OFFICIAL STATEMENT

NEW ISSUE Rating: Standard & Poor's: "A+"
BOOK-ENTRY-ONLY (See "MISCELLANEOUS-Rating")

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "LEGAL MATTERS - 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 inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. (See "LEGAL MATTERS - Tax Matters" herein).

$2,610,000
CITY OF LAWRENCEBURG, TENNESSEE
General Obligation Refunding Bonds, 2015A
NON-BANK QUALIFIED

Dated: March 31, 2015 Due: April 1 (as indicated below)

The $2,610,000 General Obligation Refunding Bonds, 2015A (the "Bonds") of the City of Lawrenceburg, Tennessee (the "City") shall be issued as book-entry-only Bonds in denominations of $5,000 and authorized integral multiples thereof. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") except as otherwise described herein. DTC will act as securities depository of the Bonds. 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., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of $5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on October 1, 2015 and thereafter on each October 1 and April 1 by check or draft mailed to the owners thereof as shown on the books and records of the Registration Agent. In the event of discontinuation of the book-entry system, principal of and interest on the Bonds are payable at the principal corporate trust office of Regions Bank, Nashville, Tennessee, the registration and paying agent (the "Registration Agent").

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

The Bonds maturing April 1, 2020 are subject to optional redemption prior to maturity on or after April 1, 2019.

Maturity (April 1)	Amount*	Interest Rate	Yield		CUSIPS **
2016	$ 605,000	2.00%	0.50%		520516 QS7
2017	610,000	2.00%	0.90%		520516 QT5
2018	640,000	2.00%	1.00%		520516 QU2
2019	655,000	2.00%	1.30%		520516 QV0
2020	100,000	2.00%	1.60%	c	520516 QW8

c = Yield to call on April 1, 2019.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued by the City, subject to the approval of the legality thereof by Glankler Brown, PLLC, Memphis, Tennessee, bond counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon by Alan Betz, counsel to the City. It is expected that the Bonds, will be available for delivery through the facilities of DTC, New York, New York, on or about March 31, 2015.

Cumberland Securities Company, Inc.
Financial Advisor

February 26, 2015

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Issuer disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Bonds, the Resolution, the Disclosure Certificate (as defined herein), and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Resolution.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such acts. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer or the Underwriter. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

** These CUSIP numbers have been assigned by Standard & Poor’s CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc., and are included solely for the convenience of the Bond holders. The City is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein.

CITY OF LAWRENCEBURG, TENNESSEE

CITY COUNCIL

Keith Durham, *Mayor*

Robin Williams, *Vice Mayor*
Jamie Sevier
Chad Moore
Ronald Fox

CITY OFFICIALS

Chris Shaffer
City Administrator / City Recorder

CITY ATTORNEY

Alan Betz

UNDERWRITER

Bernardi Securities, Inc.
Chicago, Illinois

BOND COUNSEL

Glankler Brown, PLLC
Memphis, Tennessee

REGISTRATION AND PAYING AGENT

Regions Bank
Knoxville, Tennessee

FINANCIAL ADVISOR

Cumberland Securities Company, Inc.
Knoxville, Tennessee

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SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this *Official Statement*. This Summary Statement shall not be reproduced, distributed or otherwise used except in conjunction with the remainder of this *Official Statement*.

Issuer	City of Lawrenceburg, Tennessee (the "City", "Municipality" or "Issuer"). See APPENDIX B contained herein.
The Bonds	$2,610,000 General Obligation Refunding Bonds, 2015A (the "Bonds").
Security	The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the City. For the prompt payment of principal and interest on the Bonds, the full faith and credit of the Issuer are hereby irrevocably pledged.
Purpose	The Bonds are being issued for the purpose of (i) refinancing, in whole or in part, Outstanding Bonds of the City, as described herein; and (ii) payment of the costs related to the issuance and sale of the Bonds.
Optional Redemption	The Bonds are subject to optional redemption prior to maturity on or after April 1, 2019, at the redemption price of par plus accrued interest. See section entitled "SECURITIES OFFERED - Optional Redemption".
Tax Matters	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. Interest on the Bonds will be exempt from certain taxation in Tennessee, all as more fully described in the section entitled "LEGAL MATTERS-Tax Matters" and APPENDIX A (form of opinion) included herein.
Bank Qualification	The Bonds are NOT designated as "qualified tax-exempt obligations".
Rating	Standard & Poor's: "A+". See the section entitled "MISCELLANEOUS - Rating" for more information.
Registration and Paying Agent	Regions Bank, Nashville, Tennessee (the "Registration Agent").
Bond Counsel	Glankler Brown, PLLC, Memphis, Tennessee.
Financial Advisor	Cumberland Securities Company, Inc., Knoxville, Tennessee. See the section entitled "MISCELLANEOUS - Financial Advisor, Related Parties; Other" herein.
Underwriter	Bernardi Securities, Inc., Chicago, Illinois.
Book-Entry-Only	The Bonds will be issued under the Book-Entry System except as otherwise described herein. For additional information, see the section entitled "BASIC DOCUMENTATION – Book-Entry System".
General	The Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and revised. See the section entitled SECURITIES OFFERED herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of the Depository Trust Company, New York, New York.

Disclosure	In accordance with Rule 15c2-12 of the U.S. Securities and Exchange Commission as amended, the City will provide the Municipal Securities Rulemaking Board ("MSRB") through the operation of the Electronic Municipal Market Access system ("EMMA") and the State information depository ("SID"), if any, annual financial statements and other pertinent credit or event information, including Comprehensive Annual Financial Reports, see the section entitled "MISCELLANEOUS-Continuing Disclosure."
Other Information	The information in the OFFICIAL STATEMENT is deemed "final" within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission as of the date which appears on the cover hereof. For more information concerning the City, or the OFFICIAL STATEMENT, contact Keith Durham, Mayor, 233 West Gaines, Lawrenceburg, Tennessee 38464, Telephone: (931) 762-4459; or the City's Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee, Telephone: (865) 988-2663.

GENERAL FUND BALANCES

Summary of Changes In Fund Balances
(In Thousands)
For the Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Beginning Fund Balance	$ 2,048,330	$ 1,888,363	$ 3,172,333	$ 2,983,960	$3,276,506
Revenues	8,974,483	9,184,029	9,300,957	9,297,391	9,524,586
Expenditures	10,202,470	10,733,704	10,804,936	10,529,063	12,753,961
Excess of Revenues Over (under) Expenditures	(1,227,987)	(1,549,675)	(1,503,979)	(1,231,672)	(3,229,375)
Other Financing Sources:					
Transfers In	1,368,020	1,499,226	1,515,606	1,524,218	1,532,852
Transfers Out	(300,000)	(800,000)	(200,000)	-	-
Net Changes in Fund Balances	(159,967)	1,283,970	(188,373)	292,546	1,331,951
Ending Fund Balance	**$ 1,888,363**	**$ 3,172,333**	**$ 2,983,960**	**$ 3,276,506**	**$4,608,457**

Source: Comprehensive Annual Financial Reports of the City of Lawrenceburg, Tennessee.

$2,610,000
CITY OF LAWRENCEBURG, TENNESSEE
General Obligation Refunding Bonds, 2015A

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This OFFICIAL STATEMENT which includes the Summary Statement hereof and appendices hereto is furnished in connection with the offering by the City of Lawrenceburg, Tennessee (the “City”, “Municipality” or “Issuer”) of its $2,610,000 General Obligation Refunding Bonds, 2015A (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Title 9, Chapter 21, *Tennessee Code Annotated,* as amended, and other applicable provisions of the law and pursuant to resolutions adopted by the Board of Mayor and Council of the City (the “Board”). The detailed bond resolution (the “Resolution”) was adopted by the Board on October 23, 2014.

The Bonds are being issued for the purpose of (i) refinancing, in whole or in part, Outstanding Bonds of the City, as described herein; and (ii) payment of the costs related to the issuance and sale of the Bonds.

REFUNDING PLAN

The City is proposing to refinance all or a portion of the following outstanding obligations: General Obligation Refunding Bonds, Series 2005, dated June 1, 2005 (the “Series 2005 Bonds” or the “Outstanding Bonds”) maturing April 1, 2016 and thereafter to the April 1, 2015 redemption date.

As required by Title 9, Chapter 21, Part 9 of *Tennessee Code Annotated* as supplemented and revised, a plan of refunding (the “Plan”) for the Outstanding Bonds was submitted to the Director of the Office of State and Local Finance for review.

DESCRIPTION OF THE BONDS

The Bonds will be dated March 31, 2015. Interest on the Bonds will be payable semi-annually on April 1 and October 1, commencing October 1, 2015. The Bonds are issuable in registered book-entry form only and in $5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

The Bonds shall be signed by the Mayor and shall be attested by the City Recorder. No Bond shall be valid until it has been authenticated by the manual signature of an authorized representative of the Registration Agent and the date of authentication noted thereon.

SECURITY

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

The City, through its governing body, shall annually levy and collect a tax on all taxable property within the City, in addition to all other taxes authorized by law, sufficient to pay the principal of and interest on the Bonds when due. Principal and interest on the Bonds falling due at any time when there are insufficient funds from such tax shall be paid from the current funds of the City and reimbursement therefore shall be made out of taxes provided by the Resolution when the same shall have been collected.

The Bonds will not be obligations of Lawrence County, Tennessee or the State of Tennessee.

OPTIONAL REDEMPTION

Bonds maturing April 1, 2020, shall be subject to optional redemption prior to maturity at the option of the City on April 1, 2019 and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of Mayor and Council of the City, in its discretion. If less than all the principal amount of the Bonds of a 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 amount of the interest of each DTC Participant in 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.

NOTICE OF REDEMPTION

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Municipality 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, 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. 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 Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. The 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 Municipality pursuant to written instructions from an authorized representative of the Municipality (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) 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 as set forth herein.

PAYMENT OF BONDS

The Bonds will bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, on the dates provided herein, such interest being computed upon the basis of a 360-day year of twelve 30-day months. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

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BASIC DOCUMENTATION

REGISTRATION AGENT

The Bond Registrar, Regions Bank, Nashville, Tennessee, (the "Registration Agent") its successor or the City will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent, except as described below.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. For additional information, see the following section.

BOOK-ENTRY-ONLY SYSTEM

The Registration Agent, its successor or the Issuer will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner 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 owner at its address shown on said Bond 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 Issuer in respect of such Bonds to the extent of the payments so made, except as described above. 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.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

The Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee, except as described above. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by DTC (the "Book-Entry-Only System"). One fully-registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC.

DTC and its Participants. DTC, the world's largest securities depository, 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 and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the U.S. Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. 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 Security ("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. Beneficial Owners are, however, expected to receive written confirmations 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 interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Payments of Principal and Interest. Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with municipal 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 Issuer or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of 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.

Notices. 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds f or their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as practicable 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).

NONE OF THE ISSUER, THE UNDERWRITER, THE BOND COUNSEL, THE FINANCIAL ADVISOR OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of Bonds. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any 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 Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

None of the Issuer, the Bond Counsel, the Registration Agent, the Financial Advisor or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM

In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the Issuer determines to discontinue the Book-Entry-Only System, the Book-Entry-Only System shall be discontinued. Upon the occurrence of the event described above, the Issuer will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to Beneficial Owners.

No Assurance Regarding DTC Practices. The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer, the Bond Counsel, the Registration Agent, the Financial Advisor and the Underwriter do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds. None of the Issuer, the Bond Counsel, the Registration Agent, the Financial Advisor or the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled "SECURITIES OFFERED – Redemption."

DISPOSITION OF BOND PROCEEDS

The proceeds of the sale of the Bonds shall be applied by the City as follows:

(a) all accrued interest, if any, shall be deposited to the appropriate fund of the City to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds;

(b) an amount, which together with legally available funds of the City, if any, and investment earnings thereon, will be sufficient to refinance the Outstanding Bonds shall be applied to such purpose; and

(c) the remainder of the proceeds of the sale of the Bonds shall be used to pay the costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premium, if any, administrative and clerical costs, rating agency fees, Registration Agent fees, and other miscellaneous expenses incurred in connection with the issuance and sale of the Bonds.

DISCHARGE AND SATISFACTION OF BONDS

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

1. 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;

2. 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 Defeasance 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 or such notice);

3. By delivering such Bonds to the Registration Agent for cancellation by it;

and if the City shall also pay or cause to be paid all other sums payable hereunder by the City with respect to such Bonds, or make adequate provision therefor, and by resolution of the governing body of the City instruct any such escrow 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 City to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void; and if the City 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 Defeasance Obligations (defined herein) deposited as aforesaid.

Except as otherwise provided in this section, neither Defeasance Obligations nor moneys deposited with the Registration Agent nor principal or interest payments on any such Defeasance 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 Defeasance 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 City 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 Defeasance 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 City, as received by the Registration Agent. For the purposes hereof, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described herein, 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.

REMEDIES OF BONDHOLDERS

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the City, including, but not limited to, the right to require the City to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the City to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

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LEGAL MATTERS

LITIGATION

There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the City to sell or issue the Bonds. See the subsection entitled Closing Certificates for additional information.

TAX MATTERS

Federal

General. Glankler Brown, PLLC, Memphis, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the City and assuming compliance by the City 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, as amended (the "Code"),
- is not a preference item for a bondholder under the federal alternative minimum tax, and
- is included in the adjusted current earnings of a corporation under the federal corporate alternative minimum tax.

The Code imposes requirements on the Bonds that the City 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 City 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 City 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 "Proposed Legislation and Other Matters" 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 a 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 a bond premium, it should consult its tax advisor regarding the tax accounting treatment of a 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 Internal Revenue Code. The tax accounting treatment of an 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. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

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) inheritance, transfer and estate taxes,

(b) 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 (c) 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 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. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued 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 thereby. 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.

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

CLOSING CERTIFICATES

Upon delivery of the Bonds, the City 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, signed by the City Mayor acting in his official capacity to the effect that to the best of his 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 a memo or supplement, (c) there has been no material adverse change in the operation or the affairs of the City 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) certificates as to the delivery and payment, signed by the City Mayor acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the Mayor and City Recorder acting in their official capacities certifying as to the due execution of the Bonds; and, (iv) a Continuing Disclosure Certificate regarding certain covenants of the City concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Glankler Brown, PLLC, Memphis, Tennessee, Bond Counsel. Bond counsel has not prepared the *Preliminary Official Statement* or the *Official Statement*, in final form, or verified their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the *Preliminary Official Statement* or *Official Statement*, in final form, except for the information in the section entitled "LEGAL MATTERS - Tax Matters." The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the form of the opinion is included in APPENDIX A. For additional information, see the section entitled MISCELLANEOUS – "Competitive Public Sale", "Additional Information" and "Continuing Disclosure."

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MISCELLANEOUS

RATING

Standard & Poor’s Investors Service (“Standard & Poor’s”) has given the Bonds the rating of “A+”.

There is no assurance that such ratings will continue for any given period of time or that the rating may not be suspended, lowered or withdrawn entirely by Standard & Poor’s, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy and debt of the United States of America, including, without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the Bonds. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds.

The rating reflects only the views of Standard & Poor’s and any explanation of the significance of such rating should be obtained from Standard & Poor’s.

COMPETITIVE PUBLIC SALE

The Bonds were offered for sale at competitive public bidding on February 26, 2015. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated February 19, 2015.

The successful bidder for the Bonds was an account led by Bernardi Securities, Inc., Chicago, Illinois (the “Underwriters”) who contracted with the City, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of $2,660,671.64 (consisting of the par amount of the Bonds, plus a reoffering premium of $60,525.85 and less an underwriter’s discount of $9,854.21) or 101.941% of par.

FINANCIAL ADVISOR; RELATED PARTIES; OTHER

Financial Advisor. Cumberland Securities Company, Inc., Knoxville, Tennessee has been employed by the City to serve as its Financial Advisor. The Financial Advisor is an independently owned financial advisory firm.

Regions Bank. Regions Bank (the “Bank”) is a wholly-owned subsidiary of Regions Financial Corporation. The Bank provides, among other services, commercial banking, investments and corporate trust services to private parties and to State and local jurisdictions, including serving as registration, paying agent or filing agent related to debt offerings. The Bank will receive compensation for its role in serving as Registration and Paying Agent for the Bonds.

In instances where the Bank serves the City in other normal commercial banking capacities, it will be compensated separately for such services.

Official Statements. Certain information relative to the location, economy and finances of the Issuer is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Financial Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

Cumberland Securities Company, Inc. distributed the *Preliminary Official Statement*, in final form, and the *Official Statement*, in final form on behalf of the City and will be compensated and/or reimbursed for such distribution and other such services.

Bond Counsel. From time to time, Glankler Brown, PLLC has represented the Bank on legal matters unrelated to the City and may do so again in the future.

Other. Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company's role as serving as the County's Dissemination Agent. If the County chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. and/or the Bank, then Cumberland Securities Company, Inc. and/or the Bank may be entitled to separate compensation for the performance of such services.

DEBT RECORD

There is no record of default on principal or interest payments of the Issuer. Additionally, no agreements or legal proceedings of the Issuer relating to securities have been declared invalid or unenforceable.

DEBT LIMITATIONS

Pursuant to Title 9, Chapter 21, *Tennessee Code Annotated*, as amended, there is no limit on the amount of bonds that may be issued when the City uses the statutory authority granted therein to issue bonds.

ADDITIONAL DEBT

The City has authorized the refinancing of the City's outstanding Electric System Revenue Tax Refunding Bonds, Series 2005, dated July 20, 2005 for cost savings.

CONTINUING DISCLOSURE

The City will at the time the Bonds are delivered execute a continuing disclosure certificate (the “Disclosure Certificate”) 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 City by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2015 (the "Annual Report"), and to provide notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the City. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the City with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

Five-Year Filing History. In the past five years, the City has filed its Annual Reports at www.emma.msrb.org under the base CUSIP Number 520516 which is the base CUSIP Number for the City; however, the City inadvertently failed to also file such Annual Reports under the CUSIP Number of certain conduit issuers of bonds for which the City was an obligated person. The City has now additionally filed its Annual Reports for all outstanding bonds for which it is an obligated person under the conduit issuer’s CUSIP Number. While it is believed that all appropriate filings were made with respect to the ratings of City’s outstanding bond issues, some of which were insured by the various municipal bond insurance companies, no absolute assurance can be made that all such rating changes of the bonds or various insurance companies which insured some transactions were made or made in a timely manner as required by SEC Rule 15c2-2. With the exception of the foregoing, for the past five years, the City has complied in all material respects with its existing continuing disclosure agreements in accordance with SEC Rule 15c2-12.

Content of Annual Report. The City's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the City for the fiscal year, prepared in accordance with generally accepted auditing standards, provided; however, if the City's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in APPENDIX B entitled “SUPPLEMENTAL INFORMATION STATEMENT.”

1. Summary of bonded indebtedness as of the end of such fiscal year as shown on page B-6;

2. The indebtedness and debt ratio as of the end of such fiscal year, together with information about the property tax base as shown on pages B-7 and B-8;

3. Information about the Bonded Debt Service Requirements - General Obligation Debt Service Fund as of the end of such fiscal year as show on page B-9;

4. Information about the Bonded Debt Service Requirements - Water and Sewer Debt Service Fund as of the end of such fiscal year as show on page B-10;

5. Information about the Bonded Debt Service Requirements - Gas Debt Service Fund as of the end of such fiscal year as show on page B-11;

6. Information about the Bonded Debt Service Requirements - Power Debt Service Fund as of the end of such fiscal year as show on page B-12;

7. The fund balances and retained earnings for the fiscal year as shown on page B-13;

8. Summary of Revenues, Expenditures and Changes in Fund Balances - General Fund for the fiscal year as shown on page B-14;

9. Summary of Revenues, Expenditures and Changes in Fund Balances - Water and Sewer Fund for the fiscal year as shown on page B-15;

10. Summary of Revenues, Expenditures and Changes in Fund Balances - Gas Fund for the fiscal year as shown on page B-16;

11. Summary of Revenues, Expenditures and Changes in Fund Balances - Power Fund for the fiscal year as shown on page B-17;

12. The estimated assessed value of property in the City for the tax year ending in such fiscal year and the total estimated actual value of all taxable property for such year as shown on page B-19;

13. Property tax rates and tax collections of the City for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year as shown on page B-20; and

14. The ten largest taxpayers as shown on page B-20.

Any or all of the items listed above may be incorporated by reference from other documents, including OFFICIAL STATEMENTS in final form for debt issues of the City or related public entities, which have been submitted to each of the MSRB or the U.S. Securities and Exchange Commission. If the document incorporated by reference is an OFFICIAL STATEMENT, in final form, it will be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. The City will file notice regarding material events with the MSRB and the SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the City shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any. Notwithstanding the foregoing, notice of Listed Events described in subsection (3)(h) and (i) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the City shall determine the materiality of such event as soon as possible after learning of its occurrence.

3. The following are the Listed Events:

    a. Principal and interest payment delinquencies;

    b. Non-payment related defaults, if material;

    c. Unscheduled draws on debt service reserves reflecting financial difficulties;

    d. Unscheduled draws on credit enhancements reflecting financial difficulties;

    e. Substitution of credit or liquidity providers, or their failure to perform;

    f. 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;

    g. Modifications to rights of Bondholders, if material;

    h. Bond calls, if material, and tender offers;

    i. Defeasances;

    j. Release, substitution, or sale of property securing repayment of the securities, if material;

    k. Rating changes;

    l. Bankruptcy, insolvency, receivership or similar event of the obligated person;

    m. 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; and

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Termination of Reporting Obligation. The City's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the City may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it 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 an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the City shall describe such amendment in the next Annual Report, 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 City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should 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.

Default. In the event of a failure of the City to comply with any provision of the Disclosure Certificate, any Bondholder or any beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the City to comply with the Disclosure Certificate shall be an action to compel performance.

ADDITIONAL INFORMATION

Use of the words "shall," "must," or "will" in the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The references, excerpts and summaries contained herein of certain provisions of the laws of the State of Tennessee, and any documents referred to herein, do not purport to be complete statements of the provisions of such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights of the holders thereof.

The PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT, in final form, and any advertisement of the Bonds, is not to be construed as a contract or agreement between the City and the purchasers of any of the Bonds. Any statements or information printed in this PRELIMINARY OFFICIAL STATEMENT or the OFFICIAL STATEMENT, in final form, involving matters of opinions or of estimates, whether or not expressly so identified, is intended merely as such and not as representation of fact.

The City has deemed this OFFICIAL STATEMENT as “final” as of its date within the meaning of Rule 15c2-12(b) of the U.S. Securities and Exchange Commission.

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CERTIFICATION OF ISSUER

On behalf of the City, we hereby certify that to the best of our knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which they were made, not misleading.

/s/ Keith Durham
City Mayor

ATTEST:

/s/ Chris Shaffer
City Recorder

APPENDIX A

FORM OF LEGAL OPINION

LETTERHEAD OF GLANKLER BROWN, PLLC

(Date of Closing)

Board of Mayor and Council
of the City of Lawrenceburg, Tennessee
233 West Gaines
Lawrenceburg, Tennessee 38464

Re: $2,610,000 General Obligation Refunding Bonds, Series 2015A of the City of Lawrenceburg, Tennessee

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Lawrenceburg, Tennessee (the “City”), of $2,610,000 aggregate principal amount of its General Obligation Refunding Bonds, Series 2015A dated as of the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deem 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 the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material published and distributed in connection with the sale of the Bonds or any other information concerning the financial condition of the City which may have been provided to the purchasers of the Bonds, and we express no opinion relating thereto.

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

1. The Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of Tennessee and constitute the valid and binding general obligations of the City for the payment of which the City has irrevocably pledged its full faith and credit. The Bonds are payable as to both principal and interest from ad valorem taxes to be levied, as necessary, upon all taxable property within the City without limitation as to rate or amount.

2. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining

adjusted current earnings for the purpose of computing the alternative minimum tax. The opinion set forth in clause (a) above is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, 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 the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements. Except as set forth in this Paragraph 2, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

3. The Bonds and the income therefrom are exempt from all present state, county and municipal taxation in the State of Tennessee, except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on all or a portion of the interest on any 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 (c) Tennessee franchise taxes by reason of 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.

To the extent constitutionally applicable, the rights of the holders of the Bonds and the enforceability thereof are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereinafter enacted. Also, the enforcement of bondholder rights may be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

GENERAL INFORMATION

LOCATION

The City of Lawrenceburg (the "City") is the county seat of Lawrence County (the "County") in southern middle Tennessee approximately 75 miles south of Nashville. The County is bordered by Wayne County to the west, Lewis and Maury Counties to the north, Giles County to the east and the State of Alabama to the south.

GENERAL

The City has an approximate land area of 12.46 square miles. Agricultural products include corn, barley, soybeans, wheat, tobacco, and dairy stock.

Lawrenceburg was designated a Micropolitan Statistical Area (the "mSA") in 2004. A Micropolitan Statistical Area is defined by the U.S. Census Bureau as a non-urban community that is anchored by a town of no more than 50,000 residents. Per the 2010 Census, the population of the City stood at 10,428 persons. Lawrence County has a total population of 41,869.

TRANSPORTATION

Lawrence County is easily accessible for shipping and receiving. U.S. Highway 43, a four-lane running north and south and U.S. Highway 64 running east and west, makes Lawrenceburg within 29 miles of Interstate 65. State Highways include 20, 98, 101, 227, 241, and 242. The Lawrence County Airport provides a five thousand foot, asphalt runway with instrument approach and has finished construction of a new modern terminal building. Three other airports with passenger and freight service are less than an hour away: Nashville (Tennessee) Metropolitan Airport, Huntsville (Alabama) International Airport and Alabama Regional Airport in Muscle Shoals, Alabama. Rail service is provided by Tennessee Southern Railroad Company (with connections to CSX railways). The nearest port is located 35 miles south of the County in Alabama on the Tennessee River's Pickwick Lake at the Port of Florence.

EDUCATION

The *Lawrence County School System* has thirteen schools: eight elementary schools, one middle school, three high schools and one adult high school. Total enrollment for the fall of 2013 was 6,851 with 468 teachers. Five private K-12 schools also operate within the City limits.

Source: Tennessee Department of Education.

Columbia State Community College. Columbia State Community College, located in Maury County and founded in 1966, is Tennessee's first two-year college. As of the fall 2013 semester, there were 5,287 students enrolled. Columbia State offers more than 50 programs of study both online and in-class courses, in both credit and non-credit formats. In addition to the Columbia campus, the college has four campuses: Franklin (Williamson County); Lawrenceburg (Lawrence County); Lewisburg (Marshall County); Clifton (Wayne County). Hickman, Lewis, Giles and Perry are the other four counties served.

