
ANNUAL FINANCIAL REPORT WARREN COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



ANNUAL FINANCIAL REPORT
WARREN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2010

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

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Audit Highlights

Annual Financial Report
Warren County, Tennessee
For the Year Ended June 30, 2010

Scope

We have audited the basic financial statements of Warren County as of and for the year ended June 30, 2010.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include a component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund and the aggregate remaining fund information is unqualified.

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

Findings and Best Practices

The following are summaries of the audit findings and best practices:

OFFICES OF COUNTY EXECUTIVE AND TRUSTEE

- ◆ The Education Capital Projects Fund and the trustee's cash journal required material audit adjustments for proper financial statement presentation.

OFFICE OF COUNTY EXECUTIVE

- ◆ Some airport funds were not deposited within three days of collection as required by state statute.
- ◆ A state monitoring report noted deficiencies in the administration of the Edward Byrne Memorial Justice Assistance Grant.

OFFICE OF SHERIFF

- ◆ The sheriff entered into contracts for inmate telephone services and commissary services without the County Commission's approval.
- ◆ The office had deficiencies in computer system backup procedures.

OTHER FINDING

- ◆ Duties were not segregated adequately in the Offices of Superintendent of Roads; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.
-

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be considered by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens in Warren County.

- A central system of accounting, budgeting, and purchasing had not been adopted.
- Warren County does not have an Audit Committee.

INTRODUCTORY SECTION

Warren County Officials

June 30, 2010

Officials

John Pelham, County Executive
Harold Glenn, Superintendent of Roads
Dr. Jerry Hale, Director of Schools
Darlene Bryant, Trustee
Carolyn Miller, Assessor of Property
Lesa Scott, County Clerk
Bernadette Morris, Circuit, General Sessions, and Juvenile Courts Clerk
Myra Mara, Clerk and Master
Terry Smith, Register
Jackie Matheny, Sheriff
Linda Hillis, Director of Accounts

Board of County Commissioners

| | |
|---|-----------------|
| John Pelham, County Executive, Chairman | |
| Terry Bell | Ken Martin |
| Morris Bond | Michael Martin |
| Carl Bouldin | Charles Morgan |
| M. A. Bouldin | Gary Prater |
| Teddy Boyd | George Smartt |
| Sally Brock | Bessie Smithson |
| Wayne Copeland | Diane Starkey |
| David Grissom | Danice Taylor |
| Clinton Hill | Les Trotman |
| Harold Hyatt | Bobby Turner |
| Earl Jones | Herschel Wells |
| Ronald Lee | Bill Yancy |

Purchasing Commission

| | |
|--|----------------|
| Linda Hillis, Director of Accounts, Chairman | David Grissom |
| John Pelham, County Executive | Herschel Wells |

Board of Education

| | |
|-------------------------|-------------------|
| Larry Judkins, Chairman | Gordan McGee, Jr. |
| Mike Holland | Bob Young |
| Scott Holmes | William Zechman |

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

October 20, 2010

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

To the County Executive and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Warren County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Warren County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements of the Warren County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented

component units financial statements referred to above do not include amounts for the Warren County Emergency Communications District, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Warren County Emergency Communications District as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Warren County, Tennessee, as of June 30, 2010, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 20, 2010, on our consideration of Warren County's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

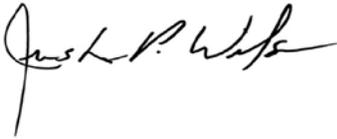
As described in Note V.B., Warren County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 14 through 23 and the analysis and budgetary comparison, pension, and other postemployment benefits information on pages 72 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Warren County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Warren County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

**Warren County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2010**

As management of Warren County, we offer readers of the Warren County financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial report.

Financial Highlights

Primary Government

- The assets of Warren County Primary Governmental Activities exceeded its liabilities at the close of the fiscal year by \$47,983,182 (net assets).
- The Primary Government's total net assets increased by \$161,110.
- As of the close of the fiscal year, Warren County's governmental funds reported combined ending fund balances of \$22,955,290. Of this total, approximately 90 percent (\$20,570,713) is available for spending at the government's discretion (unreserved fund balance).
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$1,735,158, or 17 percent of total General Fund expenditures.
- Warren County's total long-term debt increased by \$3,309,880 during the fiscal year due in part to the issuance of new debt for Warren County schools.

Discretely Presented Component Unit – Warren County School Department

- The assets of the Warren County School Department exceeded its liabilities at the close of the fiscal year by \$41,366,746 (net assets).
- As of the close of the fiscal year, the School Department's combined ending fund balances were \$8,698,078. Of this total, approximately 22 percent (\$1,837,495) in unreserved fund balance may be used to meet ongoing obligations to citizens and creditors. The Education Department of the State of Tennessee places restrictions as to how fund balances may be used, generally limiting the use of unreserved fund balance to capital purchases and other non-recurring expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Warren County's basic financial statements. The county'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.

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

The **Statement of Net Assets** presents information on all of Warren County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The **Statement of Activities** presents information showing the change in the government's net assets during the fiscal year. All changes in net assets 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 taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the county and those of its component units. The governmental activities of Warren County are principally supported by taxes and intergovernmental revenues and include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; other operations; highways and streets; sanitation; ambulance service; drug control; education; and debt service. Warren County has no business-type activities.

The government-wide financial statements include not only Warren County (known as the primary government), but also the legally separate Warren County School Department (a discretely presented component unit) for which Warren County is financially accountable. The Warren County Emergency Communications District also meets the criteria for a discretely presented component unit; however, their financial statements were not available from other auditors for inclusion in the government-wide statements.

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. Warren County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Warren County can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are 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, governmental 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Warren County and the Warren County School Department maintain a multitude of individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Ambulance Service, Highway/Public Works, General Debt Service, and the Education Capital Projects funds, all of which are considered to be major funds. Data from the other 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.

Warren County adopts an annual appropriated budget for its General, Ambulance Service, and Highway/Public Works funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budgets.

