Jail			\$ 2,739,990

Workhouse

Accountants/Bookkeepers	\$	5,622	
Guards		25,123	
Social Security		1,022	
Unemployment Compensation		14	
Employer Medicare		239	
Food Supplies		8,475	
Gasoline		1,478	
Other Charges		16,490	
Total Workhouse			58,463

Work Release Program

Maintenance Personnel	\$	24,419	
Overtime Pay		4,198	
Social Security		1,761	
Pensions		1,343	
Life Insurance		50	
Medical Insurance		654	
Dental Insurance		171	
Disability Insurance		174	
Unemployment Compensation		21	
Employer Medicare		412	
Contracts with Private Agencies		3,564	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Work Release Program (Cont.)

Maintenance and Repair Services - Equipment	\$	3,114	
Maintenance and Repair Services - Vehicles		410	
Food Supplies		587	
Gasoline		3,207	
Lubricants		189	
Tires and Tubes		505	
Other Supplies and Materials		2,005	
Workers' Compensation Insurance		728	
Other Charges		520	
Maintenance Equipment		180	
Total Work Release Program			\$ 48,212

Fire Prevention and Control

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

Civil Defense

In-service Training	\$	700	
Dues and Memberships		110	
Maintenance and Repair Services - Equipment		1,249	
Maintenance and Repair Services - Vehicles		4,344	
Gasoline		456	
Other Supplies and Materials		100	
Other Charges		11,864	
Data Processing Equipment		1,895	
Other Equipment		799	
Total Civil Defense			21,517

Rescue Squad

Contributions	\$	412,500	
Total Rescue Squad			412,500

Other Emergency Management

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

County Coroner/Medical Examiner

Social Security	\$	603	
Pensions		555	
Employer Medicare		141	
Maintenance and Repair Services - Vehicles		819	
Medical and Dental Services		20,000	
Other Contracted Services		137,834	
Gasoline		368	
Total County Coroner/Medical Examiner			160,320

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Communication	\$	7,421	
Contracts with Government Agencies		90,290	
Dues and Memberships		375	
Janitorial Services		21,600	
Legal Notices, Recording, and Court Costs		141	
Maintenance and Repair Services - Buildings		4,967	
Pest Control		288	
Disposal Fees		260	
Food Supplies		360	
Utilities		23,632	
Other Supplies and Materials		979	
Other Charges		1,171	
Total Local Health Center			\$ 151,484

Rabies and Animal Control

Contributions	\$	87,500	
Total Rabies and Animal Control			87,500

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	69,576	
Assistant(s)		57,767	
Medical Personnel		1,331,244	
Secretary(ies)		10,940	
Part-time Personnel		116,437	
Longevity Pay		22,800	
Overtime Pay		120,489	
In-service Training		7,352	
Social Security		103,664	
Pensions		78,101	
Employee and Dependent Insurance		296	
Life Insurance		155	
Medical Insurance		180,045	
Dental Insurance		450	
Disability Insurance		544	
Unemployment Compensation		776	
Employer Medicare		24,244	
On-behalf Payments to OPEB		800	
Communication		19,429	
Contracts with Private Agencies		112,683	
Data Processing Services		765	
Dues and Memberships		815	
Evaluation and Testing		1,330	
Licenses		2,985	
Maintenance Agreements		1,717	
Maintenance and Repair Services - Buildings		13,440	
Maintenance and Repair Services - Equipment		8,581	
Maintenance and Repair Services - Office Equipment		376	

(Continued)

Exhibit J-7

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.)

Maintenance and Repair Services - Vehicles	\$	93,076	
Pest Control		180	
Postal Charges		28	
Printing, Stationery, and Forms		200	
Towing Services		2,600	
Travel		5,479	
Disposal Fees		882	
Other Contracted Services		180	
Custodial Supplies		2,114	
Drugs and Medical Supplies		104,514	
Gasoline		77,744	
Office Supplies		733	
Tires and Tubes		14,097	
Uniforms		8,371	
Utilities		20,337	
Other Supplies and Materials		16	
Liability Insurance		14,741	
Vehicle and Equipment Insurance		43,156	
Workers' Compensation Insurance		125,093	
Communication Equipment		1,164	
Data Processing Equipment		17	
Furniture and Fixtures		2,000	
Total Ambulance/Emergency Medical Services			\$ 2,804,523

Alcohol and Drug Programs

Supervisor/Director	\$	42,935	
Other Salaries and Wages		66,386	
Social Security		5,936	
Pensions		6,013	
Life Insurance		52	
Medical Insurance		15,370	
Disability Insurance		183	
Unemployment Compensation		54	
Employer Medicare		1,388	
Communication		1,319	
Postal Charges		1,941	
Printing, Stationery, and Forms		611	
Travel		13,181	
Office Supplies		15,796	
Other Supplies and Materials		173	
Workers' Compensation Insurance		73	
Total Alcohol and Drug Programs			171,411

Other Local Health Services

Assistant(s)	\$	831	
Supervisor/Director		5,024	
Other Salaries and Wages		15,481	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Social Security	\$	1,207	
Pensions		322	
Employee and Dependent Insurance		120	
Life Insurance		25	
Medical Insurance		981	
Disability Insurance		87	
Unemployment Compensation		24	
Employer Medicare		282	
Dues and Memberships		300	
Evaluation and Testing		43	
Travel		26,089	
Other Contracted Services		11,250	
Office Supplies		24,880	
Other Supplies and Materials		29,447	
Total Other Local Health Services			\$ 116,393

Appropriation to State

Longevity Pay	\$	3,800	
Overtime Pay		9,226	
Other Salaries and Wages		388,894	
Social Security		24,232	
Pensions		19,519	
Employee and Dependent Insurance		1,076	
Life Insurance		322	
Medical Insurance		36,730	
Dental Insurance		707	
Disability Insurance		1,175	
Unemployment Compensation		284	
Employer Medicare		5,667	
Evaluation and Testing		143	
Travel		5,893	
Liability Insurance		206	
Workers' Compensation Insurance		1,944	
Total Appropriation to State			499,818

Other Public Health and Welfare

Contributions	\$	13,089	
Dues and Memberships		9,714	
Other Contracted Services		79,388	
Total Other Public Health and Welfare			102,191