Source: Columbia State Community College and Tennessee Higher Education Commission.

The Tennessee Technology Center at Pulaski. The Tennessee Technology Center at Pulaski is part of a statewide system of 26 vocational-technical schools. The Tennessee Technology Center meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The Technology Center at Pulaski serves the south central region of the state including Giles, Lincoln, Lawrence and Marshall Counties. The Technology Center at Pulaski began operations in 1969, and the main campus is located in Giles County. Fall 2012 enrollment was 1,277 students.

Source: Tennessee Technology Center at Pulaski and Tennessee Higher Education Commission.

Several regional 4-year institutions are nearby that serve Lawrence County includes Middle Tennessee State University, Martin Methodist College, University Of North Alabama, Athens State College and the University Of Tennessee.

MEDICAL

Crockett Hospital is a 107-bed acute care facility, fully accredited by the Joint Commission on Accreditation of Healthcare Organizations. The hospital has served Lawrence County and the surrounding counties since 1974. Crockett Hospital expanded its facility and services in 1991 with the addition of an Outpatient Surgery Unit, a state-of-the-art 24-hour physician-staffed Emergency Department and an Intensive Care Unit. The hospital opened a Physical Rehabilitation Unit in 1997, and a Women's Health Center in 1999. Diagnostic imaging services include in-house MRI, Nuclear Medicine, CT, Radiography, Mammography, and Ultrasound. Additionally, a 10-bed Physical Rehabilitation Unit provides Physical, Occupational and Speech Therapy. The facility has also received a Chest Pain Center Accreditation. Crockett Hospital is affiliated with LifePoint Hospitals, Inc. based in Brentwood, Tennessee. LifePoint has 48 hospitals nation-wide with five located in Tennessee.

Source: Crockett Hospital and LifePoint Hospitals, Inc.

MANUFACTURING AND COMMERCE

There are 2 industrial parks within the City. *Simonton Fork Industrial Park* is a fully developed park with industrial access roadway west of four-lane Highway 43 (north of the City of Lawrenceburg). Approximately 40 acres are available and the infrastructure is complete to all sites. *North Lawrence Business Park* includes a total of 112 acres and is located in the northernmost portion of the City of Lawrenceburg. The Saturn plant, in adjoining Maury County, is approximately 45 minutes and the Nissan plant is also in close proximity (1.5 hours.) Lawrence County is within 1 hour of the newly-constructed Boeing plant in Decatur, Alabama.

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The following is a list of the major employers in the County:

Major Employers in Lawrence County

Company	Product	Employment
Modine Manufacturing Co	Charge Air Coolers	304
Jones Apparel Group	Clothing Distribution	256
Dura Automotive Systems	Automotive Windows	241
Graphic Packaging	Extruded Film & printed folding cartons	220
Assurance Operations	Steel Racks	142
City of Lawrenceburg	Government	136
Huges Parker Industries, LLC	Fixtures & metal stampings	134
C.J. Industries	Cheerleading Uniforms	105
Southern Craft Manufacturing	Metal Caskets	105
Iron City Stamping (Iron City)	Metal stampings	96
TFT	Automotive Parts	81
3D Proparts	Castings	80
Precision Laser & MFG. LLC	Laser Steel Cutting	70
DRM, LLC	Industry Automation	58
St. Joseph Casket	Metal Caskets	45
Dyna Pak Corp.	Plastic Trash Bags	43

Source: Middle Tennessee Industrial Development Association - 2014.

EMPLOYMENT INFORMATION

As of November 2014 the unemployment rate for the Lawrenceburg mSA and Lawrence County was 9.1% with 13,960 persons employed out of a labor force of 15,350. The following chart shows unemployment trends from 2009 through 2013.

Unemployment

	Annual Average 2009	Annual Average 2010	Annual Average 2011	Annual Average 2012	Annual Average 2013
National	9.3%	9.6%	8.9%	8.1%	7.4%
Tennessee	10.5%	9.7%	9.2%	8.0%	8.2%
Lawrenceburg mSA & Lawrence County	**15.5%**	**14.4%**	**12.3%**	**11.3%**	**12.1%**
Index vs. National	167	150	138	139	164
Index vs. State	148	149	134	140	148

Source: Tennessee Department of Employment Security, CPS Labor Force Estimates Summary.

ECONOMIC DATA

Per Capita Personal Income

	2009	2010	2011	2012	2013
National	$39,379	$40,144	$42,332	$44,200	$44,765
Tennessee	$34,439	$35,426	$37,151	$39,002	$39,558
Lawrenceburg mSA & Lawrence County	**$25,342**	**$25,547**	**$26,622**	**$27,692**	**$28,715**
Index vs. National	64	64	63	63	64
Index vs. State	74	72	72	71	73

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Social and Economic Characteristics

	National	Tennessee	Lawrence County	Lawrenceburg
Median Value Owner Occupied Housing	$176,700	$139,200	$97,900	$87,700
% High School Graduates or Higher Persons 25 Years Old and Older	86.00%	84.40%	79.0%	75.3%
% Persons with Income Below Poverty Level	15.40%	17.60%	18.1%	23.5%
Median Household Income	$53,046	$44,298	$37,368	$27,719

Source: U.S. Census Bureau State & County QuickFacts - 2013.

TOURISM AND RECREATION

Lawrence County has three unique golf courses, and hunters from around the South come here for deer, turkey, dove and other game. The area is well known for its many streams and lakes, with canoe rides on Shoals Creek being one of the most popular activities.

David Crockett State Park. Located in Lawrenceburg, the David Crockett State Park honors the pioneer, soldier, politician, industrialist that was born along the banks of Shoal Creek. He was elected to Congress in 1821. Crockett died at the Alamo Mission in March of 1836 while aiding the Texans in their fight for independence from Mexico. The park offers a museum and a restaurant, a swimming pool, biking and hiking trails, campsites and picnic facilities. Rental boats and fishing are popular on the forty-acre Lindsey Lake. Also visible in the Park are the roads used during the Trail of Tears in 1838 when the Cherokee were forcibly removed from East Tennessee to reservations out West.

Source: Tennessee State Parks.

James D. Vaughan Museum and Festival. The James D. Vaughan Museum is a tribute to the founder of Southern Gospel Music and Lawrence County native. The museum has drawn visitors from all over the world and has been featured in national magazines and on national television specials. The annual James D. Vaughan Festival attracts southern gospel music lovers from throughout the country. The two night event features the top gospel quartets.

Source: Lawrence County Chamber of Commerce.

Laurel Hill Lake. Laurel Hill Lake is located right off of scenic Natchez Trace Parkway offers 325 acres of year-round fishing enjoyment. Rowboats and pedal boats are available for rent.

Natchez Trace Parkway. The 444-mile Natchez Trace Parkway from Natchez to Nashville generally follows an ancient trail that connected southern portions of the Mississippi River, through Alabama, to salt licks in today's central Tennessee. Today, visitors can experience this National Scenic Byway and All-American Road through driving, hiking, biking, horseback riding, and camping. The Trace goes through the Tennessee Counties of Davidson, Williamson, Maury, Hickman, Lewis, Lawrence and Wayne before crossing into Alabama. The terrain along the Natchez Trace Parkway changes from 70 to 1,100 feet in elevation and passes through 5 degrees of latitude. Originally a prehistoric Indian trail and later used by the Spaniards, French, British, and Americans, the trace was for several centuries an important trade and emigrant road in the old Southwest.

Source: National Park Service.

RECENT DEVELOPMENTS

InSyte Solutions. InSyte purchased Giant-Vac, a producer of leaf and debris control equipment. In 2011 Giant-Vac moved its manufacturing plant to Lawrenceburg from Connecticut and employed up to 75 workers. InSyte is headquartered in Lawrenceburg and builds lawn mowers and outdoor fryers.

Source: Knoxville News Sentinel.

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LAWRENCEBURG, TENNESSEE
SUMMARY OF BONDED INDEBTEDNESS

AMOUNT ISSUED		PURPOSE	DUE DATE	INTEREST RATE(S)	As of June 30, 2014 (1) OUTSTANDING
$ 16,000,000	(2)	Electric System Revenue Bonds, Series 1996	July 2018	Fixed	$ 3,160,000
10,040,000	(2)	Electric System Refunding Bonds, Series 2002	July 2026	Fixed	7,640,000
4,275,000		General Obligation Refunding Bonds, Series 2005	April 2020	Fixed	3,185,000
8,995,000	(2)	Water and Sewer Revenue and Tax Refunding Bonds, Series 2005	July 2019	Fixed	6,805,000
13,500,000	(2)	Water and Sewer Revenue and Tax Bonds, SRF Loan	June 2026	Fixed	9,107,702
7,760,000	(2)	Electric System Revenue Refunding Bonds, Series 2005	July 2026	Fixed	6,685,000
1,785,000		General Obligation Refunding Bonds, Series 2008 (City Portion)	June 2025	Fixed	1,760,000
4,265,000	(2)	General Obligation Refunding Bonds, Series 2008 (Water Portion)	June 2030	Fixed	4,200,000
400,000		Electric System Note, Series 2011	2019	Fixed	250,000
5,000,000	(2)	General Obligation Refunding Bonds, Series 2011	June 2021 (3)	Fixed	2,420,000
400,000		General Obligation Capital Outlay Note, Series 2012	2017	Fixed	244,408
2,630,000	(2)	General Obligation Refunding Bonds, Series 2012	June 2026	Fixed	2,530,000
3,000,000	(2)	General Obligation Bonds, Series 2013	June 2025	Fixed	3,000,000
$ 78,050,000		**EXISTING DEBT**			$ 50,987,110
$ 2,610,000		General Obligation Refunding Bonds, Series 2015A	April 2020	Fixed	$ 2,610,000
6,085,000	(2)	General Obligation Refunding Bonds, Series 2015B (4)	July 2026	Fixed	6,085,000
(8,470,000)		Less: Refunded Debt			(8,470,000)
(65,560,000)		Less: Revenue Supported Debt			(41,282,702)
$ 12,715,000		**NET EXISTING DEBT**			$ 9,929,408

NOTE:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the GENERAL PURPOSE FINANCIAL STATEMENTS included herein.

(2) Revenue Supported Debt.

(3) $560,000 Supported by Water and Sewer Revenues and $120,000 supported by Gas System Revenues.

(4) Authorized but not issued. The City plans on issuing the General Obligation Refunding Bonds, Series 2015B on or before June 30, 2015.

CITY OF LAWRENCEBURG, TENNESSEE

Indebtedness and Debt Ratios

INTRODUCTION

The information set forth in the following table is based upon information derived in part from the GENERAL PURPOSE FINANCIAL STATEMENTS which are attached herein and the table should be read in conjunction with those statements. The table does not include future funding plans whether disclosed or not in this document.

	For Fiscal Year Ended June 30					**After Issuance**
INDEBTEDNESS	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
TAX SUPPORTED						
General Obligation Bonds & Notes	$7,532,248	$9,080,000	$8,745,000	$7,847,921	$9,929,409	$9,929,408
TOTAL TAX SUPPORTED	7,532,248	9,080,000	8,745,000	7,847,921	9,929,409	9,929,408
REVENUE SUPPORTED						
Water & Sewer Revenue Bonds & Notes & Electric & Gas Revenue Bonds & Notes	49,218,006	50,338,986	46,237,378	44,567,070	41,057,702	41,282,702
TOTAL REVENUE SUPPORTED	49,218,006	50,338,986	46,237,378	44,567,070	41,057,702	41,282,702
TOTAL DEBT	$56,750,254	$59,418,986	$54,982,378	$52,414,991	$50,987,111	$51,212,110
Less: Revenue Supported Debt	($49,218,006)	($50,338,986)	($46,237,378)	($44,567,070)	($41,057,702)	($41,282,702)
Less: Debt Service Fund	-	-	-	-	-	-
NET DIRECT DEBT	$7,532,248	$9,080,000	$8,745,000	$7,847,921	$9,929,409	$9,929,408
PROPERTY TAX BASE						
Estimated Actual Value	$714,741,930	$675,010,719	$686,073,547	$669,583,181	$677,958,892	$677,958,892
Appraised Value	625,613,611	675,010,719	686,073,547	669,583,181	677,958,892	677,958,892
Assessed Value	200,270,640	215,294,271	218,699,629	213,666,756	216,178,500	216,178,500

	For Fiscal Year Ended June 30					After Issuance
DEBT RATIOS	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
TOTAL DEBT to Estimated Actual Value	7.94%	8.80%	8.01%	7.83%	7.52%	7.55%
TOTAL DEBT to Appraised Value	9.07%	8.80%	8.01%	7.83%	7.52%	7.55%
TOTAL DEBT to Assessed Value	28.34%	27.60%	25.14%	24.53%	23.59%	23.69%
NET DIRECT DEBT to Estimated Actual Val	1.05%	1.35%	1.27%	1.17%	1.46%	1.46%
NET DIRECT DEBT to Appraised Value	1.20%	1.35%	1.27%	1.17%	1.46%	1.46%
NET DIRECT DEBT to Assessed Value	3.76%	4.22%	4.00%	3.67%	4.59%	4.59%
PER CAPITA RATIOS						
POPULATION (1)	10,438	10,452	10,471	10,446	10,446	10,446
PER CAPITA PERSONAL INCOME (2)	$25,547	$26,622	$27,692	$28,715	$28,715	$28,715
Estimated Actual Value to POPULATION	68,475	64,582	65,521	64,099	64,901	64,901
Assessed Value to POPULATION	19,187	20,598	20,886	20,454	20,695	20,695
Total Debt to POPULATION	5,437	5,685	5,251	5,018	4,881	4,903
Net Direct Debt to POPULATION	722	869	835	751	951	951
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	21.28%	21.35%	18.96%	17.47%	17.00%	17.07%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	2.82%	3.26%	3.02%	2.62%	3.31%	3.31%

(1) Per Capita computations are based upon POPULATION data according to the U.S. Census and the Government of the City.

(2) PER CAPITA PERSONAL INCOME is based upon the most current data available from the U. S. Department of Commerce.

LAWRENCEBURG, TENNESSEE
GENERAL OBLIGATION
BONDED DEBT SERVICE REQUIREMENTS

F.Y. Ended	Existing Debt as of June 30, 2014 (1)			General Obligation Refunding Bonds, Series 2015A			% 2015A Principal	Less: Refunded Bonds			Total Bonded Debt Service Requirements (1)			% All Principal
6/30	Principal	Interest	TOTAL	Principal	Interest (2)	TOTAL	Repaid	Principal	Interest	TOTAL	Principal	Interest	TOTAL	Repaid
2015	$ 939,973	$ 308,701	$ 1,248,674	$ -	$ -	$ -	0.00%	-	(49,513)	(49,513)	$ 939,973	$ 259,189	$ 1,199,162	9.47%
2016	1,161,460	281,296	1,442,756	605,000	52,345	657,345		(600,000)	(99,025)	(699,025)	1,166,460	234,616	1,401,076	
2017	1,177,975	245,588	1,423,563	610,000	40,100	650,100		(615,000)	(77,275)	(692,275)	1,172,975	208,413	1,381,388	
2018	1,160,000	208,540	1,368,540	640,000	27,900	667,900		(635,000)	(54,213)	(689,213)	1,165,000	182,228	1,347,228	
2019	1,185,000	174,135	1,359,135	655,000	15,100	670,100	96.17%	(660,000)	(30,400)	(690,400)	1,180,000	158,835	1,338,835	56.64%
2020	770,000	136,468	906,468	100,000	2,000	102,000		(100,000)	(4,000)	(104,000)	770,000	134,468	904,468	
2021	760,000	114,788	874,788	-	-	-		-	-	-	760,000	114,788	874,788	
2022	650,000	90,738	740,738	-	-	-		-	-	-	650,000	90,738	740,738	
2023	675,000	69,763	744,763	-	-	-		-	-	-	675,000	69,763	744,763	
2024	715,000	47,200	762,200	-	-	-	100.00%	-	-	-	715,000	47,200	762,200	92.60%
2025	735,000	24,200	759,200	-	-	-	100.00%	-	-	-	735,000	24,200	759,200	100.00%
	$ 9,929,408	$ 1,701,415	$ 11,630,823	$ 2,610,000	$ 137,445	$ 2,747,445		$ (2,610,000)	$ (314,425)	$ (2,924,425)	$ 9,929,408	$ 1,524,435	$ 11,453,843	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the CAFR.

(2) Average Coupon 2.00%.

LAWRENCEBURG, TENNESSEE

WATER AND SEWER SYSTEM - REVENUE SUPPORTED
BONDED DEBT SERVICE REQUIREMENTS

As of June 30, 2014

F.Y.	**Total Bonded**			%
Ended	**Debt Service Requirements (1)**			Principal
6/30	Principal	Interest	TOTAL	Repaid
2015	$ 1,940,788	$ 772,247	$ 2,713,035	8.36%
2016	2,021,604	695,957	2,717,561	
2017	2,092,804	615,302	2,708,106	
2018	2,184,412	531,123	2,715,535	
2019	2,226,416	445,183	2,671,599	45.11%
2020	1,678,852	374,524	2,053,376	
2021	1,056,708	336,535	1,393,243	
2022	1,085,008	310,095	1,395,103	
2023	1,113,764	282,954	1,396,718	
2024	1,142,976	253,500	1,396,476	71.30%
2025	1,172,668	223,259	1,395,927	
2026	1,177,840	192,232	1,370,072	
2027	1,283,862	165,476	1,449,338	
2028	1,000,000	124,033	1,124,033	
2029	1,010,000	83,533	1,093,533	95.63%
2030	1,015,000	42,123	1,057,123	100.00%
	$ 23,202,702	$ 5,448,076	$ 28,650,778	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the CAFR. Additionally, includes entire $13,500,000 SRF Loan even though the City is still in the process of drawing down the loan .

LAWRENCEBURG, TENNESSEE

GAS SYSTEM - REVENUE SUPPORTED

BONDED DEBT SERVICE REQUIREMENTS

As of June 30, 2014

F.Y. Ended 6/30	**Total Bonded Debt Service Requirements (1)** Principal	 Interest	 TOTAL	% Principal Repaid
2015	$ 25,000	$ 2,950	$ 27,950	20.83%
2016	25,000	2,450	27,450	41.67%
2017	25,000	1,700	26,700	62.50%
2018	25,000	950	25,950	83.33%
2019	20,000	450	20,450	100.00%
	$ 120,000	$ 8,500	$ 128,500	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the GENERAL PURPOSE FINANCIAL STATEMENTS included herein.

LAWRENCEBURG, TENNESSEE
ELECTRIC SYSTEM - REVENUE ONLY
BONDED DEBT SERVICE REQUIREMENTS

F.Y. Ended 6/30	Existing Electric System Debt As of June 30, 2014 (1)			General Obligation Refunding Bonds, Series 2015B (3)			% 2015A Principal Repaid	Less: Refunded Bonds			Total Bonded Electric Debt Service Requirements (1)			% Principal Repaid
	Principal	Interest	TOTAL	Principal	Interest	TOTAL		Principal	Interest	TOTAL	Principal	Interest	TOTAL	
2015	$ 1,025,000	$ 842,663	$ 1,867,663	$ -	$ -	$ -	0.00%	$ -	$ -	$ -	$ 1,025,000	$ 842,663	$ 1,867,663	5.71%
2016	1,080,000	787,098	1,867,098	105,000	98,362	203,362		-	(236,419)	(236,419)	1,185,000	649,041	1,834,041	
2017	1,130,000	728,176	1,858,176	490,000	135,638	625,638		(430,000)	(228,625)	(658,625)	1,190,000	635,189	1,825,189	
2018	1,190,000	665,518	1,855,518	500,000	130,063	630,063		(450,000)	(212,394)	(662,394)	1,240,000	583,186	1,823,186	
2019	1,260,000	598,537	1,858,537	505,000	123,150	628,150	26.29%	(465,000)	(194,947)	(659,947)	1,300,000	526,740	1,826,740	33.07%
2020	1,270,000	533,363	1,803,363	510,000	114,900	624,900		(485,000)	(176,238)	(661,238)	1,295,000	472,025	1,767,025	
2021	1,330,000	473,313	1,803,313	520,000	105,238	625,238		(505,000)	(156,438)	(661,438)	1,345,000	422,113	1,767,113	
2022	1,395,000	410,363	1,805,363	540,000	93,963	633,963		(530,000)	(135,738)	(665,738)	1,405,000	368,588	1,773,588	
2023	1,465,000	343,919	1,808,919	550,000	81,013	631,013		(550,000)	(113,794)	(663,794)	1,465,000	311,138	1,776,138	
2024	1,535,000	273,841	1,808,841	565,000	66,369	631,369	70.42%	(575,000)	(90,591)	(665,591)	1,525,000	249,619	1,774,619	72.24%
2025	1,605,000	200,459	1,805,459	580,000	49,900	629,900		(595,000)	(66,459)	(661,459)	1,590,000	183,900	1,773,900	
2026	1,685,000	123,156	1,808,156	600,000	31,450	631,450		(625,000)	(40,906)	(665,906)	1,660,000	113,700	1,773,700	
2027	1,765,000	41,688	1,806,688	620,000	10,850	630,850	100.00%	(650,000)	(13,813)	(663,813)	1,735,000	38,725	1,773,725	100.00%
	$ 17,735,000	$ 6,022,091	$ 23,757,091	$ 6,085,000	$ 1,040,893	$ 7,125,893		$ (5,860,000)	$ (1,666,359)	$(7,526,359)	$ 17,960,000	$ 5,396,624	$ 23,356,624	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the GENERAL PURPOSE FINANCIAL STATEMENTS included herein. Additionally, the principal payment on the Series 1996 Bonds, the Series 2002 Bond and the Series 2005 Bonds are made on July 1 of each fiscal year.

(2) Estimated Interest Rates. Estimated Average Coupon 2.70%.

(3) Authorized but not issued. The City plans on issuing the General Obligation Refunding Bonds, Series 2015B on or before June 30, 2015.

FINANCIAL OPERATIONS

BASIS OF ACCOUNTING AND PRESENTATION

The accounts of the City 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 funds of the City. Revenues for such funds are recognized when they become measurable and available as net current assets. Expenditures are recognized in the period that the obligation is incurred. Interest on bonded debt is not accrued.

All proprietary funds are accounted for using the accrual basis of accounting. Revenues of such funds are recognized when they are earned and expenses when they are incurred except for prepaid expenses, which are fully expended at the time of payment.

FUND BALANCES, NET ASSETS AND RETAINED EARNINGS

The following table depicts fund balances, net assets and retained earnings for the last five fiscal years ending June 30:

	For the Fiscal year Ended June 30				
Fund Type	**2010**	**2011**	**2012**	**2013**	**2014**
Governmental Funds:					
General	$1,888,363	$3,172,333	$2,983,960	$3,276,506	$4,608,457
Other Governmental	929,253	918,283	1,264,342	872,527	1,085,252
Total	**$2,817,616**	**$4,090,616**	**$4,248,302**	**$4,149,033**	**$5,693,709**
Proprietary Net Assets:					
Water & Sewer	$13,464,688	$14,351,884	$15,835,582	$17,030,338	$18,811,919
Gas System	10,102,912	10,417,278	10,174,417	10,297,688	10,715,933
Electric System	38,896,777	40,630,601	41,882,792	42,232,064	43,408,840
Total	**$65,399,763**	**$65,399,763**	**$67,892,791**	**$69,560,090**	**$72,936,692**

Source: Comprehensive Annual Financial Reports of the City of Lawrenceburg, Tennessee.

