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 Municipality, 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).

$4,485,000

CITY OF LAWRENCEBURG, TENNESSEE

General Obligation Refunding Bonds, Series 2016B

Dated: October 20, 2016 Due: June 1 (as indicated below)

The $4,485,000 General Obligation Refunding Bonds, Series 2016B (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 June 1, 2017 and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, the registration and paying agent (the "Registration Agent"). In the event of discontinuation of the book-entry system, principal of and interest on the Bonds are payable at the designated corporate trust office of 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 Issuer are hereby irrevocably pledged. The Bonds are additionally payable from and secured by certain net revenues derived from the operation of the Water and Sewer System of the City, including all improvements, extensions or additional thereto, subject only to payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the Water and Sewer System and to any prior pledge of such revenues in favor of the City's outstanding water and sewer obligations.

The Bonds maturing June 1, 2022 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2021.

Maturity (June 1)	Amount	Interest Rate	Yield	CUSIPS **	Maturity (June 1)	Amount	Interest Rate	Yield		CUSIPS **
2017	$ 60,000	2.00%	0.90%	520516 SP1	2021	$ 50,000	2.00%	1.20%	c	520516 ST3
2018	25,000	2.00	1.00	520516 SQ9	2022	50,000	2.00	1.30	c	520516 SU0
2019	50,000	2.00	1.05	520516 SR7	2027	1,000,000	2.00	1.70	c	520516 SZ9
2020	50,000	2.00	1.10	520516 SS5	2028	1,000,000	2.00	1.80	c	520516 TA3

$ 200,000 2.00% Term Bond Due June 1, 2026 @ 1.60% c 520516 SY2
$2,000,000 2.00% Term Bond Due June 1, 2030 @ 1.95% c 520516 TC9

c = Yield to call on June 1, 2021.

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 October 20, 2016.

Cumberland Securities Company, Inc.
Financial Advisor

September 22, 2016

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

William K. 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

Cantor Fitzgerald
Memphis, Tennessee

BOND COUNSEL

Glankler Brown, PLLC
Memphis, Tennessee

BOND REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, 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	The $4,485,000 General Obligation Refunding Bonds, Series 2016B (the "Bonds") of the City, dated the date of delivery October 20, 2016. The Bonds will mature each June 1 beginning June 1, 2017 through June 1, 2022, inclusive and June 1, 2026, June 1, 2027, June 1, 2028 and June 1, 2030. See the section entitled "SECURITIES OFFERED – Authority and Purpose".
Security	The Bonds are payable from taxes to be levied on all taxable property in said Issuer without limitation as to rate and amount. For the prompt payment of such principal and interest, the full faith, credit and resources of the City of Lawrenceburg, Tennessee are hereby irrevocably pledged. The Bonds are additionally payable from and secured by certain net revenues derived from the operation of the Water and Sewer System of the City, including all improvements, extensions or additional thereto, subject only to payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the Water and Sewer System and to any prior pledge of such revenues in favor of the City's outstanding water and sewer obligations.
Purpose	The Bonds are being issued for the purpose of (i) refinancing the Outstanding Bonds (as defined herein); and (ii) paying 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 June 1, 2021, 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 have been designated as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See the section entitled "LEGAL MATTERS - Tax Matters" for additional information.
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	Cantor Fitzgerald, Memphis, Tennessee.

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 promulgated under the Securities Exchange Act of 1934 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”) established in Tennessee, if any, annual financial statements and other pertinent credit information, including the Comprehensive Annual Financial Reports. For additional information, see the section entitled “MISCELLANEOUS - Continuing Disclosure” for additional information
Other Information.........................	The information in this *Official Statement* is deemed “final” within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as of the date which appears on the cover hereof. For more information concerning the City, or the OFFICIAL STATEMENT, contact William K. Durham, Mayor, 233 West Gaines, Lawrenceburg, Tennessee 38464, Telephone: (931) 762-4459; or the City's Financial Advisor, Cumberland Securities Company, Inc., Telephone: (865) 988-2663.

GENERAL FUND BALANCES

Summary of Changes In Fund Balances

(In Thousands)
For the Fiscal Year Ended June 30

	2011	2012	2013	2014	2015
Beginning Fund Balance	$ 1,888,363	$ 3,172,333	$ 2,983,960	$3,276,506	$4,608,457
Revenues	9,184,029	9,300,957	9,297,391	9,524,586	10,333,558
Expenditures	10,733,704	10,804,936	10,529,063	12,753,961	14,923,570
Excess of Revenues Over (under) Expenditures	(1,549,675)	(1,503,979)	(1,231,672)	(3,229,375)	(4,590,012)
Other Financing Sources:					
Transfers In	1,499,226	1,515,606	1,524,218	1,532,852	1,537,906
Transfers Out	(800,000)	(200,000)	-	-	-
Bond Proceeds	-	-	-	-	2,707,276
Net Changes in Fund Balances	1,283,970	(188,373)	292,546	1,331,951	(344,830)
Ending Fund Balance	**$3,172,333**	**$2,983,960**	**$3,276,506**	**$4,608,457**	**$4,263,627**

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

$4,485,000

CITY OF LAWRENCEBURG, TENNESSEE

General Obligation Refunding Bonds, Series 2016B

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 $4,485,000 General Obligation Refunding Bonds, Series 2016B (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 August 11, 2016 and amended and readopted on September 8, 2016.

The Bonds are being issued for the purpose of (i) refinancing the Outstanding Bonds (as defined herein); and (ii) paying of the costs related to the issuance and sale of the Bonds.

DESCRIPTION OF THE BONDS

The Bonds will be dated and bear interest from the date of issuance October 20, 2016. Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing June 1, 2017. 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 Administrator / 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.

REFUNDING PLAN

The City will refinance a portion of the City's General Obligation Refunding Bonds, Series 2008, dated May 29, 2008 (the "Series 2008 Bonds" or the "Outstanding Bonds") maturing June 1, 2019 and thereafter on June 1, 2018 (the "Call 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.

SECURITY

The Bonds are payable from taxes to be levied on all taxable property in said Issuer without limitation as to rate and amount. For the prompt payment of such principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged. The Bonds are additionally payable from and secured by certain net revenues derived from the operation of the Water and Sewer System of the City, including all improvements, extensions or additional thereto, subject only to payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the Water and Sewer System and to prior pledge of such revenues in favor of the City's outstanding water and sewer obligations.

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 the State of Tennessee.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Under the Internal Revenue Code of 1986, as amended (the "Code"), in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations," as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the City as to the Bonds, Bond Counsel has determined that the Bonds, upon issuance, will be "qualified tax-exempt obligations" within the meaning of the Code.

OPTIONAL REDEMPTION

Bonds maturing June 1, 2022, and thereafter, shall be subject to optional redemption prior to maturity at the option of the City on June 1, 2021 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 Alderman 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.

MANDATORY REDEMPTION

Subject to the credit hereinafter provided, the City shall redeem Bonds maturing June 1, 2026, and June 1, 2030 on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The Bonds to be so redeemed shall be selected by lot or in such other random manner as the Registration Agent in its discretion may designate.

The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Maturity	Redemption Date	Principal Amount of Bonds Redeemed
June 1, 2026	June 1, 2023	$ 50,000
	June 1, 2024	$ 50,000
	June 1, 2025	$ 50,000
	June 1, 2026*	$ 50,000
June 1, 2030	June 1, 2029	$1,000,000
	June 1, 2030*	$1,000,000

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the City may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation shall be accordingly reduced. The City shall on or before the forty-fifth (45) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

NOTICE OF REDEMPTION

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City 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. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the City 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 City pursuant to written instructions from an authorized representative of the City (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. In the case of a Conditional Redemption, the failure of the Issuer to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and the Bonds called for redemption and not so paid remain outstanding.

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 Registration Agent, Regions Bank, Nashville, Tennessee, 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 shall be deposited into the Bond Fund of the City and used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds;

(b) the City shall pay, or cause to be paid, all costs of issuance of the Bonds, including, but not limited to, necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premiums, bond rating fees, Bond Registrar fees, administrative and clerical costs, and other necessary miscellaneous expenses incurred in connection with the authorization, issuance and sale and delivery of the Bonds;

(c) an amount, which, together with other legally available funds of the Issuer and earnings on said proceeds and funds, will be sufficient to pay principal, accrued interest and redemption premium, as appropriate, on the Outstanding Bonds on the first date after the date of issuance that the same may be redeemed at the option of the Issuer (the "Call Date") and at the applicable redemption prices, shall be immediately paid over to the Escrow Agent to be held and applied, together with any investment proceeds thereof, on the Call Date for the payment and retirement of the Outstanding Bonds; and shall be immediately applied for such purpose; and

(d) any remaining proceeds (including any returned proceeds) shall be deposited in the Bond Fund and applied to the payment of the next due interest and/or principal on the Bonds, or used to buy Bonds in the open market, as directed by bond counsel.

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 to the City 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 "Changes in Federal and State Law" below in this heading.

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

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

Qualified Tax-Exempt Obligations. Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the City as to the Bonds, Bond Counsel has determined that the Bonds, upon issuance, will be "qualified tax-exempt obligations" within the meaning of the Code.

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 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 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

S&P Global Ratings ("S&P") 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 S&P, 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 S&P and any explanation of the significance of such rating should be obtained from S&P.

COMPETITIVE PUBLIC SALE

The Bonds were offered for sale at competitive public bidding on September 22, 2016. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated September 13, 2016.

The successful bidder for the Bonds was an account led by Cantor Fitzgerald, Memphis, Tennessee (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 $4,493,755.71 (consisting of the par amount of the Bonds, plus an offering premium of $36,915.60 less an underwriter's discount of $28,159.89) or 100.195% of par.

FINANCIAL ADVISOR; RELATED PARTIES; OTHER

Financial Advisor. Cumberland Securities Company, Inc., Knoxville, Tennessee, has served as financial advisor (the "Financial Advisor") to the City for purposes of assisting with the development and implementation of a bond structure in connection with the issuance of the Bonds. The Financial Advisor has not been engaged by the City to compile, create, or interpret any information in the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT relating to the City, including without limitation any of the City's financial and operating data, whether historical or projected. Any information contained in the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT concerning the City, any of its affiliates or contractors and any outside parties has not been independently verified by the Financial Advisor, and inclusion of such information is not, and should not be construed as, a representation by the Finaicial Advisor as to its accuracy or completeness or otherwise. The Financial Advisor is not a public accounting firm and has not been engaged by the City to review or audit any information in the PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT in accordance with accounting standards.

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 OFFIICAL 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 City's Dissemination Agent. If the City 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.

ADDITIONAL DEBT

The City has not authorized the issuance of any additional debt but has various public improvement needs, including but not limited to equipment and road construction and paving.

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, 2016 (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 Exchange Act Rule 15c2-12, as it may be amended from time to time (the "Rule 15c2-12").

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.

The City, with a base CUSIP of 520516, has had all of its required information and annual audits filed on time each year to that CUSIP.

The City of Lawrenceburg Electric System (the “Electric System”), which only has one outstanding CUSIP of 520534AP3, has a six-month deadline for disclosure filings. The required information and annual audits have not been available by that six-month deadline and therefore have never been filed timely. Additionally, the above CUSIP allows for a later filing deadline for the audit information if the audit is unavailable on December 31 of each year.

The Public Building Authority of the City of Lawrenceburg, with a base CUSIP of 520575, has not had its required information and annual audits filed on time each year due to a confusion with multiple CUSIPs for the City.

The fiscal years June 30, 2011 and June 30, 2012 annual audits for the City were filed late on the PBA’s CUSIP on July 24, 2014 (but they were filed on time on the City’s CUSIPs). The fiscal year June 30, 2013 annual audit for the City was filed on time on the PBA’s CUSIP on March 3, 2014. The fiscal years June 30, 2014 and June 30, 2015 annual audits for the City were filed late on the PBA's CUSIP on August 23, 2016 (but they were filed on time on the City's CUSIPs).

The fiscal years June 30, 2011, June 30, 2012 and June 30, 2013 annual audits for the Electric System were filed late on the PBA's CUSIP on January 19, 2015. The fiscal year June 30, 2014 annual audit for the Electric System was filed on time on the PBA's CUSIP on January 27, 2015. The fiscal year June 30, 2015 annual audit for the Electric System was filed on time on the PBA's CUSIP on November 13, 2015.

The fiscal years June 30, 2011 and June 30, 2012 required information for the City were filed late on the PBA's CUSIP on July 24, 2014 (but they were filed on time on the City's CUSIPs). The fiscal year June 30, 2013 required information for the City was filed late on the PBA's CUSIP on June 16, 2014 (but it was filed on time on the City's CUSIPs). The fiscal years June 30, 2014 and June 30, 2015 required information for the City were filed late on the PBA's CUSIP on August 23, 2016 (but they were filed on time on the City's CUSIPs).

The fiscal years June 30, 2011, June 30, 2012 and June 30, 2013 required information for the Electric System were filed late on the PBA's CUSIP on August 23, 2016. The fiscal year June 30, 2014 required information for the Electric System was filed on time on the PBA's CUSIP on March 30, 2015. The fiscal year June 30, 2015 required information for the Electric System was filed on time on the PBA's CUSIP on March 24, 2016.

Although the required annual audits and annual information which were filed late, as discussed above, have now been filed under the appropriated CUSIP numbers, the City did not file timely Failure to File Notices to such filings. The City's Dissemination Agent is currently undertaking to file Failure to File Notices as to all such late filings.

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 Rule 15c2-12.

The City has issued bonds within the past five years and believed that it was either in compliance with its past continuing disclosure obligations or that its Dissemination Agent had only failed to file certain information under the City's electric system separate CUSIP or the City's Public Building Authority separate CUSIP and made statements to that effect in the official statements for such bonds. However, because of the failure to file the Electric System's Annual Report under CUSIP 520534AP3 within six (6) months and the failure to file various Failure to File Notices in a timely manner, such statements do not now appear to be fully accurate.

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-7;

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-8 and B-9;

3. Information about the Bonded Debt Service Requirements - General Obligation Debt Service Fund as of the end of such fiscal year as shown on page B-10;

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-11;

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-12;

6. Information about the Bonded Debt Service Requirements – Electric System Debt Service Fund as of the end of such fiscal year as show on page B-13;

7. The fund balances and retained earnings for the fiscal year as shown on page B-14;

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

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

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

11. Summary of Revenues, Expenditures and Changes in Fund Balances – Electric System Fund for the fiscal year as shown on page B-18;

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-24;

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-24; and

14. The ten largest taxpayers as shown on page B-25.

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.

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.

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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/ William K. Durham
City Mayor

ATTEST:

/s/ Chris Shaffer
City Administrator / City Recorder

APPENDIX A

FORM OF LEGAL OPINION

LETTERHEAD OF GLANKLER BROWN, PLLC

October 20, 2016

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

Re: $4,485,000 General Obligation Refunding Bonds, Series 2016B 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 $4,485,000 aggregate principal amount of its General Obligation Refunding Bonds, Series 2016B 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. The Bonds are additionally payable from, but not secured by, the net revenues of the water and sewer system of the City, including all improvements, extensions or additions thereto, subject to the payment of reasonable and necessary costs of operating, maintaining, repairing and insuring the water and sewer system of the City and subject to prior pledges of such net revenues in favor of the City’s outstanding water and sewer system obligations.

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
OF

CITY OF LAWRENCEBURG, TENNESSEE

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"). 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.

The City is also part of the Nashville-Murfreesboro-Columbia Combined Statistical Area (the "CSA") which includes Bedford, Cannon, Cheatham, Davidson, Dickson, Hickman, Lawrence, Macon, Marshall, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson and Wilson Counties. According to the 2010 Census, the CSA had a population of 1,674,191. The City of Nashville, the State Capital, is the largest city in the CSA with a population of 626,681 according to the 2010 Census.

TRANSPORTATION

Lawrence County is easily accessible for shipping and receiving. U.S. Highway 43, a four-lane highway running north and south and U.S. Highway 64 running east and west, places 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 of a newly constructed, 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 2014 was 6,842 with 444 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 2014 semester, there were 5,231 students enrolled. Columbia State offers more than 50 programs of study with both online and in-class courses, in both credit and non-credit formats. In addition to the Columbia campus, the college has four other 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 2013 enrollment was 1,260 students.

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

There are several regional 4-year institutions that are within a seventy-mile drive of the County. These include Middle Tennessee State University, Tennessee State University located in Murphreesboro, TN; Tennessee State University, Vanderbilt University, Trevecca Nazarene University, Lipscomb University, and Belmont University all located in Nashville, TN; Martin Methodist College located in Pulaski, TN; University of North Alabama located in Florence, AL; and the University of Alabama Huntsville located in Huntsville, AL.

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 two industrial parks within the City. *Simonton Fork Industrial Park* is a fully developed park with an industrial access roadway located 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 Spring Hill GM plant, in adjoining Maury County, is approximately 45 minutes away 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.

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	449
Dura Automotive Systems	Automotive Windows	310
Graphic Packaging	Extruded Film & printed folding cartons	228
Huges Parker Industries, LLC	Fixtures & metal stampings	140
Assurance Operations	Steel Racks	139
City of Lawrenceburg	Government	136
Southern Craft Manufacturing	Metal Caskets	105
Precision Laser & MFG. LLC	Laser Steel Cutting	104
TFT	Automotive Parts	96
Iron City Stamping (Iron City)	Metal stampings	88
C.J. Industries	Cheerleading Uniforms	82
3D Proparts	Castings	70
DRM, LLC	Industry Automation	58
Dyna Pak Corp.	Plastic Trash Bags	53
St. Joseph Casket	Metal Caskets	45

Source: Middle Tennessee Industrial Development Association - 2015.

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EMPLOYMENT INFORMATION

As of June 2016 the unemployment rate for the Lawrenceburg mSA and Lawrence County was 6.1% with 16,780 persons employed out of a labor force of 17,870.

As of June 2016, the unemployment rate in the Nashville-Murfreesboro CSA stood at 4.1%, representing 992,560 persons employed out of a workforce of 1,034,780. The following chart shows unemployment trends from 2011 through 2015.

Unemployment

	Annual Average 2011	Annual Average 2012	Annual Average 2013	Annual Average 2014	Annual Average 2015
National	8.9%	8.1%	7.4%	6.2%	5.3%
Tennessee	9.2%	8.0%	8.2%	6.7%	5.8%
Lawrenceburg mSA & Lawrence County	**12.3%**	**11.3%**	**12.1%**	**8.2%**	**6.8%**
Index vs. National	138	139	164	132	128
Index vs. State	134	140	148	122	117
Nashville-Murfreesboro-CSA	**6.7%**	**6.6%**	**5.4%**	**5.4%**	**5.9%**
Index vs. National	83	89	87	87	111
Index vs. State	84	80	81	81	102

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

ECONOMIC DATA

Per Capita Personal Income

	2010	2011	2012	2013	2014
National	$40,277	$42,453	$44,266	$44,438	$46,049
Tennessee	$35,601	$37,323	$39,137	$39,312	$40,457
Lawrenceburg mSA & Lawrence County	**$26,290**	**$27,282**	**$28,573**	**$29,444**	**$29,950**
Index vs. National	65	64	65	66	65
Index vs. State	74	73	73	75	74
Nashville-Murfreesboro-CSA	**$40,302**	**$42,090**	**$44,777**	**$44,880**	**$46,409**
Index vs. National	100	99	101	101	101
Index vs. State	113	113	114	114	115

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

Social and Economic Characteristics

	National	Tennessee	Lawrence County	Lawrenceburg
Median Value Owner Occupied Housing	$175,700	$139,900	$98,300	$84,500
% High School Graduates or Higher Persons 25 Years Old and Older	86.30%	84.90%	79.0%	74.9%
% Persons with Income Below Poverty Level	14.80%	18.30%	21.8%	24.7%
Median Household Income	$53,482	$44,621	$37,371	$27,100

Source: U.S. Census Bureau State & County QuickFacts - 2014.