Proprietary funds. Warren County maintains one proprietary fund, an internal service fund, used to account for the county's self-insurance program. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of Warren County's internal service fund are self-insurance premiums/contributions. Operating expenses for the internal service fund include the purchase of commercial insurance and various claims.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found elsewhere in this report.

Notes to the financial statements. The notes to the financial statements 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 immediately following the basic financial statements in this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The information included in this section is stipulated by the Governmental Accounting Standards Board (GASB) Statement No. 34.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Warren County, the Primary Government's assets exceeded liabilities by \$47,983,182 and the discretely presented Warren County School Department's assets exceeded liabilities by \$41,366,746 at the close of the fiscal year.

The Constitution for the State of Tennessee only allows the local legislative body authorization to issue debt. Therefore, whenever the Warren County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Warren County Primary Government.

As of June 30, 2010, Warren County had outstanding debt totaling \$12,741,666 for capital purposes for the Warren County Board of Education, with the capital assets being reported in the financial statements of the Warren County Board of Education. However, Warren County has incurred the related liability, significantly decreasing its unrestricted net assets without a corresponding increase in the county's capital assets.

A large portion of Warren County's net assets 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. Warren County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Warren County's investment in 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.

The following schedules provide a summary of Warren County's Net Assets and Statement of Activities for the fiscal year ending June 30, 2010:

Table 1

WARREN COUNTY, TENNESSEE NET ASSETS

| | Warren County | | Component Unit | |
|---------------------------|----------------------|----------------------|------------------------------------|----------------------|
| | Primary Government | | Warren County School Department | |
| | June 30, 2009 | June 30, 2010 | June 30, 2009 | June 30, 2010 |
| Current and Other Assets | \$ 33,229,587 | \$ 39,341,937 | \$ 13,682,557 | \$ 13,564,604 |
| Capital Assets | 42,265,417 | 41,143,240 | 36,357,626 | 35,254,130 |
| Total Assets | <u>\$ 75,495,004</u> | <u>\$ 80,485,177</u> | <u>\$ 50,040,183</u> | <u>\$ 48,818,734</u> |
| Long-term Liabilities O/S | \$ 14,263,441 | \$ 17,880,949 | \$ 2,962,882 | \$ 2,808,071 |
| Other Liabilities | 13,409,491 | 14,621,046 | 4,370,954 | 4,643,917 |
| Total Liabilities | <u>\$ 27,672,932</u> | <u>\$ 32,501,995</u> | <u>\$ 7,333,836</u> | <u>\$ 7,451,988</u> |

Table 1

WARREN COUNTY, TENNESSEE
NET ASSETS (Cont.)

| | Warren County | | Component Unit | |
|-----------------------------|----------------------|----------------------|------------------------------------|----------------------|
| | Primary Government | | Warren County School Department | |
| | June 30, 2009 | June 30, 2010 | June 30, 2009 | June 30, 2010 |
| Net Assets: | | | | |
| Invested in Capital Assets, | | | | |
| Net of Related Debt | \$ 25,418,117 | \$ 33,696,285 | \$ 36,357,626 | \$ 35,254,130 |
| Restricted | 20,149,607 | 25,130,477 | 6,197,653 | 6,898,074 |
| Unrestricted | 2,254,348 | (10,843,580) | 151,068 | (785,458) |
| Total Net Assets | <u>\$ 47,822,072</u> | <u>\$ 47,983,182</u> | <u>\$ 42,706,347</u> | <u>\$ 41,366,746</u> |

Table 2

WARREN COUNTY, TENNESSEE
STATEMENT OF ACTIVITIES

| | Warren County | | Component Unit | |
|---|----------------------|----------------------|------------------------------------|----------------------|
| | Primary Government | | Warren County School Department | |
| | June 30, 2009 | June 30, 2010 | June 30, 2009 | June 30, 2010 |
| Revenues: | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$ 5,365,761 | \$ 5,444,629 | \$ 1,153,616 | \$ 1,033,795 |
| Operating Grants and Contributions | 2,957,120 | 3,453,435 | 5,911,237 | 6,699,543 |
| Capital Grants and Contributions | 792,299 | 325,128 | 0 | 0 |
| General Revenues: | | | | |
| Property Taxes | 9,074,151 | 8,990,447 | 3,803,173 | 3,851,896 |
| Other Taxes | 1,951,299 | 1,969,145 | 7,264,433 | 7,080,743 |
| Grants and Contributions Not | | | | |
| Restricted for Specific Purposes | 1,509,284 | 1,321,603 | 30,082,897 | 31,783,637 |
| Miscellaneous | 162,745 | 28,074 | 242,929 | 247,989 |
| Gain on the Disposal of Capital Assets | 64,927 | 0 | 0 | 0 |
| Unrestricted Investment Earnings | 708,890 | 523,197 | 9,231 | 14,907 |
| Total Revenues | <u>\$ 22,586,476</u> | <u>\$ 22,055,658</u> | <u>\$ 48,467,516</u> | <u>\$ 50,712,510</u> |

Table 2

WARREN COUNTY, TENNESSEE
STATEMENT OF ACTIVITIES (CONT.)