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CITY OF LAWRENCEBURG, TENNESSEE

Five Year Summary of Revenues, Expenditures and Changes In Fund Balances - General Fund

For the Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Revenues:					
Local taxes	$ 7,391,761	$ 7,453,226	$ 7,648,083	$ 7,630,173	$ 7,641,661
Intergovernmental Revenue	1,057,475	1,213,075	1,150,785	1,149,498	1,226,199
Licenses and Permits	23,567	18,468	26,344	52,530	53,031
Fines and fees	273,563	251,593	194,812	156,471	146,288
Charges/Rent for services	158,791	156,097	127,971	130,812	133,720
Miscellaneous	69,326	91,570	152,962	177,907	323,687
Total Revenues	$ 8,974,483	$ 9,184,029	$ 9,300,957	$ 9,297,391	$ 9,524,586
Expenditures:					
Judicial / City Attorney	$ 34,533	$ 35,793	$ 35,088	$ 33,254	$ 33,344
Executive	166,861	161,293	156,432	152,505	147,324
Planning and Development	119,938	68,934	60,639	72,325	142,467
General Government	643,423	737,416	651,189	740,242	744,839
Public Safety	4,861,523	4,931,741	4,550,534	4,488,939	4,326,699
Highways and Streets	887,443	866,598	1,761,922	1,684,002	1,716,677
Parks and Recreation	1,134,251	1,144,527	672,592	671,895	689,190
Sundry Appropriations	1,273,553	1,366,919	1,252,313	1,392,820	1,396,582
Capital Outlay	304,123	587,446	634,656	188,091	2,318,327
Debt Service	776,822	833,037	1,029,571	1,104,990	1,238,512
Other	-	-	-	-	-
Total Expenditures	$ 10,202,470	$ 10,733,704	$ 10,804,936	$ 10,529,063	$ 12,753,961
Excess of Revenues & Over (under) Expenditures	$ (1,227,987)	$ (1,549,675)	$ (1,503,979)	$ (1,231,672)	$ (3,229,375)
Other Financing Sources (Uses):					
Interfund Transfers - In	$ 1,368,020	$ 1,499,226	$ 1,515,606	$ 1,524,218	$ 1,532,852
Interfund Transfers - Out	(300,000)	(800,000)	(200,000)	-	-
Issuance Of Notes/Bonds	-	112,855	-	-	3,028,474
Payments to refunding escrow agent	-	(2,993,436)	-	-	-
Bond Proceeds	-	5,015,000	-	-	-
Total Other Financing Sources (Uses)	$ 1,068,020	$ 2,833,645	$ 1,315,606	$ 1,524,218	$ 4,561,326
Excess of Revenue and Other Sources over (Under) Expenditures and Other Sources	(159,967)	1,283,970	(188,373)	292,546	1,331,951
Fund Balance July 1	2,048,330	1,888,363	3,172,333	2,983,960	3,276,506
Prior Period Adjustment	-	-	-	-	-
Fund Balance June 30	**$ 1,888,363**	**$ 3,172,333**	**$ 2,983,960**	**$ 3,276,506**	**$ 4,608,457**

CITY OF LAWRENCEBURG, TENNESSEE

Five Year Summary of Revenues, Expenditures and Changes In Fund Balances - Water & Sewer System

For the Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Operating Revenues:					
Receipts for services & use of facilities	$ 6,353,758	$ 6,860,224	$ 6,861,081	$ 6,821,923	$ 6,847,093
Other	489,422	418,869	442,690	433,860	368,379
Total Revenues	$ 6,843,180	$ 7,279,093	$ 7,303,771	$ 7,255,783	$ 7,215,472
Operating Expenditures:					
Operation Expense	$ 4,949,682	$ 4,412,564	$ 3,466,209	$ 3,981,413	$ 3,272,855
Repair and Maintenance	618,955	-	-	-	-
Depreciation	-	1,029,122	1,107,332	1,112,124	1,085,304
Payments in lieu of Taxes	-	-	-	-	-
Other	78,724	-	-	-	-
Total Expenditures	$ 5,647,361	$ 5,441,686	$ 4,573,541	$ 5,093,537	$ 4,358,159
Operating Income (Loss)	$ 1,195,819	$ 1,837,407	$ 2,730,230	$ 2,162,246	$ 2,857,313
Non-Operating Revenues (Expenses):					
Interest Income	$ -	$ 3,884	$ 4,157	$ 1,889	$ 1,967
Interest Expense	(1,037,386)	(1,032,922)	(931,606)	(896,753)	(818,882)
Gain on disposition of utility plant	-	-	-	-	-
Gain on disposition of non utility plant	-	-	-	-	-
Grant Revenue	-	389,708	-	-	-
Amortization	-	(16,567)	(16,864)	(13,407)	(10,611)
Transfers	(272,899)	(294,314)	-	(296,350)	(294,706)
Total Non-Operating Revenues (Expenses)	$ (1,310,285)	$ (950,211)	$ (944,313)	$ (1,204,621)	$ (1,122,232)
Income before Capital Contributions	$ (114,466)	$ 887,196	$ 1,785,917	$ 957,625	$ 1,735,081
Capital Contributions- Utility Plant	703,349	-	(302,219)	484,623	46,500
Net Income	$ 588,883	$ 887,196	$ 1,483,698	$ 1,442,248	$ 1,781,581
Retained Earnings -Beginning of Year	$ 6,603,265	$ 7,192,148	$ 8,079,344	$ 9,563,042	
Retained Earnings - End of Year	$ 7,192,148	$ 8,079,344	$ 9,563,042	$ 11,005,290	
Net Assets - Beginning of year					$ 17,030,338
Prior Period Adjustment					$ -
Net Assets - End of Year					**$ 18,811,919**

CITY OF LAWRENCEBURG, TENNESSEE

Five Year Summary of Revenues, Expenditures and Changes In Fund Balances - Gas System

For the Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Operating Revenues:					
Receipts for services and use of facilities	$ 6,104,084	$ 6,045,044	$ 4,720,251	$ 5,462,172	$ 6,120,999
Other	383,212	290,130	207,568	197,780	157,725
Total Revenues	$ 6,487,296	$ 6,335,174	$ 4,927,819	$ 5,659,952	$ 6,278,724
Operating Expenditures:					
Natural Gas Purchased	$ 4,213,616	$ 4,264,012	$ 3,581,899	$ 3,661,043	$ 4,304,928
Operation Expense	1,367,777	1,428,101	1,244,211	1,467,549	1,193,747
Repair and Maintenance	149,440	-	-	-	-
Depreciation	-	222,167	222,613	233,869	241,883
Payments in lieu of Taxes	-	-	-	-	-
Other	27,944	-	-	-	-
Total Expenditures	$ 5,758,777	$ 5,914,280	$ 5,048,723	$ 5,362,461	$ 5,740,558
Operating Income (Loss)	$ 728,519	$ 420,894	$ (120,904)	$ 297,491	$ 538,166
Non-Operating Revenues (Expenses):					
Interest Income	$ 68,405	$ 37,342	$ 16,100	$ 14,248	$ 4,061
Interest Expense	(2,591)	(10,212)	(4,585)	(3,909)	(3,691)
Gain on disposition of utility plant	-	-	-	-	-
Gain on disposition of non utility plant	-	-	-	-	-
Grant Revenue	-	-	-	-	-
Transfers	(127,885)	(133,658)	-	(120,822)	(120,291)
Total Non-Operating Revenues (Expenses)	$ (62,071)	$ (106,528)	$ 11,515	$ (110,483)	$ (119,921)
Income before Capital Contributions	$ 666,448	$ 314,366	$ (109,389)	$ 187,008	$ 418,245
Capital Contributions- Utility Plant	-	-	(133,472)	-	-
Net Income	$ 666,448	$ 314,366	$ (242,861)	$ 187,008	$ 418,245
Retained Earnings -Beginning of Year	$ 8,912,316	$ 9,578,764	$ 9,893,130	$ 9,650,269	
Retained Earnings - End of Year	$ 9,578,764	$ 9,893,130	$ 9,650,269	$ 9,837,277	
Net Assets - Beginning of year					$ 10,297,688
Prior Period Adjustment					$ -
Net Assets - End of Year					**$ 10,715,933**

CITY OF LAWRENCEBURG, TENNESSEE

Five Year Summary of Revenues, Expenditures and Changes In Fund Balances - Electric System

For the Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Operating Revenues:					
Receipts for services and use of facilities	$ 42,124,239	$ 48,557,293	$ 46,558,680	$ 46,757,729	$ 49,376,394
Other	1,170,262	1,046,770	1,042,364	1,031,635	1,001,625
Total Revenues	$ 43,294,501	$ 49,604,063	$ 47,601,044	$ 47,789,364	$ 50,378,019
Operating Expenditures:					
Purchased Power	$ 32,591,412	$ 37,405,077	$ 35,205,718	$ 35,079,642	$ 37,425,387
Operation Expense	4,172,921	6,152,558	6,556,850	6,535,321	7,269,834
Repair and Maintenance	1,731,729	-	-	-	-
Depreciation and amortization	1,765,942	2,013,314	2,078,947	2,145,217	2,175,838
Other	512,655	227,820	541,980	562,931	571,584
Total Expenditures	$ 40,774,659	$ 45,798,769	$ 44,383,495	$ 44,323,111	$ 47,442,643
Operating Income (Loss)	$ 2,519,842	$ 3,805,294	$ 3,217,549	$ 3,466,253	$ 2,935,376
Non-Operating Revenues (Expenses):					
Interest Income	$ 244,943	$ 187,796	$ 129,712	$ 431,107	$ 99,161
Interest Expense	(1,044,822)	(1,053,661)	(970,491)	(920,170)	(871,075)
Amortization Expense	-	(74,551)	(74,550)	(74,551)	(74,550)
Transfers out - Tax Equivalents	(967,236)	(1,349,117)	(1,079,915)	(1,107,046)	(1,117,855)
Total Non-Operating Revenues (Expenses)	$ (1,767,115)	$ (2,289,533)	$ (1,995,244)	$ (1,670,660)	$ (1,964,319)
Income before Capital Contributions	$ 752,727	$ 1,515,761	$ 1,222,305	$ 1,795,593	$ 971,057
Capital Contributions- Utility Plant	248,186	218,063	227,132	138,289	205,719
Net Income	$ 1,000,913	$ 1,733,824	$ 1,449,437	$ 1,933,882	$ 1,176,776
Retained Earnings -Beginning of Year	$ 37,895,866	$ 38,896,779	$ 40,630,603	$ 40,298,184	$ 42,232,064
Prior Period Adjustment	-	-	(1,781,856)	(2)	-
Retained Earnings - End of Year	$ 38,896,779	$ 40,630,603	$ 40,298,184	$ 42,232,064	$ 43,408,840

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle City operating funds is controlled by state statute and local policies and administered by the City Recorder. Generally, such policies limit investment instruments to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined 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 for trust upon residential property in the state equal to at least 150 percent of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the City. For reporting purposes, all investments are stated at cost which approximates market value.

PROPERTY TAX

Introduction. The City is authorized to levy a tax on all property within the City without limitation as to rate or amount. All real and personal property within the City is assessed in accordance with the state constitutional and statutory provisions by the County Property Tax Assessor except most utility property, which is assessed by the Office of State Assessed Properties. The City property tax is levied each July 1 on the assessed values as of the prior January 1 for all real property located in the City.

Reappraisal Program. Title 67, Chapter 5, Part 16, Tennessee Code Annotated, as supplemented and amended, mandates that after June 1, 1989, all property in the State of Tennessee will be reappraised on a continuous six (6) year cycle composed of an on-sight review of each parcel of property over a five (5) year period followed by reevaluation of all such property in the year following the completion of the review. In the second and fourth years of the review, there shall be an updating of all real property values by application of an index or indexes established for the jurisdiction by the State Board of Equalization, so as to maintain real property values at full value as defined in Title 67, Chapter 5, Part 6, Tennessee Code Annotated. The State Board of Equalization shall also consider a plan submitted by a local assessor which would have the effect of maintaining real property values at full value which may be used in lieu of indexing.

Title 67, Chapter 5, Part 17, Tennessee Code Annotated, provides that at such time as such reappraisal and reassessment processes are completed in a particular county, the respective governing bodies of the county and the municipalities located therein shall determine and certify a tax rate which will provide the same ad valorem tax revenue for the respective jurisdiction as was levied prior to reappraisal and reassessment. In computing the new tax rate, 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. The new tax rate therefore, is derived from a comparison of tax revenues, tax rates and assessed values of property on the tax roll in both the year before and the year after the reappraisal. The effect of the reappraisal and reassessment statutes is to adjust the property tax rate downward to prevent a taxing unit from collecting additional property tax revenues as a result of reappraisal. Once a municipality or county complies with state law and certifies a tax rate which provides the same property tax revenue as was collected before reappraisal, its governing body may vote to approve a tax rate change which would produce more or less tax revenue. The City had a reappraisal program, conducted by the State Board of Equalization, Division of Property Assessment, which was completed as of January 1, 2011.

Assessed Valuations. According to the Tax Aggregate Report, property in the County and City reflected a ratio of appraised value to true market value of 1.00. The following table shows pertinent data for tax year 2013[1].

Class	**Estimated Assessed Valuation**	**Assessment Rate**	**Estimated Appraised Value**
Public Utilities	$ 4,086,495	55%	$ 9,361,959
Commercial and Industrial	105,854,240	40%	264,635,600
Personal Tangible Property	31,484,590	30%	104,948,633
Residential, Farm and Open Space	74,753,175	25%	299,012,700
Total	**$216,178,500**		**$677,958,892**

Source: 2013 Tax Aggregate Report of Tennessee and the City.

The estimated assessed value of property in the City for the fiscal year ending June 30, 2014 (tax year 2013) is $216,178,500 compared to $213,666,756 for the fiscal year ending June 30, 2013 (tax year 2012). The estimated actual value of all taxable property for tax year 2013 is $677,958,892 as compared to $669,583,181 for tax year 2012.

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[1] The tax year coincides with the calendar year, therefore tax year 2013 is actually fiscal year 2013 -2014.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the City for tax years 2010 through 2014 as well as the aggregate uncollected balances for each fiscal year as of June 30, 2014.

PROPERTY TAX RATES AND COLLECTIONS				**Fiscal Yr. Collections**		**Aggregate Uncollected Balance**	
						As of June 30, 2014	
Tax Year	**Assessed Valuation**	**Tax Rates**	**Taxes Levied**	**Amount**	**Pct**	**Amount**	**Pct**
2010	$215,294,271	$ 1.49	$3,064,510	$2,935,009	95.8%	$1,680	0.1%
2011	218,699,629	1.4234	3,108,295	2,940,506	94.6%	19,316	0.6%
2012	213,666,756	1.4234	3,029,265	2,880,856	95.1%	60,848	2.0%
2013	216,178,500	1.4234	3,018,935	2,972,873	98.4%	156,850	5.2%
2014	218,686,579	1.4234	3,112,828	**In Process**			

[1] The tax year coincides with the calendar year, therefore tax year 2014 is actually fiscal year 2014 -2015.

Ten Largest Taxpayers. For the fiscal year ending June 30, 2014 (tax year 2013), the ten largest taxpayers in the City were as follows:

	Taxpayer	**Business Type**	**Assessed Value**	**Taxes Levied**
1.	Jones Apparel Group	Warehouse	$9,482,240	$134,970
2.	Modine Mft.	Charge Air Coolers	8,010,941	114,028
3.	Graphic Packaging	Printed Cartons	7,811,752	110,996
4.	Crockett Hospital	Hospital	2,384,762	104,450
5.	Walmart	Retail	3,600,000	51,242
6.	DURA Industries	Automotive	2,589,476	36,859
7.	Park Ridge Estates	Housing	2,100,120	29,893
8.	BC Wood Investment Fund	Investments	1,896,640	26,997
9.	Bellsouth Telecommunication	Telecommunications	1,707,668	24,307
10.	Hughes Parker Industries	Fabricators	1,574,191	22,407
	TOTAL		**$411,157,790**	**$656,149**

Source: The City.

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PENSION PLANS

Employees of the City (other than those of the Water & Sewer, Natural Gas and Electric Power systems) are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with 5 years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at age 55. Disability benefits are available to active members with 5 years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in performance of duty. Members joining the retirement system after July 1, 1979 become vested after 5 years of service and members joining prior to July, 1979 were vested after 4 years of service.

All employees of the Water & Sewer, Natural Gas and Electric Power systems are members of the Lawrenceburg Utility Systems Employees' Pension Plan. For additional information of the funding status, trend information and actuarial status of the above retirement programs please refer to the appropriate Notes to Financial Statements located in the General Purpose Financial Statements of the City herein.

OTHER POST-EMPLOYMENT BENEFITS

The City participates in the State-administered Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the Plan is and agent multiple-employer Other Post Employment Benefit (OPEB) Plan. Benefits are established and amended by an insurance committee created by TCA 8-27-207. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the State's retirement system may participate in a State-administered medicare supplemental plan that does not include pharmacy. The Plan is reported in the State of Tennessee Comprehensive Annual Financial Report.

For additional information please refer to the appropriate Notes to Financial Statements located in the General Purpose Financial Statements of the City herein.

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APPENDIX C

GENERAL PURPOSE FINANCIAL STATEMENTS

OF

LAWRENCEBURG , TENNESSEE

FOR THE FISCAL YEAR ENDED

JUNE 30, 2014

CITY OF LAWRENCEBURG, TENNESSEE

Annual Financial Report

For the Year Ended June 30, 2014

CITY OF LAWRENCEBURG, TENNESSEE

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CITY OF LAWRENCEBURG, TENNESSEE

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FINANCIAL SCHEDULES

OTHER REPORTS SECTION

CITY OF LAWRENCEBURG, TENNESSEE

List of Elected and Appointed Officials

June 30, 2014

Elected Officials

Mayor	Keith Durham
Council Member	Ronald Fox
Council Member	Robin Williams
Council Member	Jamie Sevier
Council Member	Chad Moore

Appointed Officials

City Administrator	Chris Shaffer
Finance Administrator	Linda Adair
Human Resource & Safety Director	Doug Edwards
Safety Director	Tina Sowell
Administrative Assistant	Joyce DiCapo
Emergency Management	Joe Baxter
Chief of Police	Judy Moore
Fire Chief	Jay Moore
Parks and Recreation Manager	Beth Campbell
Sanitation Manager	Gary Wayne Hyde
Public Works	Jerry Smith

YEARY, HOWELL & ASSOCIATES
Certified Public Accountants
501 EAST IRIS DRIVE
NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY
GREGORY V. HOWELL

(615) 385-1008
FAX (615) 385-1208

Independent Auditor's Report

To the Mayor and Board of Commissioners
City of Lawrenceburg, Tennessee:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, , the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lawrenceburg, Tennessee, (the City) as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Business - Type Activities (Proprietary Funds). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Business - Type Activities (Proprietary Funds) is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Disclaimer of Opinion on Discretely Presented Component Unit

The financial statements of the Crockett Theater Board, the discretely presented Component Unit in the City's basic financial statements, have not been audited, and we were not engaged to audit the financial statements of the Board as part of our audit of the City's basic financial statements

Disclaimer of Opinion

In our opinion, because of the matter discussed in the "Basis for Disclaimer of Opinion on the Discretely Presented Component Unit" paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of (Crockett Theater Board) the discretely presented component unit of the City as of, and for the year ended June 30, 2014.

Unmodified Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lawrenceburg, Tennessee, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, in 2014, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 65, *Items Previously Recognized as Assets and Liabilities* and (GASB) Statement 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement 25.* Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Statements,and Schedules and Financial Schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and Schedules and Financial Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This information, except for those Financial Schedules marked as unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the Combining and Individual Nonmajor Fund Financial Statements and Schedules and Financial Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Other Reporting Required by Governmental Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lawrenceburg's internal control over financial reporting and compliance.

November 21, 2014

Management's Discussion and Analysis

As management of the City of Lawrenceburg, Tennessee (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014.

This analysis focuses on significant variances in financial position, budget changes and variances from the budget and specific issues related to the funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. It also contains explanations and discussion relative to significant variances from similar amounts in the prior year.

Financial Highlights:

- The assets of the City of Lawrenceburg exceeded its liabilities at the close of the most recent fiscal year by $77,582,274 as compared to $75,120,688 in 2013. Of this amount, $6,192,971 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

- The governments total net position increased by $3,701,922 in 2014 as compared to $4,278,389 in 2013.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5,693,709, an increase of $1,544,676 in comparison with the the prior year. Of that amount, $4,590,926 is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,590,926 as compared to 3,258,975 in 2013 or 36% and 31% in 2014 and 2013, respectively of total general fund expenditures.

- The City's total bonded debt increased by $888,881 during the current fiscal year as a result of scheduled debt repayments of $3,888,881 (8%) and new debt issued of $3,000,000.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the City of Lawrenceburg's basic financial statements. The City's basic financial statements comprise three components: (1) government - wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The Government - wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Overtime, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected tax and earned but unused vacation leave).

Overview of the Financial Statements (Continued):

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Lawrenceburg include general government, public safety, highways and streets, sanitation, recreation, and building inspection. The business-type activities of the City include Water and Sewer services, Natural Gas services, and Electric Power services.

The government - wide financial statements include all funds of the City of Lawrenceburg (known as the primary government).

The government - wide financial statements can be found on pages 12 - 13 of this report.

Fund financial statements. A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lawrenceburg, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental Funds are funds used to account for essentially the same functions reported as governmental activities in the government - wide financial statements. However, unlike the government - wide financial statements, government fund financial statements focus on near - term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near - term financing requirements

Because the focus of governmental funds is narrower than that of the government - wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government - wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Lawrenceburg, Tennessee adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 - 22 of this report.

Proprietary Funds. The City of Lawrenceburg has only one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government - wide financial statements. The City uses enterprise funds to account for its Water and Sewer, Natural Gas and Electric Power.

Proprietary funds provide the same type of information as the government - wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer, Natural gas and Electric Power distribution operations, each of which is considered to be a major fund of the City of Lawrenceburg.

Overview of the Financial Statements (Continued):

The basic proprietary fund financial statements can be found on pages 23 - 25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government - wide and fund financial statements. The notes to the financial statements can be found on pages 26 - 52 of this report.

The combining statements referred to earlier in connection with non major governmental funds are presented immediately following the notes to financial statements. Combining and individual fund statements and schedules can be found on pages 53 - 76 of this report.

Financial Analysis of the Financial Statements

Government - wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lawrenceburg, assets exceeded liabilities by $77,582,274 at the close of the most recent fiscal year, as compared to $75,120,688 in 2013.

By far the largest portion of the City's assets (92%) reflects its investment in capital assets (e.g., land , buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens: consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Lawrenceburg's Net Position

	Governmental Activities		Business -type Activities	
	2014	2013	2014	2013
Current and other assets	$ 9,117,851	7,633,238	21,015,782	24,366,000
Capital assets	16,495,700	14,415,082	102,195,791	102,359,035
Deferred outflows of resources	161,864	-	835,538	-
Total assets and deferred outflows	25,775,414	22,048,320	124,047,111	126,725,035
Long-term liabilities outstanding	16,246,242	11,606,133	37,333,513	39,522,146
Other liabilities	1,817,440	4,881,589	13,776,906	17,642,799
Deferred inflows of resources	3,066,150	-	-	-
Total liabilities and deferred inflows	21,129,832	16,487,722	51,110,419	57,164,945
Net position:				
Net investment in capital assets	7,397,573	6,665,561	62,906,478	60,956,521
Restricted	1,085,252	872,527	-	-
Unrestricted	(3,837,243)	(1,977,490)	10,030,214	8,603,569
Total net position	$ 4,645,582	5,560,598	72,936,692	69,560,090

An additional portion of the City's net position (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($5,357,433) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business - type.

The government's net position increased by $3,701,922 during the current fiscal year. Approximately 91% of this increase represents net increases in ongoing revenues over expenses of the Business-Type Activities. Governmental Activities experienced an increase of revenues over expenditures of $325,320.

Financial Analysis of the Financial Statements (Continued)

Governmental Activities

Governmental activities increased the City's net position by $325,320 (increase of $712,251 in 2013). Key elements of this decrease are as follows:

City of Lawrenceburg's Changes in Net Position

	Governmental Activities		Business -type Activities	
	2014	**2013**	**2014**	**2013**
Revenues:				
Program revenues:				
Charges for services	$ 1,472,782	1,480,673	63,872,215	60,705,099
Operating grants and contributions	579,652	370,078	-	-
Capital grants and contributions	168,712	79,966	252,219	622,912
General revenues:				
Property taxes	6,819,741	6,681,089	-	-
Sales taxes	742,388	723,920	-	-
Other taxes	1,126,519	1,178,157	-	-
Other	239,724	255,182	105,188	447,243
Total revenues	11,149,518	10,769,065	64,229,622	61,775,254
Expenses:				
General government	2,797,048	1,511,129	-	-
Judicial	33,344	33,254	-	-
Executive	147,102	153,555	-	-
Planning and development	144,118	83,102	-	-
Administrative	827,672	787,165	-	-
Special Projects	6,677	6,856	-	-
Police Department	2,682,504	2,668,520	-	-
Fire prevention and control	1,875,638	1,988,630	-	-
Civil Defense	116,940	119,805	-	-
Highways and streets	2,310,235	2,138,806	-	-
Parks	74,824	778,786	-	-
Sanitation	989,528	986,888	-	-
Interest on long-term debt	351,420	321,537	-	-
Water and Sewer	-	-	5,187,651	6,003,696
Natural gas	-	-	5,744,249	5,366,370
Electric	-	-	48,388,268	45,317,832
Total expenses	12,357,049	11,578,032	59,320,168	56,687,898
Increases (decrease) in net position before transfers	(1,207,532)	(808,967)	4,909,454	5,087,356
Transfers	1,532,852	1,524,218	(1,532,852)	(1,524,218)
Increases (decrease) in net position	325,320	715,251	3,376,602	3,563,138
Net position, beginning of year	4,320,262	* 4,845,347	69,560,090	65,996,952
Net position, end of year	$ 4,645,582	5,560,598	72,936,692	69,560,090

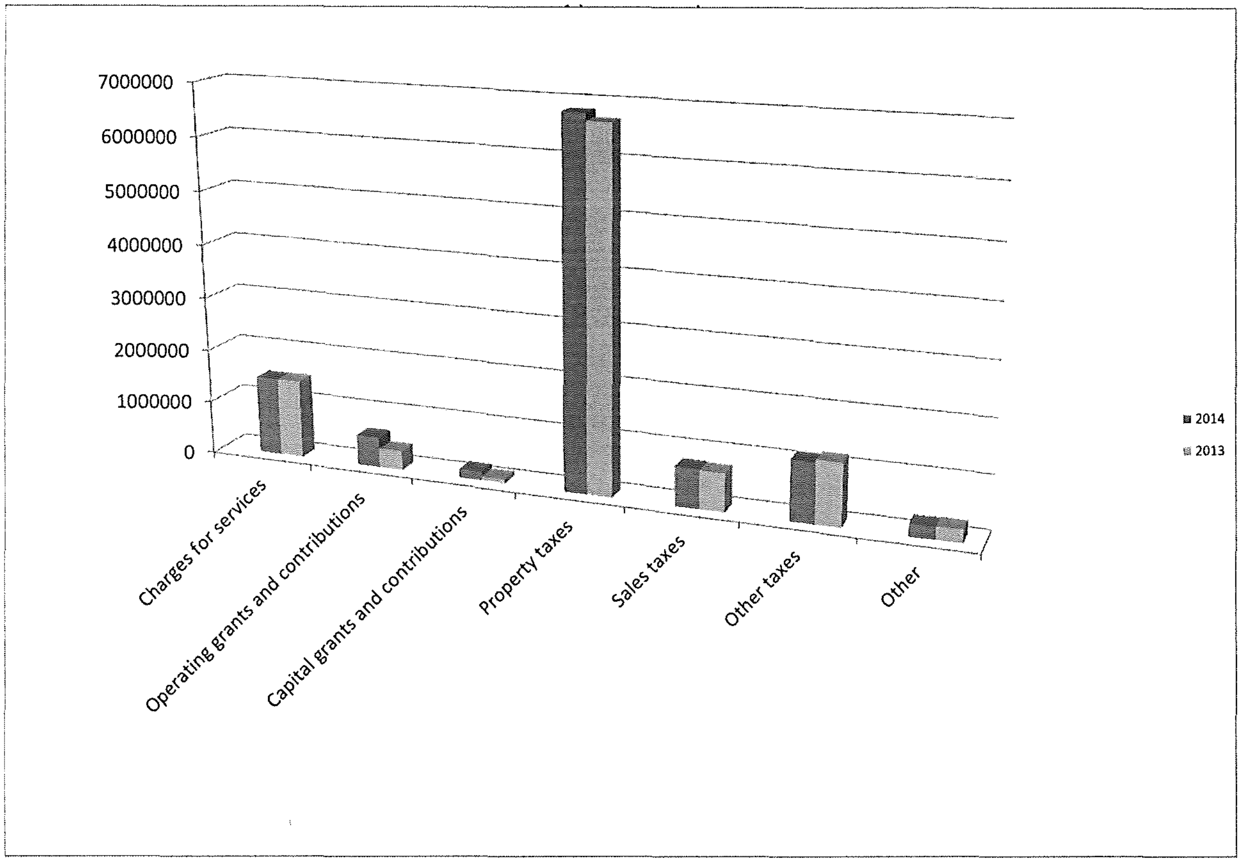
* As restated in the amount of $(1,240,336) of which $86,136 relates to the implementation of GASB 65 and $1,154,200 from the adjustment to the Net OPEB Obligation at June 30, 2013 as a result of the 2014 actuarial valuation.

Expenses for 2014 increased by approximately $779,000, largely as a result of the change in the Unfunded OPEB obligation in 2014 of approximately $1,251,379. The City did not have an actuarial study necessary to determine the unfunded OPEB obligation at June 30, 2013, but the effect, as stated in the 2014 actuarial valuation, of $1,240,336 is presented as a restatement to net position at July 1, 2013.