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)	Estimated As of June 30, 2016 (1) OUTSTANDING
$ 1,785,000		General Obligation Refunding Bonds, Series 2008 (City Portion)	June 2025	Fixed	$ 1,750,000
5,000,000	(2)	General Obligation Refunding Bonds, Series 2011	June 2021 (3)	Fixed	1,620,000
400,000		General Obligation Capital Outlay Note, Series 2011	2017	Fixed	84,435
3,000,000		General Obligation Bonds, Series 2013	June 2025	Fixed	2,800,000
97,276		General Obligation Capital Outlay Note	2019	Fixed	73,864
2,610,000		General Obligation Refunding Bonds, Series 2015A	April 2020	Fixed	2,005,000
5,000,000	(4)	General Obligation Bonds, Series 2015D (Issued 7-15-2015)	June 2035	Fixed	4,930,000
13,500,000	(2)	Water and Sewer Revenue and Tax Bonds, SRF Loan	June 2026	Fixed	7,810,310
4,265,000	(2)	General Obligation Refunding Bonds, Series 2008 (Water Portion)	June 2030	Fixed	4,170,000
2,630,000	(2)	General Obligation Refunding Bonds, Series 2012	June 2026	Fixed	2,330,000
4,880,000	(2)	General Obligation Bonds, Series 2016 (Bank-Qualified)	June 2025	Fixed	4,880,000
16,000,000	(2)	Electric System Revenue Bonds, Series 1996	July 2018	Fixed	2,020,000
10,040,000	(2)	Electric System Refunding Bonds, Series 2002	July 2026	Fixed	7,600,000
400,000	(2)	Electric System Note, Series 2011	2019	Fixed	150,000
1,505,000	(2)	General Obligation Refunding Bonds, Series 2015B (Federally Taxable)	July 2018	Fixed	1,505,000
4,425,000	(2)	General Obligation Refunding Bonds, Series 2015C	July 2026	Fixed	4,425,000
$ 75,537,276		**EXISTING DEBT**			$ 48,153,609
$ 4,485,000	(2)	General Obligation Refunding Bonds, Series 2016B (Bank-Qualified)	June 2025	Fixed	$ 4,485,000
(4,140,000)		Less: Refunded Debt			(4,140,000)
(46,205,000)		Less: Revenue Supported Debt			(35,670,310)
$ 29,677,276		**NET EXISTING DEBT**			$ 12,828,299

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) $365,000 Supported by Water and Sewer Revenues and $70,000 supported by Gas System Revenues.

(4) $1,220,000 Supported by Solid Waste Revenues.

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				Unaudited	After Issuance
INDEBTEDNESS	**2012**	**2013**	**2014**	**2015**	**2016**	**2016**
TAX SUPPORTED						
General Obligation Bonds & Notes	$8,745,000	$7,847,921	$9,929,409	$9,088,171	$12,828,299	$14,088,171
TOTAL TAX SUPPORTED	8,745,000	7,847,921	9,929,409	9,088,171	12,828,299	14,088,171
REVENUE SUPPORTED						
Water & Sewer Revenue Bonds & Notes & Electric & Gas Revenue Bonds & Notes	46,237,378	44,567,070	41,057,702	38,136,914	35,325,310	35,670,310
TOTAL REVENUE SUPPORTED	46,237,378	44,567,070	41,057,702	38,136,914	35,325,310	35,670,310
TOTAL DEBT	$54,982,378	$52,414,991	$50,987,111	$47,225,085	$48,153,609	$49,758,481
Less: Revenue Supported Debt	($46,237,378)	($44,567,070)	($41,057,702)	($38,136,914)	($35,325,310)	($35,670,310)
Less: Debt Service Fund	-	-	-	-	-	-
NET DIRECT DEBT	$8,745,000	$7,847,921	$9,929,409	$9,088,171	$12,828,299	$14,088,171
PROPERTY TAX BASE						
Estimated Actual Value	$686,073,547	$669,583,181	$677,958,892	$686,147,790	$686,147,790	$686,147,790
Appraised Value	686,073,547	669,583,181	677,958,892	686,147,790	686,147,790	686,147,790
Assessed Value	218,699,629	213,666,756	216,178,500	218,686,579	218,686,579	218,686,579

	For Fiscal Year Ended June 30				Unaudited	After Issuance
DEBT RATIOS	**2012**	**2013**	**2014**	**2015**	**2016**	**2016**
TOTAL DEBT to Estimated Actual Value	8.01%	7.83%	7.52%	6.88%	7.02%	7.25%
TOTAL DEBT to Appraised Value	8.01%	7.83%	7.52%	6.88%	7.02%	7.25%
TOTAL DEBT to Assessed Value	25.14%	24.53%	23.59%	21.59%	22.02%	22.75%
NET DIRECT DEBT to Estimated Actual Val	1.27%	1.17%	1.46%	1.32%	1.87%	2.05%
NET DIRECT DEBT to Appraised Value	1.27%	1.17%	1.46%	1.32%	1.87%	2.05%
NET DIRECT DEBT to Assessed Value	4.00%	3.67%	4.59%	4.16%	5.87%	6.44%
PER CAPITA RATIOS						
POPULATION (1)	10,471	10,446	10,498	10,498	10,498	10,498
PER CAPITA PERSONAL INCOME (2)	$27,282	$28,573	$29,444	$29,950	$29,950	$29,950
Estimated Actual Value to POPULATION	65,521	64,099	64,580	65,360	65,360	65,360
Assessed Value to POPULATION	20,886	20,454	20,592	20,831	20,831	20,831
Total Debt to POPULATION	5,251	5,018	4,857	4,498	4,587	4,740
Net Direct Debt to POPULATION	835	751	946	866	1,222	1,342
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	19.25%	17.56%	16.50%	15.02%	15.32%	15.83%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	3.06%	2.63%	3.21%	2.89%	4.08%	4.48%

(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 - Includes Solid Waste
BONDED DEBT SERVICE REQUIREMENTS

F.Y. Ended 6/30	Total Bonded Debt Service Requirements (1) & (2) Principal	Interest	TOTAL	% All Principal Repaid
2017	$ 1,268,442	$ 364,092	$ 1,632,534	9.89%
2018	1,314,616	335,169	1,649,785	
2019	1,330,241	307,401	1,637,642	
2020	895,000	278,643	1,173,643	
2021	910,000	255,213	1,165,213	44.58%
2022	800,000	226,663	1,026,663	
2023	825,000	201,188	1,026,188	
2024	865,000	174,125	1,039,125	
2025	885,000	146,625	1,031,625	
2026	355,000	117,925	472,925	73.65%
2027	365,000	107,275	472,275	
2028	345,000	96,325	441,325	
2029	355,000	85,975	440,975	
2030	360,000	75,325	435,325	
2031	370,000	64,525	434,525	87.64%
2032	380,000	53,055	433,055	
2033	390,000	40,895	430,895	
2034	400,000	28,025	428,025	
2035	415,000	14,525	429,525	100.00%
	$ 12,828,299	$ 2,972,967	$ 15,801,266	

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) $1,220,000 Supported by Solid Waste Revenues.

LAWRENCEBURG, TENNESSEE

WATER AND SEWER SYSTEM - REVENUE SUPPORTED
BONDED DEBT SERVICE REQUIREMENTS

F.Y. Ended 6/30	Existing Debt as of June 30, 2016 (1)			General Obligation Refunding Bonds, Series 2016B			% 2016B Principal Repaid	Less: Refunded Bonds			Total Bonded Debt Service Requirements (1)			% Principal Repaid
	Principal	Interest	TOTAL	Principal	Interest	TOTAL		Principal	Interest	TOTAL	Principal	Interest	TOTAL	
2017	$ 1,442,804	$ 655,574	$ 2,098,378	$ 60,000	$ 55,066	$ 115,066	1.34%	$ -	$ (168,700)	$ (168,700)	$ 1,502,804	$ 541,940	$ 2,044,744	7.55%
2018	1,509,412	544,147	2,053,559	25,000	88,500	113,500		-	(168,700)	(168,700)	1,534,412	463,947	1,998,359	
2019	1,531,416	492,458	2,023,874	50,000	88,000	138,000		(15,000)	(168,700)	(183,700)	1,566,416	411,758	1,978,174	
2020	1,513,852	439,974	1,953,826	50,000	87,000	137,000		(15,000)	(168,123)	(183,123)	1,548,852	358,852	1,907,704	
2021	1,556,708	386,535	1,943,243	50,000	86,000	136,000	5.24%	(15,000)	(167,545)	(182,545)	1,591,708	304,990	1,896,698	38.91%
2022	1,585,008	350,095	1,935,103	50,000	85,000	135,000		(15,000)	(166,908)	(181,908)	1,620,008	268,188	1,888,196	
2023	1,613,764	312,954	1,926,718	50,000	84,000	134,000		(15,000)	(166,270)	(181,270)	1,648,764	230,684	1,879,448	
2024	1,642,976	273,499	1,916,475	50,000	83,000	133,000		(20,000)	(165,633)	(185,633)	1,672,976	190,867	1,863,843	
2025	1,672,668	233,259	1,905,927	50,000	82,000	132,000		(20,000)	(164,833)	(184,833)	1,702,668	150,426	1,853,094	
2026	1,177,852	192,232	1,370,084	50,000	81,000	131,000	10.81%	-	(164,033)	(164,033)	1,227,852	109,199	1,337,051	78.47%
2027	1,283,850	165,476	1,449,326	1,000,000	80,000	1,080,000		(1,000,000)	(164,033)	(1,164,033)	1,283,850	81,444	1,365,294	
2028	1,000,000	124,033	1,124,033	1,000,000	60,000	1,060,000		(1,000,000)	(124,033)	(1,124,033)	1,000,000	60,000	1,060,000	
2029	1,010,000	83,533	1,093,533	1,000,000	40,000	1,040,000		(1,010,000)	(83,533)	(1,093,533)	1,000,000	40,000	1,040,000	
2030	1,015,000	42,123	1,057,123	1,000,000	20,000	1,020,000	100.00%	(1,015,000)	(42,123)	(1,057,123)	1,000,000	20,000	1,020,000	100.00%
	$ 19,555,310	$ 4,295,891	$ 23,851,201	$ 4,485,000	$ 1,019,566	$ 5,504,566		$ (4,140,000)	$ (2,083,163)	$(6,223,163)	$ 19,900,310	$ 3,232,294	$ 23,132,604	

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

GAS SYSTEM - REVENUE SUPPORTED
BONDED DEBT SERVICE REQUIREMENTS
As of June 30, 2016

F.Y. Ended 6/30	**Total Bonded Debt Service Requirements (1)** Principal	Interest	TOTAL	% Principal Repaid
2017	$ 25,000	$ 1,700	$ 26,700	35.71%
2018	25,000	950	25,950	71.43%
2019	20,000	450	20,450	100.00%
	$ 70,000	$ 3,100	$ 73,100	

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 SUPPORTED
BONDED DEBT SERVICE REQUIREMENTS
As of June 30, 2016

F.Y. Ended 6/30	Total Bonded Electric Debt Service Requirements (1) Principal	Interest	TOTAL	% All Principal Repaid
2017	$ 1,200,000	$ 603,661	$ 1,803,661	7.64%
2018	1,240,000	553,859	1,793,859	
2019	1,300,000	498,665	1,798,665	
2020	1,310,000	443,415	1,753,415	
2021	1,355,000	392,615	1,747,615	40.80%
2022	1,415,000	339,565	1,754,565	
2023	1,475,000	283,965	1,758,965	
2024	1,535,000	225,740	1,760,740	
2025	1,590,000	164,940	1,754,940	
2026	1,610,000	101,203	1,711,203	89.36%
2027	1,670,000	34,258	1,704,258	100.00%
	$ 15,700,000	$ 3,641,885	$ 19,341,885	

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 Bonds, the Series 2015B Bonds (Federally Taxable) and the Series 2015C Bonds are made on July 1 of each fiscal year. The City will pay $1,150,000 of principal and $309,592.50 of interest on July 1, 2016.

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	**2011**	**2012**	**2013**	**2014**	**2015**
Governmental Funds:					
General	$3,172,333	$2,983,960	$3,276,506	$4,608,457	$4,263,627
Other Governmental	918,283	1,264,342	872,527	1,085,252	1,080,515
Total	**$4,090,616**	**$4,248,302**	**$4,149,033**	**$5,693,709**	**$5,344,142**
Proprietary Net Assets:					
Water & Sewer	$14,351,884	$15,835,582	$17,030,338	$18,811,919	$19,316,306
Gas System	10,417,278	10,174,417	10,297,688	10,715,933	10,558,434
Electric System	40,630,601	41,882,792	42,232,064	43,408,840	41,948,318
Total	**$65,399,763**	**$67,892,791**	**$69,560,090**	**$72,936,692**	**$71,823,058**

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

	2011	2012	2013	2014	2015
Revenues:					
Local taxes	$ 7,453,226	$ 7,648,083	$ 7,630,173	$ 7,641,661	$ 7,947,670
Intergovernmental Revenue	1,213,075	1,150,785	1,149,498	1,226,199	1,884,169
Licenses and Permits	18,468	26,344	52,530	53,031	42,426
Fines and fees	251,593	194,812	156,471	146,288	147,090
Charges/Rent for services	156,097	127,971	130,812	133,720	149,559
Miscellaneous	91,570	152,962	177,907	323,687	162,644
Total Revenues	$ 9,184,029	$ 9,300,957	$ 9,297,391	$ 9,524,586	$ 10,333,558
Expenditures:					
Judicial / City Attorney	$ 35,793	$ 35,088	$ 33,254	$ 33,344	$ 36,309
Executive	161,293	156,432	152,505	147,324	159,758
Planning and Development	68,934	60,639	72,325	142,467	148,300
General Government	737,416	651,189	740,242	744,839	754,775
Public Safety	4,931,741	4,550,534	4,488,939	4,326,699	4,691,888
Highways and Streets	866,598	1,761,922	1,684,002	1,716,677	1,777,502
Parks and Recreation	1,144,527	672,592	671,895	689,190	713,652
Sundry Appropriations	1,366,919	1,252,313	1,392,820	1,396,582	1,338,411
Capital Outlay	587,446	634,656	188,091	2,318,327	1,412,155
Debt Service	833,037	1,029,571	1,104,990	1,238,512	3,774,155
Other	-	-	-	-	116,665
Total Expenditures	$ 10,733,704	$ 10,804,936	$ 10,529,063	$ 12,753,961	$ 14,923,570
Excess of Revenues & Over (under) Expenditures	$ (1,549,675)	$ (1,503,979)	$ (1,231,672)	$ (3,229,375)	$ (4,590,012)
Other Financing Sources (Uses):					
Interfund Transfers - In	$ 1,499,226	$ 1,515,606	$ 1,524,218	$ 1,532,852	$ 1,537,906
Interfund Transfers - Out	(800,000)	(200,000)	-	-	-
Issuance Of Notes/Bonds	112,855	-	-	3,028,474	97,276
Payments to refunding escrow agent	(2,993,436)	-	-	-	-
Bond Proceeds	5,015,000	-	-	-	2,610,000
Total Other Financing Sources (Uses)	$ 2,833,645	$ 1,315,606	$ 1,524,218	$ 4,561,326	$ 4,245,182
Excess of Revenue and Other Sources over (Under) Expenditures and Other Sources	1,283,970	(188,373)	292,546	1,331,951	(344,830)
Fund Balance July 1	1,888,363	3,172,333	2,983,960	3,276,506	4,608,457
Prior Period Adjustment	-	-	-	-	-
Fund Balance June 30	**$ 3,172,333**	**$ 2,983,960**	**$ 3,276,506**	**$ 4,608,457**	**$ 4,263,627**

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

	2011	2012	2013	2014	2015
Operating Revenues:					
Receipts for services & use of facilities	$ 6,860,224	$ 6,861,081	$ 6,821,923	$ 6,847,093	$ 6,936,980
Other	418,869	442,690	433,860	368,379	297,270
Total Revenues	$ 7,279,093	$ 7,303,771	$ 7,255,783	$ 7,215,472	$ 7,234,250
Operating Expenditures:					
Operation Expense	$ 4,412,564	$ 3,466,209	$ 3,981,413	$ 3,272,855	$ 4,242,423
Repair and Maintenance	-	-	-	-	-
Depreciation	1,029,122	1,107,332	1,112,124	1,085,304	1,097,920
Payments in lieu of Taxes	-	-	-	-	-
Other	-	-	-	-	-
Total Expenditures	$ 5,441,686	$ 4,573,541	$ 5,093,537	$ 4,358,159	$ 5,340,343
Operating Income (Loss)	$ 1,837,407	$ 2,730,230	$ 2,162,246	$ 2,857,313	$ 1,893,907
Non-Operating Revenues (Expenses):					
Interest Income	$ 3,884	$ 4,157	$ 1,889	$ 1,967	$ 2,350
Interest Expense	(1,032,922)	(931,606)	(896,753)	(818,882)	(744,661)
Gain on disposition of utility plant	-	-	-	-	-
Gain on disposition of non utility plant	-	-	-	-	(16,001)
Grant Revenue	389,708	-	-	-	-
Amortization	(16,567)	(16,864)	(13,407)	(10,611)	(11,848)
Transfers	(294,314)	-	(296,350)	(294,706)	(288,878)
Total Non-Operating Revenues (Expenses)	$ (950,211)	$ (944,313)	$ (1,204,621)	$ (1,122,232)	$ (1,059,038)
Income before Capital Contributions	$ 887,196	$ 1,785,917	$ 957,625	$ 1,735,081	$ 834,869
Capital Contributions- Utility Plant	-	(302,219)	484,623	46,500	33,000
Net Income	$ 887,196	$ 1,483,698	$ 1,442,248	$ 1,781,581	$ 867,869
Retained Earnings -Beginning of Year	$ 7,192,148	$ 8,079,344	$ 9,563,042	$ 11,005,290	
Retained Earnings - End of Year	$ 8,079,344	$ 9,563,042	$ 11,005,290	$ 12,786,871	
Net Assets - Beginning of year					$ 18,811,919
Prior Period Adjustment					$ (363,482)
Net Assets - End of Year					**$ 19,316,306**

CITY OF LAWRENCEBURG, TENNESSEE

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

For the Fiscal Year Ended June 30

	2011	2012	2013	2014	2015
Operating Revenues:					
Receipts for services and use of facilities	$ 6,045,044	$ 4,720,251	$ 5,462,172	$ 6,120,999	$ 4,697,427
Other	290,130	207,568	197,780	157,725	132,241
Total Revenues	$ 6,335,174	$ 4,927,819	$ 5,659,952	$ 6,278,724	$ 4,829,668
Operating Expenditures:					
Natural Gas Purchased	$ 4,264,012	$ 3,581,899	$ 3,661,043	$ 4,304,928	$ 2,747,623
Operation Expense	1,428,101	1,244,211	1,467,549	1,193,747	1,400,302
Repair and Maintenance	-	-	-	-	-
Depreciation	222,167	222,613	233,869	241,883	388,475
Payments in lieu of Taxes	-	-	-	-	-
Other	-	-	-	-	-
Total Expenditures	$ 5,914,280	$ 5,048,723	$ 5,362,461	$ 5,740,558	$ 4,536,400
Operating Income (Loss)	$ 420,894	$ (120,904)	$ 297,491	$ 538,166	$ 293,268
Non-Operating Revenues (Expenses):					
Interest Income	$ 37,342	$ 16,100	$ 14,248	$ 4,061	$ 2,615
Interest Expense	(10,212)	(4,585)	(3,909)	(3,691)	(3,541)
Gain on disposition of utility plant	-	-	-	-	(17,694)
Gain on disposition of non utility plant	-	-	-	-	-
Grant Revenue	-	-	-	-	-
Transfers	(133,658)	-	(120,822)	(120,291)	(121,856)
Total Non-Operating Revenues (Expenses)	$ (106,528)	$ 11,515	$ (110,483)	$ (119,921)	$ (140,476)
Income before Capital Contributions	$ 314,366	$ (109,389)	$ 187,008	$ 418,245	$ 152,792
Capital Contributions- Utility Plant	-	(133,472)	-	-	-
Net Income	$ 314,366	$ (242,861)	$ 187,008	$ 418,245	$ 152,792
Retained Earnings -Beginning of Year	$ 9,578,764	$ 9,893,130	$ 9,650,269	$ 9,837,277	
Retained Earnings - End of Year	$ 9,893,130	$ 9,650,269	$ 9,837,277	$ 10,255,522	
Net Assets - Beginning of year					$ 10,715,933
Prior Period Adjustment					$ (310,291)
Net Assets - End of Year					**$ 10,558,434**

CITY OF LAWRENCEBURG, TENNESSEE

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

For the Fiscal Year Ended June 30

	2011	2012	2013	2014	2015
Operating Revenues:					
Receipts for services and use of facilities	$ 48,557,293	$ 46,558,680	$ 46,757,729	$ 49,376,394	$ 49,069,124
Other	1,046,770	1,042,364	1,031,635	1,001,625	891,329
Total Revenues	$ 49,604,063	$ 47,601,044	$ 47,789,364	$ 50,378,019	$ 49,960,453
Operating Expenditures:					
Purchased Power	$ 37,405,077	$ 35,205,718	$ 35,079,642	$ 37,425,387	$ 37,868,948
Operation Expense	6,152,558	6,556,850	6,535,321	7,269,834	7,239,780
Repair and Maintenance	-	-	-	-	-
Depreciation and amortization	2,013,314	2,078,947	2,145,217	2,175,838	2,280,466
Other	227,820	541,980	562,931	571,584	486,639
Total Expenditures	$ 45,798,769	$ 44,383,495	$ 44,323,111	$ 47,442,643	$ 47,875,833
Operating Income (Loss)	$ 3,805,294	$ 3,217,549	$ 3,466,253	$ 2,935,376	$ 2,084,620
Non-Operating Revenues (Expenses):					
Interest Income	$ 187,796	$ 129,712	$ 431,107	$ 99,161	$ 152,160
Interest Expense	(1,053,661)	(970,491)	(920,170)	(871,075)	(793,884)
Gain (Loss) on Sale of Property	-	-	-	-	(256,631)
Amortization Expense	(74,551)	(74,550)	(74,551)	(74,550)	(74,666)
Transfers out - Tax Equivalents	(1,349,117)	(1,079,915)	(1,107,046)	(1,117,855)	(1,127,172)
Total Non-Operating Revenues (Expenses)	$ (2,289,533)	$ (1,995,244)	$ (1,670,660)	$ (1,964,319)	$ (2,100,193)
Income before Capital Contributions	$ 1,515,761	$ 1,222,305	$ 1,795,593	$ 971,057	$ (15,573)
Capital Contributions- Utility Plant	218,063	227,132	138,289	205,719	179,914
Net Income	$ 1,733,824	$ 1,449,437	$ 1,933,882	$ 1,176,776	$ 164,341
Retained Earnings -Beginning of Year	$ 38,896,779	$ 40,630,603	$ 40,298,184	$ 42,232,064	$ 43,408,840
Prior Period Adjustment	-	(1,781,856)	(2)	-	(1,624,863)
Retained Earnings - End of Year	$ 40,630,603	$ 40,298,184	$ 42,232,064	$ 43,408,840	$ 41,948,318

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.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the "General Assembly") exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

(a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
(b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
(c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
(d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

(a) Public Utility Property, to be assessed at 55% of its value;
(b) Industrial and Commercial Property, to be assessed at 30% of its value; and
(c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of $7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated,* the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

All property is required to be taxed according to its value upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness, are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

County Assessments; County Board of Equalization. The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January I for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

The county board of equalization is required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

State Assessments of Public Utility Property; State Board of Equalization. The State Comptroller of the Treasury is authorized and directed under Tennessee law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by Tennessee law.