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	30,000	
Building Improvements		32,957	
Total Senior Citizens Assistance			62,957

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Supervisor/Director	\$	59,186	
Deputy(ies)		40,426	
Librarians		88,880	
Part-time Personnel		56,331	
Longevity Pay		3,700	
Social Security		14,342	
Pensions		5,259	
Life Insurance		37	
Medical Insurance		30,035	
Unemployment Compensation		168	
Employer Medicare		3,354	
Communication		4,729	
Data Processing Services		1,685	
Dues and Memberships		480	
Evaluation and Testing		43	
Janitorial Services		900	
Maintenance Agreements		5,178	
Maintenance and Repair Services - Buildings		8,429	
Pest Control		420	
Postal Charges		1,437	
Printing, Stationery, and Forms		911	
Travel		276	
Custodial Supplies		1,255	
Instructional Supplies and Materials		7,971	
Library Books/Media		45,289	
Office Supplies		10,058	
Periodicals		5,757	
Utilities		21,805	
Refunds		143	
Workers' Compensation Insurance		335	
Other Charges		9,810	
Data Processing Equipment		2,736	
Furniture and Fixtures		1,062	
Other Equipment		6,182	
Total Libraries			\$ 438,609

Other Social, Cultural, and Recreational

Contributions	\$	67,205	
Total Other Social, Cultural, and Recreational			67,205

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	172,058	
Board and Committee Members Fees		750	
Communication		2,083	
Dues and Memberships		500	
Maintenance Agreements		654	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Maintenance and Repair Services - Buildings	\$	16,835	
Pest Control		144	
Disposal Fees		260	
Gasoline		527	
Instructional Supplies and Materials		1,500	
Utilities		9,868	
Workers' Compensation Insurance		9	
Total Agricultural Extension Service			\$ 205,188

Soil Conservation

Salary Supplements	\$	60,287	
Social Security		3,204	
Pensions		3,316	
Medical Insurance		8,176	
Unemployment Compensation		21	
Employer Medicare		749	
Communication		553	
Dues and Memberships		1,135	
Postal Charges		79	
Office Supplies		40	
Workers' Compensation Insurance		76	
Other Charges		2,063	
Total Soil Conservation			79,699

Other Operations

Tourism

Contributions	\$	53,400	
Total Tourism			53,400

Industrial Development

Contributions	\$	243,102	
Total Industrial Development			243,102

Airport

Contributions	\$	69,000	
Total Airport			69,000

Veterans' Services

Supervisor/Director	\$	44,466	
Secretary(ies)		38,170	
Longevity Pay		2,600	
Overtime Pay		5,425	
Social Security		5,318	
Pensions		4,299	
Medical Insurance		16,417	
Unemployment Compensation		42	
Employer Medicare		1,244	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Communication	\$	3,476	
Contracts with Private Agencies		216	
Maintenance Agreements		1,370	
Maintenance and Repair Services - Buildings		468	
Pest Control		245	
Postal Charges		73	
Printing, Stationery, and Forms		150	
Travel		622	
Disposal Fees		260	
Gasoline		667	
Office Supplies		2,106	
Utilities		3,070	
Other Supplies and Materials		5,277	
Workers' Compensation Insurance		116	
Other Charges		194	
Total Veterans' Services	\$		136,291

Other Charges

Contracts with Private Agencies	\$	350	
Data Processing Services		12,238	
Legal Notices, Recording, and Court Costs		148	
Maintenance Agreements		2,236	
Postal Charges		1,932	
Rentals		720	
Building and Contents Insurance		139,818	
Liability Insurance		162,164	
Refunds		716	
Trustee's Commission		246,768	
Vehicle and Equipment Insurance		74,416	
Other Self-insured Claims		500	
Other Charges		5,120	
Total Other Charges			647,126

COVID-19 Grant #10

Other Salaries and Wages	\$	10,395	
Social Security		640	
Pensions		572	
Life Insurance		22	
Disability Insurance		78	
Unemployment Compensation		6	
Employer Medicare		150	
Travel		1,841	
Other Supplies and Materials		14,883	
Total COVID-19 Grant #10			28,587

Miscellaneous

Tax Relief Program	\$	98,993	
Total Miscellaneous			98,993

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Capital Projects

General Administration Projects

Communication	\$ 24,797	
Total General Administration Projects		\$ 24,797

Public Utility Projects

Engineering Services	\$ 64,500	
Total Public Utility Projects		<u>64,500</u>

Total General Fund		\$ 18,571,467
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Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Maintenance and Repair Services - Buildings	\$ 25,684	
Trustee's Commission	176	
Total Other Charges		<u>\$ 25,860</u>

Total Courthouse and Jail Maintenance Fund		25,860
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Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Salary Supplements	\$ 102,444
Laborers	361,538
Secretary(ies)	44,466
Clerical Personnel	39,837
Educational Incentive - Official/Admin Officer	1,211
Longevity Pay	7,000
Overtime Pay	15,244
In-service Training	800
Social Security	29,120
Pensions	22,257
Employee and Dependent Insurance	358
Life Insurance	81
Medical Insurance	76,827
Dental Insurance	150
Disability Insurance	283
Unemployment Compensation	1,863
Employer Medicare	6,810
Communication	4,230
Contracts with Private Agencies	1,076,219
Debt Collection Services	1,836
Dues and Memberships	269
Engineering Services	19,108
Evaluation and Testing	710
Maintenance Agreements	533
Maintenance and Repair Services - Buildings	13,804
Maintenance and Repair Services - Equipment	19,353

(Continued)

Exhibit J-7

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.)