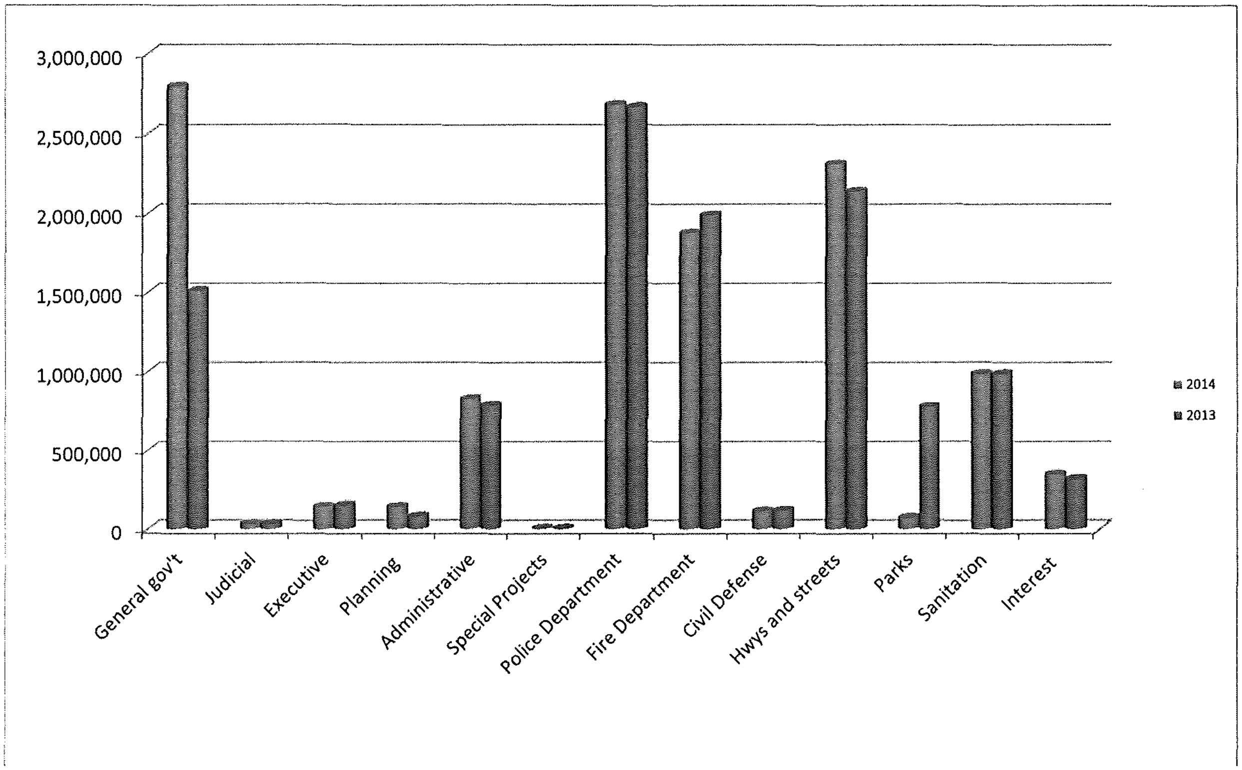
Revenues for 2014 increased approximately 4% primarily as a result of increases in grant revenue for 2014.

Governmental policy continues to recognize that local revenue sources must be the foundation for providing basic public services rather than depending on uncertain federal and state sources. To this end, it is vitally important to continue efforts to seek balanced diversity, equity and efficiency in local revenue systems to better accommodate future growth.

Revenues by Source - Governmental Activities



Expenditures - Governmental Activities



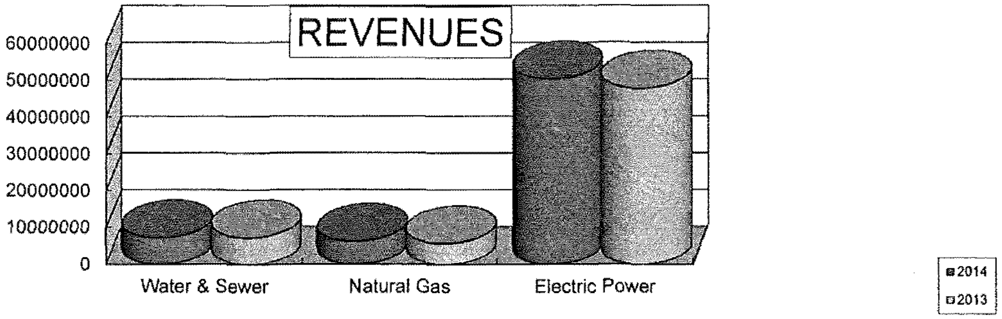
Financial Analysis of the Financial Statements (Continued)

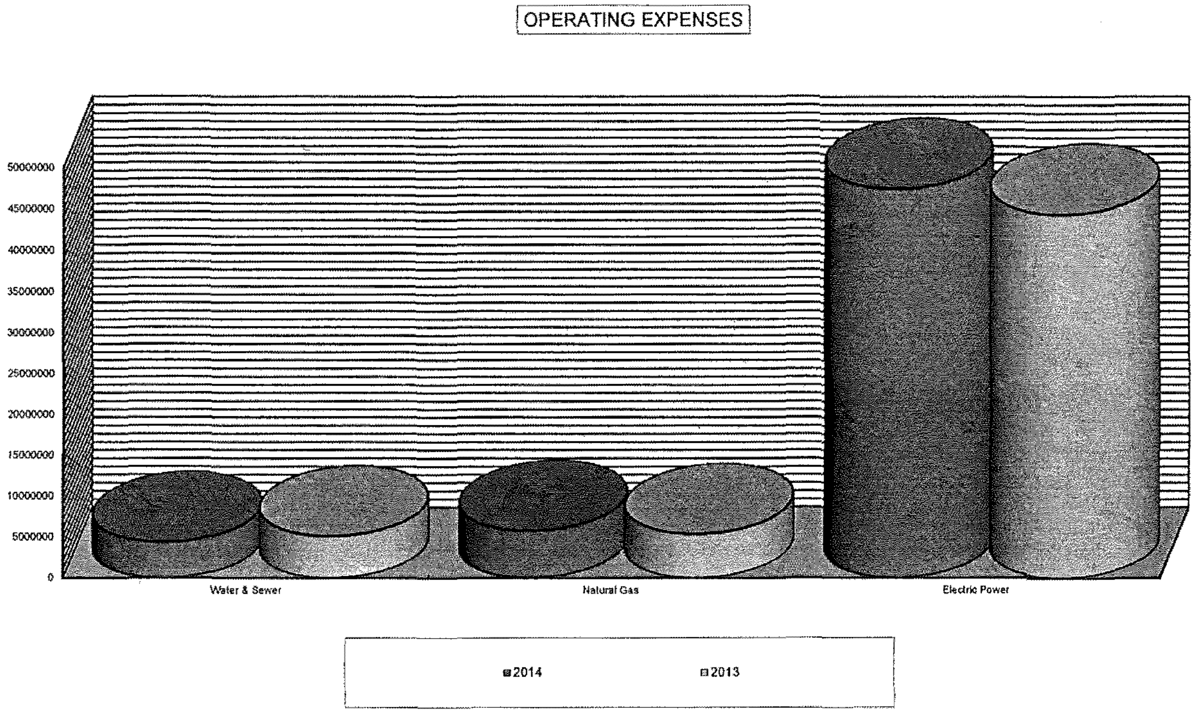
Business - type activities

Business - type activities increased the City's net position by $3,376,602 as compared to $3,563,138 in 2013, accounting for 89% of the total growth in the government's net assets. Key elements of this increase are as follows:

- Total charges for services for business - type activities increased by approximately 5%
- Water & Sewer operations resulted in an increase in net position of $1,781,581.
- Natural gas operations resulted in an increase in net position of $418,245.
- Electric power operations resulted in an increase in net position of $1,176,776.
- A more detailed analysis of the business-type activities may be found in the individual financial reports of the Water & Sewer, Natural Gas and Electric Power Funds.

Business - type activities





Financial Analysis of the Financial Statements (Continued)

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance - related legal require

Governmental Funds
The focus of the City of Lawrenceburg's governmental funds is to provide information on near-term inflows,outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements in particular, unreserved fund balance may serve as a useful measure to a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5,693,709, an increase of $1,544,676 in comparison with the prior year. Of this amount, $4,590,926 constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operation fund of the City of Lawrenceburg, Tennessee. At the end of the current fiscal year, unassigned fund balance of the general fund was $4,590,626 ($3,234,470 at the prior year end). As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 36% (31% in 2013) of total general fund expenditures.

The fund balance of the City's general fund increased by $1,331,951 during the current fiscal year. Key factors in this inncrease and other changes in the fund balance of the General Fund are as follows:

- Total revenues of the general fund increased by approximately $227,496 or 2% and were relatively consistent with those of 2013.

- General fund expenditures increased by approximately $2,225,000 or 21.1%, the increase was largely as a result increased capital outlay expenditures in 2014.

The City's proprietary funds provide the same type of information found in the government - wide financial statement, but in more detail.

Unrestricted net position of the Water and Sewer Fund, Natural Gas Fund and Electric Power Fund amounted to $(41,058), $ 2,543,232, and $7,528,040 for each fund, respectively as of June 30, 2014. The growth in net position of the above funds was $1,781,581, $418,245, and $1,176,776, respectively.

Each of the above enterprise funds issue separate financial statements, along with Management's Discussion and Analysis. For additional information, please contact the Board of Public Utilities of the City of Lawrenceburg, Chief Financial Officer.

General Fund Budgetary Highlights

During 2014, there were amendments to General Fund appropriations in the amount of $2,992,073. Original and Final budget for these individual General Fund departments are as follows for 2014.

		Original Budget	Final Budget
Administrative	$	1,320,370	2,531,622
Human Resources and Safety		8,094	10,094
Police Department		2,652,792	2,712,205
Fire Department		1,860,779	2,490,024
Highways & Streets		1,763,265	1,907,733
Parks and recreation		726,517	1,672,212
Total Expenditures	$	8,331,817	11,323,890

Capital Asset and Debt Administration

Capital Assets

The City of Lawrenceburg's investment in capital assets from its governmental and business - type activities as of June 30, 2014, amounts to $118,691,491 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads, highways and bridges. The net increase in the City's investment in capital assets for the current fiscal year was approximately 2% with the government-tpye activities account substiantially all the increase.

Capital Asset and Debt Administration

Major capital asset events during the current fiscal year included the following:

Government-Type Activities:

- Increases in capital outlay expenditures in the Administrative, Fire, Highway & Streets and Parks Departments

Business-Type Activities:

- Utility plant decreased in 2014 by approximately $840,000 as compared to $171,000 in 2013. A flat growth in customer base created less new construction in capital assets.

City of Lawrenceburg's Capital Assets

	Governmental Activities	Business -type Activities	Total
Land	$ 3,360,204	2,264,878	5,625,082
Buildings and utility plant	7,396,274	136,097,418	143,493,692
Equipment and furniture	6,801,791	9,179,219	15,981,010
Construction in progress	96,706	2,571,936	2,668,642
Infrastructure	10,105,009	-	10,105,009
	27,759,984	150,113,451 7/	177,873,435
Less accumulated depreciation	11,264,284	47,917,660	59,181,944
Net Capital Assets	$ 16,495,700	102,195,791	118,691,491

Additional information on the City of Lawrenceburg's capital assets can be found in the notes to the financial statement section of this report.

Long - Term Debt

At the end of the current year, the City of Lawrenceburg had bonded debt outstanding of $48,922,110. Of this amount, $9,929,408 comprises debt backed by the full faith and credit of the government and with the remainder of the City's debt represented by bonds secured by both the taxing power of the City and specific revenue sources (i.e., revenue and tax bonds) of the various enterprise funds.

City of Lawrenceburg's Outstanding Debt

	Governmental Activities	Business -type Activities	Total
General obligation bonds and capital outlay notes	$ 9,929,408	-	9,929,408
Revenue bonds	-	29,885,000	29,885,000
Notes payable	-	9,107,702	9,107,702
	$ 9,929,408	38,992,702	48,922,110

The City's total bonded debt decreased by $3,888,881 (8%) during the current fiscal year as a result of scheduled debt repayments. The City issued $3,000,000 in general obligation debt during 2014.

State statutes impose no debt limit on the amount of general obligation debt a governmental entity may issue.

Additional information on the City of Lawrenceburg's debt can be found in the notes to the financial statements section of this report.

Economic Factors and Next Year's Budget and Rates

The unemployment rate for the City of Lawrenceburg is currently 8.5%, which is a decrease from a rate of 10.3% a year ago. This compares to the State's average unemployment rate of 7.1% and the national average rate of 5.8%. All of these factors were considered in preparing the City's budget for the 2015 fiscal year.

At June 30, 2014, unassigned fund balance in the general fund amounted to $4,590,926. The City did not need any unassigned fund balance to balance the 2015 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Lawrenceburg Tennessee's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Administrator, 25 Public Square, Lawrenceburg, TN 38464.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Net Position

June 30, 2014

	Primary Government			Component Unit Crocket Theater Board
	Governmental Activities	Business-type Activities	Total	Governmental
Assets				
Cash and cash equivalents:				
Unrestricted	$ 3,582,606	11,120,992	14,703,598	11,531
Restricted - construction	748,865	1,147,564	1,896,429	-
Total cash	4,331,471	12,268,556	16,600,027	11,531
Accounts receivable:				
Property taxes	3,331,116	-	3,331,116	-
Other governments	1,256,510	-	1,256,510	-
Customers	-	5,552,515	5,552,515	-
Others	93,129	522,439	615,568	-
Less allowance for doubtful accounts	(47,105)	(1,802,637)	(1,849,742)	-
Total accounts receivable	4,633,650	4,272,317	8,905,967	-
Inventory of supplies	-	987,590	987,590	-
Prepaid expenses	-	987,166	987,166	-
Internal balances	121,279	(121,279)	-	-
Other assets:				
Net investment in direct financing capital lease	-	1,182,083	1,182,083	-
Conservation loans receivable	-	646,910	646,910	-
Debt issuance costs	-	520,962	520,962	-
Other	31,451	271,477	302,928	-
Depreciable capital assets, net of accumulated depreciation	13,038,790	97,358,977	110,397,767	-
Non depreciable capital assets	3,456,910	4,836,814	8,293,724	-
Total Assets	25,613,550	123,211,573	148,825,123	11,531
Deferred Outflows of Resources	161,864	835,538	997,402	-
Liabilities				
Accounts payable	31,706	6,881,007	6,912,713	-
Accrued liabilities	110,123	1,509,985	1,620,108	-
Customer deposits	-	797,386	797,386	-
Other liabilities	-	2,605,708	2,605,708	-
Accrued interest	-	27,020	27,020	-
Noncurrent liabilities:				
Due within one year	1,675,611	1,955,800	3,631,411	-
Due in more than one year	16,246,242	37,333,513	53,579,755	-
Total Liabilities	18,063,682	51,110,419	69,174,101	-
Deferred Inflow of Resources	3,066,150	-	3,066,150	
Net Position				
Net Investment in capital assets	7,397,573	62,906,478	70,304,051	-
Restricted for:				
Roads	385,147	-	385,147	-
Public Safety	55,517	-	55,517	-
Capital projects	83,005	-	83,005	-
Solid waste disposal	484,759	-	484,759	-
Cemetery maintenance	76,824	-	76,824	-
Unrestricted	(3,837,243)	10,030,214	6,192,971	11,531
Total Net Position	$ 4,645,582	72,936,692	77,582,274	11,531

See accompanying notes to the financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2014

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position Primary Government			Component Unit Crocket Theater Board
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Governmental
Functions/Programs								
Primary Government:								
Governmental activities:								
General government	$ 2,797,048	-	-	-	(2,797,048)	-	(2,797,048)	-
Judicial	33,344	-	-	-	(33,344)	-	(33,344)	-
Executive	147,102	-	-	-	(147,102)	-	(147,102)	-
Planning and development	144,118	53,031	-	-	(91,087)	-	(91,087)	-
Administrative	827,672	-	-	-	(827,672)	-	(827,672)	-
Safety/Human resources	6,677	-	-	-	(6,677)		(6,677)	
Police Department	2,682,504	208,518	-	14,016	(2,459,970)	-	(2,459,970)	-
Fire prevention and control	1,875,638	2,031	-	-	(1,873,607)	-	(1,873,607)	-
Civil Defense	116,940	-	59,715	-	(57,225)	-	(57,225)	-
Highways and streets	2,310,235	-	519,937	154,696	(1,635,602)	-	(1,635,602)	-
Parks & Recreation	74,824	74,595	-	-	(229)	-	(229)	-
Sanitation	989,528	1,134,607	-	-	145,079	-	145,079	-
Interest on long-term debt	351,420	-	-	-	(351,420)	-	(351,420)	-
Total government activities	12,357,049	1,472,782	579,652	168,712	(10,135,903)	-	(10,135,903)	-
Business-type activities:								
Water and Sewer	5,187,652	7,215,472	-	46,500	-	2,074,320	2,074,320	-
Natural Gas	5,744,249	6,278,724	-	-	-	534,475	534,475	-
Electric	48,388,268	50,378,019	-	205,719	-	2,195,470	2,195,470	-
Total business-type activities	59,320,169	63,872,215	-	252,219	-	4,804,265	4,804,265	-
Total primary government	$ 71,677,218	65,344,997	579,652	420,931	(10,135,903)	4,804,265	(5,331,638)	
Component Unit:								
Crockett Theater Board	$ 26,983	25,140	-	-				(1,843)
General Revenues:								
Property taxes					$ 6,819,741	-	6,819,741	-
Sales taxes					742,388	-	742,388	-
Business tax					247,043		247,043	
Local beer tax					394,822		394,822	
Local beer tax					136,177		136,177	
Cable TV					118,095		118,095	
State income and excise					95,448		95,448	
Gross receipts - TVA					115,371		115,371	
Other taxes					19,563	-	19,563	-
Unrestricted investment earnings					8,857	105,189	114,046	-
Loss on sale of capital assets					(42,309)	-	(42,309)	-
Other					273,176	-	273,176	-
Transfers					1,532,852	(1,532,852)	-	-
Total general revenues and transfers					10,461,224	(1,427,663)	9,033,561	-
Change in net position					325,320	3,376,602	3,701,922	(1,843)
Net position - beginning of year, as restated					4,320,262	69,560,090	73,880,352	13,374
Net position - end of year					$ 4,645,582	72,936,692	77,582,274	11,531

See accompanying notes to the financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Balance Sheet

Governmental Funds

June 30, 2014

		General Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents-unrestricted	$	2,696,057	886,549	3,582,606
Cash and cash equivalents-restricted for construction		748,865	-	748,865
Total cash and cash equivalents		3,444,922	886,549	4,331,471
Accounts and notes receivable				
Property taxes		3,331,116	-	3,331,116
Other governments		1,256,510	-	1,256,510
Others		-	93,129	93,129
Total accounts and notes receivable		4,587,626	93,129	4,680,755
Due from other funds		5,598	121,279	126,877
Total Assets	$	8,038,146	1,100,957	9,139,103
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	$	23,389	8,317	31,706
Accrued liabilities		62,749	1,790	64,539
Due to other funds		-	5,598	5,598
Deferred revenue		3,343,551	-	3,343,551
Total Liabilities		3,429,689	15,705	3,445,394
Fund Balances:				
Restricted for:				
Roads		-	385,147	385,147
Public Safety		-	55,517	55,517
Capital projects		-	83,005	83,005
Solid waste disposal		-	484,759	484,759
Cemetery maintenance		-	76,824	76,824
Assigned for:				
Health and wellness programs		4,409	-	4,409
Fire department		13,122	-	13,122
Unassigned		4,590,926	-	4,590,926
Total Fund Balances		4,608,457	1,085,252	5,693,709
Total Liabilities and Fund Balances	$	8,038,146	1,100,957	9,139,103

See accompanying notes to the financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Reconciliation of Balance Sheet to Statement of Net Position of Governmental Activities

June 30, 2014

Total Governmental Funds Fund Balances		$ 5,693,709
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and , therefore, are not reported in the funds as follows:		
Capital assets	$ 28,281,046	
Book value of capital assets disposed	(125,333)	
Accumulated Depreciation	(11,660,012)	16,495,701
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds for:		
Property tax		230,295
Liabilities not due and payable currently and not recorded in the governmental funds for:		
Accrued interest		(45,584)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not recorded in the funds as follows:		
Bonds payable	(9,952,926)	
Bond premium, discount and deferred amount from refunding	105,935	
Landfill Closure Costs	(122,960)	
Compensated absences	(712,119)	
OPEB Obligation	(7,077,919)	(17,759,989)
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities for:		
Bond issue cost, net of amortization		31,450
Net position of governmental activities		$ 4,645,582

See accompanying notes to the financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds

For the Year Ended June 30, 2014

		General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$	7,641,661	-	7,641,661
Intergovernmental		1,226,199	270,366	1,496,565
Licenses and permits		53,031	-	53,031
Fines and costs		146,288	-	146,288
Charges for services		133,720	1,027,533	1,161,253
Miscellaneous		323,687	378,152	701,839
Total Revenues		9,524,586	1,676,051	11,200,637
Expenditures:				
Current:				
Judicial		33,344	-	33,344
Executive		147,324	-	147,324
Planning and development		142,467	-	142,467
Administrative		738,162	-	738,162
Human resources		6,677	-	6,677
Police Department		2,522,737	-	2,522,737
Fire prevention and control		1,803,962	-	1,803,962
Civil Defense		113,035	-	113,035
Highways and streets		1,716,677	339,500	2,056,177
Parks & Recreation		689,190	-	689,190
Appropriations and other		1,283,547	-	1,283,547
Sanitation		-	991,611	991,611
Program costs		-	19,215	19,215
Capital outlay		2,318,327	28,481	2,346,808
Debt service		1,238,512	84,519	1,323,031
Total Expenditures		12,753,961	1,463,326	14,217,287
Excess (deficiency) of revenues over expenditures		(3,229,375)	212,725	(3,016,650)
Other Financing Sources (Uses):				
Proceeds from debt issuance		3,028,474		3,028,474
Transfers in		1,532,852	-	1,532,852
Transfers out		-	-	-
Total Other Financing Sources (Uses)		4,561,326	-	4,561,326
Net change in fund balance		1,331,951	212,725	1,544,676
Fund Balance, Beginning of Year		3,276,506	872,527	4,149,033
Fund Balance, End of Year	$	4,608,457	1,085,252	5,693,709

See accompanying notes to the financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2014

Amounts reported for net change in fund balance - total governmental funds		$ 1,544,676
Amounts reported for governmental activities in the statement of net assets are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense for governmental activities. Also, gains and losses from disposals of capital assets are not presented in the fund financial statements. Such amounts are as follows:		
Acquisition of capital assets	$ 2,943,521	
Depreciation expense	(737,569)	2,080,618
Gain on disposal of assets	(125,334)	
Revenues for governmental activities that do not provide current financial resources are not reported as revenues in the governmental funds as follows:		
Property tax		74,214
Expenses reported for governmental activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds as follows:		
Change in other post employment benefits	(1,251,279)	
Changes in the accrual for compensated absences	(13,571)	
Changes in the accrual for interest	(110)	(1,264,959)
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities for governmental activities, likewise proceeds from debt issuance is presented as revenue in the governmental funds, but increases long-term liabilities for governmental activities. Bond costs are presented as expenses in the governmental funds, however they are presented as amortizable assets for governmental activities.		
Such amounts are as follows:		
Proceeds from debt issuance	(3,000,000)	
Premium on debt issuance	(28,474)	
Reduction of debt	943,258	
Amortization of bond inaurance costs	(3,610)	
Amortization of deferred loss and bond premium and discount	(20,403)	(2,109,229)
Change in net position of governmental activities		$ 325,320

See accompanying notes to financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended June 30, 2014

Revenues:	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Taxes:				
Real estate tax	$ 3,052,500	3,052,500	3,075,657	23,157
Local sales tax	3,700,000	3,700,000	3,657,889	(42,111)
Tax equivalents payments	9,272	9,272	11,978	2,706
Business tax	300,000	300,000	247,043	(52,957)
Wholesale beer tax	380,000	380,000	394,822	14,822
Wholesale liquor tax	160,000	160,000	136,177	(23,823)
Cable TV	130,000	130,000	118,095	(11,905)
Total Taxes	7,731,772	7,731,772	7,641,661	(90,111)
Intergovernmental:				
Petroleum special	21,250	21,250	21,267	17
State sales tax	730,000	730,000	742,388	12,388
State beer tax	5,500	5,500	4,934	(566)
State income and excise	80,000	80,000	95,448	15,448
State and Federal grant programs	545,000	559,016	228,427	(330,589)
Gross receipts - TVA	120,000	120,000	115,371	(4,629)
Mixed drink tax	12,500	12,500	14,629	2,129
Other	27,000	27,000	3,735	(23,265)
Total Intergovernmental	1,541,250	1,555,266	1,226,199	(329,067)
Licenses and Permits	48,470	48,470	53,031	4,561
Fines and Fees	156,000	156,000	146,288	(9,712)
Charges for Services:				
Special police services	26,600	27,026	29,638	2,612
Special fire services	700	700	2,031	1,331
Recreation account - concession and fees	65,175	65,175	74,595	9,420
Other	23,500	27,500	27,456	(44)
Total Charges for Services	115,975	120,401	133,720	13,319
Miscellaneous:				
Rental income	41,750	41,750	50,546	8,796
Proceeds - sale of property	60,000	72,709	140,000	67,291
Donations and contributions	32,750	32,750	28,236	(4,514)
Interest revenue	3,000	3,000	3,875	875
Miscellaneous revenue	91,900	91,900	101,030	9,130
Total Miscellaneous	229,400	242,109	323,687	81,578
Total Revenues	9,822,867	9,854,018	9,524,586	(329,432)