| | Warren County | | Component Unit Warren County | |
|---|----------------------|----------------------|---------------------------------|----------------------|
| | Primary Government | | School Department | |
| | June 30, 2009 | June 30, 2010 | June 30, 2009 | June 30, 2010 |
| Expenses: | | | | |
| General Government | \$ 1,216,335 | \$ 1,406,364 | \$ 0 | \$ 0 |
| Finance | 1,103,360 | 1,165,731 | 0 | 0 |
| Administration of Justice | 1,272,441 | 1,400,506 | 0 | 0 |
| Public Safety | 5,173,548 | 5,169,921 | 0 | 0 |
| Public Health and Welfare | 3,970,218 | 4,206,362 | 0 | 0 |
| Social, Cultural, and Recreational | 135,500 | 138,000 | 0 | 0 |
| Agriculture and Natural Resources | 193,198 | 201,686 | 0 | 0 |
| Other Operations | 1,712,063 | 2,260,839 | 0 | 0 |
| Highways/Public Works | 2,757,847 | 3,604,354 | 0 | 0 |
| Education (Self-Insurance) | 496,187 | 1,585,439 | 0 | 0 |
| Education (Contributions to Component Units) | 350,000 | 0 | 0 | 0 |
| Education | 0 | 0 | 49,638,668 | 52,052,111 |
| Interest on Long-term Debt | 697,166 | 578,093 | 0 | 0 |
| Other Debt Service | 93,516 | 177,253 | 0 | 0 |
| Total Expenses | <u>\$ 19,171,379</u> | <u>\$ 21,894,548</u> | <u>\$ 49,638,668</u> | <u>\$ 52,052,111</u> |
| Increase (Decrease) in Net Assets | \$ 3,415,097 | \$ 161,110 | \$ (1,171,152) | \$ (1,339,601) |
| Net Assets, July 1 | <u>44,406,975</u> | <u>47,822,072</u> | <u>43,877,499</u> | <u>42,706,347</u> |
| Net Assets, June 30 | <u>\$ 47,822,072</u> | <u>\$ 47,983,182</u> | <u>\$ 42,706,347</u> | <u>\$ 41,366,746</u> |

A portion of Warren County's and the discretely presented Warren County School Department's net assets (\$25,130,477 and \$6,898,074, respectfully) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

Financial Analysis of the Government's Funds

As noted earlier, Warren County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Warren County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Warren County's financing requirements. In particular,

unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, Warren County's governmental funds reported combined ending fund balances of \$22,955,290. Of this total, approximately 90 percent (\$20,570,713) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders, 2) to pay debt service, or 3) for a variety of other restricted purposes.

The General Fund is the chief operating fund of Warren County. At the end of the fiscal year, unreserved fund balance of the General Fund was \$1,735,158, while total fund balance was \$2,469,491. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 17 percent of total General Fund expenditures, while total fund balance represents 24 percent of that same amount.

The fund balance of Warren County's General Fund decreased by \$45,271 during the fiscal year.

The General Debt Service Fund has a total fund balance of \$11,719,655, all of which is reserved for the payment of debt service.

General Fund Budgetary Highlights

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was a \$925,255 increase in appropriations and can be briefly summarized as follows:

- \$90,000 in increases allocated to General Administration
- \$50,000 in decreases allocated to Administration of Justice
- \$59,600 in increases allocated to Public Safety
- \$169,500 in increases allocated to Public Health and Welfare
- \$656,155 in increases allocated to Other Operations

This increase of \$925,255 was to be funded from miscellaneous increases in various revenue accounts including but not limited to charges for services, grant proceeds, accrued interest, and miscellaneous decreases in various expenditure accounts. During the year, revenues were more and expenditures were less than budgetary estimates; therefore, the ending fund balance at June 30, 2010, exceeded the budgeted estimated fund balance.

Capital Assets and Debt Administration

Capital assets. The investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, roads, highways, and bridges. Warren County's investment in capital assets for its governmental activities as of June 30, 2010, totaled \$33,696,285 (net of accumulated depreciation and related debt). The Warren County School

Department's investment in capital assets as of June 30, 2010, was \$35,254,130. The related debt for schools is carried in governmental activities.

Major capital asset events during fiscal year 2009-2010 included the following:

- Purchasing one Kubota Zero Turn Mower – Airport - \$12,352
- Purchasing six Power Pro Ambulance Cots – Ambulance Service - \$75,540
- Purchasing one Pulmonetic Ventilator – Ambulance Service - \$11,333
- Purchasing twelve vehicles – Sheriff's Department - \$310,443
- Purchasing one side mount mower – Highway Department - \$12,780

For more detailed information on capital assets activity, please see the relevant disclosures in the notes to the financial statements.

Long-term Debt

At the end of the fiscal year, Warren County had total long-term debt outstanding of \$20,101,790. This amount comprises debt backed by the full faith and credit of the government. In addition to the debt, county long-term obligations include compensated absences and other postemployment benefits liability.

Warren County's total debt increased by \$3,309,880 during fiscal year 2009-2010.

For more detailed information on long-term debt activity, please see the relevant disclosures in the notes to the financial statements.

Warren County maintains an A3 rating from Moody's and an A+ rating from Standard and Poor's for general obligation debt.

A schedule of all outstanding debt as of June 30, 2010, for Warren County follows:

Table 3

WARREN COUNTY, TENNESSEE
OUTSTANDING DEBT

| Primary Government | June 30, 2009 | June 30, 2010 |
|--|---------------|---------------|
| 2010 Build America Bonds | \$ 0 | \$ 6,000,000 |
| 2010 Series General Obligation Refunding Bonds | 0 | 6,475,000 |
| 2009 USDA Bonds - Ambulance | 226,000 | 215,124 |
| 2008 Series School Refunding Bonds | 3,315,000 | 2,840,000 |
| 2003 Series Public Works Refunding Bonds | 710,000 | 545,000 |
| 2001 Series School Refunding Bonds | 5,550,000 | 3,785,000 |
| 2010 Capital Outlay Notes | 0 | 83,333 |
| 2009 Capital Outlay Notes | 441,666 | 158,333 |
| 2008 Capital Outlay Notes | 49,244 | 0 |
| Other Loans Payable: | | |
| 2002 Public Improvements - Jail Project | 6,500,000 | 0 |
| Total Outstanding Debt | \$ 16,791,910 | \$ 20,101,790 |

Economic Factors and Next Year's Budgets and Rates

On August 16, 2010, Warren County adopted a budget for the fiscal year ending June 30, 2011. Many factors were considered when adopting this budget including a continued elevated unemployment rate, limited interest earnings, the prolonged slow-down in the housing market, and a decrease in sales tax collections.

At the end of the 2009-2010 fiscal year, unreserved fund balance in the General Fund decreased to \$1,735,158 from \$2,080,498 in fiscal year 2008-2009.