Maintenance and Repair Services - Vehicles	\$	6,572	
Pest Control		120	
Postal Charges		13,791	
Printing, Stationery, and Forms		4,710	
Travel		3,474	
Brokerage Fees - Recyclables		123,310	
Permits		5,150	
Other Contracted Services		403	
Custodial Supplies		715	
Diesel Fuel		14,553	
Food Supplies		12,701	
Garage Supplies		15,845	
Gasoline		4,401	
Lubricants		3,168	
Office Supplies		1,517	
Propane Gas		4,422	
Small Tools		737	
Tires and Tubes		6,914	
Uniforms		1,225	
Utilities		29,338	
Wire		9,652	
Other Supplies and Materials		719	
Building and Contents Insurance		6,154	
Liability Insurance		2,240	
Refunds		572	
Trustee's Commission		20,545	
Vehicle and Equipment Insurance		10,004	
Workers' Compensation Insurance		13,180	
Other Charges		2,163	
Data Processing Equipment		1,323	
Furniture and Fixtures		826	
Total Landfill Operation and Maintenance			\$ 2,166,795

Other Operations

Industrial Development

Contributions	\$	928	
Total Industrial Development			928

Total Solid Waste/Sanitation Fund \$ 2,167,723

Industrial/Economic Development Fund

Capital Projects

General Administration Projects

Contributions	\$	3,248	
Total General Administration Projects			\$ 3,248

(Continued)

Exhibit J-7

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

Industrial/Economic Development Fund (Cont.)

Capital Projects (Cont.)

Public Utility Projects

Contracts with Private Agencies	\$	11,000	
Contributions		140,000	
Trustee's Commission		2,101	
Other Capital Outlay		807,366	
Total Public Utility Projects			\$ 960,467

Total Industrial/Economic Development Fund \$ 963,715

Special Purpose Fund

Other Operations

Other Charges

Maintenance and Repair Services - Buildings	\$	6,517	
Total Other Charges			\$ 6,517

Total Special Purpose Fund 6,517

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	27,884	
Travel		2,439	
Law Enforcement Supplies		3,555	
Trustee's Commission		419	
Law Enforcement Equipment		21,885	
Total Drug Enforcement			\$ 56,182

Total Drug Control Fund 56,182

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	263,431	
Total County Trustee's Office			\$ 263,431

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	459,824	
Total County Clerk's Office			459,824

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	2,100	
Total Chancery Court			2,100

Total Constitutional Officers - Fees Fund 725,355

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Other Operations

Industrial Development

Contributions	\$	4,205	
Total Industrial Development			\$ 4,205

Highways

Administration

County Official/Administrative Officer	\$	98,425	
Accountants/Bookkeepers		92,913	
Custodial Personnel		2,642	
Longevity Pay		2,800	
Overtime Pay		6,024	
Social Security		12,021	
Pensions		11,192	
Employee and Dependent Insurance		360	
Life Insurance		75	
Medical Insurance		16,248	
Dental Insurance		257	
Unemployment Compensation		499	
Employer Medicare		2,811	
On-behalf Payments to OPEB		375	
Communication		10,417	
Data Processing Services		1,614	
Dues and Memberships		5,134	
Evaluation and Testing		1,818	
Maintenance Agreements		420	
Pest Control		240	
Travel		4,274	
Custodial Supplies		651	
Office Supplies		1,814	
Utilities		12,723	
Refunds		132	
Workers' Compensation Insurance		2,372	
Other Charges		5,653	
Furniture and Fixtures		995	
Office Equipment		545	
Total Administration			295,444

Highway and Bridge Maintenance

Foremen	\$	119,682	
Equipment Operators		359,781	
Equipment Operators - Light		261,830	
Truck Drivers		268,282	
Laborers		87,788	
Longevity Pay		35,500	
Overtime Pay		103,059	
Social Security		73,704	
Pensions		62,857	
Employee and Dependent Insurance		500	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Life Insurance	\$	108	
Medical Insurance		209,971	
Dental Insurance		384	
Disability Insurance		392	
Unemployment Compensation		6,719	
Employer Medicare		17,237	
Rentals		12,678	
Asphalt		1,511,234	
Asphalt - Cold Mix		56,855	
Concrete		33,710	
Crushed Stone		608,413	
Pipe - Metal		107,963	
Road Signs		13,144	
Wood Products		9,967	
Workers' Compensation Insurance		60,881	
Other Charges		60,921	
Total Highway and Bridge Maintenance			\$ 4,083,560

Operation and Maintenance of Equipment

Mechanic(s)	\$	206,185	
Longevity Pay		7,000	
Overtime Pay		19,238	
Social Security		13,860	
Pensions		12,655	
Medical Insurance		40,877	
Unemployment Compensation		1,050	
Employer Medicare		3,241	
Maintenance and Repair Services - Equipment		240,336	
Diesel Fuel		181,671	
Garage Supplies		3,007	
Gasoline		53,446	
Lubricants		18,021	
Propane Gas		147	
Tires and Tubes		29,496	
Workers' Compensation Insurance		4,280	
Other Charges		11,589	
Total Operation and Maintenance of Equipment			846,099

Other Charges

Building and Contents Insurance	\$	2,753	
Liability Insurance		27,833	
Trustee's Commission		66,183	
Vehicle and Equipment Insurance		31,000	
Other Charges		1,505	
Total Other Charges			129,274

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Highway Construction	\$ 220,614	
Total Capital Outlay		\$ 220,614

Total Highway/Public Works Fund \$ 5,579,196

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 2,362,184	
Principal on Notes	366,500	
Total General Government		\$ 2,728,684

Highways and Streets

Principal on Bonds	\$ 83,600	
Principal on Notes	453,835	
Total Highways and Streets		537,435

Education

Principal on Bonds	\$ 895,000	
Principal on Notes	238,500	
Principal on Other Loans	238,932	
Total Education		1,372,432

Interest on Debt

General Government

Interest on Bonds	\$ 952,865	
Interest on Notes	18,743	
Total General Government		971,608

Highways and Streets

Interest on Bonds	\$ 9,908	
Interest on Notes	7,028	
Total Highways and Streets		16,936

Education

Interest on Bonds	\$ 433,050	
Interest on Notes	14,739	
Interest on Other Loans	38,112	
Total Education		485,901

Other Debt Service

General Government

Refunds	\$ 151	
Trustee's Commission	74,065	
Other Debt Service	11,470	
Total General Government		85,686

Total General Debt Service Fund 6,198,682

(Continued)