On or before the first Monday in August of each year, the assessments are required to be completed and the State Comptroller of the Treasury is required to send a notice of assessment to each company assessable under Tennessee law. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the State Comptroller of the Treasury, who may change or affirm the valuation. On or before the first Monday in September of each year, the State Comptroller of the Treasury is required to file with the State Board of Equalization assessments so made. The State Board of Equalization is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the State Comptroller of the Treasury.

The State Board of Equalization has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board of Equalization is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board of Equalization is final and conclusive as to all matters passed upon by the Board, subject to judicial review consisting of a new hearing in chancery court.

Periodic Reappraisal and Equalization

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an one-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board of Equalization is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State of Tennessee.

Valuation for Property Tax Purposes

County Valuation of Property. The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State Board of Equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

State Valuation of Public Utility Property. The State Comptroller of the Treasury determines the value of public utility property based upon the appraisal of the property as a whole without geographical or functional division of the whole *(i.e.,* the unit rule of appraisal) and on other factors provided by Tennessee law. In applying the unit rule of appraisal, the State Comptroller of the Treasury is required to determine the State's share of the unit or system value based upon factors that relate to the portion of the system relating to the State of Tennessee.

Certified Tax Rate

Upon a general reappraisal of property as determined by the State Board of Equalization, the county assessor of property is required to (1) certify to the governing bodies of the county and each municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate (herein referred to as the *"Certified Tax Rate")* which will provide the same *ad valorem* revenue for that jurisdiction as was levied during the previous year. The governing body of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

Tennessee law provides that no tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body's intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

The Tennessee Local Government Public Obligations Act of 1986 provides that a tax sufficient to pay when due the principal of and interest on general obligation bonds (such as the Bonds) shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the local government as described above and shall be in addition to all other taxes authorized or limited by law. Bonds issued pursuant to the Local Government Public Obligations Act of 1986 may be issued without regard to any limit on indebtedness provided by law.

Tax Freeze for the Elderly Homeowners

The Tennessee Constitution was amended by the voters in November, 2006 to authorize the Tennessee General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax Freeze Act permitting (but not requiring) local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible. For example, if a taxpayer's property tax bill is $500 for the year in which he becomes eligible, his property taxes will remain at $500 even if property tax rates or appraisals increase so long as he continues to meet the program's ownership and income requirements.

Tax Collection and Tax Lien

Property taxes are payable the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

The taxes assessed by the State of Tennessee, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

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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 0.960. The following table shows pertinent data for tax year 2015[1].

Class	Estimated Assessed Valuation	Assessment Rate	Estimated Appraised Value
Public Utilities	$ 5,062,883	55%	$ 11,598,816
Commercial and Industrial	111,734,894	40%	290,976,361
Personal Tangible Property	34,151,724	30%	118,333,509
Residential, Farm and Open Space	75,575,350	25%	314,897,633
Total	**$226,524,851**		**$735,806,319**

Source: 2015 Tax Aggregate Report of Tennessee and the City.

The estimated assessed value of property in the City for the fiscal year ending June 30, 2016 (tax year 2015) is $226,524,851 compared to $218,686,579 for the fiscal year ending June 30, 2015 (tax year 2014). The estimated actual value of all taxable property for tax year 2015 is $735,806,319 as compared to $686,147,790 for tax year 2014.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the City for tax years 2011 through 2015 as well as the aggregate uncollected balances for each fiscal year as of June 30, 2015.

PROPERTY TAX RATES AND COLLECTIONS				**Fiscal Yr. Collections**		**Aggregate Uncollected Balance**	
Tax Year[1]	**Assessed Valuation**	**Tax Rates**	**Taxes Levied**	**Amount**	**Pct**	**As of June 30, 2015** **Amount**	**Pct**
2011	$218,699,629	$1.4234	$3,108,295	$2,940,506	94.6%	$ 1,374	0.01%
2012	213,666,756	1.4234	3,029,265	2,880,856	95.1%	35,509	1.2%
2013	216,178,500	1.4234	3,018,935	2,972,873	98.4%	60,971	2.0%
2014	218,686,579	1.4234	3,126,969	2,971,625	95.0%	155,344	5.0%
2015	226,524,851	1.4234	3,224,355	**IN PROGRESS**			

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[1] The tax year coincides with the calendar year, therefore tax year 2015 is actually fiscal year 2015-2016.

Ten Largest Taxpayers. For the fiscal year ending June 30, 2015 (tax year 2014), the ten largest taxpayers in the City were as follows:

	Taxpayer	Business Type	Assessed Value	Taxes Levied
1.	Jones Apparel Group	Warehouse	$10,445,206	$148,677
2.	Modine Mft.	Charge Air Coolers	8,876,475	126,347
3.	Graphic Packaging	Printed Cartons	7,632,940	108,647
4.	Crockett Hospital	Hospital	6,500,000	92,521
5.	DURA Industries	Automotive	3,924,352	55,859
6.	Walmart	Retail	3,599,680	51,238
7.	BC Wood Investment Fund	Investments	2,991,640	42,583
8.	Gobble Properties	Transportation	2,345,760	33,390
9.	Park Ridge Estates	Housing	2,124,140	30,235
10.	Hughes Parker Industries	Fabricators	1,827,898	26,018
	TOTAL		**$50,268,091**	**$715,515**

Source: The City.

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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GENERAL PURPOSE FINANCIAL STATEMENTS
OF

CITY OF LAWRENCEBURG, TENNESSEE

FOR THE FISCAL YEAR ENDED

JUNE 30, 2015

CITY OF LAWRENCEBURG, TENNESSEE

Annual Financial Report

For the Year Ended June 30, 2015

CITY OF LAWRENCEBURG, TENNESSEE

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CITY OF LAWRENCEBURG, TENNESSEE

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CITY OF LAWRENCEBURG, TENNESSEE

List of Elected and Appointed Officials

June 30, 2015

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, 2015 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 Water and Sewer, Gas and Electric Power Funds which represent 100% of the Business - Type Activities . 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.

Except for the matter described below in the Basis for Disclaimer of Opinion, 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. The Crocket Theater Board's financial activities are included in the City's basic financial statements as a discretely presented component unit and represents 100% of the assets, net position and revenues of the City's aggregate discretely presented conmponent units.

Disclaimer of Opinion

Because of the significance of the matter discussed in the "Basis for Disclaimer of Opinion on the Discretely Presented Component Unit" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the financial statements of the aggregately presented component unit (Crockett Theater Board). Accordingly, we do not express an opinion on these financial statements.

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, 2015, 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 2015, the City adopted new accounting guidance, GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which 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 their employees with pension. 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 and the schedules of funding progress, employer contributions and actuarial methods and significant assumptions on pages 63 - 75 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 and other auditors 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 accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the financial statements

The Combining and Individual Nonmajor Fund Financial Statements and Schedules and Financial Schedules and the Schedule of Expenditure of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 by us and other auditors. 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 and the Schedule of Expenditure of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section has not been subjected to the auditing procedures applied 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 2, 2015 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 2, 2015

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, 2015.

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 $72,165,455 as compared to $77,582,274 in 2014. Of this amount, a deficit of $2,962,261 (governmental activities of $(9,284,078) and business -type of $6,321,817). remained in unrestricted fund equity.

- The governments total net position increased by $2,035,824 in 2015 as compared to $3,701,922 in 2014.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5,344,142, a decrease of $349,567 in comparison with the the prior year. Of that amount, $3,829,026 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 $3,829,026 as compared to 4,590,926 in 2014 or 26% and 36% in 2015 and 2014, respectively of total general fund expenditures.

- The City's total bonded debt decreased by $12,514,301 during the current fiscal. The City issued $8,540,000 in refunding debt and $97,276 in capital outlay notes during 2015.

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 76 - 81 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 $72,165,455 at the close of the most recent fiscal year, as compared to $77,582,274 in 2014.

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	
		2015	2014	2015	2014
Current and other assets	$	9,003,568	9,117,851	19,726,774	21,015,782
Capital assets		17,105,300	16,495,700	101,791,680	102,195,791
Deferred outflows of resources		914,010	161,864	1,538,296	835,538
Total assets and deferred outflows		27,022,877	25,775,414	123,056,750	124,047,111
Long-term liabilities outstanding		15,751,088	16,246,242	34,693,835	37,333,513
Other liabilities		6,910,126	1,817,440	15,593,327	13,776,906
Deferred inflows of resources		4,019,267	3,066,150	946,530	-
Total liabilities and deferred inflows		26,680,481	21,129,832	51,233,692	51,110,419
Net position:					
Net investment in capital assets		8,545,960	7,397,573	65,501,241	62,906,478
Restricted		1,080,515	1,085,252	-	-
Unrestricted		(9,284,078)	(3,837,243)	6,321,817	10,030,214
Total net position	$	342,397	4,645,582	71,823,058	72,936,692

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 position, a net deficit of $2,962,261 results primarily from adjustments arising for implementation of GASB 68, refer to the next to last paragraph on page 6 for further details.

The government's net position increased by $2,035,828 during the current fiscal year. Approximately 58% 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 $850,822.

Financial Analysis of the Financial Statements (Continued)

Governmental Activities

Governmental activities increased the City's net position by $850,822 (increase of $325,320 in 2014). Key elements of this decrease are as follows:

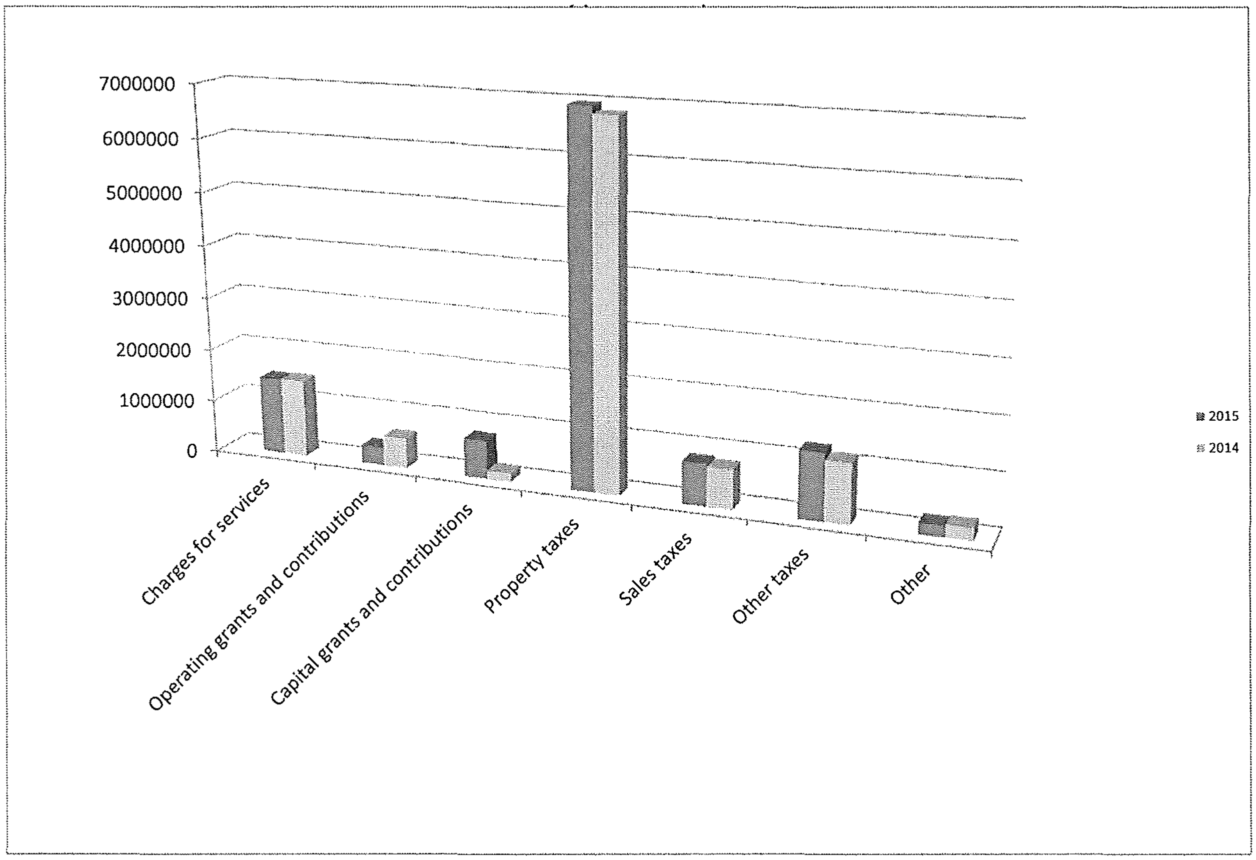
City of Lawrenceburg's Changes in Net Position

	Governmental Activities		Business -type Activities	
	2015	2014	2015	2014
Revenues:				
Program revenues:				
Charges for services	$ 1,457,870	1,472,782	62,024,371	63,872,215
Operating grants and contributions	348,056	579,652	-	-
Capital grants and contributions	734,855	168,712	212,914	252,219
General revenues:				
Property taxes	6,951,795	6,819,741	-	-
Sales taxes	794,485	742,388	-	-
Other taxes	1,257,833	1,126,519	-	-
Other	214,854	239,724	(133,202)	105,188
Total revenues	11,759,748	11,149,518	62,104,083	64,229,622
Expenses:				
General government	2,096,981	2,097,048	-	-
Judicial	35,168	33,344	-	-
Executive	156,995	147,102	-	-
Planning and development	143,206	144,118	-	-
Administrative	949,699	827,672	-	-
Special Projects	7,565	6,677	-	-
Police Department	2,707,833	2,682,504	-	-
Fire prevention and control	1,919,599	1,875,638	-	-
Civil Defense	114,722	116,940	-	-
Highways and streets	2,114,674	2,310,235	-	-
Parks	866,026	774,824	-	-
Sanitation	1,016,226	989,528	-	-
Interest on long-term debt	318,137	351,420	-	-
Water and Sewer	-	-	6,096,851	5,187,651
Natural gas	-	-	4,539,941	5,744,249
Electric	-	-	48,744,383	48,388,268
Total expenses	12,446,832	12,357,049	59,381,175	59,320,168
Increases (decrease) in net position before transfers	(687,084)	(1,207,532)	2,722,908	4,909,454
Transfers	1,537,906	1,532,852	(1,537,906)	(1,532,852)
Increases (decrease) in net position	850,822	325,320	1,185,002	3,376,602
Net position, beginning of year	(508,425) *	4,320,262	70,638,056	69,560,090
Net position, end of year	$ 342,397	4,645,582	71,823,058	72,936,692

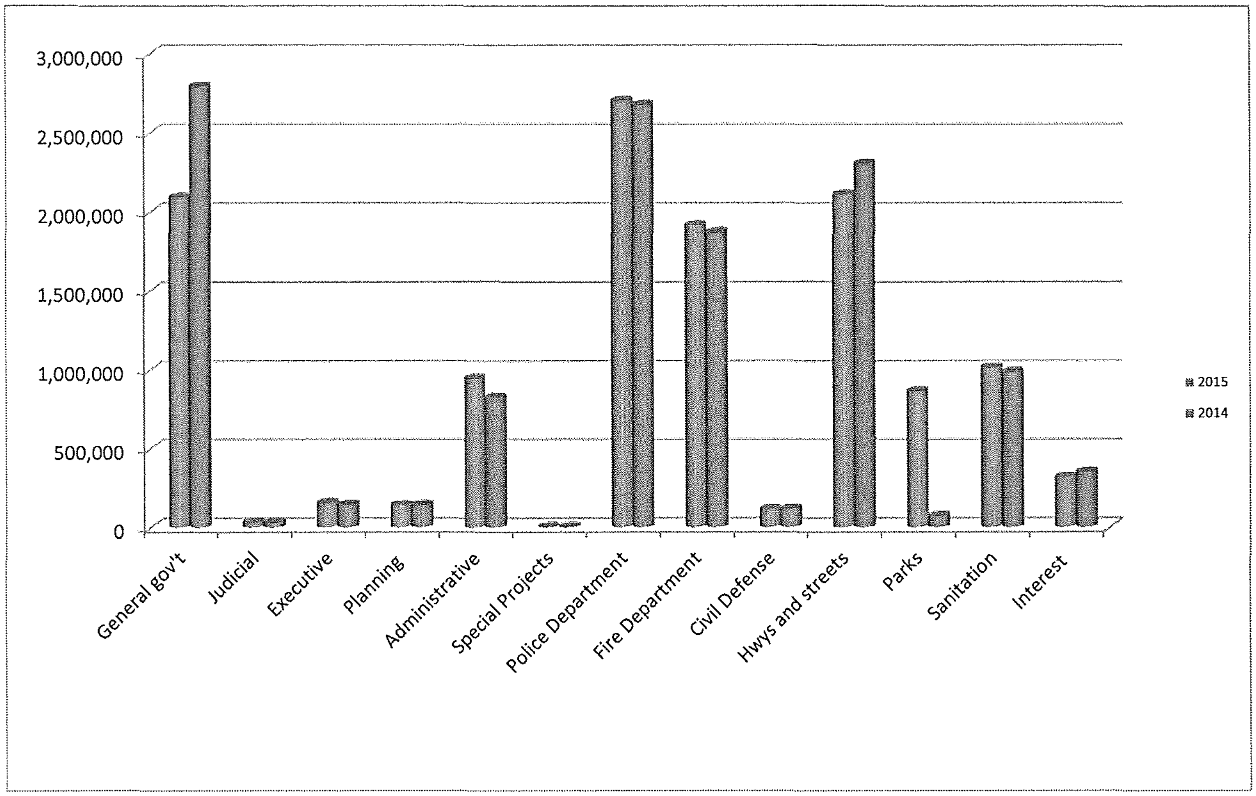
* As restated in the amount of $(5,154,007) and $(2,298,636) for governmental and business-type activities, respectively, arising from the implemention of GASB 68 as explained further in Note 16 to the financial statements. Revenue increased approximately $610,000 or 5% largely due to increased grant revenue received in 2015. Expenses for 2015 remained substantially the same as in 2014 increasing only 1% from the previous year.