Warren County experienced a property reappraisal during fiscal year 2009-2010, which resulted in a certified tax rate as established by the State of Tennessee of \$1.9955 for fiscal year 2010-2011. The Warren County Legislative Body approved the certified tax rate of \$1.9955 in regular session on August 16, 2010, allocated as follows:

| | |
|-----------------------------|------------------|
| General Fund | \$ 1.0440 |
| Solid Waste/Sanitation Fund | 0.0510 |
| Ambulance Service Fund | 0.1025 |
| Highway/Public Works Fund | 0.0800 |
| General Purpose School Fund | 0.5730 |
| General Debt Service Fund | 0.1450 |
| Total | <u>\$ 1.9955</u> |

Request for Information

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. For questions concerning any of the information provided in this report, please contact the Director of Accounts Office at 201 Locust Street, Suite 2, McMinnville, Tennessee 37110.

BASIC FINANCIAL STATEMENTS

Exhibit A

Warren County, Tennessee
Statement of Net Assets
June 30, 2010

| | Primary Government Governmental Activities | Component Unit <u>Warren County School Department</u> |
|---|---|---|
| <u>ASSETS</u> | | |
| Cash | \$ 228,105 | \$ 1,620 |
| Equity in Pooled Cash and Investments | 26,480,163 | 8,046,339 |
| Inventories | 0 | 84,646 |
| Accounts Receivable | 1,108,935 | 678 |
| Allowance for Uncollectibles | (414,776) | 0 |
| Due from Other Governments | 677,925 | 1,663,752 |
| Due from Component Units | 60,736 | 0 |
| Property Taxes Receivable | 9,624,947 | 3,875,595 |
| Allowance for Uncollectible Property Taxes | (269,090) | (108,026) |
| Accrued Interest Receivable | 20 | 0 |
| Notes Receivable - Long-term | 1,650,244 | 0 |
| Deferred Charges - Debt Issuance Cost | 194,728 | 0 |
| Assets Not Depreciated: | | |
| Land | 1,587,288 | 1,503,320 |
| Assets Net of Accumulated Depreciation: | | |
| Buildings and Improvements | 8,565,635 | 31,989,596 |
| Infrastructure | 27,678,534 | 0 |
| Other Capital Assets | 3,311,783 | 1,761,214 |
| Total Assets | <u>\$ 80,485,177</u> | <u>\$ 48,818,734</u> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 194,228 | \$ 16,105 |
| Accrued Payroll | 101,024 | 460,640 |
| Payroll Deductions Payable | 27,811 | 0 |
| Claims and Judgments Payable | 2,503,312 | 0 |
| Due to Primary Government | 0 | 60,736 |
| Accrued Interest Payable | 43,823 | 0 |
| Deferred Revenue - Current Property Taxes | 8,971,323 | 3,613,757 |
| Noncurrent Liabilities: | | |
| Due Within One Year | 2,779,525 | 492,679 |
| Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt) | 17,880,949 | 2,808,071 |
| Total Liabilities | <u>\$ 32,501,995</u> | <u>\$ 7,451,988</u> |

(Continued)

Exhibit A

Warren County, Tennessee
Statement of Net Assets (Cont.)

| | Primary Government Governmental Activities | Component Unit <u>Warren County School Department</u> |
|---|---|---|
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, Net of Related Debt | \$ 33,696,285 | \$ 35,254,130 |
| Restricted for: | | |
| Solid Waste/Sanitation | 589,171 | 0 |
| Ambulance Service | 1,432,466 | 0 |
| Drug Control | 75,734 | 0 |
| District Attorney General | 26,048 | 0 |
| Highway/Public Works | 1,111,212 | 0 |
| Basic Education Program | 0 | 4,771,006 |
| School Federal Projects | 0 | 120,187 |
| Central Cafeteria | 0 | 1,880,480 |
| Debt Service | 11,788,107 | 0 |
| General Capital Projects | 119,752 | 0 |
| Education Capital Projects | 5,875,331 | 0 |
| Self-Insurance | 3,392,562 | 0 |
| Other Purposes | 720,094 | 126,401 |
| Unrestricted | <u>(10,843,580)</u> | <u>(785,458)</u> |
| Total Net Assets | <u>\$ 47,983,182</u> | <u>\$ 41,366,746</u> |

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

Exhibit B

Warren County, Tennessee
Statement of Activities
For the Year Ended June 30, 2010

| Functions/Programs | Net (Expense) Revenue and Changes in Net Assets | | | | | | Component Unit Warren County School Department |
|---|--|----------------------------|---|---|------------------------|-------------------------------------|---|
| | Program Revenues | | | Primary Government | | Total Governmental Activities | |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental | | |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 1,406,364 | \$ 325,998 | \$ 45,500 | \$ 0 | \$ (1,034,866) | \$ 0 | 0 |
| Finance | 1,165,731 | 959,905 | 10,904 | 0 | (194,922) | 0 | 0 |
| Administration of Justice | 1,400,506 | 916,052 | 11,970 | 0 | (472,484) | 0 | 0 |
| Public Safety | 5,169,921 | 571,723 | 791,358 | 0 | (3,806,840) | 0 | 0 |
| Public Health and Welfare | 4,206,362 | 1,872,863 | 736,286 | 325,128 | (1,272,085) | 0 | 0 |
| Social, Cultural, and Recreational Services | 138,000 | 0 | 0 | 0 | (138,000) | 0 | 0 |
| Agriculture and Natural Resources | 201,686 | 0 | 0 | 0 | (201,686) | 0 | 0 |
| Other Operations | 2,260,839 | 339,058 | 90,390 | 0 | (1,831,391) | 0 | 0 |
| Highways/Public Works | 3,604,354 | 0 | 1,767,027 | 0 | (1,837,327) | 0 | 0 |
| Education (Self-Insurance) | 1,585,439 | 459,030 | 0 | 0 | (1,126,409) | 0 | 0 |
| Interest on Long-term Debt | 578,093 | 0 | 0 | 0 | (578,093) | 0 | 0 |
| Other Debt Service | 177,253 | 0 | 0 | 0 | (177,253) | 0 | 0 |
| Total Primary Government | \$ 21,894,548 | \$ 5,444,629 | \$ 3,453,435 | \$ 325,128 | \$ (12,671,356) | \$ 0 | 0 |
| Component Unit: | | | | | | | |
| Warren County School Department | \$ 52,052,111 | \$ 1,033,795 | \$ 6,699,543 | \$ 0 | \$ 0 | \$ (44,318,773) | 0 |