Exhibit J-7

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

<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Building Improvements	\$ 2,400,291	
Furniture and Fixtures	20,586	
Land	259,742	
Motor Vehicles	785,506	
Solid Waste Equipment	628,507	
Other Capital Outlay	65,000	
Total General Administration Projects		\$ 4,159,632
<u>Education Capital Projects</u>		
Contributions	\$ 700,000	
Total Education Capital Projects		<u>700,000</u>
Total General Capital Projects Fund		\$ 4,859,632
<u>Highway Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Highway and Street Capital Projects</u>		
Highway Equipment	\$ 311,025	
Total Highway and Street Capital Projects		<u>\$ 311,025</u>
Total Highway Capital Projects Fund		<u>311,025</u>
Total Governmental Funds - Primary Government		<u>\$ 39,465,354</u>

Exhibit J-8

Lawrence County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lawrence County School Department
For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 19,095,287	
Career Ladder Program	51,000	
Homebound Teachers	11,302	
Educational Assistants	791,725	
Bonus Payments	2,650	
Other Salaries and Wages	39,913	
Certified Substitute Teachers	9,662	
Non-certified Substitute Teachers	304,918	
Social Security	1,173,775	
Pensions	1,763,869	
Medical Insurance	3,482,500	
Unemployment Compensation	493	
Employer Medicare	277,019	
Other Fringe Benefits	400	
Other Contracted Services	644,550	
Instructional Supplies and Materials	344,924	
Other Supplies and Materials	37,353	
Regular Instruction Equipment	105,515	
Total Regular Instruction Program		\$ 28,136,855

Alternative Instruction Program

Teachers	\$ 226,630	
Educational Assistants	50,456	
Certified Substitute Teachers	70	
Non-certified Substitute Teachers	3,282	
Social Security	16,003	
Pensions	22,481	
Medical Insurance	54,278	
Employer Medicare	3,752	
Instructional Supplies and Materials	1,814	
Other Supplies and Materials	176	
Total Alternative Instruction Program		378,942

Special Education Program

Teachers	\$ 1,359,307	
Career Ladder Program	4,000	
Homebound Teachers	25,892	
Educational Assistants	855,148	
Speech Pathologist	302,994	
Bonus Payments	775	
Other Salaries and Wages	590	
Certified Substitute Teachers	140	
Non-certified Substitute Teachers	52,737	
Social Security	147,650	
Pensions	204,430	
Medical Insurance	722,500	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	34,598	
Contracts with Private Agencies		94,850	
Maintenance and Repair Services - Equipment		1,305	
Instructional Supplies and Materials		28,564	
Other Supplies and Materials		8,656	
Total Special Education Program			\$ 3,844,136

Career and Technical Education Program

Teachers	\$	1,690,799	
Career Ladder Program		3,000	
Other Salaries and Wages		40,123	
Certified Substitute Teachers		540	
Non-certified Substitute Teachers		33,312	
Social Security		101,765	
Pensions		155,127	
Medical Insurance		320,756	
Employer Medicare		24,172	
Contracts with Other School Systems		174,183	
Maintenance and Repair Services - Equipment		1,592	
Other Contracted Services		2,924	
Instructional Supplies and Materials		78,277	
Textbooks - Bound		7,052	
Other Supplies and Materials		12,345	
Other Charges		1,384	
Vocational Instruction Equipment		477,243	
Total Career and Technical Education Program			3,124,594

COVID-19 Expenditures

Regular Instruction Equipment	\$	889,892	
Total COVID-19 Expenditures			889,892

Support Services

Health Services

Supervisor/Director	\$	25,540	
Medical Personnel		159,489	
Other Salaries and Wages		24,288	
Social Security		11,458	
Pensions		16,583	
Medical Insurance		71,963	
Employer Medicare		2,787	
Travel		1,163	
Other Contracted Services		14,279	
Drugs and Medical Supplies		6,925	
Other Supplies and Materials		9,929	
In Service/Staff Development		3,296	
Other Charges		1,106	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Health Equipment	\$	15,427	
Other Equipment		6,295	
Total Health Services			\$ 370,528

Other Student Support

Career Ladder Program	\$	2,500	
Guidance Personnel		842,206	
Social Workers		269,791	
Other Salaries and Wages		111,785	
Non-certified Substitute Teachers		1,625	
Social Security		67,639	
Pensions		104,819	
Medical Insurance		181,842	
Employer Medicare		16,969	
Evaluation and Testing		82,029	
Travel		378	
In Service/Staff Development		20,094	
Other Charges		343	
Total Other Student Support			1,702,020

Regular Instruction Program

Supervisor/Director	\$	265,445	
Career Ladder Program		6,000	
Librarians		649,753	
Other Salaries and Wages		101,124	
Certified Substitute Teachers		70	
Non-certified Substitute Teachers		4,015	
Social Security		60,376	
Pensions		93,815	
Medical Insurance		152,395	
Employer Medicare		14,123	
Travel		15,062	
Other Contracted Services		80,081	
Other Supplies and Materials		75,533	
In Service/Staff Development		11,233	
Other Charges		2,338	
Other Equipment		72,141	
Total Regular Instruction Program			1,603,504

Alternative Instruction Program

Other Contracted Services	\$	38,079	
Other Supplies and Materials		221	
Total Alternative Instruction Program			38,300

Special Education Program

Supervisor/Director	\$	133,886	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	1,000	
Psychological Personnel		54,116	
Other Salaries and Wages		82,955	
Social Security		15,936	
Pensions		25,410	
Medical Insurance		48,943	
Employer Medicare		3,736	
Travel		10,838	
Other Contracted Services		124,980	
Other Supplies and Materials		10,570	
In Service/Staff Development		6,684	
Total Special Education Program	\$		519,054

Career and Technical Education Program

Supervisor/Director	\$	41,927	
Career Ladder Program		500	
Social Security		2,307	
Pensions		3,687	
Medical Insurance		6,836	
Employer Medicare		540	
Travel		88,138	
Other Supplies and Materials		5,425	
In Service/Staff Development		3,851	
Other Charges		1,303	
Total Career and Technical Education Program			154,514

Technology

Supervisor/Director	\$	73,985	
Computer Programmer(s)		133,702	
Other Salaries and Wages		66,940	
Social Security		16,435	
Pensions		18,403	
Medical Insurance		53,452	
Employer Medicare		3,844	
Internet Connectivity		124,871	
Travel		1,730	
Other Contracted Services		103,151	
Other Supplies and Materials		15,630	
Other Charges		20	
Data Processing Equipment		24,838	
Total Technology			637,001