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



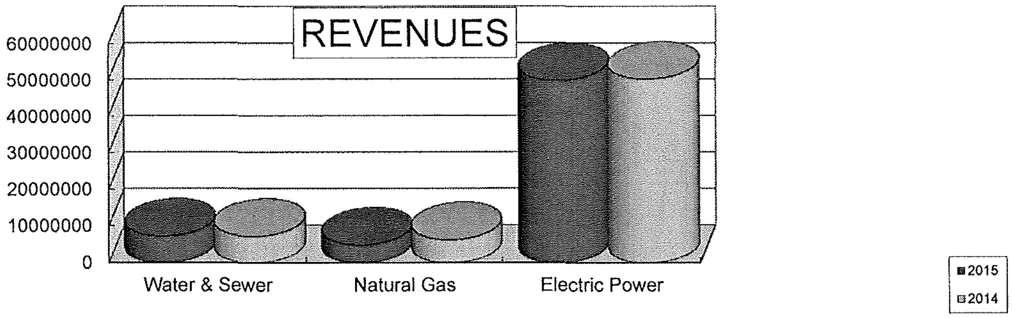
Financial Analysis of the Financial Statements (Continued)

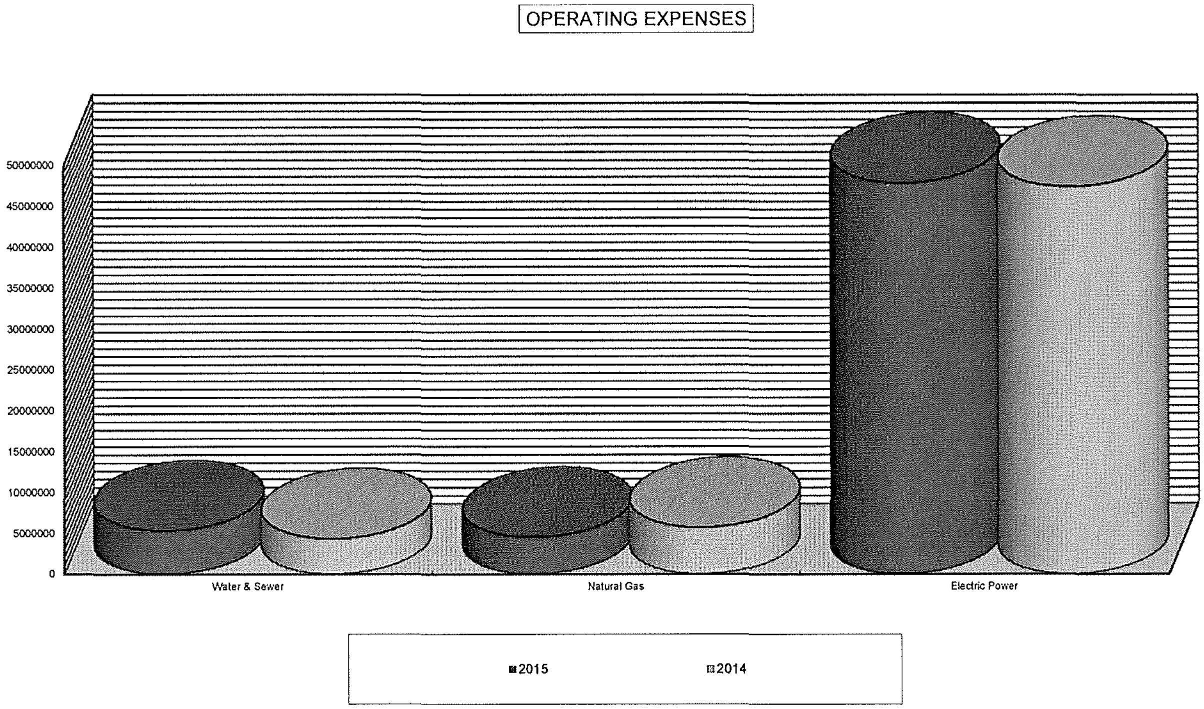
Business - type activities

Business - type activities increased the City's net position by $1,185,002 as compared to $3,376,602 in 2014, accounting for 58% 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 decreased by approximately 3%
- Water & Sewer operations resulted in an increase in net position of $867,869.
- Natural gas operations resulted in an increase in net position of $152,792.
- Electric power operations resulted in an increase in net position of $164,341.
- 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 $5,344,142, a decrease of $349,567 in comparison with the prior year. Of this amount, $3,829,026 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 $3,829,026 ($4,590,626 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 26% (36% in 2014) of total general fund expenditures.

The fund balance of the City's general fund decreased by $344,830 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 $808,000 or 8% the most significant increase came from grant revenues which increased approximately $710,000 from the prior year, local sales tax was also up by approximately $160,000.
- General fund expenditures decreased by approximately $440,000 or 3.5%, the decrease was largely as a result decreased capital outlay expenditures in 2015.

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 $(761,075), $ 1,926,700, and $5,156,192 for each fund, respectively as of June 30, 2015. The growth in net position of the above funds was $867,869, $152,792, and $164,341, 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 2015, there were amendments to General Fund appropriations in the amount of $2,654,357. Original and Final budget for these individual General Fund departments are as follows for 2015.

		Original Budget	Final Budget
Administrative	$	2,319,086	2,318,104
Executive		176,854	161,854
Human Resources and Safety		7,462	9,462
Police Department		2,837,142	2,845,411
Fire Department		1,898,399	1,928,399
Appropriations and other		1,280,085	1,300,155
Debt service		1,164,155	3,774,155
Total Expenditures	$	9,683,183	12,337,540

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, 2015, amounts to $118,896,980 (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, Police, Fire, Highway & Streets and Parks Depa

Business-Type Activities:

- Utility plant decreased in 2015 by approximately $404,000 as compared to $840,000 in 2014. 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	7,681,946	138,877,627	146,559,573
Equipment and furniture	6,934,501	9,344,122	16,278,623
Construction in progress	-	2,592,993	2,592,993
Infrastructure	11,081,871	-	11,081,871
	29,058,522	153,079,620	182,138,142
Less accumulated depreciation	11,953,222	51,287,940	63,241,162
Net Capital Assets	$ 17,105,300	101,791,680	118,896,980

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 $45,045,085. Of this amount, $9,088,171 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	$ 9,088,171	-	9,088,171
Revenue bonds	-	27,290,000	27,290,000
Notes payable	-	8,666,914	8,666,914
	$ 9,088,171	35,956,914	45,045,085

The City's total bonded debt decreased by $12,514,301 (8%) during the current fiscal year. The City issued $8,540,000 in refunding debt and $97,276 in capital outlay notes during 2015.

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 substiantially the same as a year ago. This compares to the State's average unemployment rate of 6% and the national average rate of 5.5%. All of these factors were considered in preparing the City's budget for the 2016 fiscal year.

At June 30, 2015, unassigned fund balance in the general fund amounted to $3,829,026. The City needed $417,070 from unassigned fund balance to balance the 2015-16 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, 2015

	Primary Government			Component Unit Crocket Theater Board
	Governmental Activities	Business-type Activities	Total	Governmental
Assets				
Cash and cash equivalents:				
Unrestricted	$ 3,845,692	10,354,579	14,200,271	12,649
Restricted - construction	433,238	1,255,326	1,688,564	-
Total cash	4,278,930	11,609,905	15,888,835	12,649
Accounts receivable:				
Property taxes	3,380,614	-	3,380,614	-
Other governments	1,190,506	-	1,190,506	-
Customers	-	5,515,738	5,515,738	-
Others	50,452	1,407,736	1,458,188	-
Less allowance for doubtful accounts	(46,088)	(1,802,637)	(1,848,725)	-
Total accounts receivable	4,575,484	5,120,837	9,696,321	-
Inventory of supplies	-	1,170,315	1,170,315	-
Prepaid expenses	-	547,088	547,088	-
Internal balances	132,482	(132,482)	-	-
Other assets:				
Conservation loans receivable	-	605,974	605,974	-
Debt issuance costs	-	480,903	480,903	-
Other	16,672	324,234	340,906	-
Depreciable capital assets, net of accumulated depreciation	13,745,096	96,933,809	110,678,905	-
Non depreciable capital assets	3,360,204	4,857,871	8,218,075	-
Total Assets	26,108,868	121,518,454	147,627,321	12,649
Deferred Outflows of Resources				
Deferred loss on refunding	162,265	895,865	1,058,130	-
Pensions	751,745	642,431	1,394,176	-
Total Deferred Outflows of Resources	914,010	1,538,296	2,452,306	-
Liabilities				
Accounts payable	18,480	6,921,247	6,939,727	-
Accrued liabilities	271,292	1,762,381	2,033,673	-
Customer deposits	-	861,817	861,817	-
Other liabilities	-	2,850,546	2,850,546	-
Accrued interest	-	25,451	25,451	-
Noncurrent liabilities:				
Net pension liability	4,763,393	1,575,281	6,338,674	
Due within one year	1,856,961	1,596,604	3,453,565	-
Due in more than one year	15,751,088	34,693,835	50,444,923	-
Total Liabilities	22,661,214	50,287,162	72,948,376	-
Deferred Inflow of Resources				
Pensions	849,225	946,530	1,795,755	-
Unavailable property tax revenues	3,170,042	-	3,170,042	-
Total Deferred Inflows of Resources	4,019,267	946,530	4,965,797	-
Net Position				
Net Investment in capital assets	8,545,960	65,501,241	74,047,201	-
Restricted for:				
Roads	415,462	-	415,462	-
Public Safety	45,235	-	45,235	-
Capital projects	55,242	-	55,242	-
Solid waste disposal	495,708	-	495,708	-
Cemetery maintenance	68,868	-	68,868	-
Unrestricted	(9,284,078)	6,321,817	(2,962,261)	12,649
Total Net Position	$ 342,397	71,823,058	72,165,455	12,649

See accompanying notes to the financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2015

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position			Component Unit
					Primary Government			Crocket Theater Board
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Governmental
Primary Government:								
Governmental activities:								
General government	$ 2,096,981	-	-	-	(2,096,981)	-	(2,096,981)	-
Judicial	35,168	-	-	-	(35,168)	-	(35,168)	-
Executive	156,995	-	-	-	(156,995)	-	(156,995)	-
Planning and development	143,206	42,426	-	-	(100,780)	-	(100,780)	-
Administrative	949,699	-	-	-	(949,699)	-	(949,699)	-
Safety/Human resources	7,565	-	-	-	(7,565)		(7,565)	
Police Department	2,707,833	199,500	-	9,999	(2,498,334)	-	(2,498,334)	-
Fire prevention and control	1,919,599	-	-	-	(1,919,599)	-	(1,919,599)	-
Civil Defense	114,722	-	48,379	-	(66,343)	-	(66,343)	-
Highways and streets	2,114,674	-	299,677	724,856	(1,090,141)	-	(1,090,141)	-
Parks & Recreation	866,026	78,877	-	-	(787,149)	-	(787,149)	-
Sanitation	1,016,226	1,137,067	-	-	120,841	-	120,841	-
Interest on long-term debt	318,137	-	-	-	(318,137)	-	(318,137)	-
Total government activities	12,446,832	1,457,870	348,056	734,855	(9,906,051)	-	(9,906,051)	-
Business-type activities:								
Water and Sewer	6,096,852	7,234,250	-	33,000	-	1,170,398	1,170,398	-
Natural Gas	4,539,941	4,829,668	-	-	-	289,727	289,727	-
Electric	48,744,383	49,960,453	-	179,914	-	1,395,984	1,395,984	-
Total business-type activities	59,381,176	62,024,371	-	212,914	-	2,856,109	2,856,109	-
Total primary government	$ 71,828,008	63,482,241	348,056	947,769	(9,906,051)	2,856,109	(7,049,942)	
Component Unit:								
Crockett Theater Board	$ 32,741	31,623	-	-				1,118
General Revenues:								
Property taxes					$ 6,951,795	-	6,951,795	-
Sales taxes					794,485	-	794,485	-
Business tax					305,016	-	305,016	
Local beer tax					423,582	-	423,582	
Local beer tax					119,783	-	119,783	
Cable TV					128,575	-	128,575	
State income and excise					114,086	-	114,086	
Gross receipts - TVA					146,248	-	146,248	
Other taxes					20,543	-	20,543	-
Unrestricted investment earnings					3,987	157,125	161,112	-
Loss on sale of capital assets					(42,309)	(290,326)	(332,635)	-
Other					253,176	-	253,176	-
Transfers					1,537,906	(1,537,906)	-	-
Total general revenues and transfers					10,756,873	(1,671,107)	9,085,766	-
Change in net position					850,822	1,185,002	2,035,824	1,118
Net position - beginning of year, as restated					(508,425)	70,638,056	70,129,631	11,531
Net position - end of year					$ 342,397	71,823,058	72,165,455	12,649

See accompanying notes to the financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Balance Sheet

Governmental Funds

June 30, 2015

		General Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents-unrestricted	$	2,927,904	917,788	3,845,692
Cash and cash equivalents-restricted for construction		433,238	-	433,238
Total cash and cash equivalents		3,361,142	917,788	4,278,930
Accounts and notes receivable				
Property taxes		3,380,614	-	3,380,614
Other governments		1,190,506	-	1,190,506
Others		-	50,452	50,452
Total accounts and notes receivable		4,571,120	50,452	4,621,572
Due from other funds		-	132,482	132,482
Total Assets	$	7,932,262	1,100,722	9,032,984
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	$	17,715	765	18,480
Accrued liabilities		223,413	19,442	242,855
Due to other funds		-	-	-
Deferred revenue		3,427,507	-	3,427,507
Total Liabilities		3,668,635	20,207	3,688,842
Fund Balances:				
Restricted for:				
Roads		-	415,462	415,462
Public Safety		-	45,235	45,235
Capital projects		-	55,242	55,242
Solid waste disposal		-	495,708	495,708
Cemetery maintenance		-	68,868	68,868
Assigned for:				
Subsequent years budget		417,070	-	417,070
Health and wellness programs		4,409	-	4,409
Fire department		13,122	-	13,122
Unassigned		3,829,026	-	3,829,026
Total Fund Balances		4,263,627	1,080,515	5,344,142
Total Liabilities and Fund Balances	$	7,932,262	1,100,722	9,032,984

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, 2015

Total Governmental Funds Fund Balances		$ 5,344,142
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	$ 29,058,522	
Accumulated Depreciation	(11,953,222)	17,105,301
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds for:		
Property tax		211,380
Liabilities not due and payable currently and not recorded in the governmental funds for:		
Accrued interest		(28,437)
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	(9,088,171)	
Bond premium, discount and deferred amount from refunding	95,591	
Landfill Closure Costs	(122,960)	
Compensated absences	(667,089)	
OPEB Obligation	(7,663,158)	(17,445,787)
Net pension liability and related deferred outflows and in flows iare not recognized in the current period and therefore are not recorded in the funds as follows:		
Net pension liability	(4,763,393)	
Deferred outflows	751,745	
Deferred inflows	(849,225)	(4,860,873)
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		16,671
Net position of governmental activities		$ 342,397

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, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ 7,947,670	-	7,947,670
Intergovernmental	1,884,169	274,746	2,158,915
Licenses and permits	42,426	-	42,426
Fines and costs	147,090	-	147,090
Charges for services	149,559	1,052,459	1,202,018
Miscellaneous	162,644	117,906	280,550
Total Revenues	10,333,558	1,445,111	11,778,669
Expenditures:			
Current:			
Judicial	36,309	-	36,309
Executive	159,758	-	159,758
Planning and development	148,300	-	148,300
Administrative	747,210	-	747,210
Human resources	7,565	-	7,565
Police Department	2,775,518	-	2,775,518
Fire prevention and control	1,916,370	-	1,916,370
Civil Defense	116,665	-	116,665
Highways and streets	1,777,502	248,354	2,025,856
Parks & Recreation	713,652	-	713,652
Appropriations and other	1,338,411	-	1,338,411
Sanitation	-	1,046,452	1,046,452
Program costs	-	23,454	23,454
Capital outlay	1,412,155	47,069	1,459,224
Debt service	3,774,155	84,519	3,858,674
Total Expenditures	14,923,570	1,449,848	16,373,418
Excess (deficiency) of revenues over expenditures	(4,590,012)	(4,737)	(4,594,749)
Other Financing Sources (Uses):			
Proceeds from debt issuance	97,276		97,276
Proceeds from refunding bond issuance	2,610,000		2,610,000
Transfers in	1,537,906	-	1,537,906
Total Other Financing Sources (Uses)	4,245,182	-	4,245,182
Net change in fund balance	(344,830)	(4,737)	(349,567)
Fund Balance, Beginning of Year	4,608,457	1,085,252	5,693,709
Fund Balance, End of Year	$ 4,263,627	1,080,515	5,344,142

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, 2015

Amounts reported for net change in fund balance - total governmental funds		$ (349,567)
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	$ 1,298,537	
Depreciation expense	(688,938)	609,599
Revenues for governmental activities that do not provide current financial resources are not reported as revenues in the governmental funds as follows:		
Property tax		(18,921)
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:		
Difference between actual pension costs reported in funds and actuarially determined pensiom costs recognized in governmental activities	293,137	
Change in other post employment benefits	(585,239)	
Changes in the accrual for compensated absences	45,032	
Changes in the accrual for interest	17,148	(229,922)
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	(2,707,276)	
Reduction of debt	3,572,032	
Amortization of deferred loss and bond premium and discount	(25,123)	839,633
Change in net position of governmental activities		$ 850,822

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, 2015

		Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:					
Taxes:					
Real estate tax	$	3,104,500	3,104,500	3,135,741	31,241
Local sales tax		3,700,000	3,700,000	3,821,018	121,018
Tax equivalents payments		9,272	9,272	13,955	4,683
Business tax		304,338	304,338	305,016	678
Wholesale beer tax		380,000	380,000	423,582	43,582
Wholesale liquor tax		135,000	135,000	119,783	(15,217)
Cable TV		115,000	115,000	128,575	13,575
Total Taxes		7,748,110	7,748,110	7,947,670	199,560
Intergovernmental:					
Petroleum special		21,500	21,500	21,346	(154)
State sales tax		730,000	730,000	794,485	64,485
State beer tax		5,000	5,000	4,987	(13)
State income and excise		105,000	105,000	114,086	9,086
State and Federal grant programs		1,048,619	1,048,619	787,461	(261,158)
Gross receipts - TVA		120,000	120,000	146,248	26,248
Mixed drink tax		14,000	14,000	15,556	1,556
Other		-	-	-	-
Total Intergovernmental		2,044,119	2,044,119	1,884,169	(159,950)
Licenses and Permits		48,121	48,121	42,426	(5,695)
Fines and Fees		168,000	168,000	147,090	(20,910)
Charges for Services:					
Special police services		33,300	33,300	31,698	(1,602)
Special fire services		2,000	2,000	-	(2,000)
Recreation account - concession and fees		83,885	83,885	78,877	(5,008)
Impoundment fees		75,000	75,000	17,233	(57,767)
Other		32,400	32,400	21,751	(10,649)
Total Charges for Services		226,585	226,585	149,559	(77,026)
Miscellaneous:					
Rental income		11,100	11,100	7,330	(3,770)
Proceeds - sale of property		-	-	-	-
Donations and contributions		35,420	35,420	39,949	4,529
Interest revenue		3,500	3,500	2,986	(514)
Miscellaneous revenue		117,228	117,228	112,379	(4,849)
Total Miscellaneous		167,248	167,248	162,644	(4,604)
Total Revenues		10,402,183	10,402,183	10,333,558	(68,625)

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, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues, continued:				
Other Sources				
Proceeds from debt issuance	$ -	2,610,000	2,707,276	97,276
Transfer from Other Funds	1,543,896	1,543,896	1,537,906	(5,990)
Total Other Financing Sources	1,543,896	4,153,896	4,245,182	91,286
Total Revenues and Other Financing Sources	11,946,079	14,556,079	14,578,740	22,661
Expenditures:				
Judicial:				
Current:				
Salaries and employee benefits	33,764	33,764	35,410	(1,646)
Contractual services	200	200	315	(115)
Miscellaneous	700	700	584	116
Total Current	34,664	34,664	36,309	(1,645)
Capital outlay	-	-	-	-
Total Judicial	34,664	34,664	36,309	(1,645)
Executive:				
Current:				
Salaries and employee benefits	137,129	137,129	137,902	(773)
Contractual services	35,650	20,650	17,316	3,334
Supplies	700	700	852	(152)
Insurance	3,375	3,375	3,688	(313)
Total Current	176,854	161,854	159,758	2,096
Capital outlay	-	-	-	-
Total Executive	176,854	161,854	159,758	2,096
Planning and Development:				
Current:				
Salaries and employee benefits	124,177	124,177	128,757	(4,580)
Contractual services	16,546	16,546	13,609	2,937
Supplies	3,350	3,350	1,782	1,568
Insurance	4,407	4,407	4,152	255
Miscellaneous	-	-	-	-
Total Current	148,480	148,480	148,300	180
Capital outlay	-	-	-	-
Total Planning And Development	148,480	148,480	148,300	180

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, 2015

Expenditures, continued	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Administrative:				
Current:				
Salaries and employee benefits	$ 352,151	380,969	398,507	(17,538)
Contractual services	322,223	322,223	293,559	28,664
Supplies	21,200	21,400	17,848	3,552
Insurance	12,750	12,750	13,772	(1,022)
Miscellaneous	12,500	12,500	23,524	(11,024)
Total Current	720,824	749,842	747,210	2,632
Capital outlay	1,598,262	1,568,262	1,074,299	493,963
Total Administrative	2,319,086	2,318,104	1,821,509	496,595
Safety/Human Resources				
Current:				
Salaries and employee benefits	3,191	3,191	2,147	1,044
Contractual services	2,057	2,057	2,236	(179)
Supplies	2,214	4,214	3,182	1,032
Total Human Resources	7,462	9,462	7,565	1,897
Public Safety:				
Police Department:				
Current:				
Salaries and employee benefits	2,302,326	2,302,326	2,323,747	(21,421)
Services	143,800	143,800	142,996	804
Supplies	238,500	238,500	179,675	58,825
Insurance	53,881	53,881	59,544	(5,663)
Miscellaneous	41,000	41,000	69,556	(28,556)
Total Current	2,779,507	2,779,507	2,775,518	3,989
Capital outlay	57,635	65,904	137,686	(71,782)
Total Police Department	2,837,142	2,845,411	2,913,204	(67,793)
Fire Prevention and Control:				
Current:				
Salaries and employee benefits	1,680,644	1,680,644	1,752,575	(71,931)
Services	64,136	64,136	54,292	9,844
Supplies	125,826	125,826	80,477	45,349
Insurance	27,793	27,793	29,026	(1,233)
Miscellaneous	-	-	-	-
Total Current	1,898,399	1,898,399	1,916,370	(17,971)
Capital outlay	-	30,000	-	30,000
Total Fire Department	1,898,399	1,928,399	1,916,370	12,029
Total Public Safety	4,735,541	4,773,810	4,829,574	(55,764)