(Continued)

Exhibit B

Warren County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | Component Unit |
|--|----------------------------|---|---|--|-------------------------------------|--|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | Expenses | Total Governmental Activities | Warren County School Department |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 7,025,289 | \$ | 3,851,896 |
| Property Taxes Levied for Debt Service | | | | 1,965,158 | | 0 |
| Local Option Sales Taxes | | | | 217,142 | | 7,080,743 |
| Wheel Tax | | | | 1,040,981 | | 0 |
| Litigation Taxes | | | | 201,413 | | 0 |
| Business Tax | | | | 280,912 | | 0 |
| Wholesale Beer Tax | | | | 197,336 | | 0 |
| Other Local Taxes | | | | 31,361 | | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 1,321,603 | | 31,783,637 |
| Unrestricted Investment Earnings | | | | 523,197 | | 14,907 |
| Miscellaneous | | | | 28,074 | | 247,989 |
| Total General Revenues | | | | \$ 12,832,466 | \$ | 42,979,172 |
| Change in Net Assets | | | | \$ 161,110 | \$ | (1,339,601) |
| Net Assets, July 1, 2009 | | | | 47,822,072 | | 42,706,347 |
| Net Assets, June 30, 2010 | | | | \$ 47,983,182 | \$ | 41,366,746 |

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

Exhibit C-1

Warren County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2010

| | Major Funds | | | | | Nonmajor Funds | | Total Governmental Funds |
|----|-------------|-------------------|------------------------|----------------------|----------------------------|--------------------|--------------------|--------------------------|
| | General | Ambulance Service | Highway / Public Works | General Debt Service | Education Capital Projects | Other | | |
| | | | | | | Governmental Funds | Governmental Funds | |
| \$ | 325 | 0 | 0 | 0 | 0 | 213,648 | \$ | 213,973 |
| | 2,223,945 | 840,366 | 850,349 | 9,994,923 | 5,875,331 | 813,513 | | 20,598,427 |
| | 58,214 | 1,010,096 | 0 | 37,929 | 0 | 2,696 | | 1,108,935 |
| | 0 | (414,776) | 0 | 0 | 0 | 0 | | (414,776) |
| | 293,595 | 0 | 333,779 | 37,325 | 0 | 13,226 | | 677,925 |
| | 11,966 | 0 | 0 | 0 | 0 | 0 | | 11,966 |
| | 60,736 | 0 | 0 | 0 | 0 | 0 | | 60,736 |
| | 6,485,740 | 693,883 | 541,986 | 1,557,997 | 0 | 345,341 | | 9,624,947 |
| | (173,002) | (19,477) | (15,308) | (51,589) | 0 | (9,714) | | (269,090) |
| | 0 | 0 | 0 | 323,190 | 0 | 0 | | 323,190 |
| | 0 | 0 | 0 | 0 | 0 | 14 | | 14 |
| | 0 | 0 | 0 | 1,327,054 | 0 | 0 | | 1,327,054 |

ASSETS

| | | | | | | | | | | | | |
|--|----|-----------|----|-----------|----|----------|----|-----------|----|-----------|----|------------|
| Cash | \$ | 325 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 213,648 | \$ | 213,973 |
| Equity in Pooled Cash and Investments | | | | | | | | | | | | |
| Accounts Receivable | | 2,223,945 | | 840,366 | | 850,349 | | 9,994,923 | | 5,875,331 | | 20,598,427 |
| Allowance for Uncollectibles | | 58,214 | | 1,010,096 | | 0 | | 37,929 | | 0 | | 1,108,935 |
| Due from Other Governments | | 0 | | (414,776) | | 0 | | 0 | | 0 | | (414,776) |
| Due from Other Funds | | 293,595 | | 0 | | 333,779 | | 37,325 | | 0 | | 677,925 |
| Due from Component Units | | 11,966 | | 0 | | 0 | | 0 | | 0 | | 11,966 |
| Property Taxes Receivable | | 60,736 | | 0 | | 0 | | 0 | | 0 | | 60,736 |
| Allowance for Uncollectible Property Taxes | | 6,485,740 | | 693,883 | | 541,986 | | 1,557,997 | | 0 | | 9,624,947 |
| Notes Receivable - Current | | (173,002) | | (19,477) | | (15,308) | | (51,589) | | 0 | | (269,090) |
| Accrued Interest Receivable | | 0 | | 0 | | 0 | | 323,190 | | 0 | | 323,190 |
| Notes Receivable - Long-term | | 0 | | 0 | | 0 | | 0 | | 0 | | 14 |
| | | 0 | | 0 | | 0 | | 1,327,054 | | 0 | | 1,327,054 |

Total Assets

| | | | | | | | | | | | | | |
|----|-----------|----|-----------|----|-----------|----|------------|----|-----------|----|-----------|----|------------|
| \$ | 8,961,519 | \$ | 2,110,092 | \$ | 1,710,806 | \$ | 13,226,829 | \$ | 5,875,331 | \$ | 1,378,724 | \$ | 33,263,301 |
|----|-----------|----|-----------|----|-----------|----|------------|----|-----------|----|-----------|----|------------|