Continued on next page.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues, continued:				
Other Sources				
Proceeds from debt issuance	$ -	2,952,562	3,028,474	75,912
Transfer from Other Funds	1,554,646	1,554,646	1,532,852	(21,794)
Total Other Financing Sources	1,554,646	4,507,208	4,561,326	54,118
Total Revenues and Other Financing Sources	11,377,513	14,361,226	14,085,912	(275,314)
Expenditures:				
Judicial:				
Current:				
Salaries and employee benefits	35,687	35,687	32,480	3,207
Contractual services	455	455	164	291
Miscellaneous	893	893	700	193
Total Current	37,035	37,035	33,344	3,691
Capital outlay	-	-	-	-
Total Judicial	37,035	37,035	33,344	3,691
Executive:				
Current:				
Salaries and employee benefits	139,029	139,029	126,186	12,843
Contractual services	19,525	19,525	17,178	2,347
Supplies	700	700	598	102
Insurance	3,930	3,930	3,362	568
Total Current	163,184	163,184	147,324	15,860
Capital outlay	-	-	-	-
Total Executive	163,184	163,184	147,324	15,860
Planning and Development:				
Current:				
Salaries and employee benefits	123,556	123,556	118,816	4,740
Contractual services	17,770	17,770	16,604	1,166
Supplies	3,165	3,165	2,640	525
Insurance	5,400	5,400	4,407	993
Miscellaneous	-	-	-	-
Total Current	149,891	149,891	142,467	7,424
Capital outlay	-	-	-	-
Total Planning And Development	149,891	149,891	142,467	7,424

Continued on next page.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended June 30, 2014

Expenditures, continued	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Administrative:				
Current:				
Salaries and employee benefits	$ 350,885	350,885	343,145	7,740
Contractual services	168,700	168,700	193,390	(24,690)
Supplies	20,309	20,309	16,897	3,412
Insurance	13,303	13,303	12,393	910
Miscellaneous	120,606	121,374	172,337	(50,963)
Total Current	673,803	674,571	738,162	(63,591)
Capital outlay	646,567	1,857,051	746,048	1,111,003
Total Administrative	1,320,370	2,531,622	1,484,210	1,047,412
Safety/Human Resources				
Current:				
Salaries and employee benefits	2,719	2,719	3,233	(514)
Contractual services	3,350	3,350	1,072	2,278
Supplies	2,025	4,025	2,372	1,653
Total Human Resources	8,094	10,094	6,677	3,417
Public Safety:				
Police Department:				
Current:				
Salaries and employee benefits	2,279,549	2,279,975	2,193,629	86,346
Services	102,903	103,671	57,619	46,052
Supplies	178,172	177,500	203,170	(25,670)
Insurance	46,291	46,291	43,767	2,524
Miscellaneous	29,877	29,880	24,552	5,328
Total Current	2,636,792	2,637,317	2,522,737	114,580
Capital outlay	16,000	74,888	53,939	20,949
Total Police Department	2,652,792	2,712,205	2,576,676	135,529
Fire Prevention and Control:				
Current:				
Salaries and employee benefits	1,657,218	1,657,218	1,645,576	11,642
Services	51,277	52,813	50,790	2,023
Supplies	101,500	114,209	79,605	34,604
Insurance	30,784	30,784	27,991	2,793
Miscellaneous	-	-	-	-
Total Current	1,840,779	1,855,024	1,803,962	51,062
Capital outlay	20,000	635,000	635,000	-
Total Fire Department	1,860,779	2,490,024	2,438,962	51,062
Total Public Safety	4,513,571	5,202,229	5,015,638	186,591

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CITY OF LAWRENCEBURG, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended June 30, 2014

Expenditures, continued	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Civil Defense:				
Current:				
Salaries and employee benefits	$ 74,574	74,574	74,187	387
Services	22,678	22,678	24,583	(1,905)
Supplies	6,700	6,700	4,916	1,784
Insurance	10,020	10,020	9,349	671
Total Current	113,972	113,972	113,035	937
Capital outlay	-	-	-	-
Total Civil Defense	113,972	113,972	113,035	937
Highways and Streets:				
Current:				
Salaries and employee benefits	1,185,288	1,185,288	1,172,252	13,036
Services	308,379	308,379	321,703	(13,324)
Supplies	246,526	247,294	210,786	36,508
Insurance	23,072	23,072	11,936	11,136
Total Current	1,763,265	1,764,033	1,716,677	47,356
Capital outlay	-	143,700	143,700	-
Total Highways and Streets	1,763,265	1,907,733	1,860,377	47,356
Parks and Recreation:				
Current:				
Salaries and employee benefits	357,569	357,569	332,398	25,171
Services	223,489	223,489	231,671	(8,182)
Supplies	30,026	30,794	34,652	(3,858)
Insurance	47,988	47,988	41,030	6,958
Miscellaneous	53,045	53,045	49,439	3,606
Total Current	712,117	712,885	689,190	23,695
Capital Outlay	14,400	959,327	739,640	219,687
Total Parks	726,517	1,672,212	1,428,830	243,382
Appropriations and Other:				
Current:				
E 911	339,245	339,245	339,745	(500)
Industrial Promotion	93,000	93,000	93,000	-
Lawrence County Schools	415,000	415,000	418,000	(3,000)
Lawrence County Library	67,341	67,341	67,341	-
City / County Airport	40,000	40,000	40,000	-
Other appropriations	43,501	43,501	43,490	11
Retiree benefits	355,432	355,432	281,971	73,461
Total Appropriations and other	1,353,519	1,353,519	1,283,547	69,972

Continued on next page.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended June 30, 2014

Expenditures, continued:		Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Debt Service:					
Retirement of principle and interest	$	1,228,095	1,228,095	1,162,599	65,496
Bond costs		-	-	75,913	(75,913)
Total Debt Service		1,228,095	1,228,095	1,238,512	(10,417)
Total Expenditures		11,377,513	14,369,586	12,753,961	1,615,625
Excess Revenues over Expenditures and Other Sources		-	(8,360)	1,331,951	1,340,311
Fund Balance, Beginning of Year		3,276,506	3,276,506	3,276,506	-
Fund Balance, End of Year	$	3,276,506	3,268,146	4,608,457	1,340,311

See accompanying notes to financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Net Position

Proprietary Funds

June 30, 2014

	Water and Sewer Fund	Gas Fund	Electric Power Fund	Total
Assets				
Current Assets:				
Cash and cash equivalents	$ 595,455	2,283,873	8,241,664	11,120,992
Accounts receivable, net of allowance for doubtful accounts	554,758	153,994	3,041,126	3,749,878
Other accounts receivable	105,360	-	417,079	522,439
Inventory, materials	289,474	191,374	506,742	987,590
Prepaid expenses	282,992	17,382	66,008	366,382
Due from other funds	-	-	-	-
Net investment in direct financing capital lease-current portion	-	-	52,194	52,194
Total Current Assets	1,828,039	2,646,623	12,324,813	16,799,475
Restricted Assets:				
Cash and cash equivalents	116,419	108,953	922,192	1,147,564
Total Restricted Assets	116,419	108,953	922,192	1,147,564
Capital Asets:				
Capital assets not being depreciated:				
Land	1,017,068	367,044	880,767	2,264,879
Construction in Progress	180,083	864,965	1,526,887	2,571,935
Capital assets, net of accumulated depreciation	40,178,129	7,063,521	50,117,327	97,358,977
Total Capital Assets	41,375,280	8,295,530	52,524,981	102,195,791
Other assets:				
Conservation loans receivable	-	-	646,910	646,910
Post retirement prepayment	-	90,094	530,690	620,784
Nonutility property-at cost	-	-	218,184	218,184
Debt issuance costs, less accumulated amortization	274,046	3,537	243,379	520,962
Net investment in direct financing capital lease, less current portion	-	-	1,129,889	1,129,889
Due from other muninipalities	-	-	53,293	53,293
Total Other Assets	274,046	93,631	2,822,345	3,190,022
Total Assets	43,593,784	11,144,737	68,594,331	123,332,852
Deferred Outflows of Resources	300,815	-	534,723	835,538
Liabilities and Net Position				
Current Liabilities:				
Accounts payable	27,054	3,532	6,850,421	6,881,007
Due to other funds	121,279	-	-	121,279
Payable from restricted assets - customer deposits	99,680	108,798	588,908	797,386
Accrued expenses and other current liabilities	348,668	193,399	967,918	1,509,985
Accrued interest	21,007	246	5,767	27,020
Current portion of long-term debt and other obligations payable	850,800	25,000	1,080,000	1,955,800
Post retirement obligation	1,942,689	-	-	1,942,689
Total Current Liabilities	3,411,177	330,975	9,493,014	13,235,166
Long-term debt, net of current portion	21,671,503	97,829	15,564,181	37,333,513
Other Liabilities:				
Construction advances-refundable	-	-	8,668	8,668
Conservation advances-TVA	-	-	649,080	649,080
Other	-	-	5,271	5,271
	-	-	663,019	663,019
Total liabilities	25,082,680	428,804	25,720,214	51,231,698
Net Position:				
Net Investment in capital assets	18,852,977	8,172,701	35,880,800	62,906,478
Unrestricted	(41,058)	2,543,232	7,528,040	10,030,214
	18,811,919	10,715,933	43,408,840	72,936,692
Total Liabilities and Net Position	$ 43,894,599	11,144,737	69,129,054	124,168,390

See accompanying notes to the financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Revenue, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2014

		Water and Sewer Fund	Gas Fund	Electric Power Fund	Total
Operating Revenues:					
Services	$	6,847,093	6,120,999	49,376,394	62,344,486
Other		368,379	157,725	1,001,625	1,527,729
Total Operating Revenues		7,215,472	6,278,724	50,378,019	63,872,215
Operating Expenses:					
Cost of sales and service		-	4,304,928	37,425,387	41,730,315
Operating and maintenance		3,272,855	1,193,747	7,269,834	11,736,436
Provision for depreciation		1,085,304	241,883	2,175,838	3,503,025
Taxes		-	-	571,584	571,584
Total Operating Expenses		4,358,159	5,740,558	47,442,643	57,541,360
Operating Income (Loss)		2,857,313	538,166	2,935,376	6,330,855
Nonoperating Revenues (Expenses):					
Interest income		1,967	4,061	99,161	105,189
Amortization expense		(10,611)	(283)	(74,550)	(85,444)
Interest expense		(818,882)	(3,408)	(871,075)	(1,693,365)
Total Nonoperating Revenues (Expenses)		(827,526)	370	(846,464)	(1,673,620)
Net Income (Loss) Before Transfers and Contributions		2,029,787	538,536	2,088,912	4,657,235
Transfers and Contributions:					
Transfers out-payments in lieu of taxes-City of Lawrenceburg		(294,706)	(120,291)	(1,117,855)	(1,532,852)
Capital contributions-utility plant		-	-	205,719	205,719
Capital contributions-capital grant		46,500	-	-	46,500
Total Transfers and Contributions		(248,206)	(120,291)	(912,136)	(1,280,633)
Change in Net Position		1,781,581	418,245	1,176,776	3,376,602
Net Position , Beginning of Year		17,030,338	10,297,688	42,232,064	69,560,090
Net Position, End of Year	$	18,811,919	10,715,933	43,408,840	72,936,692

See accompanying notes to the financial statements.

CITY OF LAWRENCEBURG, TENNESSEE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

		Water and Sewer Fund	Gas Fund	Electric Power Fund	Total
Cash Flows from Operations					
Cash received from customers	$	6,841,181	6,126,424	49,123,934	62,091,539
Cash paid to employees for services		(1,286,608)	(777,025)	(4,775,457)	(6,839,090)
Cash paid to suppliers of goods and services		(2,254,271)	(5,794,687)	(43,981,568)	(52,030,526)
Other receipts		339,960	86,610	1,008,425	1,434,995
Net Cash Provided (Used) by Operating Activities		3,640,262	(358,678)	1,375,334	4,656,918
Cash Flows from Capital and Related Financing Activities					
Construction and acquisition of plant		(245,383)	(770,593)	(1,465,257)	(2,481,233)
Payment received on direct financing lease		-	-	48,627	48,627
Plant removal costs		-	-	(652,829)	(652,829)
Interest paid on bonds and notes payable		(819,239)	(3,449)	(872,228)	(1,694,916)
Principal payments on long-term debt		(1,920,355)	(25,000)	(1,025,000)	(2,970,355)
Conrtibuted capital from grants and consumers		-	-	-	-
Bond issuance costs		-	-	-	-
Net Cash Used by Capital and Related Financing Activities		(2,984,977)	(799,042)	(3,966,687)	(7,750,706)
Cash Flows from Non-Capital Financing Activities					
Payments in lieu of taxes		(294,706)	(120,291)	(1,117,855)	(1,532,852)
Net decrease in TVA advances for conservation loans		-	-	34,686	34,686
Net Cash Provided (Used) by Non-Capital Financing Activities		(294,706)	(120,291)	(1,083,169)	(1,498,166)
Cash Flows from Investing Activities					
(Increase) Decrease in conservation loans receivable		-	-	(41,662)	(41,662)
Advance to Water and Sewer Fund		-	-	-	-
Proceeds from sale and maturities of investments		-	-	-	-
Interest income received		1,967	4,059	99,449	105,475
Net Cash Provided (Used) by Investing Activities		1,967	4,059	57,787	63,813
Net Increase (Decrease) in Cash and Cash Equivalents		362,546	(1,273,952)	(3,616,735)	(4,528,141)
Cash and Cash Equivalents, Beginning of Year		349,328	3,666,778	12,780,591	16,796,697
Cash and Cash Equivalents, End of Year	$	711,874	2,392,826	9,163,856	12,268,556

Reconciliation of Operating Income to Net Cash Provided (Used) by Operations

Operating income (loss)	$	2,857,313	538,166	2,935,376	6,330,855
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization		1,085,304	241,883	2,175,838	3,503,025
(Increase) decrease in:					
Accounts receivable		(5,912)	5,425	(252,494)	(252,981)
Accrued utility revenue		-	-	-	-
Inventory		5,320	(9,181)	1,975	(1,886)
Prepaid expenses		(248,752)	(15,976)	(3,502)	(268,230)
Increase (decrease) in:					
Accounts payable		(199,873)	(203,750)	722,420	318,797
Due from / to other funds		(64,514)	(20,787)	26,680	(58,621)
Customer deposits		(28,419)	(71,115)	6,800	(92,734)
Accrued expenses and post retirement obligation		239,795	(823,343)	(4,237,758)	(4,821,306)
Net Cash Provided (Used) By Operating Activities	$	3,640,262	(358,678)	1,375,335	4,656,919

Supplemental Schedule of Non-Cash Capital and Related Financing Activities and Other Disclosures

Uitlity plant contributed by developers	$	-	-	205,719	205,719
Depreciation capitalized as part of costs to construct electric plant	$	-	-	226,840	226,840
Amortization of bond discount and debt issue costs included in interest	$	10,611	283	74,550	85,444

See accompanying notes to the financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

The City of Lawrenceburg, Tennessee (the City), in Lawrence County was incorporated in 1901. The City operates under a Mayor-Commissioner form of government and provides the following services as authorized by its charter: police, fire, recreation, public works, industrial development and utilities.

The financial statements of the City of Lawrenceburg, Tennessee, have been prepared in conformity with accounting principles generally accepted in the United States of America, applied to governmental units as promulgated by the Governmental Auditing Standards Board (GASB). The following is a summary of the more significant accounting policies.

Reporting Entity

As required by accounting standards generally accepted in the United States of America, the accompanying financial statements of the City present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government=s operations. Each discretely presented component unit, if any, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

The Water and Sewer System, the Gas System and the Electric System are governed by the Board of Public Utilities whose members are appointed by the City Commission, further all long-term debt is in the City's name. Accordingly, the related financial statements are presented as enterprise funds of the primary government.

Discretely Presented Component Unit

The Component Unit column in the combined financial statements includes the financial data of the City's Component Unit. It is reported in a separate column to emphasize that it is legally separate from the City. The following Component Unit is included in the reporting entity because the primary government is financially accountable and is able to impose its will on the organization.

Crockett Theater Board:
The Crockett Theater Board is chartered as a non-profit corporation under Tennessee State Statutes. Its primary function is to sponsor and organize various charitable and civic events held at the Crockett Theater. The Mayor and Board of Commissioners appoint members of the Theater Board. The unaudited financial statements of the Crockett Theater Board are presented in the comprehensive annual financial report of the City. Complete compiled financial information may be obtained from the City Administrator of the City of Lawrenceburg.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The following separately administered organizations do not meet the prescribed criteria and thus are excluded from the City's financial statements.

Lawrence County Airport
The City of Lawrenceburg and Lawrence County entered into an agreement providing for the joint acquisition, construction and operation of an airport facility. The agreement provides that all costs are to be shared equally by the City and the County. The Airport Board is composed of six members, three appointed by the City and three appointed by the County. The City subsidized Airport operations in the amount $40,000. As of June 30, 2014, the Airport's total assets were $5,745,808 with total liabilities of $90,074 and net position of $5,655,734. For the year ended June 30, 2014, operating revenues of $156,490, operating expenses of $590,439, non-operating revenues of $238,742 (including transfers from the City and County governments of $40,000 and $69,000, respectively) resulted in a net change of $(195,207). Complete financial statements for this entity may be obtained from the City Administrator.

Lawrence County Emergency Communications District
The Lawrence County Emergency Communications District (E911) is operated under a consolidation agreement between Lawrence County and the City of Lawrenceburg. The City subsidized E911 operations in the amount of $339,245. As of June 30, 2014, E911's total assets were $1,282,438 with total liabilities of $327,605, and net position of $954,833. For the year ended June 30, 2014 the District had revenues (including subsidies from the City and Lawrence County) of $1,268,633, operating and other expenses of $1,277,813and contributions of $208,420 resulted in a net change of $199,240. Complete financial statements for this entity may be obtained from the City Administrator.

Joint Economic and Community Development Board of Lawrence County, TN
The City participates in a joint venture, created pursuant to TCA sections 5-1-113 and 6-58-114(b), with Lawrence County and the cities of Loretta, Ethridge and St. Joseph. The City subsidized the Board's operations in the amount of $93,000 for the year ending June 30, 2014. As of June 30, 2014, the Board's total assets were $11,180 with total liabilities of $-, and net position of $11,180. For the year ended June 30, 2014 revenues (including subsidies from the City of $93,000) of $275,645, and operating expenses of $270,295 resulting in a net change of $5,350. Complete financial statements for this entity may be obtained from the City Administrator.

Lawrenceburg Industrial Development Board
The Lawrenceburg Industrial Development Board (the Board) developed an economic impact plan regarding the development of an area located within the City. Incremental property tax revenues of the City resulting from development of the area under the plan will be remitted to the Board to pay the debt service of increment financing, if any, that may be issued as a result thereof. The City paid the Board $125,410 in incremental property taxes associated with the plan for 2014. The Lawrenceburg Industrial Development Board does not issue an annual financial statement.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Lawrenceburg Housing Authority

The Lawrenceburg Housing Authority (the Housing Authority) was chartered for the purpose of developing and administering low-income housing. Other than appointment of members of the governing board, the City has no oversight responsibility with respect to management and operation of the Housing Authority. Housing Authority operations are funded by rental income and subsidies from the federal government. Debt of the Housing Authority is guaranteed and subsidized by the federal government. The only financial benefit to the City is an in-lieu-of-tax agreement, which is not material to either the City or the Housing Authority.

Presentation

The City's financial statements include government-wide financial statements prepared on the accrual basis of accounting and the economic measurement for all funds. The fund financial statements present information for individual major funds rather than by fund type. Non-major funds are presented in one column. Other significant changes include the reporting of capital assets, infrastructure and depreciation, the elimination of account groups, the preparation of cash flow statements using the direct method and the inclusion of management's discussion and analysis.

Government-Wide and Fund Financial Statements

The government-wide financial statements, the statement of net position and the statement of changes in net position report information on all of the nonfiduciary activities of the City. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. 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 eligible requirements imposed by the grant agreement have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Property tax revenues are recognized in the fiscal year they are levied. The City considers property taxes as available if they are collected within sixty days after year-end. Revenues that do not meet the recognition criteria are deferred and reported in the balance sheet as liabilities. Expenditures are recorded when the related fund liability is incurred, except for matured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

In addition to property taxes, derived tax revenues such as sales taxes and income taxes are subject to accrual. The City accrues sales tax and income tax revenue and receivables in the period when the underlying exchange occurs. Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues (except interest income on cash deposits) are recorded as revenues when received because they are generally not measurable prior to receipt. Interest income is recognized when it becomes measurable and available.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The following is the City's major governmental fund:

> The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Crockett Theater, the Component Unit, is classified as a governmental fund because of the nature of the activities accounted for in this entity.

The City reports the following major proprietary funds:

- *Water and Sewer System* - established to account for sewer and water service charges and related expenditures
- *Gas System* - established to account for natural gas service charges and related expenditures
- *Lawrence Electric System* - established to account for electric service charges and related expenditures

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

As a general rule, the effect of interfund activity has been eliminated from the government - wide financial statements. Exceptions to this general rule are charges for services between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported in the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds principal ongoing operations.

The principal operating revenues of the City's proprietary fund (water & sewer, gas, and power systems) are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments (both restricted and unrestricted) that have an original maturity date when acquired of three months or less. The City's investments, which include certificates of deposit, are reported at amortized cost.

Statutes authorize the City to invest in: 1) U.S. government securities and obligations guaranteed by the U.S. government; 2) deposit accounts at state and federal chartered banks and savings and loan associations; 3) the Local Government Investment Pool of the State of Tennessee; and 4) obligations of the United States or its agencies under repurchase agreements with certain restrictions.

Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum fair value of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. Financial institutions that participate in the bank collateral pool, as administered by the Treasurer of the State of Tennessee, determine the aggregate balance of their deposits for the City. Securities are pledged to the State Treasurer on behalf of the bank collateral pool as collateral for the participating institution's public deposits. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual 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.

Investments

Investments of the governmental and proprietary fund types consist primarily of certificates of deposit and money market funds and are stated at costs which approximates fair value.

Receivables

Accounts receivable are presented, when considered necessary, net of an allowance for uncollectible accounts.

Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet and are eliminated on the government-wide statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

The Gas System, Water and Sewer System and Electric System inventories are stated at the lower of average cost or market using first-in/first-out (FIFO) method.

Restricted assets

Restricted assets, consisting of cash and investments, include funds limited by bond indentures or otherwise legally restricted for future construction projects and debt service requirements.

Proprietary Fund Equity Classification

Equity is classified as net assets and displayed in three components:

a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

b. Restricted net assets - Consists of net assets with constraints, primarily for debt service and capital purchases.

c. Unrestricted net assets - All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

Capital Assets

Capital assets used in governmental fund operations include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items). Capital assets, exclusive of the Proprietary Funds are defined by the City as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Buildings	40 - 50 years
Improvements other than buildings	10 - 20 years
Utility plant in service	33 - 50 years
Machinery, equipment and vehicles	5 - 20 years
Road system infrastructure	10 - 60 years

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continud)

For capital assets of the Proprietary Funds plant in service is reported at cost and includes improvements that significantly add to productive capacity or extend useful life. Costs of maintenance and repairs are charged to expense. Interest costs on funds borrowed to finance the construction of utility plant are capitalized, net of any interest income earned on the temporary investment of the proceeds of tax-exempt borrowings that are restricted for acquisition of utility. A capitalization threshold of $500 and an estimated useful life of one year or longer is utilized as criteria for capitalizaiton. Depreciation is determined on the straight-line basis, computed over asset estimated useful lives.

Compensated Absences

General Government (exclusive of Proprietary Funds):

Employees may accrue vacation time up to a specified maximum of 160 hours. City policy specifies that only employees with a minimum of 25 years effective March 2003 have the option of receiving payment for accumulated sick leave up to a maximum of 960 hours.

Proprietary Funds:

Employees accumulate vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation leave. Upon retirement, an employee is paid accumulated sick leave, generally, in excess of 800 hours at a rate of 50%. The total balance of earned but unused vacation and sick leave benefits is reported in accrued expenses and other current liabilities.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Governmental activity bond issue costs are reported as current expenditures. The Proprietary Funds continue to report bond issue cost as an asset and amortize those costs over the life of the bonds in accordance with certain provisions included in GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 20, 1989 FASB and AICPA Pronouncements.*

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance 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.

Grants

The City receives grant revenues from various federal and state agencies. Grant revenues and certain related program revenues are recognized when qualifying expenditures are incurred and other grant requirements are met. Grant revenues collected in advance of the period they are intended to finance are reported as deferred revenue.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Government-Wide Equity

In the government-wide financial statements, equity is shown as net position and classified into three components. *Net Investment in capital assets*-capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets. *Restricted net position*-net position with constraints placed on use, either by (1) external groups such as creditors, grantors, or laws and regulations of other governments, (2) laws through constitutional provisions or enabling legislation. *Unrestricted net position*-All other net position that does not meet the above classifications.

Fund Balance

The City implemented Governmental Accounting Standard Board (GASB) Statement 54 for its governmental funds. As a result, fund balance is reported in the fund financial statements under the following categories. *Nonspendable fund balance* represents amounts that are required to be maintained intact, such as inventories and prepaid expenses. *Restricted fund balance* is that portion of fund balance that can be spent only for the specific purposes stipulated by external resource or through enabling legislation. *Committed fund balance* includes amounts constrained to specific purposes as determined by ordinance adopted by the City Council. Conversely, to rescind or modify a fund balance commitment, similar action by the City Council is also required. *Assigned fund balance* amounts are intended to be used by the City for specific purposes but do not meet the criteria to be restricted or committed. Amounts may be assigned by approval of the City Council. Appropriations of fund balance to eliminate projected budgetary deficits in the subsequent year's budget are presented as assignments of fund balance. *Unassigned fund balance* is the residual classification of the General Fund.

Spending Policy

Generally, when costs are incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to spend the most restricted dollars before less restricted dollars. Further, when expenditures are incurred for which committed, assigned, or unassigned amounts may be used, committed amounts are first used followed by assigned then unassigned.

Property Taxes

Property taxes are levied as of October 1 on property values assessed as of January 1 of the same year. Taxes are due and payable from the levy date on October 1 and are delinquent on March 1, at which time the applicable property is subject to lien and penalties and interest are assessed. Assessed values are established by the State of Tennessee at the following rates of appraised fair value:

Public Utility Property	55% (Railroads 40%)
Industrial and Commercial Property	
Real	40%
Personal	30%
Residential	25%

Property taxes were levied at a rate of $1.42 per $100 of the assessed value. Current tax collections for the year ended June 30, 2014, were approximately 95% of the tax levy.

In accordance with GASB 33, property taxes receivable includes the estimated 2013 net realizable tax levy in the amount of $3,077,000. The related revenues are reported as deferred revenues until they become available.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

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

1. The City Administrator submits to the Board of Commissioners the proposed operating budget for the fiscal year. The operating budgets for the General and Special Revenue Funds include proposed expenditures and the means of financing them. All appropriations in the current operating budget lapse into fund balance of the respective funds at the end of the fiscal year.

2. The budgets passed on the first reading and each of the following readings, and was adopted by ordinance on the second reading. In no event shall total appropriations for any fund exceed the estimated revenues and fund balance.