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, 2015

Expenditures, continued	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Civil Defense:				
Current:				
Salaries and employee benefits	$ 75,209	75,209	78,070	(2,861)
Services	22,270	22,270	24,277	(2,007)
Supplies	6,600	6,600	4,185	2,415
Insurance	10,206	10,206	10,133	73
Total Current	114,285	114,285	116,665	(2,380)
Capital outlay	-	-	-	-
Total Civil Defense	114,285	114,285	116,665	(2,380)
Highways and Streets:				
Current:				
Salaries and employee benefits	1,192,749	1,192,749	1,223,236	(30,487)
Services	325,778	325,778	321,507	4,271
Supplies	254,340	254,340	219,685	34,655
Insurance	13,072	13,072	13,074	(2)
Total Current	1,785,939	1,785,939	1,777,502	8,437
Capital outlay	-	-	10,425	(10,425)
Total Highways and Streets	1,785,939	1,785,939	1,787,927	(1,988)
Parks and Recreation:				
Current:				
Salaries and employee benefits	347,108	347,108	352,325	(5,217)
Services	225,225	225,225	232,020	(6,795)
Supplies	33,626	33,626	32,409	1,217
Insurance	39,659	39,659	45,225	(5,566)
Miscellaneous	59,648	59,648	51,673	7,975
Total Current	705,266	705,266	713,652	(8,386)
Capital Outlay	182,720	182,720	189,745	(7,025)
Total Parks	887,986	887,986	903,397	(15,411)
Appropriations and Other:				
Current:				
E 911	339,245	339,245	339,245	-
Industrial Promotion	93,000	93,000	93,000	-
Lawrence County Schools	400,000	400,000	400,000	-
Lawrence County Library	67,341	67,341	67,341	-
City / County Airport	40,000	40,000	40,000	-
Other appropriations	33,999	54,069	55,085	(1,016)
Retiree benefits	306,500	306,500	343,740	(37,240)
Total Appropriations and other	1,280,085	1,300,155	1,338,411	(38,256)

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, 2015

Expenditures, continued:		Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Debt Service:					
Retirement of principle and interest	$	1,164,155	3,774,155	3,774,155	-
Total Debt Service		1,164,155	3,774,155	3,774,155	-
Total Expenditures		12,654,537	15,308,894	14,923,570	385,324
Excess Revenues over Expenditures and Other Sources		(708,458)	(752,815)	(344,830)	407,985
Fund Balance, Beginning of Year		4,608,457	4,608,457	4,608,457	-
Fund Balance, End of Year	$	3,899,999	3,855,642	4,263,627	407,985

See accompanying notes to financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Net Position

Proprietary Funds

June 30, 2015

	Water and Sewer Fund	Gas Fund	Electric Power Fund	Total
Assets				
Current Assets:				
Cash and cash equivalents	$ 327,963	2,063,980	7,962,636	10,354,579
Accounts receivable, net of allowance for doubtful accounts	601,254	45,949	3,065,898	3,713,101
Other accounts receivable	33,000	-	1,374,736	1,407,736
Inventory, materials	315,844	179,469	675,002	1,170,315
Prepaid expenses	345,053	15,588	59,247	419,888
Total Current Assets	1,623,114	2,304,986	13,137,519	17,065,619
Restricted Assets:				
Cash and cash equivalents	146,062	148,137	961,127	1,255,326
Total Restricted Assets	146,062	148,137	961,127	1,255,326
Capital Asets:				
Capital assets not being depreciated:				
Land	1,017,068	367,044	880,766	2,264,878
Construction in Progress	161,271	443,081	1,988,641	2,592,993
Capital assets, net of accumulated depreciation	39,329,689	7,918,872	49,685,248	96,933,809
Total Capital Assets	40,508,028	8,728,997	52,554,655	101,791,680
Other assets:				
Conservation loans receivable	-	-	605,974	605,974
Post retirement prepayment	-	13,346	113,854	127,200
Nonutility property-at cost	-	-	318,184	318,184
Debt issuance costs, less accumulated amortization	203,195	2,829	274,879	480,903
Due from other muninipalities	-	-	6,050	6,050
Total Other Assets	203,195	16,175	1,318,941	1,538,311
Total Assets	42,480,399	11,198,295	67,972,242	121,650,936
Deferred Outflows of Resources				
Deferred loss on refunding	268,962	-	626,903	895,865
Pensions	150,210	87,915	404,306	642,431
	419,172	87,915	1,031,209	1,538,296
Liabilities and Net Position				
Current Liabilities:				
Accounts payable	686	90	6,920,471	6,921,247
Due to other funds	132,482	-	-	132,482
Payable from restricted assets - customer deposits	107,363	135,328	619,126	861,817
Accrued expenses and other current liabilities	269,523	134,294	1,358,564	1,762,381
Accrued interest	20,634	204	4,613	25,451
Current portion of long-term debt and other obligations payable	871,604	25,000	700,000	1,596,604
Post retirement obligation	2,220,465	-	-	2,220,465
Total Current Liabilities	3,622,757	294,916	9,602,774	13,520,447
Long-term debt, net of current portion				
Net pension liability	245,622	249,091	1,080,568	1,575,281
Bonds and notes payable	19,559,043	72,263	15,062,529	34,693,835
Total Long-Term Debt	19,804,665	321,354	16,143,097	36,269,116
Other Liabilities:				
Construction advances-refundable	-	-	8,668	8,668
Conservation advances-TVA	-	-	616,142	616,142
Other	-	-	5,271	5,271
	-	-	630,081	630,081
Total liabilities	23,427,422	616,270	26,375,952	50,419,644
Deferred Inflows of Resources				
Pensions	155,843	111,506	679,181	946,530
Net Position:				
Net Investment in capital assets	20,077,381	8,631,734	36,792,126	65,501,241
Unrestricted	(761,075)	1,926,700	5,156,192	6,321,817
Total Net Position	19,316,306	10,558,434	41,948,318	71,823,058

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, 2015

		Water and Sewer Fund	Gas Fund	Electric Power Fund	Total
Operating Revenues:					
Services	$	6,936,980	4,697,427	49,069,124	60,703,531
Other		297,270	132,241	891,329	1,320,840
Total Operating Revenues		7,234,250	4,829,668	49,960,453	62,024,371
Operating Expenses:					
Cost of sales and service		-	2,747,623	37,868,948	40,616,571
Operating and maintenance		4,242,423	1,400,302	7,239,780	12,882,505
Provision for depreciation		1,097,920	388,475	2,280,466	3,766,861
Taxes		-	-	486,639	486,639
Total Operating Expenses		5,340,343	4,536,400	47,875,833	57,752,576
Operating Income (Loss)		1,893,907	293,268	2,084,620	4,271,795
Nonoperating Revenues (Expenses):					
Interest income		2,350	2,615	152,160	157,125
Gain (loss) on sale of property		(16,001)	(17,694)	(256,631)	(290,326)
Amortization expense		(11,848)	(142)	(74,666)	(86,656)
Interest expense		(744,661)	(3,399)	(793,884)	(1,541,944)
Total Nonoperating Revenues (Expenses)		(770,160)	(18,620)	(973,021)	(1,761,801)
Net Income (Loss) Before Transfers and Contributions		1,123,747	274,648	1,111,599	2,509,994
Transfers and Contributions:					
Transfers out-payments in lieu of taxes-City of Lawrenceburg		(288,878)	(121,856)	(1,127,172)	(1,537,906)
Capital contributions-utility plant		-	-	179,914	179,914
Capital contributions-capital grant		33,000	-	-	33,000
Total Transfers and Contributions		(255,878)	(121,856)	(947,258)	(1,324,992)
Change in Net Position		867,869	152,792	164,341	1,185,002
Net Position , Beginning of Year, as Previously Reported		18,811,919	10,715,933	43,408,840	72,936,692
Restatement		(363,482)	(310,291)	(1,624,863)	(2,298,636)
Net Position , Beginning of Year, as Restated		18,448,437	10,405,642	41,783,977	70,638,056
Net Position, End of Year	$	19,316,306	10,558,434	41,948,318	71,823,058

See accompanying notes to the financial statements.

CITY OF LAWRENCEBURG, TENNESSEE

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2015

	Water and Sewer Fund	Gas Fund	Electric Power Fund	Total
Cash Flows from Operations				
Cash received from customers	$ 6,936,984	4,805,472	48,086,386	59,828,842
Cash paid to employees for services	(1,275,050)	(658,787)	(4,030,098)	(5,963,935)
Cash paid to suppliers of goods and services	(2,925,705)	(3,498,847)	(40,584,774)	(47,009,326)
Other receipts	304,953	158,771	434,908	898,632
Net Cash Provided (Used) by Operating Activities	3,041,182	806,609	3,906,422	7,754,213
Cash Flows from Capital and Related Financing Activities				
Proceeds from the issuance of debt	-	-	5,930,000	5,930,000
Construction and acquisition of plant	(246,669)	(839,636)	(2,032,133)	(3,118,438)
Payment received on direct financing lease	-	-	1,182,083	1,182,083
Plant removal costs	-	-	(354,724)	(354,724)
Interest paid on bonds and notes payable	(745,034)	(3,441)	(795,038)	(1,543,513)
Principal payments on long-term debt	(2,091,656)	(25,566)	(6,811,652)	(8,928,874)
Non utility property	-	-	(100,000)	(100,000)
Bond issuance costs	90,856	566	(198,346)	(106,924)
Net Cash Used by Capital and Related Financing Activities	(2,992,503)	(868,077)	(3,179,810)	(7,040,390)
Cash Flows from Non-Capital Financing Activities				
Payments in lieu of taxes	(288,878)	(121,856)	(1,127,172)	(1,537,906)
Net decrease in TVA advances for conservation loans	-	-	(32,938)	(32,938)
Net Cash Provided (Used) by Non-Capital Financing Activities	(288,878)	(121,856)	(1,160,110)	(1,570,844)
Cash Flows from Investing Activities				
(Increase) Decrease in conservation loans receivable	-	-	40,936	40,936
Interest income received	2,350	2,615	152,469	157,434
Net Cash Provided (Used) by Investing Activities	2,350	2,615	193,405	198,370
Net Increase (Decrease) in Cash and Cash Equivalents	(237,849)	(180,709)	(240,093)	(658,651)
Cash and Cash Equivalents, Beginning of Year	711,874	2,392,826	9,163,856	12,268,556
Cash and Cash Equivalents, End of Year	$ 474,025	2,212,117	8,923,763	11,609,905
Reconciliation of Operating Income to Net Cash Provided (Used) by Operations				
Operating income (loss)	$ 1,893,907	293,268	2,084,620	4,271,795
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,097,920	388,475	2,280,466	3,766,861
Change in pension related deferred outflows and inflows of resources	5,633	23,591	274,875	304,099
(Increase) decrease in:				
Accounts receivable	9,790	108,045	(982,738)	(864,903)
Accrued utility revenue	(9,786)	-	47,243	37,457
Inventory	(26,370)	11,905	(168,260)	(182,725)
Prepaid expenses	(62,061)	1,794	6,761	(53,506)
Due from other funds	58,860	-	-	58,860
Increase (decrease) in:				
Accounts payable	(26,368)	(3,442)	70,050	40,240
Due to other funds	11,203	-	-	11,203
Customer deposits	7,683	26,530	30,218	64,431
Accrued expenses and post retirement obligation	80,771	(43,557)	263,187	300,400
Net Cash Provided (Used) By Operating Activities	$ 3,041,182	806,609	3,906,422	7,754,213
Supplemental Schedule of Non-Cash Capital and Related Financing Activities and Other Disclosures				
Uitlity plant contributed by developers	$ -	-	179,914	179,914
Depreciation capitalized as part of costs to construct electric plant	$ 198,294	71,618	276,010	545,922
Amortization of bond discount and debt issue costs included in interest	$ 11,848	142	74,666	86,656

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 for the year ended June 30, 2015. As of June 30, 2014, the latest financial statements available, 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). 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, 2015, E911's total assets and deferred outflows were $1,488,416 with total liabilities and deferred inflows of $464,133, and net position of $1,024,283. For the year ended June 30, 2014 the District had revenues of $460,027, operating and other expenses of $1,252,704 and contributions, (including subsidies from the City and Lawrence County) of $833,604 resulted in a net change of $40,927. 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, 2015. As of June 30, 2014, the date of the last available financial statements for the Board, 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. 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 associated with the building of a speculative building. The City paid the Board $125,410 in incremental property taxes for its year ending January 31, 2015. As of January 31, 2015, the Board's total assets were $2,422,300 with total liabilities of $919,195 and net position of $1,503,105. For the year ended January 31, 2015 revenues consisted of the $125,410 from the City, and operating expenses of $1,841, resulting in a net change in position of $123,569. Interest paid by the Board during the year, and capitalized as a cost of the speculative building, amounted to $35,219 for the fiscal year 2015. Complete financial statements for this entity may be obtained from the City Administrator.

(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. The Electric Fund, an enterprise fund, does not recognize unbilled revenue which is an common industry practice.

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

Pension-TCRS Plan

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

(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.

In the government-wide financial statements 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. Bond issue cost is taken as a current period costs when incurred. 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, 2015, were approximately 95% of the tax levy.

In accordance with GASB 33, property taxes receivable includes the estimated 2015 net realizable tax levy in the amount of $3,113,000. 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 $44,357 to the General Fund for 2015. 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 liabilities, the Balance Sheets and Statements of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The unavailable revenue reported in the Balance Sheet, which arises under a modified accrual basis of accounting, represents amounts that are deferred and recognized as an inflow of resources in the periods that the amounts become available. The assessed and unlevied property taxes reported in the Statement of Net Position, arises from imposed non exchange revenues (property taxes) which are assessed prior to the end of the fiscal year but levied in the subsequent year. Deferred inflows of resources are presented after total liabilities.

A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period. 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. Deferred outflows of resources are presented after total assets.

Deferred outflows and inflows of resources also include amounts related to pensions, and pension expense. Refer to Note 9 for further details.

(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 2015, 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, 2015, 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, 2015, were as follows:

	Transfers out			
Transfers In:	Electric Fund	Water & Sewer Fund	Gas Fund	Total
General Fund	$ 1,127,172	288,878	121,856	1,537,906

Interfund receivables and payables at June 30, 2015, consisted of the following:

Interfund Receivable	Interfund Payable Water &Sewer Fund
Sanitation Fund-Non major fund	$ 132,482
	-
Total	$ 132,482

Individual fund transfers of the City for the year ended June 30, 2015 are attributed to the 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 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, 2015, was as follows:

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital Assets, being depreciated:				
Buildings and improvements	$ 7,396,274	252,363	33,309	7,681,946
Machinery and equipment	6,801,791	132,710	-	6,934,501
Infrastructure	10,105,009	-	976,862	11,081,871
Total capital assets, being depreciated:	24,303,074	385,073	1,010,171	25,698,318
Less accumulated depreciation for:				
Buildings and improvements	2,907,262	257,999	-	3,165,261
Machinery and equipment	5,279,795	209,301	-	5,489,096
Infrastructure	3,077,227	221,638	-	3,298,868
Total accumulated depreciation:	11,264,284	688,938	-	11,953,222
Total capital assets being depreciated, net	13,038,790			13,745,096
Non Depreciable Capital assets:				
Land	3,360,204	-	-	3,360,204
Construction in progress	96,706	913,465	(1,010,171)	-
Total Non Depreciable Capital Assets	3,456,910	913,465	(1,010,171)	3,360,204
Governmental activities capital assets, net	$16,495,700			17,105,300

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	$107,086,407	3,203,168	(430,541)	109,859,034
Buildings and improvements	29,018,593	-	-	29,018,593
Machinery and equipment	9,171,224	446,318	(273,420)	9,344,122
Total capital assets being depreciated	145,276,224	3,649,486	(703,961)	148,221,749
Less accumulated depreciation for:				
Plant systems in service	32,827,216	2,896,182	(645,501)	35,077,897
Buildings and improvements	7,907,447	596,781	-	7,873,192
Machinery and equipment	7,154,504	819,820	(268,509)	7,669,168
Total accumulated depreciation	47,889,167	4,312,783	(914,010)	51,287,940
Total depreciable capital assets, net	97,358,977			96,933,809
Capital assets, not being depreciated:				
Land	2,264,878	-	-	2,264,878
Construction in progress	2,571,936	490,921	(469,864)	2,592,993
Total capital assets, not being depreciated:	4,836,814	490,921	(469,864)	4,857,871
Business-type capital assets, net	$ 102,223,871			101,791,680

- As restated in the amount of $28,080.

Depreciation expense charged to functions/programs as of June 30, 2015, follows:

Governmental activities:	
General government	$ 61,746
Highway & Streets, including depreciation of general infrastructure assets	247,907
Police	71,463
Fire	84,194
Parks	190,818
Sanitation	31,087
Civil defense	1,723
Total depreciation expense - governmental activities	$ 688,938
Business-type activities:	
Water and Sewer Fund	$ 1,097,920
Gas Fund	388,475
Electric Fund	2,280,466
Total depreciation expense - business-type activities	$ 3,766,861

(6) LONG-TERM DEBT

Changes in General Long-Term Obligations

During the year ended June 30, 2015, 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%	$ 3,185,000	-	(3,185,000)	-	-
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%	1,760,000	-	(5,000)	1,755,000	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%	1,740,000	-	(280,000)	1,460,000	275,000
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	200,000
General Obligation Refunding Bonds - Series 2015A due in increasing annual installments commencing April 2013 through April 2020, at interest rate of 2%	-	2,610,000	-	2,610,000	605,000
Capital Outlay Note – Series 2011, due in increasing annual installments commencing May 25, 2013 through May 2017, with interest at 1.86%	244,408	-	(78,513)	165,895	81,460
Capital Outlay Note – Series 2015, due in increasing annual installments commencing April 22, 2016 through April 22, 2019, with interest at 2.73%	-	97,276	-	97,276	23,412
Lease Purchase Obligations, secured by equipment, due in 4 annual installments of $25,883 including interest	23,519	-	(23,519)	-	-
Net Other Post Employment Retirement Benefit Obligation	7,077,919	585,239	-	7,663,158	-
Accrued landfill closure costs and postclosure costs	122,960	-	-	122,960	-
Compensated absences	712,119	-	(45,030)	667,089	667,089
Total General Long-term Debt	$17,865,925	3,292,515	(3,617,062)	17,541,378	1,856,961
Less Bond Discount	(19,183)			-	
Add: Bond Premium	75,111			66,671	
Total General Long-term Debt, net	$17,921,853			17,608,049	

(6) LONG-TERM DEBT (CONTINUED)

Proprietary Fund long-term liability activity for the year ended June 30, 2015 was as follows:

	Balance at June 30, 2014	Additions	Retirements	Balance at June 30, 2015	Due Within One Year
Bonds Payable	$29,635,000	5.930,000	(8,275,000)	27,290,000	890,000
Notes Payable	9,357,702	-	(690,788)	8,666,914	706,604
Total	38,992,702	5,930,000	(8,965,788)	35,956,914	1,596,604
Less bond discounts	(115,807)			(82,914)	
Add bond premium	412,418			416,439	
Total - net	$39,289,313			36,290,439	

Long-term debt at June 30, 2015 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	$ 2,020,000
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.	7,600,000
Series 2015B (Federally Taxable) Refunding Bonds - interest rates .50% 1.40%, maturing over a 3 year period, with the first payment made 7/1/16, and the final payment due 7/1/18. Bonds are secured by the System's revenues and receipts and secondly by ad velorem taxes of the City.	1,505,000
Series 2015C Refunding Bonds - interest rates 3.0% 4.50%, maturing over a 3 year period, with the first payment made 7/1/19, and the final payment due 7/1/26. Bonds are secured by the System's revenues and receipts and secondly by ad velorem taxes of the City.	4,425,000
Total bonds payable - Electric Department	15,550,000
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.	200,000
Total debt issued - Electric Department	$ 15,750,000

(6) LONG-TERM DEBT (CONTINUED)

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.	$ 4,565,000
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.	4,185,000
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.	465,000
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.	2,430,000
Total bonds payable - Water and Sewer Department	11,645,000
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.	8,466,914
Total debt issued - Water and Sewer Department	$ 20,111,914

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.	$ 95,000
Total bonds payable - Gas Department	$ 95,000

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.