LIABILITIES AND FUND BALANCES

| | | | | | | | | | | | | | | |
|--|----|-----------|----|-----------|----|---------|----|-----------|----|---|----|---------|----|------------|
| Liabilities | \$ | 66,379 | \$ | 6,986 | \$ | 95,057 | \$ | 0 | \$ | 0 | \$ | 25,806 | \$ | 194,228 |
| Accounts Payable | | | | | | | | | | | | | | |
| Accrued Payroll | | 76,045 | | 20,506 | | 0 | | 0 | | 0 | | 4,473 | | 101,024 |
| Payroll Deductions Payable | | 22,617 | | 3,693 | | 0 | | 0 | | 0 | | 1,501 | | 27,811 |
| Due to Other Funds | | 0 | | 0 | | 0 | | 0 | | 0 | | 11,966 | | 11,966 |
| Deferred Revenue - Current Property Taxes | | 6,079,688 | | 646,440 | | 504,538 | | 1,419,014 | | 0 | | 321,643 | | 8,971,323 |
| Deferred Revenue - Delinquent Property Taxes | | 186,799 | | 22,416 | | 17,746 | | 70,050 | | 0 | | 11,208 | | 308,219 |
| Other Deferred Revenues | | 60,500 | | 467,727 | | 147,113 | | 18,100 | | 0 | | 0 | | 693,440 |
| Total Liabilities | \$ | 6,492,028 | \$ | 1,167,768 | \$ | 764,454 | \$ | 1,507,164 | \$ | 0 | \$ | 376,597 | \$ | 10,308,011 |

Fund Balances

| | | | | | | | | | | | | | | |
|---|----|---------|----|---|----|---|----|---|----|---|----|---|----|---------|
| Reserved for Encumbrances | \$ | 14,239 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 14,239 |
| Reserved for Alcohol and Drug Treatment | | 171,553 | | 0 | | 0 | | 0 | | 0 | | 0 | | 171,553 |
| Reserved for Litter Enforcement Awards | | 8,083 | | 0 | | 0 | | 0 | | 0 | | 0 | | 8,083 |

(Continued)

Exhibit C-1

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

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|--|---------------------|------------------------|----------------------|----------------------------|--------------------------|---------------------|--------------------------|
| | Ambulance Service | Highway / Public Works | General Debt Service | Education Capital Projects | Other Governmental Funds | | |
| Fund Balances (Cont.) | | | | | | | |
| Reserved for Drug Court | \$ 53,910 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 53,910 |
| Reserved for Sexual Offender Registration | 11,420 | 0 | 0 | 0 | 0 | 0 | 11,420 |
| Reserved for Victims Assistance Programs | 30,595 | 0 | 0 | 0 | 0 | 0 | 30,595 |
| Reserved for Long-term Notes Receivable | 0 | 0 | 1,650,244 | 0 | 0 | 0 | 1,650,244 |
| Reserved for ARRA Grant # 3 | 205,630 | 0 | 0 | 0 | 0 | 0 | 205,630 |
| Reserved for ARRA Grant # 6 | 238,903 | 0 | 0 | 0 | 0 | 0 | 238,903 |
| Unreserved, Reported In: | | | | | | | |
| General Fund | 1,735,158 | 0 | 0 | 0 | 0 | 0 | 1,735,158 |
| Special Revenue Funds | 0 | 942,324 | 946,352 | 0 | 0 | 882,375 | 2,771,051 |
| Debt Service Funds | 0 | 0 | 0 | 10,069,421 | 0 | 0 | 10,069,421 |
| Capital Projects Funds | 0 | 0 | 0 | 5,875,331 | 119,752 | 119,752 | 5,995,083 |
| Total Fund Balances | \$ 2,469,491 | \$ 942,324 | \$ 946,352 | \$ 11,719,665 | \$ 5,875,331 | \$ 1,002,127 | \$ 22,955,290 |
| Total Liabilities and Fund Balances | \$ 8,961,519 | \$ 2,110,092 | \$ 1,710,806 | \$ 13,226,829 | \$ 5,875,331 | \$ 1,378,724 | \$ 33,263,301 |

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

Exhibit C-2

Warren County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Assets
June 30, 2010

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

| | | |
|--|------------------|----------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit C-1) | | \$ 22,955,290 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 1,587,288 | |
| Add: buildings and improvements net of accumulated depreciation | 8,565,635 | |
| Add: infrastructure net of accumulated depreciation | 27,678,534 | |
| Add: other capital assets net of accumulated depreciation | <u>3,311,783</u> | 41,143,240 |
| (2) The internal service fund is used by management to charge the cost of liability and workers' compensation insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | | 3,392,562 |
| (3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Less: notes payable | \$ (241,666) | |
| Less: bonds payable | (19,860,124) | |
| Add: deferred amount on refunding | 24,115 | |
| Add: deferred charges - debt issuance costs | 194,728 | |
| Less: compensated absences payable | (204,860) | |
| Less: other postemployment benefits liability | (120,789) | |
| Less: accrued interest on bonds | (43,823) | |
| Less: other deferred revenue - premium on debt | <u>(257,150)</u> | (20,509,569) |
| (4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>1,001,659</u> |
| Net assets of governmental activities (Exhibit A) | | <u>\$ 47,983,182</u> |