3. The amounts in the adopted budgets for each fund constitute its total annual appropriation and no expenditure may be made which will result in the annual appropriation for the fund being exceeded, unless an additional appropriation is made.

   The Mayor may transfer appropriations within the same department, other changes in appropriations require board approval. Budgetary control is considered established at the department level.

4. Budgeted amounts shown are those originally adopted and amended by the Mayor and Board of Commissioners. There were supplemental appropriations of $2,992,073 to the General Fund for 2014. All balances of appropriations in the current operating budgets lapse into the fund balance of the fund from which appropriations were made at the end of the fiscal year.

5. Annual operating budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Deferred Outflows / Inflows of Resources

In addition to assets and liabilities the statement of financial position will sometimes report separate sections for deferred outflows and inflows of resources. Deferred outflows of resources are presented after total assets. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period. Deferred inflows of resources are presented after total liabilities. A deferred inflow of resources is an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

The City had one item that qualifies as a deferred outflow. It is the deferred amount on refunding reported in the government-wide and in the proprietary fund statement of net position. A deferred amount on refunding results form 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 bonds. The Town also has only type of item that qualifies as a deferred inflow of resources. It is unavailable revenue primarily from property taxes and state income tax and reported in the government-wide and fund statement of net position. The fund statement of net position deferred inflow amount also includes unavailable delinquent property taxes.

(2) CASH, CASH EQUIVALENTS, CERTIFICATES OF DEPOSIT AND INVESTMENTS

The City is authorized to invest funds in financial institutions and direct obligations of the Federal Government. During 2014, the City invested in short-term certificates of deposit and savings accounts.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires that deposits be either (I) secured and collateralized by the institutions at 105% of the value of the deposits placed in the institution, less the amount protected by federal depository insurance or (ii) that deposits placed in financial institutions that participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Institutions participating in the collateral pool determine the aggregated balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% if the average daily balance of public deposits held. Investments with the Tennessee Local Government Investment Pool are not categorized as to custodial credit risk.

At June 30, 2014, all of the City's deposits were covered by federal depository insurance or by the bank collateral pool administered by the Treasurer of the State of Tennessee.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. City policy provides that to the extent practicable, investments are matched with anticipated cash flows. Typically certificates of deposit are issued for periods less than one year and investments in the Local Government Investment Pool are available daily.

(3) ENERGY CONSERVATION PROGRAMS

The Electric Power System participates with TVA in its energy conservation loan program. Under this program eligible customers may obtain low interest loans to finance energy conservation improvements to their homes, including the installation of a heat pump and insulation improvements. Advances from TVA are reported under other liabilities. Conservation loans receivable from customers under the program are reported under other assets. Advances are to be repaid from customer loan collections. Any uncollectible loans are the responsibility of TVA.

(4) INTERFUND TRANSACTIONS

Operating transfers among individual funds of the City for the year ended June 30, 2014, were as follows:

	Transfers out			
Transfers In:	Electric Fund	Water & Sewer Fund	Gas Fund	Total
General Fund	$ 1,117,855	294,706	120,291	1,532,852

Interfund receivables and payables at June 30, 2014, consisted of the following:

	Interfund Payable		
Interfund Receivable	Sanitation Fund	Gas Fund	Water &Sewer Fund
General Fund	$5,598	-	-
Sanitation Fund-Non major fund	-	-	121,279
Electric System	-	-	-
	$5,598	-	121,279

Individual fund transfers of the City for the year ended June 30, 2014 are attributed to (i) transfer of of the City's portion of in-lieu of tax payments from the Electric, Water & Sewer and Gas Funds. Individual fund receivable and payable are attributed in part to Sanitation revenues held by the Water& Sewer Fund that were remitted in the subsequent month.

(5) CAPITAL ASSETS

Capital assets of the governmental activities for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital Assets, being depreciated:				
Buildings and improvements	$ 5,344,678	2,208,592	(156,996)	7,396,274
Machinery and equipment	6,483,372	682,485	(364,066)	6,801,791
Infrastructure	10,105,009	-	-	10,105,009
Total capital assets, being depreciated:	21,933,059	2,891,077	(521,062)	24,303,074
Less accumulated depreciation for:				
Buildings and improvements	2,807,149	246,107	(145,994)	2,907,262
Machinery and equipment	5,240,167	289,362	(249,734)	5,279,795
Infrastructure	2,875,127	202,100	-	3,077,227
Total accumulated depreciation:	10,922,443	737,569	(395,728)	11,264,284
Total capital assets being depreciated, net	11,010,616			13,038,790
Non Depreciable Capital assets:				
Land	3,340,204	20,000	-	3,360,204
Construction in progress	64,262	32,444	-	96,706
Total Non Depreciable Capital Assets	3,404,466	52,444	-	3,456,910
Governmental activities capital assets, net	$14,415,082			16,495,700

Capital assets of the business-type activities for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Plant systems in service	$106,005,639	1,798,178	(685,510)	107,118,307
Buildings and improvements	28,948,440	30,671	-	28,979,111
Machinery and equipment	8,939,428	339,048	(99,257)	9,179,219
Total capital assets being depreciated	143,893,507	2,167,897	(784,767)	145,276,637
Less accumulated depreciation for:				
Plant systems in service	30,840,796	2,791,181	(1,256,677)	32,375,300
Buildings and improvements	7,325,854	547,338	-	7,873,192
Machinery and equipment	7,328,308	413,628	(72,768)	7,669,168
Total accumulated depreciation	45,494,958	3,752,147	(1,329,445)	47,917,660
Total depreciable capital assets, net	98,398,549			97,358,977
Capital assets, not being depreciated:				
Land	2,264,878	-	-	2,264,878
Construction in progress	1,695,608	876,328	-	2,571,936
Total capital assets, not being depreciated:	3,038,200	876,328	-	4,836,814
Business-type capital assets, net	$ 102,359,035			102,195,791

Depreciation expense charged to functions/programs as of June 30, 2014, follows:

Governmental activities:	
General government	$ 62,324
Highway & Streets, including depreciation of general infrastructure assets	226,687
Police	83,724
Fire	90,110
Parks	176,963
Sanitation	93,392
Civil defense	4,369
Total depreciation expense - governmental activities	$ 737,569
Business-type activities:	
Water and Sewer Fund	$ 1,085,304
Gas Fund	241,883
Electric Fund	2,175,838
Total depreciation expense - business-type activities	$ 3,503,025

(6) LONG-TERM DEBT

Changes in Long-Term Obligations

During the year ended June 30, 2014, the changes in general long-term obligations reported were as follows. Typically debt service payments are made by the General Fund.

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Refunding Bonds - Series 2005, due in increasing annual installments commencing April 2013 through April 2020, at interest rates ranging from 3.375% to 4.00%	$ 3,740,000	-	(555,000)	3,185,000	575,000
General Obligation Refunding Bonds - Series 2008, due in increasing annual installments commencing June 2010 through June 2025, at interest rates ranging from 3.850% to 4.25%	1,765,000	-	(5,000)	1,760,000	5,000
General Obligation Refunding Bonds - Series 2011, due in increasing annual installments commencing June 2012 through June 2021, at interest rates ranging from 2% to 3%	2,020,000	-	(280,000)	1,740,000	280,000
General Obligation Refunding Bonds - Series 2013, due in increasing annual installments commencing June 2016, through June 2025, at interest rates ranging from 2% to 2.7%	-	3,000,000	-	3,000,000	-
Capital Outlay Note – Series 2011, due in increasing annual installments commencing May 25, 2013 through May 2017, with interest at 1.86%	322,921	-	(78,513)	244,408	79,973
Lease Purchase Obligations, secured by equipment, due in 5 annual installments of $24,551 including interest	46,956	-	(23,437)	23,519	23,519
Net Other Post Employment Retirement Benefit Obligation	5,826,640	1,251,279	-	7,077,919	-
Accrued landfill closure costs and postclosure costs	124,268	-	(1,308)	122,960	-
Compensated absences	698,548	13,571	-	712,119	712,119
Total General Long-term Debt	$14,544,333	4,264,850	(943,258)	17,865,925	1,675,611
Less Bond Discount	(22,023)			(19,183)	
Add: Bond Premium	52,701			75,111	
Total General Long-term Debt, net	$14,575,011			17,921,853	

*Restated, original amount was increased by $1,154,200 as a result of actuarial valuation.

(6) LONG-TERM DEBT (CONTINUED)

Long-term debt at June 30, 2014 is comprised of the following:
Electric Department

Bonds payable	
Series 1996 Revenue Bonds - interest rates 4.5% to 6.625%, maturing over a 20 year period with the next payment due 7/1/12 and the final payment due 7/1/18. Bonds are secured by future revenues	$ 2,610,000
Series 2002 Refunding Bonds - interest rates 3.5% to 5.0%, maturing over a 25 year period, with the first payment made 1/1/02, and the final payment due 1/1/26. Bonds are secured by the System's revenues and receipts and secondly by ad velorem taxes of the City.	7,620,000
Series 2005 Refunding Bonds - interest rates 3.0% to 4.5%, maturing over a 25 year period, with the first payment made 1/1/06, and the final payment due 1/1/26. Bonds are secured by the System's revenues and receipts and secondly by ad velorem taxes of the City.	6,280,000
Total bonds payable - Electric Department	16,510,000
Notes Payable	
Series 2011 General Obligation Capital Outlay Note, Series 2011 - interest rate 4.73%, maturing over an 8 year period, with the first payment made 1/4/12, and the final payment due 1/4/19. Note was used for the purchase of land.	250,000
Total debt issued - Electric Department	$ 16,760,000

Water and Sewer Department

Bonds payable	
Series 2005 Water and Sewer Revenue and Tax Refunding Bonds- interest rates from 3.00% to 5.00%, maturing over a 15 year period, with the first payment made 7/1/06, and the final payment due 7/1/19.	$ 5,715,000
Series 2008 General Obligation Refunding Bonds - interest rates from 3.85% to 4.25%, maturing over a 20 year period, with the first payment made 6/1/09, and the final payment due 6/1/30.	4,200,000
Series 2011 General Obligation Refunding Bonds - interest rates from 2.00% to 3.00%, maturing over a 10 year period, witht the first payment made 6/1/12, and the final payment due 6/1/21.	560,000
Series 2012 General Obligation Refunding Bonds - interest rates from 2.00% to 3.00%, maturing over a 12 year period, witht the first payment made 6/1/14, and the final payment due 6/1/26.	2,530,000
Total bonds payable - Water and Sewer Department	13,005,000

(6) LONG-TERM DEBT (CONTINUED)

Water and Sewer Department (Continued)

Notes Payable	
State Revolving Loan Fund - interest rate of 2.44%, maturing over a 20 year period, with the first payment made 11/1/06 and the final payment due 10/1/26.	9,107,702
Total debt issued - Water and Sewer Department	$ 22,112,702

Gas Department

Bonds payable	
Series 2011 General Obligation Refunding Bonds - interest rates from 2.00% to 3.00%, maturing over a 10 year period, with the first payment made 6/1/12, and the final payment due 6/1/21.	$ 120,000
Total bonds payable - Gas Department	$ 120,000

Bond premium and discounts and issuance costs are deferred and amortized over the term of the related bond issues using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Balance at June 30, 2013	Additions	Retirements	Balance at June 30, 2014	Due Within One Year
Bonds Payable	$31,930,000	-	(2,295,000)	29,635,000	1,265,000
Notes Payable	10,033,070	-	(675,368)	9,357,702	690,800
Total	41,963,070	-	(2,970,368)	38,992,702	1,955,800
Less bond discounts	(125,475)			(115,807)	
Add bond premium	498,122			412,418	
Total - net	$42,335,717			39,289,313	

Debt Service Requirements

The annual debt service requirements to maturity on outstanding long-term bonded debt as of June 30, 2014, are as follows:

	General Obligation Debt		Proprietary Fund Debt	
Fiscal Year	Principal	Interest	Principal	Interest
2015	$ 939,973	308,701	1,955,800	1,564,829
2016	1,161,460	281,297	3,176,604	1,429,394
2017	1,177,975	245,588	3,307,804	1,285,928
2018	1,160,000	208,540	3,469,412	1,134,615
2019	1,185,000	174,135	3,566,416	978,350
2020-2024	3,570,000	458,954	13,407,308	3,414,457
2025-2029	735,000	24,200	9,094,358	1,034,919
2030-2031	-	-	1,015,000	42,118
	$ 9,929,408	1,701,415	38,992,702	10,884,610

(7) CAPITAL LEASES

Electric System-Net Investment in Direct Financing Capital Lease

A rental agreement provides for TVA to lease the transmission line, the Loretto Tapline, from the Utility for a period not to exceed thirty years. At any time during the term, TVA has the option to purchase the line at a price calculated to reflect the unamortized portion of the rental base, as determined by a cost recover formula. At the end of the lease term, ownership of the line transfers to TVA. The lease requires monthly rental payments in amounts necessary to service the debt. Accordingly, the lease is being accounted for as a direct financing capital lease using an imputed interest rate of 7.1%. Imputed interest income recognized by the Utility under this agreement amount to $85,531 for 2014.

Year end June 30	Principal	Interest
2015	$ 52,194	81,942
2016	56,023	78,091
2017	60,132	73,957
2018	64,543	69,520
2019	69,278	64,757
2020 – 2024	430,499	239,179
2025 - 2029	449,414	62,486
	$ 1,182,083	669,932

General Government-Capital Lease Obligation

The City has entered into various lease purchase obligations for equipment. The assets acquired through these capital leases are as follows at June 30, 2014:

Police Vehicles	$ 112,356
Less accumulated depreciation	(89,885)
Total	$ 22,471

The future minimum lease obligations and the net present value of these lease payments at June 30, 2014 are as follows:

2015	$ 24,551
Total lease payments	24,551
Less amount representing interest	1,032
Present value of lease obligation	$ 23,519

(8) OPERATING LEASES

The Electric System receives rental income from, and pays rent to, certain other utilities for sharing of utility poles. These leases, treated as operating leases, are negotiated annually. Minimum future lease commitments under all such leases are insignificant.

(9) RETIREMENT PLANS

City of Lawrenceburg Retirement Plans:

The City of Lawrenceburg provides the following plans for City employees:
Tennessee Consolidated Retirement System - all employees, other than those of the Water & Sewer, Natural Gas, and Electric Power systems.
Lawrenceburg Utility Systems Employees' Pension Plan - all employees of the Water & Sewer, Natural Gas, and Electric Power systems.

Information concerning each of these plans follows.

Tennessee Consolidated Retirement System

Employees of the City are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with 5 years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at age 55. Disability benefits are available to active members with 5 years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in performance of duty. Members joining the retirement system after July 1,1979 become vested after 5 years of service and members joining prior to July1, 1979 were vested after 4 years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the City participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy:

The City of Lawrenceburg requires employees to contribute 5.0% of earnable compensation.

The City is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2014 was 14.38% of annual covered payroll. The contribution requirements of the plan members are set by state statute. The contribution requirements for the City are established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost:

For the year ending June 30, 2014, the City's annual pension cost of $609,090 to TCRS was equal to the City's required and actual contributions. The required contribution was determined as part of the July 1, 2011 actuarial valuation using the frozen initial liability actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5% a year compounded annually, (b) projected 3% annual rate of inflation,

(9) RETIREMENT PLANS (CONTINUED)

Tennessee Consolidated Retirement System (Continued)

(c) projected salary increases of 4.75% (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5% annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of equities over a ten-year period. The City's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011 was 20 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2014	$ 609,090	100.00%	$ -
6/30/2013	606,842	100.00%	$ -
6/30/2012	651,897	100.00%	$ -

Required Supplementary Information

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the the following Schedule of Funding Progress. This information presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the AAL's for benefit.

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B) - (A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage Of Covered Payroll ((B-A)/C)
7/01/13	$12,275	$18,392	$ 6,116	66.74%	$4,096	149.32%
7/01/11	$11,625	$17,338	$ 5,713	67.05%	$4,171	136.95%
7/01/09	$9,977	$16,460	$ 6,483	60.61%	$4,259	152.21%
7/01/07	$9,683	$10,833	$ 1,150	89.38%	$4,073	28.23%

Lawrenceburg Utility System Employees Pension Plan:

All full-time employees of the System, including members of the Board of Directors, are eligible to participate in the Lawrenceburg Utility Systems (LUS) Employees' Pension Plan (the Plan), a single-employer pension trust fund, accounted for as a separate entity from the System.

There are four distinct participant groups. These are referred to by letter - A, B, C, and D. Each group has a different benefit calculation and all groups except Group D are closed to new participants.

Group A participants become eligible after attaining age 21 and completing six months of service. This group is non-contributory. To be a member of this group, an employee must have worked for the System prior to November 1, 1997. This group is entitled to monthly pension benefits beginning at age 60 and completion of 10 years of credited service or an age where age plus credited service equals 80. Such monthly benefits are equal to 1.25% of the participants final earnings multiplied by the participants credited service, with a minimum monthly benefit of $15 per year of credited service.

(9) RETIREMENT PLANS (CONTINUED

Lawrenceburg Utility System Employees Pension Plan (Continued)

Group B participants become eligible after attaining age 21 and completing six months of service. This group is non-contributory. To be a member of this group, an employee must have worked for the System after October 31, 1997 and prior to July 1, 2002. This group is entitled to monthly pension benefits beginning at age 60 and completion of 10 years of credited service. Such benefits are equal to 60% of the participants final earnings, reduced for credited service less than 30 years at normal retirement date, with minimum monthly benefit of $15 per year of credited service.

Group C's participants are those employees of the Gas, Water and Sewer Departments which were members of the Tennessee Consolidated Retirement System (TCRS) pension plan prior to July 1, 2002. Contributions of 5% of gross pay are required by participants of this group. The participants are entitled to monthly benefits beginning at the earlier of age 60 or 30 years of credited service. Monthly benefits are equal to 1.575% of average monthly compensation times years of credited service plus .2625% of excess of average monthly compensation over social security integration level, times years of credited service, with a minimum monthly benefit of $15 per year of credited service. This benefit is offset by the frozen accrued benefit under the TCRS pension plan as of June 30, 2002.

Group D's participants are those employees hired on or after July 1, 2002. The participants are required to contribute 5% of their gross pay to the Plan. The participant is entitled to monthly pension benefits after reaching age 60. Monthly benefits are equal to 1.575% of average monthly compensation times years of credited service plus 0.2625% of excess of average monthly compensation over social security integration level, times years of credited service, with a minimum monthly benefit of $15 per year of credited service.

Funding Policy

The employees of the System are not allowed to not make voluntary contributions. The System's contributions are based on an actuarially determined rate. The rate for the fiscal year ending June 30, 2014, was 16.47% of annual covered payroll. The System's contribution is established by the actuarial valuation.

Annual Pension Cost

For the year ended June 30, 2014, the System contributed $623,675 to cover its required contribution. The required contribution was determined as part of the July 1, 2014 actuarial valuation using the entry age normal frozen initial liability actuarial method. Significant actuarial assumptions used in the valuation include (a) rate of return on investments of present and future assets of 7% a year compounded annually, (b) projected salary increases of 5% (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries) for Groups A & B and 3% for Groups C & D, (c) no mortality improvement is reflected for Groups A & B and (d) Groups C & D mortality improvement are reflected through the valuation date using mortality improvement scale. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The System's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2014 was 28 years. An actuarial valuation was performed as of July 1, 2014, which established contribution rates effective July 1, 2014.

(9) RETIREMENT PLANS (CONTINUED)

Lawrenceburg Utility System Employees Pension Plan (Continued):

Trend Information:

Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percentage of APC Contribution
June 30, 2014	$ 410,943	623,675	151.77%
June 30, 2013	$ 414,002	593,155	143.27%
June 30, 2012	$ 405,761	536,958	132.33%

As of July 1, 2014, the most recent actuarial valuation date, the plan was 89,76% funded. The actuarial accrued liability for benefits was $15.39 million, and the actuarial value of assets was $13.80 million, resulting in an unfunded actuarial accrued liability (UAAL) of $1.58 million. The covered payroll (annual payroll of active employees covered by the plan) was $4.39 million and the ratio of the UAAL to the covered payroll was 35.92%.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information abort the funding status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

The following schedule of funding progress for the Plan presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AAL's for benefits.

Actuarial Valuation Date	**Actuarial Value of Assets (a)**	**Actuarially Accrued Liability (AAL) -Frozen Entry Age* (b)**	**Unfunded Actuarial Accrued Liability (UALL) (b)-(a)**	**Funded Ratio (a/b)**	**Covered Payroll (c)**	**Unfunded Actuarial Accrued Liability as a % of Covered Payroll ((b-a)/c)**
7/1/04	6,122,100	6,945,955	823,855	88.1%	4,102,342	20.1%
7/1/05	6,896,404	7,618,121	721,717	90.5%	4,240,100	17.0%
7/1/06	6,928,481	7,581,389	652,908	91.4%	3,933,369	16.6%
7/1/07	8,315,883	8,811,264	495,381	94.4%	4,194,165	11.8%
7/1/08	8,651,441	8,945,342	293,901	96.7%	4,849,097	6.1%
7/1/09	8,140,470	8,404,921	264,451	96.9%	5,077,925	5.2%
7/1/10	9,489,416	9,892,100	402,684	95.9%	5,096,529	7.9%
7/1/11	10,917,970	11,402,770	484,800	95.7%	4,663,770	10.4%
7/1/12	11,502,830	14,535,970	3,034,140	79.13%	4,900,287	61.92%
7/1/13	12,897,658	15,797,778	2,900,120	81.64%	5,065,564	57.25%
7/1/14	13,803,356	15,378,637	1,575,281	89.76%	4,386,103	35.92%

Effective July 1, 2012, the funding method changed to the entry age funding method. This reflects the difference between actuarial assets and actuarial liability under the entry age normal method. Prior to July 1, 2102, the unfunded accrued liability was based on the frozen initial funding method.

(10) OTHER POST-EMPLOYMENT BENEFITS

City Government (Excluding Lawrenceburg Utility System Funds)

Plan Provisions

The City sponsors a single-employer post-retirement medical plan. The plan provides medical, prescription, and death benefits to all eligible employees. Eligible employees of the City can continue medical coverage at retirement as follows:

-With 10 plus years service, 50% of employee coverage and 100% of dependent care coverage paid by employee.
-With 15 plus years service, 25% of employee coverage and 50% of dependent care coverage paid by employee.
-with 20 plus years service, 0% of employee coverage and 30% of dependent care coverage paid by employee.

Disabled and Post 65 retiree coverage for Medicare Supplemental Plan F is fully paid by the City. If spousal coverage is elected, the retiree or the disabled must make a contribution of $100 and the remainder is paid by the City. Surviving spousal coverage is fully paid by the City. Employees hired after June 30, 2008 are eligible for Post 65 benefits.

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The following information was taken from the most recent actuarial valuation available which was performed as of July 1, 2013.

	6-30-11	6-30-12	6-30-13	6-30-14
Annual Required Contribution (ARC)	$1,402,000	1,240,000	1,278,000	1,316,000
Interest Adjustments to ARC	16,940	172,878	157,968	198,493
Annual OPEB Cost	1,418,940	1,412,878	1,435,968	1,514,493
Amount of Contribution	(363,568)	(346,341)	(281,768)	(263,214)
Increase (decrease) in Net Pension Obligation (NPO)	1,055,372	1,066,537	1,154,200	1,251,279
Net OPEB Obligation, Beginning of year	2,550,531	3,605,903	4,762,440	5,826,640
Net OPEB Obligation, end of year	$3,605,903	4,672,440	5,826,640	7,077,919

(10) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

City Government (Excluding Lawrenceburg Utility System Funds (Continued)

Trend Information

Year End*	Annual OPEB Cost	Percent of OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	$1,221,000	27.70%	882,806
6-30-10	2,012,984	17.15%	2,550,531
6-30-11	1,418,940	25,62%	3,605,903
6-30-12	1,412,878	24.51%	4,672,440
6-30-13	1,435,968	19.62%	5,826,640
6-30-14	1,514,493	17.38%	7,077,919

Lawrenceburg Utility Systems - Proprietary Funds

Plan Description

The System sponsors a single-employer post-retirement medical plan. The plan provides medical, prescription, and death benefits to all eligible employees.

Funding Policy

The System intends to continue its policy of funding OPEB liabilities on a pay-as-you-go basis and not to pre-fund any unfunded annual required contribution as determined under GASB 45.

Annual OPEB Cost and Net OPEB Obligation

The Utility's annual other post-retirement benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the Utility's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Utility's net OPEB Obligation for the year 2014.

Annual Required Contribution	$ 2,086,496
Increase due to interest	278,379
Adjustment to Annual Required Contribution	(286,162)
Annual OPEB Cost (Expense)	2,078,713
Contributions Made	(735,704)
Increase in Net Obligation	1,343,009
Net OPEB Obligation - beginning of year	6,186,211
Net OPEB Obligation - end of year	$ 7,529,220

(10) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Lawrenceburg Utility Systems - Proprietary Funds (Continued)

Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $26.96 million, and the actuarial value of assets was $100,000 resulting in an unfunded accrued liability (UAAL) of $26.86 million. The covered payroll (annual payroll of active employees covered by the plan) was $5.05 million and the ratio of the UAAL to the covered payroll was 531.69%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Methods and Assumptions

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the plan assets and on the employer's own investments calculated based on the funded level of the plan assets at the valuation date and an annual healthcare cost trend rate of 8% initially. Future annual increases are assumed to greade uniformly to 5% over a six year period. The UAAL is being amortized as a level percentage of payrolls over a closed 30 year period. The remaining amortizations period at July 1, 2012 was 30 years.

Year of Implementation
The Utility implemented GASB-45 during the year ended June 30, 2009 and in accordance with implementation guidance provided in the standard, has implemented GASB-45 prospectively.

(10) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Lawrenceburg Utility Systems - Proprietary Funds (Continued)

A schedule of funding progress for the Plan follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarially Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a % of Covered Payroll ((b-a)/c)
7-1-09	$ -	27,915,016	27,915,016	0%	5,077,925	549.7%
7-1-10	-	34,897,005	34,897,005	0%	4,476,679	779.5%
7-1-11	-	36,478,813	36,478,813	0%	4,588,596	795.9%
7-1-12	-	25,794,071	25,794,071	0%	4,928,522	523.4%
7-1-13	100,000	26,959,538	26,859,538	0%	5,051,735	531.7%

(11) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Such risks of loss are addressed as follows:

City Government (Excluding Proprietary Funds)

The City maintains insurance coverage through the Tennessee Municipal League Risk Management Pool, covering each of the above risks of loss. The TML Pool is a cooperative risk sharing arrangement between local government agencies that works in many ways like a traditional insurer. The City pays a premium, receives coverage, and can make claims against that coverage.