Refunding

In March, 2015, the City issued $2,610,000 General Obligation Refunding Bonds, Series 2015A with interest at 2.00% to currently refund $2,610,000 in outstanding General Obligation Refunding Bonds, Series 2005 with rates of interest ranging from 3.50% to 4.00%. As a result of the refunding, the City had a net present value savings of approximately $124,793. The refunding was undertaken primarily to obtain lower overall interest rates.

Bonds Authorized-Unissued

At June 30, 2015, the City had $5,000,000 in General Obligation Bonds authorized but unissued. The bonds were issued in July 2015 with interest ranging from 3.0% to 3.5%. The proceeds were to be used to buy sanitation trucks and for various public works projects

(6) LONG-TERM DEBT (CONTINUED

Debt Service Requirements

The annual debt service requirements to maturity on outstanding long-term bonded debt as of June 30, 2015, are as follows:

	General Obligation Debt		Proprietary Fund Debt	
Fiscal Year	Principal	Interest	Principal	Interest
2016	$ 1,189,872	237,088	1,596,604	1,254,720
2017	1,198,442	210,289	3,357,804	1,176,693
2018	1,189,616	183,494	3,504,412	1,039,073
2019	1,205,241	159,477	3,586,416	895,348
2020	770,000	134,468	3,028,852	790,610
2021-2025	3,535,000	346,686	13,176,124	2,742,365
2026-2030	-	-	7,706,702	703,336
	$ 9,088,171	1,271,502	35,956,914	8,602,145

(7) CAPITAL LEASES

Electric System- 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. TVA exercised this option to purchase the Loretto Tapline as of June 30, 2015. As outlined in the 1995 Agreement, TVA will pay the Utility the net book value of $1,125,679. This amount has been calculated in accordance with the terms of the contract and properly reflected in the financial statements as a receivable as of June 30, 2015.

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, 2015:

Police Vehicles	$ 112,356
Less accumulated depreciation	(112,356)
Total	$ -

The future minimum lease obligations and the net present value of these lease payments at June 30, 2015 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

Plan description. Employees of Lawrenceburg (the City) are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	105
Inactive employees entitled to but not yet receiving benefits	107
Active employees	122
	334

(9) RETIREMENT PLANS

Tennessee Consolidated Retirement System

General Information about the Pension Plan (Continued)

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. The Town makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for the City were $133,701 based on a rate of 5.70% percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The Citys net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

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

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

(9) RETIREMENT PLANS

Tennessee Consolidated Retirement System

General Information about the Pension Plan (Continued)

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		100%

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

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

Changes in the Net Pension Liability (Asset)

		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)
Balance at 6/30/13	$ 17,630,744	11,867,645	5,763,039
Changes for the year:			
Service cost	324,772		324,772
Interest	1,303,618		1,303,618
Differences between expected and actual experience	127,060		127,060
Contributions – employer	-	609,090	(609,090)
Contributions- Employees		211,783	(211,783)
Net investment income	-	1,939,158	(1,939,158)
Benefit payments, including refunds of employee contributions	(1,147,894)	(1,147,894)	-
Administrative expense	-	(4,875)	4,875
Net changes	607,556	1,607,262	(999,706)
Balance at 6/30/14	$ 18,238,300	13,474,907	4,763,393

(9) RETIREMENT PLANS

Tennessee Consolidated Retirement System

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the Town calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Lawrenceburg's Net Pension liability (asset)	$ 6,923,868	4,763,393	2,975,347

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

Pension expense. For the year ended June 30, 2015, the City recognized pension expense of $349,700.

Changes in the Net Pension Liability (Asset)

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 108,909	-
Net difference between projected and actual earning on pension plan investments	-	849,225
Contributions subsequent to the measurement date of June 30, 2014	642,836	-
Total	$ 751,745	849,225

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2014," will be recognized as a reduction (increase) to net position liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$(194,155)
2017	(194,155)
2018	(194,155)
2019	(194,155)
2020	18,151
Thereafter	18,151

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

(9) RETIREMENT PLANS

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. The Plan's trust is maintained at First Farmers Trust and administered by the Utility. The Plan issues a publicly available report that can be obtained by contacting Lawrenceburg Utility Systems, attention General Manager, 1607 N. Locust Ave., Lawrenceburg, TN 38464 or by calling 931-762-7161.

Benefits Provided and Employee Contribution
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. For purposes of this calculation, "Final Compensation " is considered to be the compensation in the last whole calendar year of employment with LUS (or the calendat year in which the employee terminated employment) or the amount of compensation for any previous calendar year, if that is higher.

If an employee reaches age 50 and completes 15 years of credited service, he/she may retire and receive an early retirement benefit starting the first day of the month after retirement. The benefit is calculated the same way os the normal benefit based on final compensation when retirement begins and the credited service that an employee would have had if he/she had continued working until the normal retirement date. The benefit is then reduced to reflect the fact that the retirement benefit will be paid over a longer period of time. The redaction is equal to 5% for each year (and proportionately for each month) by which the early retirement date precedes the normal retirement date.

If an employee becomes physically or mentally disabled, he/she may be entitled to receive disability benefit under the Plan. In order to receive disability benefits under the plan, an employee must meet the following three conditions:

- Must have completed 10 years of credited service.
- Must be considered to be disabled by the Social Security Administration and must actually be receiving Social Security disability benefits.
- Must remain continuously disabled through the date that would have been the mormal retirement date.

The disability retirement benefit will be a deferred benefit which will begin on the first day of the month following the employee's 65th birthday. The benefit will be calculated in the same manner as the normal will receive retirement benefit. The employee's compensation at the time of disability will be treated as the final compensation and credited service will be the service that would have been accrued if the employee had continued working until his/her normal retirement date.

(9) RETIREMENT PLANS

Lawrenceburg Utility System Employees Pension Plan

If an employee dies while working for the Utility, then his/her beneficiary will receive a death benefit from the Plan.

If an employee is not married and dies prior to retiring, then his/her beneficiary will receive a lump sum payment equal to the single sum actuarial equivalent of accrued benefit determined as of the date of death.

If an employee is married and dies prior to retirement, his/her spouse will receive a monthly annuity for the duration of this or her life. The monthly benefit will be the greater of (1) the actuarially equivalent benefit which can be provided by the lump sum amount as described above for unmarried participants, or (2) the survivor's portion of a qualified joint and 50% survivor annuity. The surviving spouse may also elect to receive the benefit in the form of a single, lump sum payment.

If an employee dies on or after the date he/she has retired and begins to receive benefits, any remaining unpaid benefits will b distributed in accordance with the form of settlement that you selected at retirement

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. For purposes of this calculation, "Final Compensation " is considered to be the compensation in the last whole calendar year of employment with LUS (or the calendat year in which the employee terminated employment) or the amount of compensation for any previous calendar year, if that is higher.

If an employee reaches age 50 and completes 15 years of credited service, he/she may retire and receive an early retirement benefit starting the first day of the month after retirement. The benefit will be equal to the employee's accrued benefit otherwise payable at normal retirement age reduced actuarially to reflect the fact that the retirement benefit will be paid over a longer period of time. For purposes of the Plan, "accrued benefit" means the benefit that the employees are entitled to at any point in time, which is calculated based on final compensation and credited service at that time.

If an employee becomes physically or mentally disabled, he/she may be entitled to receive disability benefit under the Plan. In order to receive disability benefits under the plan, an employee must meet the following three conditions:

- Must have completed 10 years of credited service.
- Must be considered to be disabled by the Social Security Administration and must actually be receiving Social Security disability benefits.
- Must remain continuously disabled through the date that would have been the mormal retirement date.

(9) RETIREMENT PLANS

Lawrenceburg Utility System Employees Pension Plan

The disability retirement benefit will be a deferred benefit which will begin on the first day of the month following the employee's 65th birthday. The benefit will be calculated in the same manner as the normal will receive retirement benefit. The employee's compensation at the time of disability will be treated as the final compensation and credited service will be the service that would have been accrued if the employee had continued working until his/her normal retirement date.

If an employee dies while working for the Utility, then his/her beneficiary will receive a death benefit from the Plan.

If an employee is not married and dies prior to retiring, then his/her beneficiary will receive a lump sum payment equal to the single sum actuarial equivalent of accrued benefit determined as of the date of death.

If an employee is married and dies prior to retirement, his/her spouse will receive a monthly annuity for the duration of this or her life. The monthly benefit will be the greater of (1) the actuarially equivalent benefit which can be provided by the lump sum amount as described above for unmarried participants, or (2) the survivor's portion of a qualified joint and 50% survivor annuity. The surviving spouse may also elect to receive the benefit in the form of a single, lump sum payment.

If an employee dies on or after the date he/she has retired and begins to receive benefits, any remaining unpaid benefits will b distributed in accordance with the form of settlement that you selected at retirement

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. "Final average compensation (FAC)" is the average of an employee's five highest consecutive years of compensation. If an employee worded less than five years, compensation will be averaged over the entire period during which he/she was employed with LUS.

"Credited service" is all of an employee's whole years of employment and his/her completed calendar months of employment, beginning with the first hour of employment and ending on the "severance date". "Severance date" is the date an employee quits, retires, is discharged or dies. If an employee remains absent from work for other reasons which have not been approved as a leave of absence, the severance date is counted as the first date of absence. If an employee is absent from work due to pregnancy or the birth or adoption of a baby, the severance date is the second anniversary of the date that he/she became absent from work. For purposes of benefit accrual, credited service includes all years until the severance date, except the special extra year if an employee is absent due to pregnancy or the birth or adoption of a baby. If an employee is absent for military service, membership in the Plan will continue as long as re-employment rights are protected by law.

(9) RETIREMENT PLANS

Lawrenceburg Utility System Employees Pension Plan

In addition, "credited service" will also include:

• All years of credited service that were credited to an employee for purposes of accruing benefits under the Tennessee Consolidated Retirement System ("TCRS") as of June 30, 2002.

• Each 20 days of accumulated sick leave will equal one month of credited service, or if an employee has less than 20 days, a fractional portion of a month.

• Subject to the approval of the Plan Administrator, if an employee receives temporary disability benefits from the LUS or under a workers' compensation program, he/she will be entitled to receive credited service for the period of disability by making a lump sum payment of the contributions that would have been made to the Plan on the basis of the compensation that was in effect immediately prior to the period of disability, plus interest at a rate of seven and one-half percent (7.5%), provided that he/she returns to active service with the Employer or retires immediately following the end of the temporary disability benefits. Notwithstanding the foregoing, an employee will not be credited with more than one year of credited service for each occurrence of temporary disability. Please contact the Administrator for more information about this.

• If an employee changes from part-time to full-time employment, the hours that would have counted toward the credited service if he/she had been employed on a full-time basis will count toward your credited service if, upon becoming a full-time employee, he/she pays to the Plan the amount that would have been withheld from compensation as a condition of participation in the Plan if an employee had been a full-time employee and if the compensation during the time that he/she was a part-time employee was multiplied by a fraction, the numerator of which is forty (40) and the denominator of which is the weekly average hours worked as a part-time employee, plus seven and one-half percent (7.5%) interest.

However, credited service will not include any period of employment with respect to which an employee's contributions to the Plan have been withdrawn unless an employee repays those contributions to the Plan, plus interest thereon at the rate of seven and one-half percent (7.5%) interest.

"Social Security Integration Level" (SSIL) is an average of social security wage bases. It allows the benefit formula to provide a slightly higher benefit rate on a portion of an employee's final average compensation. The social security integration level is $47,400 for 2007. Since the social security wage base increases each year, it is expected that the SSIL will continue to increase in future years.

If an employee reaches age 55 and completes 10 years of credited service, or if he/she completes 25 years of credited service, he/she may retire and receive an early retirement benefit starting the first day of the month after retirement or he/she may wait until the normal retirement date to begin receiving benefits.

If an employee becomes disabled, he/she may be entitled to receive disability benefits under the Plan. To be eligible for disability benefits, an employee must be ineligible for retirement benefits, have a minimum of five years of credited service and be unable to engage in gainful employment due to a total and permanent physical or mental disability.

(9) RETIREMENT PLANS

Lawrenceburg Utility System Employees Pension Plan

Gainful employment means any type of work which results in earnings considered by the Social Security Administration to be gainful for disability recipients from that system. It is important to note that for eligibility for purposes of the Plan, this is *not* determined by your inability to perform your *current* job, but rather by the inability to perform *any type of gainful employment.*

Ordinary disability benefits for a participant who becomes disabled while working for the employer are equal to 90 percent of the accrued benefit determined as of an employee's disability retirement date.

If an employee has less than 20 years of credited service, a part or all of the additional years that would have been worked if he/she had continued in service to age 60 may be added to the credited service, but in no event can the total exceed 20 years unless the actual credited service exceeds 20 years.

When a disabled participant receiving ordinary disability benefits reaches age 60, his/her benefits will be increased to 100 percent of the normal retirement benefit.

Notwithstanding anything herein to the contrary, an employee's disability benefits may not exceed 75% of his/her final average compensation.

One of several death benefits may be payable to an employee's designated beneficiary if he/she dies prior to retirement. The type of death benefit payable will be determined by whether or not death occurs while an employee is working for us, who is nominated as the beneficiary and by length of service.

If an employee dies while employed by the Utility, within 120 days following his/her termination of employment or before the expiration of your unused annual leave, an employee has at least 10 years of credited service and an employee's spouse is named beneficiary, an employee's spouse will be entitled to a death benefit equal to the spouse's portion of a joint and 100% survivor annuity. If an employee has not reached normal retirement age at the date of death, the death benefit is reduced by .4% per month for each month that the benefit commencement date precedes the normal retirement date. If you die while employed by the Utility, within 120 days following his/her termination of employment or before the expiration of an employee's unused annual leave, an employee has reached early or normal retirement age and the employee's spouse is not the named beneficiary, the beneficiary will be entitled to a death benefit equal to the beneficiary's portion of a joint and 100% survivor annuity. If an employee is not entitled to either of these benefits, he/she is entitled to the lump-sum death benefit described below.

(9) RETIREMENT PLANS

Lawrenceburg Utility System Employees Pension Plan

Lump-Sum Death Benefit

If an employee dies prior to retirement, the designated beneficiary will be eligible to receive a lump sum refund of the contributions that were made to the Plan and interest on the employee's account. If an employee was not working for us on the date of death, the designated beneficiary will receive an additional amount equal to the accumulated contributions and interest. If an employee had at least 10 years of service at the time of your death, the beneficiary may convert the lump-sum amount into a monthly annuity payable over a period not to exceed 10 years. This 10-year conversion is not available to multiple beneficiaries, an estate, or an institution.

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 and are 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 the 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. "Final average compensation (FAC)" is the average of an employee's five highest consecutive years of compensation. If an employee worked less than five years, compensation will be averaged over the entire period during which he/she was employed with LUS.

"Credited service" is all of an employee's whole years of employment and his/her completed calendar months of employment, beginning with the first hour of employment and ending on the "severance date". "Severance date" is the date an employee quits, retires, is discharged or dies. If an employee remains absent from work for other reasons which have not been approved as a leave of absence, the severance date is counted as the first date of absence. If an employee is absent from work due to pregnancy or the birth or adoption of a baby, the severance date is the second anniversary of the date that he/she became absent from work. For purposes of benefit accrual, credited service includes all years until the severance date, except the special extra year if an employee is absent due to pregnancy or the birth or adoption of a baby. If an employee is absent for military service, membership in the Plan will continue as long as re-employment rights are protected by law.

In addition, "credited service" will also include:

- All years of credited service that were credited to an employee for purposes of accruing benefits under the Tennessee Consolidated Retirement System ("TCRS") as of June 30, 2002.

- Each 20 days of accumulated sick leave will equal one month of credited service, or if an employee has less than 20 days, a fractional portion of a month.

(9) RETIREMENT PLANS

Lawrenceburg Utility System Employees Pension Plan

- Subject to the approval of the Plan Administrator, if an employee receives temporary disability benefits from the LUS or under a workers' compensation program, he/she will be entitled to receive credited service for the period of disability by making a lump sum payment of the contributions that would have been made to the Plan on the basis of the compensation that was in effect immediately prior to the period of disability, plus interest at a rate of seven and one-half percent (7.5%), provided that he/she returns to active service with the Employer or retires immediately following the end of the temporary disability benefits. Notwithstanding the foregoing, an employee will not be credited with more than one year of credited service for each occurrence of temporary disability. Please contact the Administrator for more information about this.

- If an employee changes from part-time to full-time employment, the hours that would have counted toward the credited service if he/she had been employed on a full-time basis will count toward your credited service if, upon becoming a full-time employee, he/she pays to the Plan the amount that would have been withheld from compensation as a condition of participation in the Plan if an employee had been a full-time employee and if the compensation during the time that he/she was a part-time employee was multiplied by a fraction, the numerator of which is forty (40) and the denominator of which is the weekly average hours worked as a part-time employee, plus seven and one-half percent (7.5%) interest.

However, credited service will not include any period of employment with respect to which an employee's contributions to the Plan have been withdrawn unless an employee repays those contributions to the Plan, plus interest thereon at the rate of seven and one-half percent (7.5%) interest.

"Social Security Integration Level" (SSIL) is an average of social security wage bases. It allows the benefit formula to provide a slightly higher benefit rate on a portion of an employee's final average compensation. The social security integration level is $47,400 for 2007. Since the social security wage base increases each year, it is expected that the SSIL will continue to increase in future years.

If an employee reaches age 55 and completes 10 years of credited service, he/she may retire and receive an early retirement benefit starting the first day of the month after retirement or he/she may wait until the normal retirement date to begin receiving benefits.

If an employee becomes disabled, he/she may be entitled to receive disability benefits under the Plan. To be eligible for disability benefits, an employee must be ineligible for retirement benefits, have a minimum of five years of credited service and be unable to engage in gainful employment due to a total and permanent physical or mental disability.

(9) RETIREMENT PLANS

Lawrenceburg Utility System Employees Pension Plan

Gainful employment means any type of work which results in earnings considered by the Social Security Administration to be gainful for disability recipients from that system. It is important to note that for eligibility for purposes of the Plan, this is *not* determined by your inability to perform your *current* job, but rather by the inability to perform *any type of gainful employment.*

Ordinary disability benefits for a participant who becomes disabled while working for the employer are equal to 90 percent of the accrued benefit determined as of an employee's disability retirement date.

If an employee has less than 20 years of credited service, a part or all of the additional years that would have been worked if he/she had continued in service to age 60 may be added to the credited service, but in no event can the total exceed 20 years unless the actual credited service exceeds 20 years.

When a disabled participant receiving ordinary disability benefits reaches age 60, his/her benefits will be increased to 100 percent of the normal retirement benefit.

Notwithstanding anything herein to the contrary, an employee's disability benefits may not exceed 75% of his/her final average compensation. If an employee dies while working for the Utility, then his/her beneficiary will receive a death benefit from the Plan.

If an employee is not married and dies prior to retiring, then his/her beneficiary will receive a lump sum payment equal to the single sum actuarial equivalent of accrued benefit determined as of the date of death.

If an employee is married and dies prior to retiring, his/her spouse will receive a monthly annuity for the duration of his or her life. The monthly benefit will be the greater of (1) the actuarially equivalent benefit which can be provided by the lump sum amount described above for unmarried participants, or (2) the survivor's portion of a qualified joint and 50% survivor annuity. The surviving spouse may also elect to receive the benefit in the form of a single, lump sum payment.

If an employee dies on or after the date he/she has retired and begins to receive benefits, any remaining unpaid benefits will be distributed in accordance with the form of settlement that you selected at retirement.

At June 30, 2014 the following employees were covered by the Plan:

Active employees	15
Inactive employees or beneficiaries currently receiving benefits	98
Inactive employees entitled to but not yet receiving benefits	10
Total employees covered by the Plan	123

Employer Contributions

The employees of the Utility are not allowed to make voluntary contributions. The Utility is required to contribute at an actuarially determined rate; the rate for the fiscal years ending June 30, 2014 was 14.19% of annual covered payroll. The contribution requirement for the Utility is established by the actuarial valuation.