Other Programs

On-behalf Payments to OPEB	\$	217,803	
Total Other Programs			217,803

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Secretary to Board	\$	2,400	
Other Salaries and Wages		92,620	
Board and Committee Members Fees		21,600	
Social Security		6,852	
Pensions		1,783	
Medical Insurance		204,212	
Employer Medicare		1,678	
Audit Services		14,935	
Dues and Memberships		4,635	
Legal Services		24,081	
Other Contracted Services		25,198	
Other Supplies and Materials		31	
Liability Insurance		100,748	
Trustee's Commission		291,118	
Workers' Compensation Insurance		351,363	
In Service/Staff Development		10,719	
Other Charges		618	
Total Board of Education			\$ 1,154,591

Director of Schools

County Official/Administrative Officer	\$	159,884	
Career Ladder Program		1,092	
Secretary(ies)		41,650	
Social Security		11,993	
Pensions		15,360	
Medical Insurance		13,673	
Employer Medicare		2,836	
Communication		95,705	
Dues and Memberships		3,214	
Postal Charges		5,099	
Other Contracted Services		557	
Office Supplies		8,127	
Other Supplies and Materials		6,343	
In Service/Staff Development		838	
Other Charges		3,662	
Administration Equipment		1,332	
Total Director of Schools			371,365

Office of the Principal

Principals	\$	1,163,756	
Career Ladder Program		6,500	
Assistant Principals		1,261,421	
Secretary(ies)		656,343	
Bonus Payments		225	
Social Security		182,511	
Pensions		251,692	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Medical Insurance	\$	456,221	
Employer Medicare		42,684	
Other Contracted Services		15,950	
Other Supplies and Materials		2,369	
Other Charges		146	
Administration Equipment		4,950	
Total Office of the Principal			\$ 4,044,768

Fiscal Services

Supervisor/Director	\$	86,445	
Accountants/Bookkeepers		164,357	
Bonus Payments		100	
Social Security		15,254	
Pensions		13,692	
Medical Insurance		30,881	
Employer Medicare		3,567	
Data Processing Services		52,830	
Travel		46	
Data Processing Supplies		1,398	
In Service/Staff Development		1,169	
Total Fiscal Services			369,739

Human Services/Personnel

Supervisor/Director	\$	83,853	
Career Ladder Program		1,000	
Secretary(ies)		37,754	
Social Security		7,308	
Pensions		9,450	
Medical Insurance		14,134	
Employer Medicare		1,709	
Dues and Memberships		700	
Other Contracted Services		16,553	
Data Processing Supplies		155	
In Service/Staff Development		840	
Total Human Services/Personnel			173,456

Operation of Plant

Supervisor/Director	\$	80,653	
Custodial Personnel		717,401	
Other Salaries and Wages		519,585	
Social Security		77,625	
Pensions		67,691	
Medical Insurance		363,073	
Employer Medicare		18,155	
Laundry Service		17,263	
Maintenance and Repair Services - Equipment		4,150	

(Continued)

Exhibit J-8

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.)

Travel	\$	14,996	
Disposal Fees		41,500	
Other Contracted Services		145,386	
Custodial Supplies		222,107	
Electricity		1,210,107	
Natural Gas		179,834	
Water and Sewer		271,200	
Other Supplies and Materials		4,755	
Building and Contents Insurance		232,805	
In Service/Staff Development		3,057	
Other Charges		784	
Total Operation of Plant			\$ 4,192,127

Maintenance of Plant

Supervisor/Director	\$	69,245	
Other Salaries and Wages		381,827	
Social Security		27,159	
Pensions		24,462	
Medical Insurance		53,764	
Employer Medicare		6,444	
Laundry Service		9,132	
Maintenance and Repair Services - Equipment		7,920	
Maintenance and Repair Services - Vehicles		4,388	
Other Contracted Services		794,601	
Other Supplies and Materials		732,780	
In Service/Staff Development		1,430	
Other Charges		648	
Maintenance Equipment		12,050	
Plant Operation Equipment		15,804	
Total Maintenance of Plant			2,141,654

Transportation

Supervisor/Director	\$	80,653	
Mechanic(s)		191,998	
Bus Drivers		979,341	
Clerical Personnel		35,211	
Bonus Payments		275	
Other Salaries and Wages		112,791	
Certified Substitute Teachers		23	
Non-certified Substitute Teachers		414	
Social Security		79,826	
Pensions		77,167	
Medical Insurance		489,205	
Employer Medicare		18,723	
Communication		7,800	
Contracts with Parents		35,004	

(Continued)

Exhibit J-8

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.)

Laundry Service	\$	7,190	
Maintenance and Repair Services - Equipment		313	
Maintenance and Repair Services - Vehicles		10,674	
Medical and Dental Services		6,300	
Travel		34,869	
Other Contracted Services		26,947	
Diesel Fuel		332,509	
Gasoline		49,378	
Lubricants		10,478	
Tires and Tubes		43,907	
Vehicle Parts		134,378	
Other Supplies and Materials		29,209	
Vehicle and Equipment Insurance		54,110	
In Service/Staff Development		896	
Other Charges		132	
Transportation Equipment		193,028	
Total Transportation			\$ 3,042,749

Central and Other

Other Contracted Services	\$	52,837	
Total Central and Other			52,837

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	45,172	
Teachers		88,834	
Career Ladder Program		500	
Clerical Personnel		6,646	
Educational Assistants		19,807	
Other Salaries and Wages		77,182	
Social Security		13,682	
Pensions		19,190	
Medical Insurance		13,673	
Employer Medicare		3,200	
Travel		853	
Food Supplies		95	
Other Supplies and Materials		21,341	
In Service/Staff Development		138	
Other Charges		20,236	
Total Community Services			330,549

Early Childhood Education

Supervisor/Director	\$	12,477	
Teachers		556,297	
Clerical Personnel		9,619	
Educational Assistants		182,327	

(Continued)

Exhibit J-8

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.)