The City meets the TML Pool's guidelines and complies with its rules and regulations, including loss control requirements as well as its underwriting standards. Rates of the TML Pool are actuarially projected to provide adequate funding to cover loss reserves and expenses, as well as building contingency reserves. The City has also purchased commercial insurance for the surety bonds for principal management officials.

Management believes insurance coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three years.

Proprietary Funds

The Utility is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees , and natural disasters. The Utility has purchased commercial insurance for all the above risks. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years and there has been no significant reduction in the amount of coverage provided.

The Systems are self-insured for employee medical, vision, and dental claims. However the Systems have purchased commercial insurance to cover claims in excess of $50,000 per person annually as well as an aggregate annual amount for all employees. The System recognizes claims actually filed as an expense.

(11) RISK MANAGEMENT (CONTINUED)

Proprietary Funds (Continued)

Changes in the reported liability are as follows:

Fiscal Year Ending		Beginning Balance	Changes in Estimates	Claim Payments	Ending Balance
June 30, 2014	$	430,573	2,781,168	2,753,036	458,705
June 30, 2013	$	393,921	2,620,251	2,583,599	430,573

(12) DEFERRED COMPENSATION PLAN

The Utility Systems offer their employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time Utility System employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The System has no claim to the assets held in this plan, and neither the assets nor the related deferred compensation liability are included in the System's Statements of Net Position.

(13) COMMITMENTS AND CONTINGENCIES

The City is potentially liable in a number of legal and regulatory actions resulting from easement disagreements, environmental remediation issues, employment claims, public safety allegations, and property damage claims resulting from sewer blockages and water run-off problems. In most cases, the amount of damages is immaterial, is not ascertainable, or is covered by property and liability insurance carriers.

The Tennessee Department of Environment and Conservation issued a Notice and Assessment against the City of Lawrenceburg for violations of its National Pollutant Discharge Elimination System (NPDES) permit relating to problems associated with the Sewer System resulting from excess sludge handling capabilities and damages. The City of Lawrenceburg entered into an Agreed Order on March 21, 2002 setting forth deadlines and penalties for failure to meet deadlines. The City paid a penalty upon execution of the Order. The City is using a combination of Community Development Block Grant funds and matching local funds to make the necessary improvements to the Sewer System. No further liability resulting from penalties is anticipated.

Power Contract:

The Electric Power System purchases its electrical energy from the Tennessee Valley Authority (TVA) under terms of a standard electric contract between TVA and the City of Lawrenceburg. Under the contract the System is required to comply with certain restrictions relating to furnishing, advancing, lending, pledging or otherwise diverting electric system funds, revenues, credit, or property to other operations of the City of Lawrenceburg, as well as the payment of, or providing security for, indebtedness or other obligations applicable to such other operations

(14) CITY OWNED AND OPERATED LANDFILL

State and federal laws and regulations require the City to place a final cover on its construction landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care cost will be paid only near or after the date that the landfill stops accepting waste, the City has accrued a portion of these closure and postclosure care cost. The City will recognize the remaining estimated cost of closure and postclosure care as the remaining estimated capacity is filled. These amounts are based on what it would presently cost to perform all closure and postclosure care. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

(15) NATURAL GAS SUPPLY AND CAPACITY MANAGEMENT AGREEMENT AND NATURAL GAS TRANSPORTATION SERVICE AGREEMENT

On October 1, 2005, the Gas System entered into an out-of-state membership agreement with the Municipal Gas Authority of Georgia (MGAG). This membership agreement obligates MGAG to deliver at the System's receipt points (gate stations) all natural gas supplies the System needs both within and above the System's maximum contract entitlement under the Systems TETCO service agreement, limited solely by and only to the extent of a *force majeure* event. The System agrees to make payment to MGAG for such service at actual cost of the natural gas and capacity, plus a management fee. This contract provides the System access to long-term gas supply owned or contracted by MGAG.

The System has a service agreement with Texas Eastern Transmission Corporation (TETCO) which obligates TETCO to deliver any and all natrual gas the System arranges and has deposited into the TETCO transmission line for the System's use. In turn, the System is obligated to make payment for such deliveries and to insure the correct amount of natural gas is deposited into the TETCO transmission system. Payment for these services is funneled through the MGAG supply and capacity management agreement. The TETCO service agreement is in force and effect until October 31, 2012, and renews year-to-year thereafter unless terminated by either TETCO or the System upon two years prior written notice. As of June 30, 2012 the Utility was under contract with MGAG.

(16) IMPACT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The City implemented GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities*. As a result net position at July 1, 2013 was decreased in the amount of $86,136 to remove bond costs no longer required to be capitalized in accordance with GASB Statement No. 65,

Also general long-term of the City was restated at July 1,2013 in the amount of $1,154,200. The City did not have an actuarial study completed at the end of the 2012-13 fiscal year, however, a study was completed in 2014 setting forth the net OPEB obligation as of June 30, 2013 and 2014. Accordingly, general long-term debt was increased by $1,154,200 and the net position for governmental activities in the Statement of Activities was decreased by $1,154,200.

GASB Statement 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement 25, 27*. Statement 67 is effective for the fiscal year ending June 30, 2014, the Statement revises existing standards of financial reporting by state and local government pension plans and was adopted by the City for 2014. There were no financial changes as a result of adoption.

(17) GASB STATEMENTS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement 68 replaces the requirements of Statement 27, *Accounting for Pensions by State and local* Governmental Employers and Statement 50, *Pension disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Requirements of the Statement are effective for the fiscal year beginning July 1, 2014.

COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

State Street Aid Fund - To account for the receipt and usage of the City's share of State gasoline taxes. State law requires these gasoling taxes be used to maintain streets.

Federal Disaster Relief Fund - To account for the proceeds of various State and Federal grants the proceeds of which are to be used on various flood abatement projects.

Drug Fund - To account for drug fines and fees and the usage of these monies for drug related purposes.

Sanitation Fund - To account for the City's solid waste collection operations.

Permanent Fund:

Mimosa Cemetery Fund - To account for the sale of grave sites and related costs.

CITY OF LAWRENCEBURG, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2014

		Special Revenue Funds				Permanent Fund	
Assets		State Street Aid Fund	Federal Disaster Relief Fund	Drug Fund	Sanitation Fund	Mimosa Cemetery Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	$	295,095	83,005	55,517	376,108	76,824	886,549
Due from other funds		-	-	-	124,356	-	124,356
Accounts receivable, net of allowance for doubtful accounts		90,052	-	-	-	-	90,052
Total Assets	$	385,147	83,005	55,517	500,464	76,824	1,100,957
Liabilities and Fund Equity							
Liabilities:							
Accounts payable	$	-	-	-	8,317	-	8,317
Due to other funds		-	-	-	5,598	-	5,598
Accrued costs		-	-	-	1,790	-	1,790
Total Liabilities		-	-	-	15,705	-	15,705
Fund Balance (Deficit):							
Restricted for:							
Roads		385,147	-	-	-		385,147
Public Safety		-	-	55,517	-		55,517
Capital projects		-	83,005	-	-		83,005
Solid waste disposal		-	-	-	484,759		484,759
Cemetery maintenance		-	-	-	-	76,824	76,824
Total Restricted Fund Balance		385,147	83,005	55,517	484,759	76,824	1,085,252
Total Liabilities and Fund Balance	$	385,147	83,005	55,517	500,464	76,824	1,100,957

CITY OF LAWRENCEBURG, TENNESSEE

Combining Statement of Revenues, Expenditures and *Changes in Fund Balances*

Nonmajor Governmental Funds

For the Year Ended June 30, 2014

	Special Revenue Funds				Permanent Fund	
	State Street Aid Fund	Federal Disaster Relief Fund	Drug Fund	Sanitation Fund	Mimosa Cemetery Fund	Total Nonmajor Governmental Funds
Revenues:						
Intergovernmental:						
Gasoline tax - State of Tennessee	$ 270,366	-	-	-	-	270,366
Charges for Services:						
Garbage fees	-	-	-	1,027,533	-	1,027,533
Miscellaneous:						
Other revenue	228,304	-	32,592	107,074	5,200	373,170
Interest income	377	3,778	92	659	76	4,982
Total Revenues	499,047	3,778	32,684	1,135,266	5,276	1,676,051
Expenditures:						
Highways and streets:						
Road and bridge repair	339,500		-	-	-	339,500
Sanitation:						
Salaries and employee benefits	-	-	-	741,079	-	741,079
Contractual services	-	-	-	66,534	15,600	82,134
Supplies	-	-	-	154,067	-	154,067
Insurance	-	-	-	14,331	-	14,331
Program costs	-	-	19,215	-	-	19,215
Debt service				84,519		84,519
Capital outlay	-	17,510	1,451	9,520	-	28,481
Total Expenditures	339,500	17,510	20,666	1,070,050	15,600	1,463,326
Net Change in Fund Balance	159,547	(13,732)	12,018	65,216	(10,324)	212,725
Fund Balance, Beginning of Year	225,600	96,737	43,499	419,543	87,148	872,527
Fund Balance, End of Year	$ 385,147	83,005	55,517	484,759	76,824	1,085,252

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) and Actual

State Street Aid Fund

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Intergovernmental:				
State shared tax:				
Gas 3 Cent	$ 54,000	54,000	55,454	1,454
Gasoline and motor fuel tax	180,000	180,000	184,994	4,994
Gas 1989	29,400	29,400	29,918	518
Miscellaneous				
Reimbursement for street repair	75,200	75,200	228,681	153,481
Total Revenues	338,600	338,600	499,047	160,447
Expenditures:				
Current:				
Road and bridge repair	402,688	402,688	339,500	63,188
Total Expenditures	402,688	402,688	339,500	63,188
Excess (deficiency) of revenues over expenditures	(64,088)	(64,088)	159,547	223,635
Other Financing Sources (Uses):				
Transfer from (to) other funds	64,088	64,088	-	(64,088)
Total Other Financing Sources	64,088	64,088	-	(64,088)
Net Change in Fund Balance	-	-	159,547	159,547
Fund Balance, Beginning of Year	225,600	225,600	225,600	-
Fund Balance, End of Year	$ 225,600	225,600	385,147	159,547

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) and Actual

Federal Disaster Relief Fund

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Miscellaneous	$ 1,280	1,280	3,778	2,498
Total Revenues	1,280	1,280	3,778	2,498
Expenditures:				
Capital outlay-infrastructure	90,000	90,000	17,510	72,490
Total Expenditures	90,000	90,000	17,510	72,490
Excess (deficiency) of revenues over expenditures	(88,720)	(88,720)	(13,732)	74,988
Fund Balance, Beginning of Year	96,737	96,737	96,737	-
Fund Balance, End of Year	$ 8,017	8,017	83,005	74,988

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) and Actual

Drug Fund

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance from Variance Final Budget Positive (Negative)
Revenues:				
Fines and fees				
Drug fines, confiscated property	$ 39,950	39,950	32,592	(7,358)
Miscellaneous - interest income	50	50	92	42
Total Revenues	40,000	40,000	32,684	(7,316)
Expenditures:				
Current:				
Program Costs	27,600	27,600	19,215	8,385
Capital outlay	12,400	12,400	1,451	10,949
Total Expenditures	40,000	40,000	20,666	19,334
Net Change in Fund Balance	-	-	12,018	12,018
Fund Balance, Beginning of Year	43,499	43,499	43,499	-
Fund Balance, End of Year	$ 43,499	43,499	55,517	12,018

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) and Actual

Sanitation Fund

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Charges for Services:				
Garbage fees	$ 1,017,000	1,017,000	1,027,533	10,533
Miscellaneous:				
Other revenue	81,200	81,200	107,733	26,533
Total Revenues	1,098,200	1,098,200	1,135,266	37,066
Expenditures:				
Current:				
Sanitation:				
Salaries and employee benefits	816,116	816,116	741,079	75,037
Contractual services	55,900	55,900	66,534	(10,634)
Supplies	135,500	135,500	154,067	(18,567)
Insurance	14,693	14,693	14,331	362
Debt Service	84,519	84,519	84,519	-
Capital Outlay	15,000	15,000	9,520	5,480
Total Expenditures	1,121,728	1,121,728	1,070,050	51,678
Excess (deficiency) of revenues over expenditures	(23,528)	(23,528)	65,216	88,744
Fund Balance, Beginning of Year	419,543	419,543	419,543	-
Fund Balance, End of Year	$ 396,015	396,015	484,759	88,744

FINANCIAL SCHEDULES

CITY OF LAWRENCEBURG, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds -

Schedule of Changes in Capital Assets

For the Year Ended June 30, 2014

Cost / Estimated Cost:		Balance June 30, 2013	Additions	Disposals	Balance June 30, 2014
Land	$	3,340,204	20,000	-	3,360,204
Buildings and structures		5,344,678	2,208,592	(156,996)	7,396,274
Equipment		6,483,372	682,485	(364,066)	6,801,791
Infrastructure		10,105,009	-	-	10,105,009
Construction in progress		64,262	32,444	-	96,706
Total Capital Assets	$	25,337,525	2,943,521	(521,062)	27,759,984

Accumulated Depreciation:		Balance June 30, 2013	Additions	Disposals	Balance June 30, 2014
Buildings and structures	$	2,807,149	246,107	(145,994)	2,907,262
Equipment		5,240,167	289,362	(249,734)	5,279,795
Infrastructure		2,875,127	202,100	-	3,077,227
Total Capital Assets	$	10,922,443	737,569	(395,728)	11,264,284

CITY OF LAWRENCEBURG, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds -

Schedule of Changes in Capital Assets - By Function and Activity

For the Year Ended June 30, 2014

		Balance June 30, 2013	Additions	Disposals	Balance June 30, 2014
Cost / Estimated Cost:					
General Government:					
Administration	$	1,953,815	716,391	-	2,670,206
Planning and development		55,034	-	-	55,034
Civil defense		99,179	-	-	99,179
Federal disaster relief-flood control		7,060,975	-	-	7,060,975
Police		1,133,386	-	(21,071)	1,112,315
Fire		2,082,026	634,489	(342,995)	2,373,520
Street		7,110,479	26,444	-	7,136,923
Parks and recreation		4,335,725	1,535,458	(156,996)	5,714,187
Sanitation		1,506,906	30,739	-	1,537,645
Total Capital Assets	$	25,337,525	2,943,521	(521,062)	27,759,984
Accumulated Depreciation:					
General Government:					
Administration	$	1,042,730	62,324	-	1,105,054
Civil defense		89,531	4,369	-	93,900
Police		977,952	83,724	(21,071)	1,040,605
Fire		1,511,915	90,110	(228,663)	1,373,362
Highways & Streets		4,357,698	226,687	-	4,584,385
Sanitation		1,070,854	93,392	-	1,164,246
Parks and recreation		1,871,763	176,963	(145,994)	1,902,732
Total Capital Assets	$	10,922,443	737,569	(395,728)	11,264,284

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Changes in Property Taxes Receivable

For the Year Ended June 30, 2014

Tax Year	Balance, June 30, 2013	Tax Levy and Adjustments	Collections and Adjustments	Balance, June 30, 2014
2013	$ -	3,077,105	(2,920,255)	156,850
2012	148,409		(87,561)	60,848
2011	50,959		(31,643)	19,316
2010	8,759		(7,079)	1,680
2009	1,964		(557)	1,407
2008	2,222		-	2,222
2007	266		-	266
2006	4,808		-	4,808
2005	1,943		(3)	1,940
2004	2,878		-	2,878
2003	1,901		-	1,901
2002	4,436		(4,436)	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	$ 228,545	3,077,105	(3,051,534)	254,116

Add 2014 tax levy	3,077,000
Total property tax receivable	3,331,116
Less allowance for doubtful accounts	(47,105)
Total property tax receivable, net	$ 3,284,011

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Debt Service Requirements

General Obligation Debt

June 30, 2014

Fiscal	General Obligation Refunding Bonds - Series 2011-City Portion		General Obligation Refunding Bonds - Series 2008		General Obligation Refunding Bonds - Series 2008		General Obligation Bonds - Series 2013		Capital Outlay Note - Series 2011		Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 280,000	43,725	575,000	119,150	5,000	72,355	-	68,925	79,973	4,546	939,973	308,701
2016	275,000	38,125	600,000	99,025	5,000	72,163	200,000	68,925	81,460	3,059	1,161,460	281,297
2017	275,000	29,875	615,000	77,275	5,000	71,970	200,000	64,925	82,975	1,543	1,177,975	245,588
2018	270,000	21,625	635,000	54,212	5,000	71,778	250,000	60,925	-	-	1,160,000	208,540
2019	270,000	16,225	660,000	30,400	5,000	71,585	250,000	55,925	-	-	1,185,000	174,135
2020	190,000	10,150	100,000	4,000	180,000	71,393	300,000	50,925	-	-	770,000	136,468
2021	180,000	5,400	-	-	280,000	64,462	300,000	44,925	-	-	760,000	114,787
2022	-	-	-	-	300,000	52,562	350,000	38,175	-	-	650,000	90,737
2023	-	-	-	-	325,000	39,812	350,000	29,950	-	-	675,000	69,762
2024	-	-	-	-	315,000	26,000	400,000	21,200	-	-	715,000	47,200
2025	-	-	-	-	335,000	13,400	400,000	10,800	-	-	735,000	24,200
	$ 1,740,000	165,125	3,185,000	384,062	1,760,000	627,480	3,000,000	515,600	244,408	9,148	9,929,408	1,701,415

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Debt Service Requirements to Maturity

Business - Type Activities

Water and Sewer Fund

June 30, 2014

Fiscal	Series 2011 General Obligation Refunding Bonds		Series 2005 Revenue and Tax Refunding Bonds		Series 2008 General Obligation Refunding Bonds		State of Tennessee Revolving Loan		Series 2012 General Obligation Refunding Bonds		Total Requirements	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 95,000	13,725	-	277,850	15,000	171,010	640,800	215,088	100,000	67,350	850,800	745,023
2016	100,000	11,825	1,150,000	220,350	15,000	170,432	656,604	199,284	100,000	65,350	2,021,604	667,241
2017	100,000	8,825	1,205,000	160,100	15,000	169,855	672,804	183,084	100,000	63,350	2,092,804	585,214
2018	105,000	5,825	1,275,000	96,350	15,000	169,278	689,412	166,476	100,000	61,350	2,184,412	499,279
2019	110,000	3,725	1,295,000	31,600	15,000	168,700	706,416	149,472	100,000	59,350	2,226,416	412,847
2020	50,000	1,250	790,000	-	15,000	168,123	723,852	132,036	100,000	57,350	1,678,852	358,759
2021	-	-	-	-	15,000	167,545	741,708	114,180	300,000	54,850	1,056,708	336,575
2022	-	-	-	-	15,000	166,908	760,008	95,880	310,000	47,350	1,085,008	310,138
2023	-	-	-	-	15,000	166,270	778,764	77,124	320,000	39,600	1,113,764	282,994
2024	-	-	-	-	20,000	165,633	797,976	57,912	325,000	30,000	1,142,976	253,545
2025	-	-	-	-	20,000	164,833	817,668	38,220	335,000	20,250	1,172,668	223,303
2026	-	-	-	-	-	164,033	837,852	18,036	340,000	10,200	1,177,852	192,269
2027	-	-	-	-	1,000,000	164,033	283,838	1,435	-	-	1,283,838	165,468
2028	-	-	-	-	1,000,000	124,033	-	-	-	-	1,000,000	124,033
2029	-	-	-	-	1,010,000	83,533	-	-	-	-	1,010,000	83,533
2030	-	-	-	-	1,015,000	42,118	-	-	-	-	1,015,000	42,118
	-											
	$ 560,000	45,175	5,715,000	786,250	4,200,000	2,426,337	9,107,702	1,448,227	2,530,000	576,350	22,112,702	5,282,339

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Debt Service Requirements to Maturity

Business - Type Activities

Natural Gas Fund

June 30, 2014

Fiscal Year		Series 2011 General Obligation Refunding Bonds Principal	Series 2011 General Obligation Refunding Bonds Interest	Total Requirements Principal	Total Requirements Interest
2015	$	25,000	2,950	25,000	2,950
2016		25,000	2,450	25,000	2,450
2017		25,000	1,700	25,000	1,700
2018		25,000	950	25,000	950
2019		20,000	450	20,000	450
	$	120,000	8,500	120,000	8,500

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Debt Service Requirements to Maturity

Business - Type Activities

Electric Power Fund

June 30, 2014

Fiscal	Series 1996 - Revenue Bonds		Series 2002 - Refunding Bonds		Series 2005 - Refunding Bonds		Series 2011 - Capital Outlay Note		Total Requirements	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 590,000	172,913	20,000	381,000	420,000	251,118	50,000	11,825	1,080,000	816,856
2016	630,000	133,825	20,000	380,000	430,000	236,418	50,000	9,460	1,130,000	759,703
2017	670,000	92,087	20,000	379,000	450,000	220,832	50,000	7,095	1,190,000	699,014
2018	720,000	47,700	25,000	378,000	465,000	203,956	50,000	4,730	1,260,000	634,386
2019		-	785,000	376,750	485,000	185,938	50,000	2,365	1,320,000	565,053
2020	-	-	825,000	337,500	505,000	166,538	-	-	1,330,000	504,038
2021	-	-	865,000	296,250	530,000	146,338	-	-	1,395,000	442,588
2022	-	-	915,000	253,000	550,000	125,138	-	-	1,465,000	378,138
2023	-	-	960,000	207,250	575,000	102,450	-	-	1,535,000	309,700
2024	-	-	1,010,000	159,250	595,000	78,732	-	-	1,605,000	237,982
2025	-	-	1,060,000	108,750	625,000	54,188	-	-	1,685,000	162,938
2026	-	-	1,115,000	55,750	650,000	27,625	-	-	1,765,000	83,375
2026	-	-		-		-	-	-	-	-
	$ 2,610,000	446,525	7,620,000	3,312,500	6,280,000	1,799,271	250,000	35,475	16,760,000	5,593,771

CITY OF LAWRENCEBURG, TENNESSE

SCHEDULE OF FEDERAL AND STATE ASSISTANCE

For the Year Ended June 30, 2014

CFDA Number	Grant Number	Program Name	Grantor Agency	Deferred (Receivable) Balance 6-30-13	Adjustments	Receipts	Disbursements	Deferred (Receivable) Balance 6-30-14
Federal Grants								
16.710	2009-RKWX-0808	COPS Grant	U.S. Department of Justice	-	-	14,016	(14,016)	-
14.228	Contract # 34871	Buffalo Rd. project	U.S. Department of Housing & Urban Developm	(21,909)	-	-	(154,696)	(176,605)
97.042	Contract # 34101-03213	EMPG10 Grant program	Department of Homeland Security	(32,985)	-	46,350	(59,715)	(46,350)
23.001	TN-17133-214-11	ARC grant	Department of Agriculture	(33,883)	-	-	-	(33,883)
	Total Federal Grants			$ (88,777)	-	60,366	(228,427)	(256,838)

* Passed through to the Lawrenceburg Utility Systems
Schedule prepared on the accrual basis of accounting.