(9) RETIREMENT PLANS

Lawrenceburg Utility System Employees Pension Plan

Net Pension Liability

The Utility's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar, closed not to exceed 30 years
Remaining amortization period:	28 years
Asset valuation:	Market value
Inflation:	None
Salary Increases:	3.0% for Group A & B / 5.0% for Group C & D
Investment rate of return:	7.5%, net of investment expense, including inflation
Retirement age:	Group A, B, and D graded scale from 50 to 59 with 100% at 60 with 10 years of service. Group C 100% at the earlier of 30 years of service or age 60.
Mortality:	1983 Group Annuity Mortality Table for Group A & B. RP 2014 Combined Mortality Table for Group C & D
Cost of living adjustments:	None.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2014. In addition, mortality rates were based on the 1983 Group Annuity Mortality Table for Group A & B and the RP 2014 Combined Mortality Table for Group C & D, as appropriate.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of forward-looking rates of return for each major class included in the pension plan's target asset allocation are summarized in the following table:

Asset class	Long-term expected real rate of return
Domestic equity - small cap	8.75%
Domestic equity - large cap	7.00%
Domestic equity - mid cap	8.00%
International equity	7.50%
International equity - emerging markets	10.50%
Fixed Income	2.00%
Limited partnerships	1.25%
Cash	1.25%

(9) RETIREMENT PLANS

Lawrenceburg Utility System Employees Pension Plan

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent. Paragraph 29 of Statement No. 68 provides for an alternative method to be used other than the projection of the pension plan's fiduciary net position based on projected contributions, benefit payments and investment earnings. The current contribution policy requires contributions of the normal cost plus a closed amortization of the unfunded liabilities (not to exceed 30 years from when the unfunded liability was created). The discount rate utilized assumes that employee contributions will be made at the current applicable rate and that contributions from the employer will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the pension funding policy of Lawrenceburg Utility Systems and as required to be paid by state statute. Based on these assumptions and the actuarial methodology adopted, the employer's fiduciary net position is expected to remain positive and to be available to make projected future benefit payments of current active and inactive members and to cover administrative expenses. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in the Utility's Net Pension Liability

Changes in the Utility's net pension liability for the year ended June 30, 2014 (measurement date) were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (c)**
Balance at 6/30/13	$15,797,779	12,897,658	2,900,121
Changes for the year:			
Service cost	312,296	-	312,296
Interest	1,065,488	-	1,065,488
Differences between expected and actual experience	(19,302)	-	(19,302)
Contributions – employer	-	601,485	(601,485)
Contributions- Employees	-	148,994	(148,994)
Net investment income	-	1,932,843	(1,932,843)
Benefit payments, including refunds of employee contributions	(1,777,624)	(1,777,624)	-
Administrative expense	-	-	-
Net changes	(419,142)	905,698	1,324,840)
Balance at 6/30/15	$ 15,378,637	13,803,356	1,575,281

(9) RETIREMENT PLANS

Lawrenceburg Utility System Employees Pension Plan

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.

The following presents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8..50%)
Net Pension liability (asset)	$ 3,042,709	1,575,281	359,378

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

Pension expense. For the year ended June 30, 2015, the Utility recognized pension expense of $144,853. At June 30, 2015, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 40,946	93,764
Net difference between projected and actual earnings on Plan investments	-	852,766
Contributions subsequent to the measurement date	601,485	-
Total	$ 642,431	946,530

The amount shown above for "Contributions subsequent to the measurement date will be reported as a deferred outflow of resources and recognized as a reduction (increase) to net position liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2015 will be recognized in pension expense as follows:

Year ended June 30:	Amount
2016	$ (226,396)
2017	(226,396)
2018	(226,396)
2019	(226,396)
2020	(226,396)
Thereafter	

(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. The City is funding the plan on a pay-as-you-go basis. Active and retiree demographic information follows:

	Single	Family
Active	47	66
Retired	34	18
Total	81	84

(10) OTHER POST-EMPLOYMENT BENEFITS (Continued)

City Government (Excluding Lawrenceburg Utility System Funds) Continued

Plan Provisions

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:

-Retirees must have at least 10 years of service to receive a subsidy for medical coverage.
-With 10-14 years service, 50% of employee coverage and 100% of dependent care coverage paid by employee.
-With 15-19 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.

Retirees medical coverage continues for life for retirees hired prior to August 1, 2008 and to age 65 for employees hired after August 1, 2008. Employees hired after January 1, 2014 are not eligible for retiree health coverage.

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, 2014.

	6-30-13	6-30-14	6-30-15
Annual Required Contribution (ARC)	$1,278,000	1,316,000	1,073,715
Adjustments to ARC	157,968	198,493	(143,474)
Annual OPEB Cost	1,435,968	1,514,493	930,241
Amount of Contribution	(281,768)	(263,214)	(345,002)
Increase (decrease) in Net Pension Obligation (NPO)	1,154,200	1,251,279	585,239
Net OPEB Obligation, Beginning of year	4,672,440	5,826,640	7,077,919
Net OPEB Obligation, end of year	$ 5,826,640	7,077,919	7,663,158

Project Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability*	Unfunded Actuarial Accrued Liability	Funding Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as % of Covered Payroll
7-1-14	-	13,228,155	13,228,155	0%	4,495,627	295.58%

- Calculated using the Projected Unit Credit Actuarial Method.

(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
6-30-15	930,241	12.14%	7,663,158

Lawrenceburg Utility Systems - Proprietary Funds

Plan Description

The City sponsors a single-employer post-retirement medical plan. The plan provides medical, prescription, death benefits to all eligible employees. The OPEB Plan issues a publicly available report that can be obtained contacting Lawrenceburg Utility Systems, attention General Manager, 1607 N. Locust Ave., Lawrenceburg, 38464 or by calling 931-762-7161.

Funding Policy

The Utility intends to continue its policy of funding OPEB liabilities on a pay-as-you-go basis and begin prefunding, as funds are available, any unfunded annual required contributions 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.

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 2015. The amounts in the table below are per the most recent actuarial valuation date, whereas the amounts listed within the Statement of Net Position are per actual figures.

Annual Required Contribution	$ 1,975,863
Increase due to interest	194,328
Adjustment to Annual Required Contribution	(179,598)
Annual OPEB Cost (Expense)	1,990,595
Contributions Made	(7,248,033)
Increase in Net Obligation	(5,257,438)
Net OPEB Obligation - beginning of year	7,228,078
Net OPEB Obligation - end of year	$ 1,970,640

(10) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Lawrenceburg Utility Systems - Proprietary Funds (Continued)

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $25.44 million, and the actuarial value of assets was $105.500 resulting in an unfunded accrued liability (UAAL) of $25.33 million. The covered payroll (annual payroll of active employees covered by the plan) was $5.10 million and the ratio of the UAAL to the covered payroll was 496.9%.

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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits

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.

In the July 1, 2015 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.

(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.

Changes in the reported liability are as follows:

Fiscal Year Ending		Beginning Balance	Changes in Estimates	Claim Payments	Ending Balance
June 30, 2015	$	458,705	2,506,593	2,499,352	465,946
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) RESTATEMENT AS A RESULT OF IMPLEMENTING GASB STATEMENTS 68 AND 71

The City implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which 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 their employees with pension benefits. As a result, net position, at July 1, 2014 was reduced as follows:

	Statement of Activities		Fund Statement of Revenue, Expenses and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Water & Electric Fund	Natural Sewer Fund	Gas Fund
Net Position, As Previously Reported	$ 4,645,582	72,936,692	43,408,840	18,811,919	10,715,933
Restatement	(5,154,007)	(2,298,636)	(1,624,863)	(363,482)	(310,291)
Net Position (Deficit), As Restated	$ (508,425)	70,638,056	41,783,977	18,448,437	10,405,642

(17) BUDGET OVERAGES

Expenditures exceeded budgetary amounts as shown below. Funding of any departmental budget overage or fund deficit is ultimately the responsibility of the General Fund.

`General Fund	Budget	Actual	Overage
Judicial	$ 34,664	36,309	1,645
Police Department	2,845,411	2,913,204	67,793
Civil Defense	114,285	116,665	2,380
Highways & Streets	1,785,939	1,787,927	1,988
Parks and Recreation	887,986	903,397	15,411
Appropriations and other	1,300,155	1,338,411	38,256
Sanitation Fund	1,110,766	1,114,971	4,205

Required Supplemental Information

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS

Fiscal Year Ending June 30,

	2014
Total pension liability	
Service cost	$ 324,772
Interest	1,303,618
Differences between actual and expected experience	127,060
Benefit payments, including refunds of employee conributions	(1,147,894)
Net change in total pension liability	607,556
Total pension liability, beginning of year	17,630,744
Total pension liability, ending of year (a)	$ 18,238,300
Plan fiduciary net position	
Contributions, employer	$ 609,090
Contributions, employee	211,783
Net investment income	1,939,158
Benefit payments, including refunds of employee contributions	(1,147,894)
Administrative expenses	(4,875)
Net change in plan fiduciary net position	1,607,262
Plan fiduciary net position, beginning of year	11,867,645
`Plan fiduciary net position, ending of year (b)	$ 13,474,907
Net Pension Liability (asset) ending of year (a)-(b)	$ 4,763,393
Plan fiduciary net position, as a percentage of total pension liability	73.88%
Covered-employee payroll	$ 4,235,673
Net pension liability (asset) as a percentage of covered-employee payroll	112.46%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Contributions Based on Participation in the Public Employees Pension Plan of TCRS

Fiscal Year Ending June 30,

	2014
Actuarially determined contribution	$ 609,090
Contributions in relation th the actuarially determined contribution	(609,090)
Contribution deficiency (excess)	$ -
Covered-employee payroll	$ 4,235,673
Contributions as a percentage of covered employee payroll	14.38%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF LAWRENCEBURG, TENNESSEE

Notes to Required Supplemental Information-TCRS Plan

For the Year Ended June 30, 2015

Valuation date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013 actuarial valuation.

Methods and assumptions used ot determine the contribution rates:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	20 years
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation.
Investment Rate of Return	7.5 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living	2.5 percent

CITY OF LAWRENCEBURG, TENNESSEE
LAWRENCEBURG UTILITY STSTEMS

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Single Employer Defined Benefit Pension Plan-Electric Fund

Fiscal Year Ending June 30,

	2015
Total pension liability	
Service cost	$ 214,285
Interest	736,262
Differences between actual and expected experience	(117,205)
Benefit payments, including refunds of employee conributions	(1,511,399)
Net change in total pension liability	(678,057)
Total pension liability, beginning of year	11,059,450
Total pension liability, ending of year (a)	$ 10,381,393
Plan fiduciary net position	
Contributions, employer	$ 405,406
Contributions, employee	82,359
Net investment income	1,326,880
Benefit payments, including refunds of employee contributions	(1,511,399)
Administrative expenses	(31,602)
Net change in plan fiduciary net position	271,644
Plan fiduciary net position, beginning of year	9,029,181
`Plan fiduciary net position, ending of year (b)	$ 9,300,825
Net Pension Liability (asset) ending of year (a)-(b)	$ 1,080,568
Plan fiduciary net position, as a percentage of total pension liability	89.59%
Covered-employee payroll	$ 2,908,505
Net pension liability (asset) as a percentage of covered-employee payroll	37.15%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF LAWRENCEBURG, TENNESSEE
LAWRENCEBURG UTILITY STSTEMS

Schedule of Contributions in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Single Employer Defined Benefit Pension Plan-Electric Fund

Fiscal Year Ending June 30,

		2015
Actuarially determined contribution	$	219,360
Contributions in relation th the actuarially determined contribution		(412,590)
Contribution deficiency (excess)	$	(193,230)
Covered-employee payroll	$	2,908,505
Contributions as a percentage of covered employee payroll		7.54%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF LAWRENCEBURG, TENNESSEE
LAWRENCEBURG UTILITY STSTEMS

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Single Employer Defined Benefit Pension Plan-Water Division

Fiscal Year Ending June 30,

		2015
Total pension liability		
Service cost	$	30,597
Interest		85,705
Differences between actual and expected experience		4,464
Benefit payments, including refunds of employee conributions		(60,724)
Net change in total pension liability		60,042
Total pension liability, beginning of year		1,224,123
Total pension liability, ending of year (a)	$	1,284,165
Plan fiduciary net position		
Contributions, employer	$	73,324
Contributions, employee		20,537
Net investment income		158,294
Benefit payments, including refunds of employee contributions		(60,724)
Administrative expenses		(3,498)
Net change in plan fiduciary net position		187,933
Plan fiduciary net position, beginning of year		999,401
`Plan fiduciary net position, ending of year (b)	$	1,187,334
Net Pension Liability (asset) ending of year (a)-(b)	$	96,831
Plan fiduciary net position, as a percentage of total pension liability		92.46%
Covered-employee payroll	$	260,635
Net pension liability (asset) as a percentage of covered-employee payroll		37.15%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF LAWRENCEBURG, TENNESSEE
LAWRENCEBURG UTILITY STSTEMS

Schedule of Contributions in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Single Employer Defined Benefit Pension Plan-Water Division

Fiscal Year Ending June 30,

		2015
Actuarially determined contribution	$	19,657
Contributions in relation th the actuarially determined contribution		(36,973)
Contribution deficiency (excess)	$	(17,316)
Covered-employee payroll	$	260,635
Contributions as a percentage of covered employee payroll		7.54%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF LAWRENCEBURG, TENNESSEE
LAWRENCEBURG UTILITY STSTEMS

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Single Employer Defined Benefit Pension Plan-Sewer Division

Fiscal Year Ending June 30,

		2015
Total pension liability		
Service cost	$	34,812
Interest		106,333
Differences between actual and expected experience		9,792
Benefit payments, including refunds of employee conributions		(57,303)
Net change in total pension liability		93,634
Total pension liability, beginning of year		1,512,885
Total pension liability, ending of year (a)	$	1,606,519
Plan fiduciary net position		
Contributions, employer	$	65,648
Contributions, employee		23,620
Net investment income		194,933
Benefit payments, including refunds of employee contributions		(57,303)
Administrative expenses		(4,323)
Net change in plan fiduciary net position		222,575
Plan fiduciary net position, beginning of year		1,235,153
`Plan fiduciary net position, ending of year (b)	$	1,457,728
Net Pension Liability (asset) ending of year (a)-(b)	$	148,791
Plan fiduciary net position, as a percentage of total pension liability		90.74%
Covered-employee payroll	$	400,494
Net pension liability (asset) as a percentage of covered-employee payroll		37.15%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF LAWRENCEBURG, TENNESSEE
LAWRENCEBURG UTILITY STSTEMS

Schedule of Contributions in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Single Employer Defined Benefit Pension Plan-Sewer Division

Fiscal Year Ending June 30,

		2015
Actuarially determined contribution	$	30,205
Contributions in relation th the actuarially determined contribution		(56,813)
Contribution deficiency (excess)	$	(26,608)
Covered-employee payroll	$	400,494
Contributions as a percentage of covered employee payroll		7.54%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF LAWRENCEBURG, TENNESSEE
LAWRENCEBURG UTILITY STSTEMS

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Single Employer Defined Benefit Pension Plan-Gas Fund

Fiscal Year Ending June 30,

	2015
Total pension liability	
Service cost	$ 32,602
Interest	138,768
Differences between actual and expected experience	36,926
Benefit payments, including refunds of employee conributions	(103,057)
Net change in total pension liability	105,239
Total pension liability, beginning of year	2,001,321
Total pension liability, ending of year (a)	$ 2,106,560
Plan fiduciary net position	
Contributions, employer	$ 57,107
Contributions, employee	22,478
Net investment income	252,736
Benefit payments, including refunds of employee contributions	(103,057)
Administrative expenses	(5,718)
Net change in plan fiduciary net position	223,546
Plan fiduciary net position, beginning of year	1,633,923
`Plan fiduciary net position, ending of year (b)	$ 1,857,469
Net Pension Liability (asset) ending of year (a)-(b)	$ 249,091
Plan fiduciary net position, as a percentage of total pension liability	88.18%
Covered-employee payroll	$ 670,466
Net pension liability (asset) as a percentage of covered-employee payroll	37.15%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF LAWRENCEBURG, TENNESSEE
LAWRENCEBURG UTILITY STSTEMS

Schedule of Contributions in the Net Pension Liability (Asset) and Related Ratios Based on Participation in the Single Employer Defined Benefit Pension Plan-Gas Fund

Fiscal Year Ending June 30,

		2015
Actuarially determined contribution	$	50,566
Contributions in relation th the actuarially determined contribution		(95,110)
Contribution deficiency (excess)	$	(44,544)
Covered-employee payroll	$	670,466
Contributions as a percentage of covered employee payroll		7.54%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF LAWRENCEBURG, TENNESSEE
LAWRENCEBURG UTILITY STSTEMS

Notes to Required Supplemental Information

For the Year Ended June 30, 2015

Lawrenceburg Utility System - All Funds

Valuation date: Actuarially determined contribution rates for 2015 were calculated based on the June 30,14 \actuarial valuation.

Methods and assumptions used ot determine the contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 30 years)
Remaining amortization period	28 years
Asset valuation	Market value
Inflation	None
Salary increases	3.0% for Group A&B/5.0% for Groups C& D
Investment Rate of Return	7.5 percent, net of investment expense, including inflation
Retirement age	Groups AB and D graded scale from 50 to 59 with 100% at 60 with 10 years of service. Group C 100% at the earlier of 30 years of service or age 60.
Mortality	1983 Group Annuity Mortality Table for Groups A & B RP 2014 Combined Mortality Table for Groups C & D
Cost of living	Nonr

City of Lawrenceburg - OPEB Plan

Methods and assumptions used ot determine the contribution rates:

Actuarial cost method	Projected Unit Credit Method.
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned diring the year in accordance with the Plan's benefit formula. This allocation is based on each individual's service between date of hire and date of termination.
Accumulated Post-Retirement Benefit Obligation	the Actuarial Present Value of Benefits allocated to all periods prior to the valuation yea
Discount Rate	3.00% (0% real rate of return plus 3% inflation)\\

	Age	Medical	Age	Medical	Age	Medical
Per Capita Claim Cost	50	$ 6,309	55	7,314	60	$ 8,479
	51	6,499	56	7,534	61	8,734
	52	6,694	57	7,760	62	8,996
	53	6,894	58	7,992	63	9,265
	54	7,101	59	8,232	64	9,543

The Blue Cross Blue Shield Medicare Supplemental Plan F rates were used as claim costs for age 65 and older.

Health Care Cost Trend	Initial 8%, for FY 2015 decreasing 0.50% per year to a level 5% in FY 2020 for pre-age 65 and a level 5% fpr 65 and older.
Mortality	RP-2000 Combined Table M/F with Projection Scale AA (2015).
Turnover	Rates varying by sex, age and year of service. Sample Male ultimate rates:

	Age 25	Age 40	Age 55
rates:	11.82%	4.29%	3.18%

Disability	None assumed.
Retirement Rates	Rates vary by age form 50 to 75 with 100% retirement assumed at 75.
Retiree Contributions	The retiree contribution will depend on years of service at retirement. Retiree and dependent coverage will be subdized for eligible retirees hired prior to January 1, 2014.