Non-certified Substitute Teachers	\$	14,290	
Social Security		43,085	
Pensions		58,264	
Medical Insurance		181,026	
Employer Medicare		10,080	
Other Supplies and Materials		11,492	
In Service/Staff Development		360	
Other Charges		149	
Regular Instruction Equipment		9,168	
Total Early Childhood Education			\$ 1,088,634

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	1,291,924	
Building Construction		3,981,007	
Building Improvements		742,893	
Total Regular Capital Outlay			6,015,824

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	1,128,944	
Total Education			<u>1,128,944</u>

Total General Purpose School Fund \$ 65,724,380

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,854,979	
Educational Assistants		634,713	
Other Salaries and Wages		167,235	
Certified Substitute Teachers		1,700	
Non-certified Substitute Teachers		28,060	
Social Security		149,363	
Pensions		170,298	
Medical Insurance		273,658	
Employer Medicare		37,596	
Instructional Supplies and Materials		706,478	
Other Supplies and Materials		4,175	
Regular Instruction Equipment		109,409	
Total Regular Instruction Program			\$ 4,137,664

Special Education Program

Teachers	\$	533,092	
Educational Assistants		370,253	
Speech Pathologist		103,818	

(Continued)

Exhibit J-8

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.)

Certified Substitute Teachers	\$	340	
Non-certified Substitute Teachers		28,295	
Social Security		58,168	
Pensions		71,040	
Medical Insurance		220,915	
Employer Medicare		13,761	
Instructional Supplies and Materials		40,812	
Other Supplies and Materials		968	
Total Special Education Program			\$ 1,441,462

Career and Technical Education Program

Other Salaries and Wages	\$	16,981	
Social Security		1,047	
Pensions		1,476	
Medical Insurance		3,449	
Employer Medicare		245	
Maintenance and Repair Services - Equipment		1,067	
Other Contracted Services		47,190	
Other Supplies and Materials		618	
Vocational Instruction Equipment		34,235	
Total Career and Technical Education Program			106,308

Support Services

Health Services

Supervisor/Director	\$	42,566	
Medical Personnel		289,507	
Other Salaries and Wages		33,733	
Social Security		20,832	
Pensions		28,547	
Medical Insurance		68,174	
Employer Medicare		4,765	
Travel		1,106	
Drugs and Medical Supplies		7,668	
In Service/Staff Development		4,166	
Other Charges		2,717	
Health Equipment		25,676	
Total Health Services			529,457

Other Student Support

Guidance Personnel	\$	108,067	
Social Workers		50,489	
Social Security		9,640	
Pensions		13,382	
Medical Insurance		15,466	
Employer Medicare		2,259	
Travel		30,903	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Supplies and Materials	\$	329	
In Service/Staff Development		17,305	
Other Charges		37,059	
Other Equipment		1,258	
Total Other Student Support			\$ 286,157

Regular Instruction Program

Supervisor/Director	\$	83,872	
Other Salaries and Wages		799,453	
Social Security		51,777	
Pensions		76,256	
Medical Insurance		143,146	
Employer Medicare		12,122	
Travel		7,000	
Other Contracted Services		280,472	
Other Supplies and Materials		13,004	
In Service/Staff Development		108,531	
Total Regular Instruction Program			1,575,633

Special Education Program

Psychological Personnel	\$	120,794	
Medical Personnel		172,200	
Secretary(ies)		26,290	
Clerical Personnel		37,754	
Social Security		21,144	
Pensions		27,965	
Medical Insurance		59,243	
Employer Medicare		4,945	
Travel		2,903	
Other Contracted Services		139,567	
Other Supplies and Materials		678	
Total Special Education Program			613,483

Transportation

Contracts with Parents	\$	698	
Transportation Equipment		232,000	
Total Transportation			232,698

Operation of Non-Instructional Services

Community Services

Teachers	\$	1,500	
Other Salaries and Wages		3,780	
Social Security		313	
Pensions		449	
Employer Medicare		73	
Travel		740	

(Continued)

Exhibit J-8

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Community Services (Cont.)</u>		
Instructional Supplies and Materials	\$ 56,855	
Office Supplies	323	
Other Supplies and Materials	21,857	
In Service/Staff Development	22,042	
Other Charges	33,731	
Total Community Services		\$ 141,663
<u>Capital Outlay</u>		
<u>Regular Capital Outlay</u>		
Building Improvements	\$ 3,103,899	
Total Regular Capital Outlay		<u>3,103,899</u>
Total School Federal Projects Fund		\$ 12,168,424
<u>Central Cafeteria Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$ 79,527	
Accountants/Bookkeepers	40,634	
Cafeteria Personnel	1,356,342	
Social Security	86,597	
Pensions	55,495	
Medical Insurance	398,447	
Unemployment Compensation	44	
Employer Medicare	20,226	
Maintenance and Repair Services - Equipment	78,661	
Transportation - Other than Students	42,909	
Travel	3,245	
Other Contracted Services	63,574	
Food Supplies	2,266,404	
Office Supplies	9,894	
USDA - Commodities	352,213	
Other Supplies and Materials	297,072	
In Service/Staff Development	2,330	
Other Charges	1,782	
Food Service Equipment	314,194	
Total Food Service		<u>\$ 5,469,590</u>
Total Central Cafeteria Fund		5,469,590
<u>Extended School Program Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Community Services</u>		
Other Salaries and Wages	\$ 132,515	
Social Security	8,216	
Pensions	7,433	

(Continued)

Exhibit J-8

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

<u>Extended School Program Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Community Services (Cont.)</u>		
Employer Medicare	\$ 1,922	
Retirement - Hybrid Stabilization	48	
Other Supplies and Materials	4,475	
Trustee's Commission	1,641	
In Service/Staff Development	58	
Other Equipment	13,608	
Total Community Services		\$ 169,916
Total Extended School Program Fund		\$ 169,916
<u>Internal School Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Community Services</u>		
Other Charges	\$ 2,942,009	
Total Community Services		\$ 2,942,009
Total Internal School Fund		2,942,009
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Building Construction	\$ 6,761,703	
Total Education Capital Projects		\$ 6,761,703
Total Education Capital Projects Fund		6,761,703
Total Governmental Funds - Lawrence County School Department		\$ 93,236,022

SINGLE AUDIT SECTION



JASON E. MUMPOWER
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, 2023, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 15, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of Lawrence County School Department (a discretely presented component unit), as described in our report on Lawrence County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lawrence County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lawrence County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified the following deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2023-003.