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

Exhibit C-3

Warren County, Tennessee
Statement of Revenues, Expenditures,
 and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|--|----------------------|---------------------|------------------------|----------------------|----------------------------|--------------------------|--------------------------|
| | General | Ambulance Service | Highway / Public Works | General Debt Service | Education Capital Projects | Other Governmental Funds | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 6,373,323 | \$ 706,382 | \$ 613,361 | \$ 3,495,533 | \$ 0 | \$ 460,657 | \$ 11,649,256 |
| Licenses and Permits | 159,647 | 5,000 | 0 | 0 | 0 | 0 | 164,647 |
| Fines, Forfeitures, and Penalties | 238,232 | 0 | 0 | 0 | 0 | 45,597 | 283,829 |
| Charges for Current Services | 48,366 | 1,804,708 | 0 | 0 | 0 | 951,599 | 2,804,673 |
| Other Local Revenues | 427,017 | 0 | 593 | 432,024 | 1,039 | 71,092 | 931,765 |
| Fees Received from County Officials | 783,140 | 0 | 0 | 0 | 0 | 0 | 783,140 |
| State of Tennessee | 1,303,843 | 0 | 1,791,059 | 0 | 0 | 449,813 | 3,544,715 |
| Federal Government | 780,170 | 35,272 | 0 | 0 | 0 | 119,498 | 934,940 |
| Other Governments and Citizens Groups | 201,468 | 0 | 0 | 0 | 0 | 24,526 | 225,994 |
| Total Revenues | \$ 10,315,206 | \$ 2,551,362 | \$ 2,405,013 | \$ 3,927,557 | \$ 1,039 | \$ 2,122,782 | \$ 21,322,959 |
| <u>Expenditures</u> | | | | | | | |
| Current: | | | | | | | |
| General Government | \$ 1,245,534 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 131,183 | \$ 1,376,717 |
| Finance | 461,081 | 0 | 0 | 0 | 0 | 458,825 | 919,906 |
| Administration of Justice | 722,738 | 0 | 0 | 0 | 0 | 394,144 | 1,116,882 |
| Public Safety | 4,622,597 | 90,216 | 0 | 0 | 0 | 126,159 | 4,838,972 |
| Public Health and Welfare | 729,662 | 2,344,158 | 0 | 0 | 0 | 899,908 | 3,973,728 |
| Social, Cultural, and Recreational Services | 138,000 | 0 | 0 | 0 | 0 | 0 | 138,000 |
| Agriculture and Natural Resources | 200,656 | 0 | 0 | 0 | 0 | 0 | 200,656 |
| Other Operations | 2,365,209 | 151,519 | 0 | 0 | 0 | 0 | 2,516,728 |
| Highways | 0 | 0 | 2,388,971 | 0 | 0 | 0 | 2,388,971 |
| Debt Service: | | | | | | | |
| Principal on Debt | 0 | 0 | 0 | 2,790,120 | 0 | 0 | 2,790,120 |
| Interest on Debt | 0 | 0 | 0 | 598,981 | 0 | 0 | 598,981 |
| Other Debt Service | 0 | 0 | 0 | 226,311 | 169,786 | 0 | 396,097 |
| Capital Projects | 0 | 0 | 0 | 0 | 0 | 114,830 | 114,830 |
| Total Expenditures | \$ 10,485,477 | \$ 2,585,893 | \$ 2,388,971 | \$ 3,615,412 | \$ 169,786 | \$ 2,125,049 | \$ 21,370,588 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (170,271) | \$ (34,531) | \$ 16,042 | \$ 312,145 | \$ (168,747) | \$ (2,267) | \$ (47,629) |

(Continued)

Exhibit C-3

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

| | Major Funds | | | | | Nonmajor Funds | | Total Governmental Funds |
|--|--------------|-------------------|------------------------|----------------------|----------------------------|----------------|--------------------|--------------------------|
| | General | Ambulance Service | Highway / Public Works | General Debt Service | Education Capital Projects | Other | Governmental Funds | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | | |
| Bonds Issued | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 6,000,000 | \$ 0 | \$ 0 | \$ 6,000,000 |
| Notes Issued | 125,000 | 0 | 0 | 0 | 0 | 0 | 0 | 125,000 |
| Refunding Debt Issued | 0 | 0 | 0 | 6,475,000 | 0 | 0 | 0 | 6,475,000 |
| Premiums on Debt Issued | 0 | 0 | 0 | 174,662 | 44,078 | 0 | 0 | 218,740 |
| Payments to Refunded Debt Escrow Agent | 0 | 0 | 0 | (6,500,000) | 0 | 0 | 0 | (6,500,000) |
| Total Other Financing Sources (Uses) | \$ 125,000 | \$ 0 | \$ 0 | \$ 149,662 | \$ 6,044,078 | \$ 0 | \$ 0 | \$ 6,318,740 |
| Net Change in Fund Balances | \$ (45,271) | \$ (34,531) | \$ 16,042 | \$ 461,807 | \$ 5,875,331 | \$ (2,267) | \$ (2,267) | \$ 6,271,111 |
| Fund Balance, July 1, 2009 | 2,514,762 | 976,855 | 930,310 | 11,257,858 | 0 | 1,004,394 | 1,004,394 | 16,684,179 |
| Fund Balance, June 30, 2010 | \$ 2,469,491 | \$ 942,324 | \$ 946,352 | \$ 11,719,665 | \$ 5,875,331 | \$ 1,002,127 | \$ 1,002,127 | \$ 22,955,290 |

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

Exhibit C-4

Warren County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

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

| | | |
|--|--------------------|--------------------|
| Net change in fund balances - total governmental funds (Exhibit C-3) | | \$ 6,271,111 |
| | | |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 422,448 | |
| Less: current year depreciation expense | <u>(1,421,207)</u> | (998,759) |
| | | |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets. | | |
| Less: loss on disposal of capital assets | \$ (114,418) | |
| Less: proceeds from the sale of capital assets | <u>(9,000)</u> | (123,418) |
| | | |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds. | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2010 | \$ 1,001,659 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2009 | <u>(825,850)</u> | 175,809 |
| | | |
| (4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, 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. This amount is the net effect of these differences in the treatment of long-term debt and related items: | | |
| Less: note proceeds | \$ (125,000) | |
| Less: bond proceeds | (6,000,000) | |
| Less: refunding bond proceeds | (6,475,000) | |
| Less: change in premium on debt issuances | (201,760) | |
| Add: principal payments on notes | 374,244 | |
| Add: principal payments on bonds | 2,415,876 | |
| Add: payment to refunding agent | 6,500,000 | |
| Add: change in deferred debt issuance costs | 194,728 | |
| Add: change in deferred amount on refunding debt | <u>24,115</u> | (3,292,797) |
| | | |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Change in accrued interest payable | \$ 20,888 | |
| Change in compensated absences payable | 39,460 | |
| Change in other postemployment benefits liability | <u>(83,374)</u> | (23,026) |
| | | |
| (6) The internal service fund is used by management to charge the cost of liability and workers' compensation insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities. | | <u>(1,847,810)</u> |
| Change in net assets of governmental activities (Exhibit B) | | <u>\$ 161,110</u> |