CITY OF LAWRENCEBURG, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE - UNAUDITED
(EXCLUSIVE OF POWER SYSTEM)
June 30, 2014

Company & Policy #	Coverage	Basic Coverage	Expiration Period
Blue Cross & Blue Shield of TN Local Agent-Judy Hartsfield HRA PLAN Group #126724	Employee Hospitalization	Major Medical	January 1, 2014 to December 31, 2014
The Standard Life Insurance #155134-A	$30,000 for all employees $10,000 for spouses/$4,000 for children	Life Insurance	July 1, 2012 to June 30, 2015
BLANKET BONDS:			
Allied Mutual #7900582655	Notary Bond-Dicapo, Joyce	$10,000	March 1, 2010 thru March 1, 2014
Allied Mutual #14979845N	Notary Bond-Ryan, Kathy	$10,000	April 25, 2011 thru May 26, 2015
TML Risk Management			
TML #419			
General Liability/Personal Injury Liability	$300,000 per person $700,000 per occurrence	$1,000. deductible	July 1, 2014 to June 30, 2015
Law Enforcement Liability/Personal Injury	$300,000 per person $700,000 per occurrence	$1,000. deductible	
	$700,000 per occurance for each other loss		
	$700,000 per person or per occurance for catastrophic medical		
	$1,000 per person & $10,000 per accident for Medical Payments		
	$100,000 per occurrence for fire damage		
	$100,000 per occurrence for impounded property damage		
	$100,000 per occurrence for non-monetary defense costs		
TML - 419	Errors & Omissions	$1,000,000	July 1, 2014 to June 30, 2015
	$100,000 per Occurance for non-monetary defense costs	Deductible: $5000.00	
TML Risk Management			
AutoLiability	$300,000 per person bodily injury	$1,000. deductible	July 1, 2014 to June 30, 2015
Physical Damage Liability TML - 419	$700,000 per occurrence bodily injury $100,000 per occurrence property damage	Comp. $500 Col. $250	
	$700,000 per occurrence for each other loss		
	$700,000 per person or per occurrence for catastrophic medical		
	Medical Payments: $1,000 per person; $10,000 per accident		
TML Pool	Workmen's Compensation	Statutory	July 1, 2014 to June 30, 2015
#406		$5000. Deductible per claim	
TML Risk Management Pool	**Buildings & Contents:**	**$28,155,792**	July 1, 2014 to June 30, 2015
TMP-7338	Fire & Extended Coverage:		$1000. Deductible
	1 DPW Garage & Warehouse, incl fencing	$506,575.00	
	2 DPW Sign Shop, incl canopy	$36,657.00	
	3 Dog Pound Bldg, incl fencing	$65,770.00	
	4 Skill Center	$684,640.00	
	5 City Administration Bldg, incl flagpole, generator	$4,525,226.00	
	6 Fire Station # 1, flagpole, 500 gal storage tank	$786,386.00	
	7 Emergency Management Building	$482,925.00	
	8 EOC Storage & Warehouse Bldg	$90,425.00	
	9 Richardson Mini Park Picnic Pavilion	$12,331.00	
	10 Simms St Mini Park Restroom/Pavilion	$36,432.00	
	11 Rotary Park Community Center	$2,466,190.00	
	12 Armory Community Center, incl fencing	$1,344,322.00	
	13 City Art Center	$248,663.00	
	14 Crockett Community Theater	$2,083,004.00	
	15 Davey Crockett Log Cabin, flagpoles	$42,981.00	

CITY OF LAWRENCEBURG, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE - UNAUDITED
(EXCLUSIVE OF POWER SYSTEM)
June 30, 2014

Company & Policy #	Coverage	Basic Coverage	Expiration Period
	16 Bobby Brewer Softball Field Lighting and Fencing	$357,021.00	
	17 Old Timer's Club (Deleted)	$0.00	
	18 Restroom Bldg	$54,308.00	
	19 Parks & Recreation Recreation Bldg	$598,382.00	
	20 NOAA Weather Station Bldg	$11,961.00	
	21 Rotary Park Ticket Booth and Office Bldg	$199,512.00	
	22 Rotary Park Loretto Eastern Star Concession Bldg	$37,789.00	
	23 Rotary Park Pea Ridge Concession Bldg	$36,884.00	
	24 Rotary Park Lawrenceburg Eastern Star Concession Bldg	$41,296.00	
	25 Rotary Park Rescue Squad Concession Bldg	$59,624.00	
	26 Rotary Park Lion's Club Concession Bldg	$32,697.00	
	27 Rotary Park Information Booth	$7,806.00	
	28 Rotary Park Ethridge Civic Club Concession Bldg	$47,406.00	
	29 Rotary Park Ethridge Eastern Star Concession Bldg	$33,489.00	
	30 Rotary Park Small Restroom Bldg (Delete)	$0.00	
	31 Rotary Park Gazebo	$20,139.00	
	32 Rotary Park Picnic Shelter #1	$36,657.00	
	33 New Rotary Park Grandstand and Lighting	$1,382,500.00	
	34 Rotary Park Announcer Perch (Delete)	$0.00	
	35 Rotary Park Covered Grandstand (Delete)	$0.00	
	36 Rotary Park Large Restroom Bldg	$123,907.00	
	37 Rotary Park Pavilion	$290,867.00	
	38 Rotary Park Ticket Booth/Wash Rack , incl fencing	$22,627.00	
	39 Rotary Park Adult Field Concession Stand/Restroom Bldg	$26,022.00	
	40 Rotary Park Youth Field Concession Stand	$20,930.00	
	41 Rotary Park Picnic Shelter #2	$27,493.00	
	42 Bobby Brewer Little League Concession Stand	$281,465.00	
	43 Parks Dept Service & Maintenance Bldg	$408,070.00	
	44 Rotary Park (Flat Top) Lighting	$25,796.00	
	45 Rotary Park Water Slide	$134,408.00	
	46 Bobby Brewer Picnic Shelter	$23,533.00	
	47 Bobby Brewer Softball Field Concession Stand	$204,762.00	
	48 Rotary Park Fair Side Playground Equipment	$288,767.00	
	49 Veterans Memorial Park, dwelling	$96,282.00	
	50 Richardson Mini Park Fencing and Basketball Goals	$18,329.00	
	51 Richardson Mini Park Playground Equipment	$13,690.00	
	52 Simms St Mini Park Playground Equipment - DELETED 11/12	$0.00	
	53 Rotary Park Swimming Pool Pump House	$5,996.00	
	54 Rotary Park Swimming Pool Chlorine Storage Bldg	$4,412.00	
	55 Rotary Park Swimming Pool	$630,037.00	
	56 Bobby Brewer Memorial Park Softball Field Bleachers	$31,566.00	
	57 Bobby Brewer Softball Field Scoreboards	$48,424.00	
	58 Bobby Brewer Softball Field Dugouts	$41,183.00	
	59 Bobby Brewer Soccer Field Lighting	$236,264.00	
	60 Bobby Brewer Memorial Park Soccer Field Bleachers	$27,606.00	
	61 Bobby Brewer Memorial Park Soccer Field Goals	$16,632.00	
	62 Bobby Brewer Little League Baseball Lighting & Fencing	$258,315.00	
	63 Bobby Brewer Memorial Park Little League Scoreboards	$48,424.00	
	64 Bobby Brewer Memorial Park Little League Bleachers	$29,981.00	
	65 Bobby Brewer Memorial Park Little League Dugouts	$27,493.00	
	66 Park Lighting	$52,724.00	
	67 Bobby Brewer Memorial Park Little League Pavilion	$23,533.00	
	68 Bobby Brewer Memorial Park Playground Equipment	$55,439.00	
	69 Rotary Park Adult Field Lighting and Fencing	$103,637.00	
	70 Rotary Park Tractor Pull Field Lighting	$0.00	
	71 Rotary Park Electrical Bldg	$4,299.00	

CITY OF LAWRENCEBURG, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE - UNAUDITED
(EXCLUSIVE OF POWER SYSTEM)
June 30, 2014

Company & Policy #		Coverage	Basic Coverage	Expiration Period
	72	Rotary Park Youth Field Lighting (Deleted)	$0.00	
	73	Auto Body Shop - DELETED 11/12	$0.00	
	74	Scout Park House	$199,512.00	
	75	Hicks Street Cabin	$60,314.00	
	76	Hicks Street Pump Station	$965,055.00	
	77	Fire Station #2	$879,542.00	
	78	Bobby Brewer Babe Ruth Baseball Field Fencing, block wall	$31,227.00	
	79	Bobby Brewer Park LCHS Baseball Field Lighting	$147,009.00	
	80	Portable Storage Buildings	$10,752.00	
	81	Portable Storage Building	$10,752.00	
	82	Bobby Brewer Park Softball Field Pavilion	$27,946.00	
	83	Playground Equipment	$8,710.00	
	84	Bobby Brewer Park Football Field Goal Post	$10,182.00	
	85	Bobby Brewer Babe Ruth Baseball Field Dugouts	$13,576.00	
	86	Bobby Brewer Babe Ruth Baseball Field Bleachers	$4,638.00	
	87	Radio Tower	$26,248.00	
	88	EMA Storage Garage	$90,666.00	
	89	Storage Building	$8,395.00	
	90	Parking Shed	$3,168.00	
	91	Crockett Theater Annex	$371,721.00	
	92	BOBBY BREWER FOOTBALL FIELD BLEACHERS	$27,596.00	
	93	BOBBY BREWER FOOTBALL SCOREBOARD	$47,464.00	
	94	Old Jail Museum	$160,660.00	
	95	Bobby Brewer Youth Football Field Concessions	$74,029.00	
	96	Bobby Brewer Youth Football Field Announcer Perch	$5,384.00	
	97	Bobby Brewer Practice Football Field Fencing	$15,065.00	
	98	Equipment Shelter	$20,759.00	
	99	Admin Offices	$4,385,746.00	
	##	Babe Ruth Field Lights	$150,765.00	
	##	New Grandstand Restrooms	$263,000.00	
	##	Perimeter Fencing	$113,000.00	
TML Risk Management TMP-7338		Crime Coverage	$150,000 Deductible $ -0-	July 1, 2014 to June 30, 2015
TML Risk Management Pool TMP-7338		Non-Licensed & Mobile Equipment	$1,856,892 Deductible $250.	July 1, 2014 to June 30, 2015
TML Risk Management Pool TMP-7338		Electronic Data Processing Equipment	$567,782 Deductible: $250.00	July 1, 2014 to June 30, 2015
TML Risk Management Pool TMP-7338		Boiler & Machinery	Included in property $1,000. deductible	July 1, 2014 to June 30, 2015

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Property Tax Levies and Collections - Unaudited

Last Ten Fiscal Years

Fiscal Year		Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Levy	Outstanding Delinquent Taxes	Percent Of Delinquent Taxes To Levy
2005	$	3,086,830	2,712,065	87.86%	87,452	2,799,517	90.69%	410,078	13.28%
2006		3,132,017	3,009,970	96.10%	363,180	3,373,150	107.70%	168,944	5.39%
2007		3,002,919	2,766,501	92.13%	105,212	2,871,713	95.63%	300,150	10.00%
2008		3,147,069	2,907,255	92.38%	193,919	3,101,174	98.54%	346,045	11.00%
2009		2,908,827	2,677,326	92.04%	108,650	2,785,976	95.78%	468,886	16.12%
2010		2,984,077	2,828,517	94.79%	405,353	3,233,870	108.37%	219,093	7.34%
2011		3,064,510	2,935,009	95.77%	153,560	3,088,569	100.79%	197,034	6.43%
2012		3,108,295	2,940,506	94.60%	131,704	3,072,210	98.84%	233,119	7.50%
2013		3,029,265	2,880,856	95.10%	152,983	3,033,839	100.15%	228,545	7.54%
2014		3,077,105	2,920,255	94.90%	131,279	3,051,534	99.17%	254,116	8.26%

CITY OF LAWRENCEBURG, TENNESSEE

Property Tax Rates and Assessments - Unaudited

Last Ten Fiscal Years

PROPERTY TAX ASSESSMENTS (000'S):*

Fiscal Year	Amount
2114	$ 216,178
2013	213,667
2012	218,700
2011	215,294
2010	210,554
2009	195,222
2008	211,806
2007	194,943
2006	203,166
2005	200,648

ASSESSMENT RATE:

Personal property	30%
Residential property	25%
Commercial property	40%
Public utilities	55%

TAX RATE*:

Fiscal Year	Amount
2014	$ 1.42
2013	1.42
2012	1.42
2011	1.42
2010	1.49
2009	1.49
2008	1.54
2007	1.54
2006	1.54
2005	1.54

* Per $100 of assessed value

CITY OF LAWRENCEBURG, TENNESSEE

Utility Statistical Data - Unaudited

June 30, 2014

Service	Number of Customers
Water	6,985
Sewer	4,993
Gas	5,995
Electricity	19,850

Water Rates

	Rate Per 1,000 Gallon Inside City*	 Outside City*
All Residential:		
First 1,500 gallons or fraction thereof	$ 14.46	25.12
Next 4,500 gallons	6.34537	7.67198
Next 5,000 gallons	5.76995	6.98729
Excess over 11,000 gallons	4.98679	6.03848
Commercial:		
First 2,500 gallons or fraction thereof	$ 38.57	47.71
Next 7,500 gallons	6.34537	7.67198
Next 10,000 gallons	5.76995	6.98789
Excess over 20,000 gallons	4.98679	6.03848
Industrial:		
First 2,500 gallons or fraction thereof	$ 95.41	
Next 7,500 gallons	6.34537	
Next 10,000 gallons	5.76995	
Excess over 20,000 gallons	4.98679	

Utility Districts

Customer charge — $104.65 customer charge plus $2.8436 per 1000 gal

Sewer Rates	Rate Per 1,000 Gallon Inside City*	 Outside City*
Residential:		
First 1,500 gallons or fraction thereof	$ $17.61	$19.08
Next 4,500 gallons	8.26336	9.06253
Next 5,000 gallons	7.68797	8.45514
Excess over 11,000 gallons	4.77901	5.27449

(Continued on next page)

CITY OF LAWRENCEBURG, TENNESSEE

Utility Statistical Data - Unaudited - Continued

June 30, 2014

Sewer Rates (continued)	**Rate Per 1,000 Gallon**	
	Inside City*	**Outside City***
Industrial and Commerical:		
First 2,500 gallons or fraction thereof	$ 29.38	33.29
Next 7,500 gallons	8.26336	9.06253
Next 10,000 gallons	7.68797	8.45514
Excess over 20,000 gallons	4.77901	5.27449

* **Rates are in 100 gallon units.**

Natural Gas Rates	**Rate Per MCF**	
	Inside City*	**Outside City***
RESIDENTIAL		
Customer Charge	$ 5.19	5.39
Rate per MCF	0.97600	0.996800
COMMERICIAL		
Customer Charge	$ 6.50	7.15
Rate per MCF	1.05088	1.078960
INDUSTRIAL		
Customer Charge		$ 6.50
Rate per MCF		1.050880

Electric Rates - Electric Power System

RESIDENTIAL (PER MONTH):	
Customer charge: per delivery point	$ 15.11
First 800 kWh	0.09567
Additional kWh	0.09567

(Continued on next page)

CITY OF LAWRENCEBURG, TENNESSEE

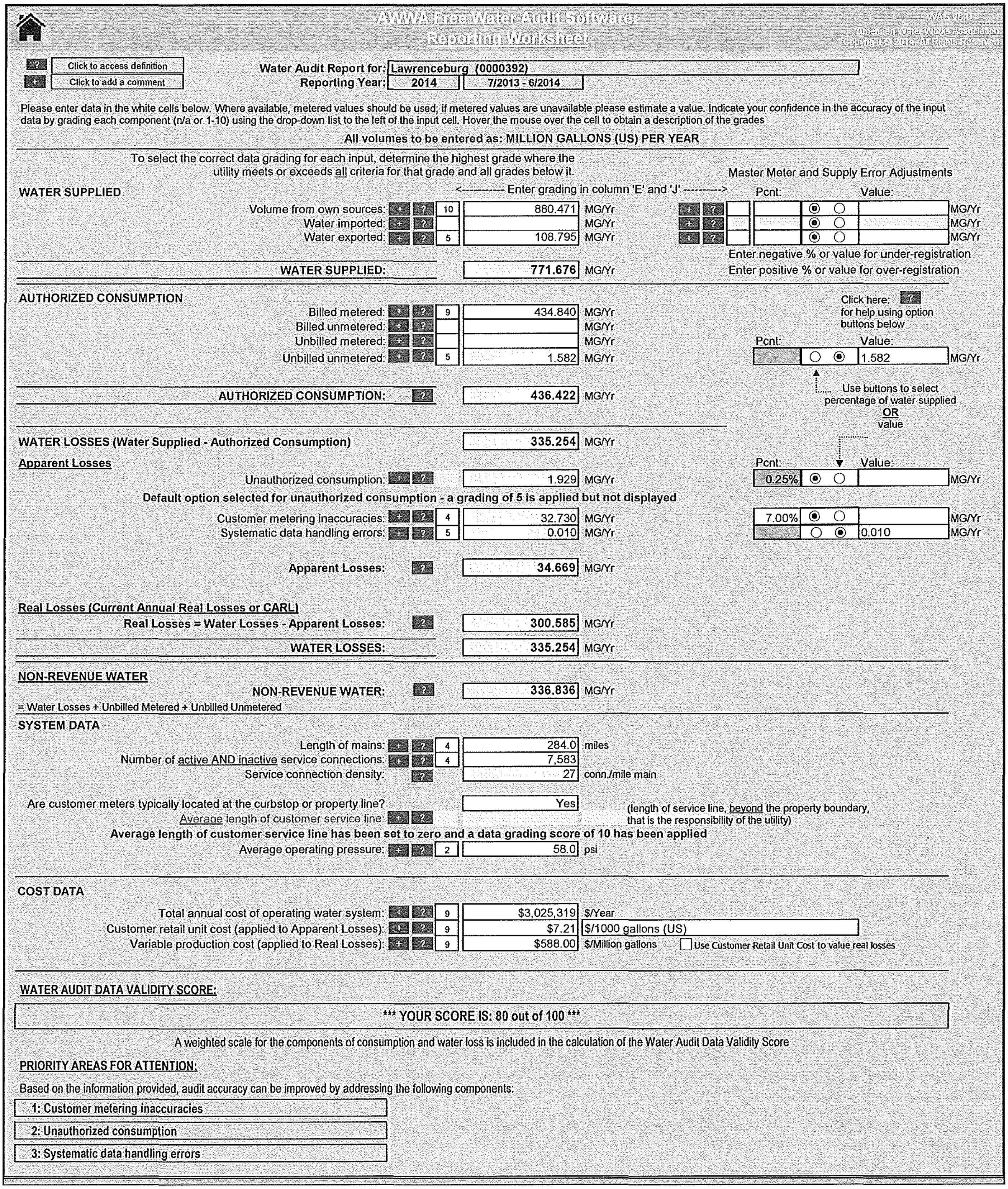
Utility Statistical Data - Unaudited - Continued

June 30, 2014

Electric Rates - Electric Power System

Schedule GSA1:		
Customer charge per delivery point	$	28.50
All kWh		0.10478
Schedule GSA2		
Customer charge per delivery point	$	190.00
Demand:		
First 50kW		No charge
Additional kW	$	14.74
Energy:		
First 15,000 kWh		0.10369
Additional kWh		0.06694
Schedule GSA3		
Customer charge:per delivery point	$	490.00
Demand:		
First 1,000 kW	$	14.82
Additional kW up to 2,500 kW	$	16.57
Over 2,500 kW or contract	$	16.57
Energy:		
All kWh		0.06696
Schedule SGSB:		
Customer charge:per delivery point	$	1,850.00
Demand:		
All kW	$	22.16
Energy:		
First 620 kWh		0.05293
Additional kWh		0.05293
Schedule SGSC		
Customer charge per delivery point	$	1,500.00
Demand:		
All kW	$	21.65
Energy:		
First 620 kWh		0.05306
Additional kWh		0.05306
Schedule SGSD		
Customer charge per delivery point	$	1,500.00
Demand:		
All kW	$	25.20
Energy:		
All kWh		0.04581
OUTDOOR LIGHTING (PER MONTH):		
Customer charge per delivery point	$	2.50
Energy charge - cents per KwH		0.07174
Facility charge (part B)		9% of installed Cost

LAWRENCEBURG UTILITIY SYSTEM
LAWRENCEBURG, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATER - UNAUDITED
JUNE 30, 2014



AWWA Free Water Audit Software: Reporting Worksheet

Water Audit Report for: Lawrenceburg (0000392)
Reporting Year: 2014 | 7/2013 - 6/2014

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

<------------ Enter grading in column 'E' and 'J' ---------->

WATER SUPPLIED

Master Meter and Supply Error Adjustments

	Grade			Grade	Pcnt:		Value:	
Volume from own sources:	10	880.471	MG/Yr			● ○		MG/Yr
Water imported:			MG/Yr			● ○		MG/Yr
Water exported:	5	108.795	MG/Yr			● ○		MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 771.676 MG/Yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

	Grade			Pcnt:		Value:	
Billed metered:	9	434.840	MG/Yr				
Billed unmetered:			MG/Yr				
Unbilled metered:			MG/Yr				
Unbilled unmetered:	5	1.582	MG/Yr		○ ●	1.582	MG/Yr

Use buttons to select percentage of water supplied OR value

AUTHORIZED CONSUMPTION: 436.422 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) 335.254 MG/Yr

Apparent Losses

	Grade			Pcnt:		Value:	
Unauthorized consumption:		1.929	MG/Yr	0.25%	● ○		MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

	Grade			Pcnt:		Value:	
Customer metering inaccuracies:	4	32.730	MG/Yr	7.00%	● ○		MG/Yr
Systematic data handling errors:	5	0.010	MG/Yr		○ ●	0.010	MG/Yr

Apparent Losses: 34.669 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 300.585 MG/Yr

WATER LOSSES: 335.254 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 336.836 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

	Grade		
Length of mains:	4	284.0	miles
Number of active AND inactive service connections:	4	7,583	
Service connection density:		27	conn./mile main

Are customer meters typically located at the curbstop or property line? Yes

Average length of customer service line: (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: 2 | 58.0 psi

COST DATA

	Grade		
Total annual cost of operating water system:	9	$3,025,319	$/Year
Customer retail unit cost (applied to Apparent Losses):	9	$7.21	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	9	$588.00	$/Million gallons

☐ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 80 out of 100 *****

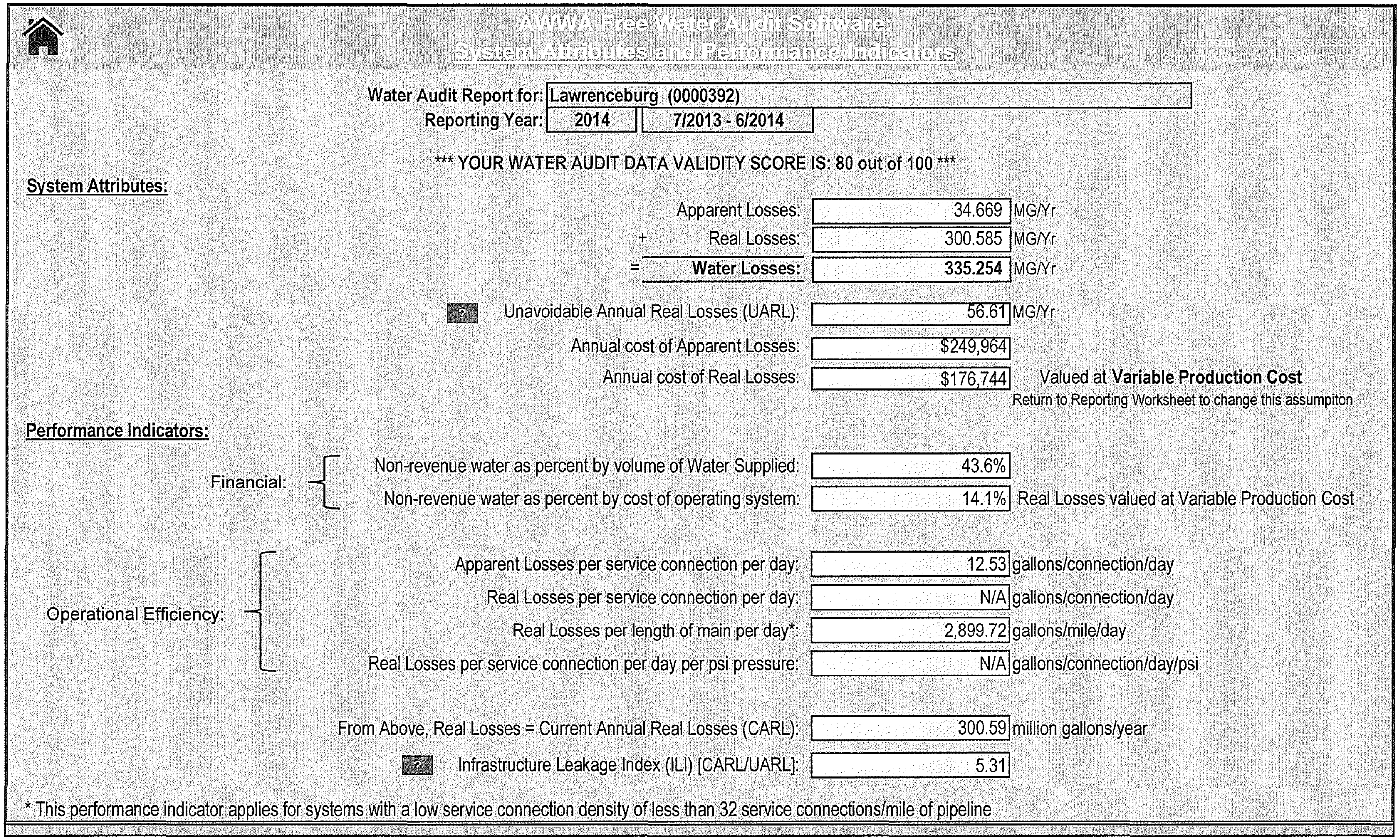
A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Customer metering inaccuracies
2: Unauthorized consumption
3: Systematic data handling errors

LAWRENCEBURG UTILITY SYSTEM
LAWRENCEBURG, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATE - UNAUDITED
JUNE 30, 2014



AWWA Free Water Audit Software:
System Attributes and Performance Indicators

WAS v5.0

Water Audit Report for: Lawrenceburg (0000392)
Reporting Year: 2014 | 7/2013 - 6/2014

***** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 80 out of 100 *****

System Attributes:

Apparent Losses:	34.669	MG/Yr
+ Real Losses:	300.585	MG/Yr
= **Water Losses:**	**335.254**	MG/Yr
? Unavoidable Annual Real Losses (UARL):	56.61	MG/Yr
Annual cost of Apparent Losses:	$249,964	
Annual cost of Real Losses:	$176,744	Valued at **Variable Production Cost**

Return to Reporting Worksheet to change this assumpiton

Performance Indicators:

Financial:	Non-revenue water as percent by volume of Water Supplied:	43.6%	
	Non-revenue water as percent by cost of operating system:	14.1%	Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	12.53	gallons/connection/day
	Real Losses per service connection per day:	N/A	gallons/connection/day
	Real Losses per length of main per day*:	2,899.72	gallons/mile/day
	Real Losses per service connection per day per psi pressure:	N/A	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL):	300.59	million gallons/year
? Infrastructure Leakage Index (ILI) [CARL/UARL]:	5.31	

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

OTHER REPORT SECTION

YEARY, HOWELL & ASSOCIATES
Certified Public Accountants
501 EAST IRIS DRIVE
NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY
GREGORY V. HOWELL

(615) 385-1008
FAX (615) 385-1208

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

To the Mayor and Board of Commissioners
of the City of Lawrenceburg
Lawrenceburg, Tennessee

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 business-type activities, each major fund, and the aggregate remaining fund information of the City of Lawrenceburg, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 21, 2014. We did not audit the financial statements of the discretely presented component unit, and accordingly, express no opinion thereon. Other auditors audited the financial statements of the Business-Type Activities (Enterprise Funds) as described in our report on the City of Lawrenceburg's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered, the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of City'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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. (2013-02)

Compliance and Other Matters

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

We also noted certain other matters that were reported to management in a separate letter dated November 21, 2014.

City of Lawrenceburg, Tennessee's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

November 21, 2014

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Findings and Recommendations

June 30, 2014

Finding 2013-1 Other Post-Employment Benefits (OPEB) Financial Reporting

Condition

Generally accepted accounting principles requires the accrual of liabilities of other post-employment benefits generally over the working careers of plan members rather than as claims are incurred. This necessitates periodic actuarial valuations, biennially for plans of 200 or more or triennially for plans of under 200 participants. Actuarial valuations are necessary to determine the annual required contribution to actuarially fund the plan which is used to determine the unfunded portion of OPEB. GASB 45 does not require OPEB plans to be actuarially funded, only that certain information be made as to funding policy, unfunded OPEB and other funding information. The City's latest actuarial valuation was completed for the year ended June 30, 2012.

Recommendation

We understand that the City chooses not to actuarially fund the OPEB liability, however, we do recommend that actuarial information as required under GASB 45 be developed in a timely manner for each fiscal year.

Management Response

The City had an actuarial study conducted in 2014 that covered 2013 and 2014.

Status

Situation resolved.

Finding 2013-2 Landfill Charges and Billing

Condition

Presently personnel at the landfill are responsible for both billing and collection of demolition fees. We recommend these responsibilities be segregated. It was indicated that the two employees at the landfill do attempt to segregate the responsibilities of billings from collections when possible.

Recommendation

We recommend these responsibilities be further segregated. Presently remittances are being sent to a City employee, we suggest consideration should be given to having the actual bill also being generated by a City employee not responsible for collections from information provided by the landfill. This would enable the City to establish general ledger control over amounts receivable for demolition when billed.

Management Response

The City feels that we are currently segregating these responsibilities. Presently, Sanitation provides billing to customers as they have the means to calculate payment and the software needed to bill customers. The City Administration Department collects the funds at a separate location.

Status

Situation continues to exist.

Disposition of prior year findings

Finding 2013-2 relating to landfill charges has been a reoccurring finding since at least 2005, it has yet to be totally resolved.