Report on 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 financial statements. 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: 2023-001 and 2023-002.

Lawrence County’s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Lawrence County’s responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Lawrence County’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 results 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 15, 2023

JEM/tg



JASON E. MUMPOWER
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

Opinion on Each Major Federal Program

We have audited Lawrence County's compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, Lawrence County complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lawrence County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does

not provide a legal determination of Lawrence County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Lawrence County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lawrence County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lawrence County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lawrence County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Lawrence County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Lawrence County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, and the related notes to the financial statements, which collectively comprise Lawrence County's basic financial statements. We issued our report thereon dated December 15, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 15, 2023

JEM/tg

Lawrence County, Tennessee, and the Lawrence County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year Ended June 30, 2023

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	\$ 352,213 (6)
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	1,205,330
National School Lunch Program	10.555	(4)	3,552,595 (6)
Fresh Fruit and Vegetable Program	10.582	(4)	43,215
COVID 19 - Pandemic EBT Administrative Costs	10.649	(4)	3,135
Passed-through State Department of Health:			
WIC Special Supplement Nutrition Program for Women, Infants, and Children	10.557	(4)	81,348
Total U.S. Department of Agriculture			<u>\$ 5,237,836</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grant/State's Program	14.228	(4)	\$ 486,746
Total U.S. Department of Housing and Urban Development			<u>\$ 486,746</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
Crime Victim Assistance	16.575	(4)	\$ 125,607
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(4)	70,000
Passed through Tennessee Bureau of Investigation:			
Comprehensive Opioid, Stimulant, and Other Substance Use Program	16.838	(4)	32,879
Total U.S. Department of Justice			<u>\$ 228,486</u>
Federal Communications Commission:			
Direct Program:			
COVID-19 - Emergency Connectivity Fund Program	32.009	N/A	\$ 889,892
Total Federal Communications Commission			<u>\$ 889,892</u>
U.S. Department of Education:			
Direct Program:			
Funds for the Improvement of Education	84.215	N/A	\$ 164,164
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	2,131,498
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	1,878,847 (6)
COVID 19 - Special Education - Grants to States - ARP	84.027	(4)	101,967 (6)
Special Education - Preschool Grants	84.173	(4)	56,443 (6)
COVID 19 - Special Education - Preschool Grants - ARP	84.173	(4)	26,131 (6)
Career and Technical Education - Basic Grants to States	84.048	(4)	154,516
Twenty-first Century Community Learning Centers	84.287	(4)	196,124
Rural Education	84.358	(4)	164,978
English Language Acquisition State Grants	84.365	(4)	6,542
Supporting Effective Instruction State Grants	84.367	(4)	296,699
Comprehensive Literacy Development	84.371	(4)	86,391
Student Support and Academic Enrichment Program	84.424	(4)	97,806
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	(4)	1,274,547 (6)
COVID 19 - 2021 American Rescue Plan - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	(4)	5,407,395 (6)
COVID 19 - Education Stabilization Fund - Homeless Children and Youth	84.425W	(4)	698 (6)
Total U.S. Department of Education			<u>\$ 12,044,746</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
2020 HAVA Election Security Grants	90.404	(4)	\$ 4,476
Total U.S. Election Assistance Commission			<u>\$ 4,476</u>

(Continued)

Lawrence County, Tennessee, and the Lawrence County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Direct Programs:			
Drug-Free Communities Support Program Grants	93.276	N/A	\$ 173,213
CCDF Cluster: (5)			
Child Care and Development Block Grant	93.575	N/A	26,608
Passed-through State Department of Health:			
Family Planning Services	93.217	(4)	19,907
Maternal and Child Health Services Block Grant to the States	93.994	(4)	47,152
Passed-through State Department of Mental Health and Substance Abuse Services:			
Temporary Assistance for Needy Families	93.558	(4)	296,933
Opioid STR	93.788	(4)	34,169
Passed-through State Department of Education:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	(4)	538,959
Temporary Assistance for Needy Families	93.354	(4)	10,000
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	(4)	19,478
COVID 19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	(4)	28,588
Total U.S. Department of Health and Human Services			<u>\$ 1,195,007</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(4)	\$ 11,864
Total U.S. Department of Homeland Security			<u>\$ 11,864</u>
Total Expenditures of Federal Grants			<u>\$ 20,099,053</u>

<u>State Grants</u>		Contract Number	
Safe Schools Act - State Department of Education	N/A	(4)	\$ 120,762
Early Childhood Education - State Department of Education	N/A	(4)	1,108,710
Coordinated School Health - State Department of Education	N/A	(4)	99,994
Summer Learning Camps - State Department of Education	N/A	(4)	446,983
Learning Camps Transportation - State Department of Education	N/A	(4)	103,522
Litter Grant - State Department of Transportation	N/A	(4)	68,390
Evidence-based Jail Programming - State Department of Finance and Administration	N/A	(4)	83,263
Family Resources Center - State Department of Education	N/A	(4)	29,612
Training Opportunities for the Public (TOP) - State Department of Economic and Community Development	N/A	(4)	5,563
Lifeline Peer Project - State Department of Mental Health and Substance Abuse Services	N/A	(4)	64,640
Substance Abuse Coalition Program - State Department of Mental Health and Substance Abuse Services	N/A	(4)	72,675
Supporting Postsecondary Access in Rural Communities (SPARC) - State Department of Education	N/A	(4)	102,000
Innovative School Models Grant - State Department of Education	N/A	(4)	554,867
Health Department Programs - State Department of Health	N/A	(4)	328,480
Archives Development Program - Secretary of State	N/A	(4)	1,578
Mental Health Transport Program - State Department of Finance and Administration	N/A	(4)	89,638
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	(4)	7,847
Total State Grants			<u>\$ 3,288,524</u>

FAL = Federal Assistance Listing

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) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$5,153,353; Special Education Cluster total \$2,063,388; CCDF Cluster total \$26,608.
- (6) Total for FAL No. 10.555 is \$3,904,808; Total for FAL No. 84.027 is \$1,980,814; Total for FAL No. 84.173 is \$82,574;
Total for FAL No. 84.425 is \$6,682,640.