CITY OF LAWRENCEBURG, TENNESSEE
LAWRENCEBURG UTILITY STSTEMS

Schedule of Funding Progress-Post Employment Benefits

June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Accrued AL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ('c)	UAAL as a Percentage of Covered Payro ((b-a)/c)
7-1-10	$ -	27,915,016	27,915,016	0.0%	5,077,925	549.7%
7-1-11	-	34,897,005	34,897,005	0.0%	4,476,679	779.5%
7-1-12	-	36,478,813	36,478,813	0.0%	4,588,596	795.0%
7-1-13	-	25,794,071	25,794,071	0.0%	4,928,522	523.4%
7-1-14	100,000	26,959,538	26,859,538	0.4%	5,051,735	531.7%
7-1-15	105,500	25,438,022	25,332,552	0.4%	5,097,855	496.9%

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, 2015

		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	$	365,010	55,242	45,235	383,433	68,868	917,788
Due from other funds		-	-	-	132,482	-	132,482
Accounts receivable, net of allowance for doubtful accounts		50,452	-	-	-	-	50,452
Total Assets	$	415,462	55,242	45,235	515,915	68,868	1,100,722
Liabilities and Fund Equity							
Liabilities:							
Accounts payable	$	-	-	-	765	-	765
Due to other funds		-	-	-	-	-	-
Accrued costs		-	-	-	19,442	-	19,442
Total Liabilities		-	-	-	20,207	-	20,207
Fund Balance (Deficit):							
Restricted for:							
Roads		415,462	-	-	-		415,462
Public Safety		-	-	45,235	-		45,235
Capital projects		-	55,242	-	-		55,242
Solid waste disposal		-	-	-	495,708		495,708
Cemetery maintenance		-	-	-	-	68,868	68,868
Total Restricted Fund Balance		415,462	55,242	45,235	495,708	68,868	1,080,515
Total Liabilities and Fund Balance	$	415,462	55,242	45,235	515,915	68,868	1,100,722

CITY OF LAWRENCEBURG, TENNESSEE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

	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	$ 274,746	-	-	-	-	274,746
Charges for Services:						
Garbage fees	-	-	-	1,040,827	-	1,040,827
Fines	-	-	11,632	-	-	11,632
Miscellaneous:						
Other revenue	3,585	-	20,712	84,608	8,000	116,905
Interest income	338	54	80	485	44	1,001
Total Revenues	278,669	54	32,424	1,125,920	8,044	1,445,111
Expenditures:						
Highways and streets:						
Road and bridge repair	248,354		-	-	-	248,354
Sanitation:						
Salaries and employee benefits	-	-	-	786,314	-	786,314
Contractual services	-	-	-	73,240	16,000	89,240
Supplies	-	-	-	156,945	-	156,945
Insurance	-	-	-	13,953	-	13,953
Program costs	-	-	23,454	-	-	23,454
Debt service				84,519		84,519
Capital outlay	-	27,817	19,252	-	-	47,069
Total Expenditures	248,354	27,817	42,706	1,114,971	16,000	1,449,848
Net Change in Fund Balance	30,315	(27,763)	(10,282)	10,949	(7,956)	(4,737)
Fund Balance, Beginning of Year	385,147	83,005	55,517	484,759	76,824	1,085,252
Fund Balance, End of Year	$ 415,462	55,242	45,235	495,708	68,868	1,080,515

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, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Intergovernmental:				
State shared tax:				
Gas 3 Cent	$ 55,500	55,500	56,556	1,056
Gasoline and motor fuel tax	185,000	185,000	187,930	2,930
Gas 1989	30,000	30,000	30,260	260
Miscellaneous				
Reimbursement for street repair	50,500	50,500	3,923	(46,577)
Total Revenues	321,000	321,000	278,669	(42,331)
Expenditures:				
Current:				
Road and bridge repair	500,000	500,000	248,354	251,646
Total Expenditures	500,000	500,000	248,354	251,646
Excess (deficiency) of revenues over expenditures	(179,000)	(179,000)	30,315	209,315
Other Financing Sources (Uses):				
Transfer from (to) other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balance	(179,000)	(179,000)	30,315	209,315
Fund Balance, Beginning of Year	385,147	385,147	385,147	-
Fund Balance, End of Year	$ 206,147	206,147	415,462	209,315

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, 2015

		Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:					
Miscellaneous	$	150	150	54	(96)
Total Revenues		150	150	54	(96)
Expenditures:					
Capital outlay-infrastructure		75,750	75,750	27,817	47,933
Total Expenditures		75,750	75,750	27,817	47,933
Excess (deficiency) of revenues over expenditures		(75,600)	(75,600)	(27,763)	47,837
Fund Balance, Beginning of Year		83,005	83,005	83,005	-
Fund Balance, End of Year	$	7,405	7,405	55,242	47,837

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, 2015

	Original Budget	Final Budget	Actual	Variance from Variance Final Budget Positive (Negative)
Revenues:				
Fines and fees				
Drug fines, confiscated property	$ 50,000	50,000	11,632	(38,368)
Miscellaneous - interest income	10,000	10,000	20,792	10,792
Total Revenues	60,000	60,000	32,424	(27,576)
Expenditures:				
Current:				
Program Costs	27,350	27,350	23,454	3,896
Capital outlay	31,400	31,400	19,252	12,148
Total Expenditures	58,750	58,750	42,706	16,044
Net Change in Fund Balance	1,250	1,250	(10,282)	(11,532)
Fund Balance, Beginning of Year	55,517	55,517	55,517	-
Fund Balance, End of Year	$ 56,767	56,767	45,235	(11,532)

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, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Charges for Services:				
Garbage fees	$ 1,062,600	1,062,600	1,040,827	(21,773)
Miscellaneous:				
Other revenue	55,650	55,650	85,093	29,443
Total Revenues	1,118,250	1,118,250	1,125,920	7,670
Expenditures:				
Current:				
Sanitation:				
Salaries and employee benefits	812,615	812,615	786,314	26,301
Contractual services	55,800	55,800	73,240	(17,440)
Supplies	144,500	144,500	156,945	(12,445)
Insurance	13,332	13,332	13,953	(621)
Debt Service	84,519	84,519	84,519	-
Capital Outlay	-	-	-	-
Total Expenditures	1,110,766	1,110,766	1,114,971	(4,205)
Excess (deficiency) of revenues over expenditures	7,484	7,484	10,949	3,465
Fund Balance, Beginning of Year	484,759	484,759	484,759	-
Fund Balance, End of Year	$ 492,243	492,243	495,708	3,465

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, 2015

Cost / Estimated Cost:		Balance June 30, 2014	Additions	Disposals	Balance June 30, 2015
Land	$	3,360,204	-	-	3,360,204
Buildings and structures		7,396,274	252,363	33,309	7,681,946
Equipment		6,801,791	132,710	-	6,934,501
Infrastructure		10,105,009	-	976,862	11,081,871
Construction in progress		96,706	913,465	(1,010,171)	-
Total Capital Assets	$	27,759,984	1,298,538	-	29,058,522

Accumulated Depreciation:		Balance June 30, 2014	Additions	Disposals	Balance June 30, 2015
Buildings and structures	$	2,907,262	257,999	-	3,165,261
Equipment		5,279,795	209,301	-	5,489,096
Infrastructure		3,077,227	221,638	-	3,298,865
Total Capital Assets	$	11,264,284	688,938	-	11,953,222

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, 2015

		Balance June 30, 2014	Additions	Disposals	Balance June 30, 2015
Cost / Estimated Cost:					
General Government:					
Administration	$	2,599,943	-	33,309	2,633,252
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		1,112,146	165,480	-	1,277,626
Fire		2,373,521	-	-	2,373,521
Street		7,110,646	11,766	976,862	8,099,274
Parks and recreation		5,714,188	207,827	-	5,922,015
Sanitation		1,537,646	-	-	1,537,646
Construction in progress		96,706	913,465	(1,010,171)	-
Total Capital Assets	$	27,759,984	1,298,538	-	29,058,522
Accumulated Depreciation:					
General Government:					
Administration	$	1,050,018	61,746	-	1,111,764
Planning and development		55,034	-	-	55,034
Civil defense		93,903	1,723	-	95,626
Police		1,041,271	71,463	-	1,112,734
Fire		1,602,025	84,194	-	1,686,219
Highways & Streets		4,344,197	247,907	-	4,592,104
Sanitation		1,164,248	31,087	-	1,195,335
Parks and recreation		1,913,588	190,818	-	2,104,406
Total Capital Assets	$	11,264,284	688,938	-	11,953,222

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Changes in Property Taxes Receivable

For the Year Ended June 30, 2015

Tax Year	Balance, June 30, 2014	Tax Levy and Adjustments	Collections and Adjustments	Balance, June 30, 2015
2013	$ -	3,126,969	(2,971,625)	155,344
2013	156,850	-	(95,879)	60,971
2012	60,848	-	(25,636)	35,212
2011	19,316	-	(17,942)	1,374
2010	1,680	-	(116)	1,564
2009	1,407		(168)	1,239
2008	2,222	-	(168)	2,054
2007	266	-	-	266
2006	4,808	-	-	4,808
2005	1,940	-	(36)	1,904
2004	2,878	-	-	2,878
2003	1,901	-	(1,901)	-
	$ 254,116	3,126,969	(3,113,471)	267,614

Add 2015 tax levy	3,113,000
Total property tax receivable	3,380,614
Less allowance for doubtful accounts	(46,088)
Total property tax receivable, net	$ 3,334,526

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Debt Service Requirements

General Obligation Debt

June 30, 2015

Fiscal	General Obligation Refunding Bonds - Series 2008		General Obligation Refunding Bonds - Series 2011-City Portion		General Obligation Bonds - Series 2013		General Obligation Refunding Bonds - Series 2015		Capital Outlay Note - Series 2011		Note Payable-First Volunteer Bank		Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 5,000	72,163	275,000	38,125	200,000	68,925	605,000	52,345	81,460	3,059	23,412	2,471	1,189,872	237,088
2017	5,000	71,970	275,000	29,875	200,000	64,925	610,000	40,100	84,435	1,543	24,007	1,876	1,198,442	210,289
2018	5,000	71,778	270,000	21,625	250,000	60,925	640,000	27,900	-	-	24,616	1,266	1,189,616	183,494
2019	5,000	71,585	270,000	16,225	250,000	55,925	655,000	15,100	-	-	25,241	642	1,205,241	159,477
2020	180,000	71,393	190,000	10,150	300,000	50,925	100,000	2,000	-	-	-	-	770,000	134,468
2021	280,000	64,462	180,000	5,400	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
	1,755,000	555,125	1,460,000	121,400	3,000,000	446,675	2,610,000	137,445	165,895	4,602	97,276	6,255	9,088,171	1,271,502

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Debt Service Requirements to Maturity

Business - Type Activities

Water and Sewer Fund

June 30, 2015

Fiscal	Series 2005 Revenue and Tax Refunding Bonds		Series 2008 General Obligation Refunding Bonds		State of Tennessee Revolving Loan		Series 2011 General Obligation Refunding Bonds		Series 2012 General Obligation Refunding Bonds		Total Requirements	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ -	220,350	15,000	170,432	656,604	206,592	100,000	11,825	100,000	65,350	871,604	674,549
2017	1,205,000	160,100	15,000	169,855	672,804	190,571	100,000	8,825	100,000	63,350	2,092,804	592,701
2018	1,275,000	96,350	15,000	169,278	689,412	174,155	105,000	5,825	100,000	61,350	2,184,412	506,958
2019	1,295,000	31,600	15,000	168,700	706,416	157,333	110,000	3,725	100,000	59,350	2,226,416	420,708
2020	790,000	-	15,000	168,123	723,852	140,097	50,000	1,250	100,000	57,350	1,678,852	366,820
2021	-	-	15,000	167,545	741,708	122,435			300,000	54,850	1,056,708	344,830
2022	-	-	15,000	166,908	760,008	104,337	-	-	310,000	47,350	1,085,008	318,595
2023	-	-	15,000	166,270	778,764	85,793	-	-	320,000	39,600	1,113,764	291,663
2024	-	-	20,000	165,633	797,976	66,791	-	-	325,000	30,000	1,142,976	262,424
2025	-	-	20,000	164,833	817,668	47,320	-	-	335,000	20,250	1,172,668	232,403
2026	-	-	-	164,033	837,852	27,369	-	-	340,000	10,200	1,177,852	201,602
2027	-	-	1,000,000	164,033	283,850	6,926	-	-	-	-	1,283,850	170,959
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	42,123	-	-	-	-	-	-	1,015,000	42,123
							-					
	$ 4,565,000	508,400	4,185,000	2,255,332	8,466,914	1,329,719	465,000	31,450	2,430,000	509,000	20,111,914	4,633,901

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Debt Service Requirements to Maturity

Business - Type Activities

Electric Power Fund

June 30, 2015

Fiscal	Series 1996 - Revenue Bonds		Series 2002 - Refunding Bonds		Series 2011 - Capital Outlay Note		Series 2015B (Federally Taxable Refunding Bonds		Series 2015C Refunding Bonds		Total Requirements	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 630,000	133,825	20,000	380,000	50,000	9,460	-	7,140	-	47,296	700,000	577,721
2017	670,000	92,087	20,000	379,000	50,000	7,095	500,000	12,570	-	91,540	1,240,000	582,292
2018	720,000	47,700	25,000	378,000	50,000	4,730	500,000	9,195	-	91,540	1,295,000	531,165
2019		-	785,000	376,750	50,000	2,365	505,000	3,535	-	91,540	1,340,000	474,190
2020	-	-	825,000	337,500	-	-	-	-	526,000	86,290	1,351,000	423,790
2021	-	-	865,000	296,250	-	-	-	-	530,000	75,740	1,395,000	371,990
2022	-	-	915,000	253,000	-	-	-	-	550,000	64,940	1,465,000	317,940
2023	-	-	960,000	207,250	-	-	-	-	560,000	53,840	1,520,000	261,090
2024	-	-	1,010,000	159,250	-	-	-	-	575,000	42,490	1,585,000	201,740
2025	-	-	1,060,000	108,750	-	-	-	-	580,000	30,940	1,640,000	139,690
2026	-	-	1,115,000	55,750	-	-	-	-	550,000	18,953	1,665,000	74,703
2026	-	-		-	-	-	-	-	555,000	6,383	555,000	6,383
	$ 2,020,000	273,612	7,600,000	2,931,500	200,000	23,650	1,505,000	32,440	4,426,000	701,492	15,751,000	3,962,694

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Debt Service Requirements to Maturity

Business - Type Activities

Natural Gas Fund

June 30, 2015

Fiscal Year		Series 2011 General Obligation Refunding Bonds		Total Requirements	
		Principal	Interest	Principal	Interest
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
	$	95,000	5,550	95,000	5,550

CITY OF LAWRENCEBURG, TENNESSEE

SCHEDULE OF FEDERAL AND STATE ASSISTANCE

For the Year Ended June 30, 2015

CFDA Number	Grant Number	Program Name	Grantor Agency		Deferred (Receivable) Balance 6-30-14	Adjustments	Receipts	Disbursements	Deferred (Receivable) Balance 6-30-15
Federal Grants									
14.228	Contract # 34871	Buffalo Rd. project	U.S. Department of Housing & Urban Developm	$	(176,605)	-	435,343	(258,739)	(1)
97.042	Contract # 34101-03213	EMPG10 Grant program	U.S. Department of Homeland Security		(46,350)	-	46,350	(48,379)	(48,379)
10.766	TN-17133-214-11	Community Facilities Grant	U.S. Department of Agriculture		(33,883)	-	500,000	(466,117)	-
20.607	Z15GHS196	Highway Safety Grant	U.S. Department of Transportation		-	-	4,999	(9,999)	(5,000)
	Total Federal Grants			$	(256,838)	-	986,692	(783,234)	(53,380)

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

CITY OF LAWRENCEBURG, TENNESSEE

Schedule of Expenditure of Federal Awards

For the Year Ended June 30, 2015

Federal Financial Assistance Program	Grantor Agency	CFDA Number	Expenditures	
Buffalo Rd. project	U.S. Department of Housing & Urban Developme	14.228	$ 258,739	
EMPG10 Grant program	U.S. Department of Homeland Security	97.042	48,379	
ARC grant	U.S. Department of Agriculture	10.766	466,117	*
Highway Safety Grant	U.S. Department of Transportation	20.607	9,999	
			$ 783,234	

* Major Program
Note: All Federal Financial Assistance Programs utilize the accrual basis of accounting.

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
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%
2015	3,126,969	2,971,625	95.03%	141,845	3,113,470	99.57%	267,615	8.56%

CITY OF LAWRENCEBURG, TENNESSEE

Property Tax Rates and Assessments - Unaudited

Last Ten Fiscal Years

PROPERTY TAX ASSESSMENTS (000'S):*

Fiscal Year	Amount
2015	$ 218,687
2014	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

ASSESSMENT RATE:

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

TAX RATE*:

Tax 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, 2015

Service	Number of Customers
Water	6,990
Sewer	5,007
Gas	6,070
Electricity	20,016

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	$105.56 customer charge plus $3.12590 per 1000 ga

	Rate Per 1,000 Gallon	
Sewer Rates	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)

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		0.58900	0.609800
COMMERICIAL			
Customer Charge	$	6.50	7.15
Rate per MCF		0.66388	0.691960
INDUSTRIAL			
Customer Charge		$	6.50
Rate per MCF			0.663880

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, 2015

Electric Rates - Electric Power System		
Residential Rate Schedulle		
Customer charge-per delivery point per month	$	15.11
Energy charge-cents per kWn		
First 8001 kWh per month		0.09211
Additional kWh		0.09211
Commercial Rate Schedulle		
Schedule GSA1:		
Customer charge-per delivery point per month	$	28.50
Energy charge-cents per kWn		0.10140
Schedule GSA2		
Customer charge per delivery point per month	$	190.00
Demand:		
First 50kW		No charge
Additional kW	$	15.04
Energy:		
First 15,000 kWh		0.10031
Additional kWh		0.06271
Schedule GSA3		
Customer charge:per delivery point	$	490.00
Demand:		
First 1,000 kW	$	15.13
Additional kW up to 2,500 kW	$	16.94
Over 2,500 kW or contract	$	16.94
Energy:		
All kWh		0.06273
Schedule SGSB:		
Customer charge:per delivery point	$	1,500.00
Demand:		
All kW	$	350.00
Energy:		
First 620 kWh		0.04855
Additional kWh		0.04855
Schedule SGSC		
Customer charge per delivery point	$	1,500.00
Demand:		
All kW	$	22.19
Energy:		
First 620 kWh		0.04868
Additional kWh		0.04868
Schedule SGSD		
Customer charge per delivery point	$	1,500.00
Demand:		
All kW	$	25.84
Energy:		
All kWh		0.04124
OUTDOOR LIGHTING (PER MONTH):		
Customer charge per delivery point	$	2.50
Energy charge - cents per KwH		0.06733
Facility charge (part B)		9% of installed Cost

AWWA Free Water Audit Software:
Reporting Worksheet

? Click to access definition
\+ Click to add a comment

Water Audit Report for: Lawrenceburg (0000392)
Reporting Year: 2015 | 7/2014 - 6/2015

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

					Pcnt:		Value:	
Volume from own sources:	10	910.710	MG/Yr			● ○		MG/Yr
Water imported:			MG/Yr			● ○		MG/Yr
Water exported:	9	142.137	MG/Yr			● ○		MG/Yr

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

WATER SUPPLIED:	768.573	MG/Yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

				Pcnt:		Value:	
Billed metered:	9	445.154	MG/Yr				
Billed unmetered:			MG/Yr				
Unbilled metered:			MG/Yr				
Unbilled unmetered:	5	1.610	MG/Yr		○ ●	1.610	MG/Yr

Use buttons to select percentage of water supplied **OR** value

AUTHORIZED CONSUMPTION:	446.764	MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)	321.809	MG/Yr

Apparent Losses

				Pcnt:		Value:	
Unauthorized consumption:		1.921	MG/Yr	0.25%	● ○		MG/Yr

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

Customer metering inaccuracies:	5	33.506	MG/Yr	7.00%	● ○		MG/Yr
Systematic data handling errors:	6	0.010	MG/Yr		○ ●	0.010	MG/Yr

Apparent Losses:	35.438	MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:	286.371	MG/Yr
WATER LOSSES:	321.809	MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER:	323.419	MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	5	284.0	miles
Number of active AND inactive service connections:	5	7,619	
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

Total annual cost of operating water system:	9	$4,023,915	$/Year
Customer retail unit cost (applied to Apparent Losses):	9	$6.88	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	9	$645.82	$/Million gallons ☐ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 83 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

AWWA Free Water Audit Software:
System Attributes and Performance Indicators

Water Audit Report for: Lawrenceburg (0000392)
Reporting Year: 2015 | 7/2014 - 6/2015

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 83 out of 100 ***

System Attributes:

	Apparent Losses:	35.438	MG/Yr
+	Real Losses:	286.371	MG/Yr
=	**Water Losses:**	**321.809**	MG/Yr
	Unavoidable Annual Real Losses (UARL):	56.72	MG/Yr
	Annual cost of Apparent Losses:	$243,811	
	Annual cost of Real Losses:	$184,944	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:	42.1%	
	Non-revenue water as percent by cost of operating system:	10.7%	Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	12.74	gallons/connection/day
	Real Losses per service connection per day:	N/A	gallons/connection/day
	Real Losses per length of main per day*:	2,762.60	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):	286.37	million gallons/year
	Infrastructure Leakage Index (ILI) [CARL/UARL]:	5.05	

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

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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, 2015, 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 2, 2015. 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. (2005-1).

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 2, 2015.

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 2, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the City of Lawrenceburg, Tennessee's (the City) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits* of *States, LocalGovernments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Lawrenceburg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Novermber 2, 2015

City of Lawrenceburg, Tennessee

Schedule of Findings and Questioned Costs

June 30, 2015

Summary of Auditor's Results

1. The June 30, 2015 Auditor's Report on the Financial Statements was unqualified.
2. There were no significant deficiencies in internal control disclosed by the audit of the financial statements.
3. The audit did not disclose any noncompliance which is material to the financial statements
4.. No significant deficiencies in the internal control over major programs were disclosed by the audit.
5. The June 30, 2015 report on compliance for major programs of the City expresses an unqualified opinion on all major federal programs.
6. No audit findings required to be reported under §.510a were noted.
7. Programs tested as major program - U.S. Department of Agriculture, CFDA # 10.766, Community Facilities Grant.
8. Type A programs have been distinguished as those programs with expenditures greater than $300,000.
9. The City of Lawrenceburg, Tennessee was not considered to be a low risk auditee.

Findings Related to the Financial Statements Which are Required to be Reported in Accordance with Government Auditing.

Prior Year Findings:

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 2005-1 Landfill Charges and Billing

Condition

Presently personnel at the landfill were responsible for both billing and collection of demolition fees. We recommended these responsibilities be segregated. Collection of billings have has given to City administration employees at City Hall. Revenues for landfill charges are recognized on the cash basis, general ledger control over charges is not established at the point of billing.

Recommendation

We recommend consideration be given to having the actual bill also being generated by a City employee not responsible for collections. The information necessary for billing could be provided to the City monthly 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

Landfill Charges and Billing – Efforts will continue to determine which employees are creating the bills for landfill services, as well as which employees are accepting payments. Division of these duties will be stressed.

Status

Segregation of duties situation continues to exist.

Findings or Questioned Costs Related to Major Federal Programs.

None reported.