Lawrence County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2023

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, 2023.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
<u>OFFICE OF DIRECTOR OF SCHOOLS</u>					
2022	224	2022-001	The office had budget deficiencies.	N/A	Corrected
2022	225	2022-002	The General Purpose School Fund required material audit adjustments for proper financial statement presentation.	N/A	Corrected
2022	225	2023-003	Accounting records were not closed and available for audit by August 31, 2022.	N/A	Corrected

Prior-year Federal Awards Findings

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

LAWRENCE COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

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? **YES**
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:
 - * Assistance Listing Numbers: 10.553, 10.555, and 10.582 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * Assistance Listing Number: 32.009 COVID 19 - Emergency Connectivity Fund Program
 - * Assistance Listing Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

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.

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2023-001 **AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT**
(Noncompliance Under *Government Auditing Standards*)

The county did not deposit amounts withheld from contractor payments into an escrow account on one construction contract totaling \$894,800. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third-party for contracts of \$500,000 or more. This deficiency was the result of a lack of management oversight that could result in the loss of interest earnings for the contractor.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into an escrow account in compliance with state statute.

MANAGEMENT'S RESPONSE

No formal management's response was submitted; however, explanation to the finding is included in the Corrective Action Plan.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2023-002 **VEHICLE BID SPECIFICATIONS APPLIED TO ONLY ONE BRAND**
(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 43 disbursements totaling \$1,979,874 from a population of 1,611 vendor checks totaling \$51,750,100. Our sample revealed that in one of five applicable purchases, bid specifications were brand specific. The school department purchased three new 2023 GMC Yukons (\$193,028); however, the bid specifications listed a particular brand and/or make/model. Using bid specifications that apply only to a particular

brand violates the intent of the school department's purchasing law, Section 49-2-203 *Tennessee Code Annotated*, which requires competitive bidding. Office personnel stated the bid specifications were developed and let by a program director within the school department without proper authority. This deficiency occurred due to weaknesses in the internal control system.

RECOMMENDATION

The office should develop bid specifications that are not brand specific. Bids should be developed and let by appropriate personnel.

MANAGEMENT'S RESPONSE

No formal management's response was submitted; however, explanation to the finding is included in the Corrective Action Plan.

OFFICE OF COUNTY CLERK

FINDING 2023-003

BANK STATEMENTS WERE NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Bank statements were not accurately reconciled with the general ledger. The office attempted to reconcile the bank statements monthly; however, all errors were not identified and corrected. The monthly reconciliation of bank statements and the identification and correction of errors are necessary procedures to ensure all cash collections are recorded accurately in the accounting records. This deficiency is the result of a lack of management oversight that increases the risk that fraud and errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

The office should accurately reconcile bank statements with the general ledger monthly, and any errors should be identified and corrected promptly.

MANAGEMENT'S RESPONSE

No formal management's response was submitted; however, explanation to the finding is included in the Corrective Action Plan.

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, 2023.

Lawrence County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

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

2023-001	Amounts withheld from contractor payments were not deposited into an escrow account.	226
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OFFICE OF DIRECTOR OF SCHOOLS

2023-002	Vehicle bid specifications applied to only one brand.	227
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OFFICE OF COUNTY CLERK

2023-003	Bank statements were not accurately reconciled with the general ledger.	228
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Lawrence County Government

Office of Accounts & Budgets

700 Mahr Avenue

Lawrenceburg, TN 38464

Corrective Action Plan

FINDING: 2023-001 **AMOUNTS WITHHELD FROM CONTRACTOR
PAYMENTS WERE NOT DEPOSITED INTO ESCROW
ACCOUNTS**

Response and Corrective Action Plan Prepared by:

Brandi Williams, Director of Accounts and Budgets

Person Responsible for Implementing the Corrective Action:

Brandi Williams, Director of Accounts and Budgets

Anticipated Completion Date of Corrective Action:

Immediately

Repeat Finding:

No

Planned Corrective Action:

The above finding addresses the contract with Ward Construction on Lawrence County's CDBG grant. This grant is administered by South Central Tennessee Development District. Lawrence County revives payment applications from SCTDD informing us which vendors to pay and the amount of said payment. At no point did Lawrence County receive a payment application containing a retainage payment. Going forward, all contracts will be reviewed by both the Director of Accounts and Budgets and the Purchasing Agent to ensure that they do not require retainage be deposited into an escrow account. This change is effective immediately.

Signature:

A handwritten signature in blue ink that reads "Brandi Williams".

Brandi Williams

Director of Accounts and Budgets

LAWRENCE COUNTY
SCHOOL  SYSTEM

Michael Adkins, Ed. S., Director of Schools
1620 Springer Road • Lawrenceburg, TN 38464
931-762-3581

Corrective Action Plan

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

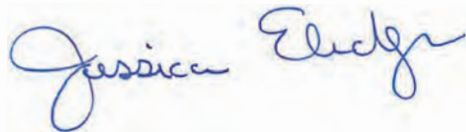
Person Responsible for Implementing the Corrective Action:
Jessica Eledge, CFO

Anticipated Completion Date of Corrective Action:
Immediately

FINDING: 2023-002 VEHICLE BID SPECIFICATIONS APPLIED TO ONLY ONE BRAND

Planned Corrective Action:

This was an oversight within the Career and Technical Education department when the bid specifications were developed for the purchase of vehicles within the Innovative School Models grant. Bid specification language should have included an “or equal” clause. In the future, all bid specifications will provide language that will not limit product selection to a single brand.



Jessica Eledge
Chief Financial Officer



Lawrence County Clerk | Russ Brewer
200 W. Gaines Suite 103
Lawrenceburg, TN 38464
931-766-4176

Corrective Action Plan

FINDING: 2023-003 BANK STATEMENTS WERE NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER

Response and Corrective Action Plan Prepared by:

Russ Brewer, County Clerk

Person Responsible for Implementing the Corrective Action:

Russ Brewer, County Clerk

Anticipated Completion Date of Corrective Action:

6/30/24

Repeat Finding:

No

Planned Corrective Action:

I will accurately reconcile bank statements with the general ledger monthly, and any errors will be identified and corrected promptly.

Signature: _____

A handwritten signature in blue ink, appearing to be "Russ Brewer", written over a horizontal line.

Russ Brewer

County Clerk

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.