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

Exhibit D-1

Warren County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2010

| | <u>Governmental Activities - Internal Service Fund Self-Insurance Fund</u> |
|---------------------------------------|--|
| <u>ASSETS</u> | |
| Current Assets: | |
| Cash | \$ 14,132 |
| Equity in Pooled Cash and Investments | 5,881,736 |
| Accrued Interest Receivable | 6 |
| Total Assets | <u>\$ 5,895,874</u> |
| <u>LIABILITIES</u> | |
| Current Liabilities: | |
| Claims and Judgments Payable | \$ 2,503,312 |
| Total Liabilities | <u>\$ 2,503,312</u> |
| <u>NET ASSETS</u> | |
| Unrestricted | <u>\$ 3,392,562</u> |
| Total Net Assets | <u>\$ 3,392,562</u> |

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

Exhibit D-2

Warren County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2010

| | Governmental Activities - Internal Service Fund <u>Self-Insurance Insurance Fund</u> |
|---|--|
| <u>Operating Revenues</u> | |
| Self-Insurance Premiums/Contributions | \$ 886,605 |
| Total Operating Revenues | <u>\$ 886,605</u> |
| <u>Operating Expenses</u> | |
| Other Contracted Services | \$ 70,624 |
| Boiler Insurance | 7,528 |
| Building and Contents Insurance | 142,477 |
| Liability Insurance | 124,015 |
| Workers' Compensation Insurance | 85,557 |
| Other Self-Insured Claims | 2,389,094 |
| Other Charges | 5,000 |
| Total Operating Expenses | <u>\$ 2,824,295</u> |
| Operating Income (Loss) | <u>\$ (1,937,690)</u> |
| <u>Nonoperating Revenues (Expenses)</u> | |
| Investment Income | \$ 89,880 |
| Total Nonoperating Revenue | <u>\$ 89,880</u> |
| Change in Net Assets | \$ (1,847,810) |
| Net Assets, July 1, 2009 | <u>5,240,372</u> |
| Net Assets, June 30, 2010 | <u><u>\$ 3,392,562</u></u> |

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

Exhibit D-3

Warren County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2010

| | <u>Governmental Activities - Internal Service Fund Self- Insurance Fund</u> |
|--|---|
| <u>Cash Flows from Operating Activities</u> | |
| Self-Insurance Premiums/Contributions | \$ 886,605 |
| Other Contracted Services | (70,624) |
| Insurance Premiums | (359,577) |
| Other Self-Insured Claims | (806,652) |
| Other Charges | (5,000) |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ (355,248)</u> |
| <u>Cash Flows from Investing Activities</u> | |
| Interest on Investments | \$ 90,137 |
| Net Cash Provided By (Used In) Investing Activities | <u>\$ 90,137</u> |
| Net Increase (Decrease) in Cash | \$ (265,111) |
| Cash, July 1, 2009 | <u>6,160,979</u> |
| Cash, June 30, 2010 | <u>\$ 5,895,868</u> |
| <u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u> | |
| Operating Income (Loss) | \$ (1,937,690) |
| Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities: | |
| Change in Assets and Liabilities: | |
| Increase (Decrease) in Claims and Judgments Payable | <u>1,582,442</u> |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ (355,248)</u> |
| <u>Reconciliation of Cash with Statement of Net Assets</u> | |
| Cash per Net Assets | \$ 14,132 |
| Equity in Pooled Cash and Investments per Net Assets | <u>5,881,736</u> |
| Cash, June 30, 2010 | <u>\$ 5,895,868</u> |

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

Exhibit E

Warren County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

| | <u>Agency Funds</u> |
|---------------------------------------|-------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 1,316,701 |
| Equity in Pooled Cash and Investments | 9,786 |
| Due from Other Governments | <u>616,466</u> |
| Total Assets | <u>\$ 1,942,953</u> |
| <u>LIABILITIES</u> | |
| Accounts Payable | \$ 8,028 |
| Contracts Payable | 319,697 |
| Due to Other Taxing Units | 296,769 |
| Due to Litigants, Heirs, and Others | 1,316,701 |
| Due to State of Tennessee | 522 |
| Due to Joint Ventures | <u>1,236</u> |
| Total Liabilities | <u>\$ 1,942,953</u> |

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

WARREN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Warren County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Warren County:

A. Reporting Entity

Warren County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Warren County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Warren County School Department operates the public school system in the county, and the voters of Warren County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Warren County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Warren County, and the Warren County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Warren County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Warren County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the

Warren County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Warren County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Warren County Emergency Communications District
902 Bridge Builder Road
McMinnville, TN 37110

B. Government-wide and Fund Financial Statements

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

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

Warren County issues all debt for the discretely presented Warren County School Department. Net debt issues of \$5,875,331 were issued by the county for the School Department during the year ended June 30, 2010. These funds will be held in the Education Capital Projects Fund and contributed to the School Department as needed for school construction.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial

statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Warren County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Warren County only reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service fund and the fiduciary funds in total are reported in single columns by fund type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Warren County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when

amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Warren County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Ambulance Service Fund – This fund accounts for transactions relating to the county-operated ambulance service.

Highway/Public Works Fund – This fund accounts for transactions of the county’s Highway Department.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Education Capital Projects Fund – This fund accounts for debt issued by Warren County that is subsequently contributed to the discretely presented Warren County School Department for construction projects.

Additionally, Warren County reports the following fund types:

Internal Service Fund – The Self-Insurance Fund accounts for the county’s self-insurance program. Premiums charged to the various county funds are placed in this fund for the payment of claims against the county not covered by excess risk insurance coverage.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes

received by the state to be forwarded to the various cities in Warren County, federal grants/loans received and forwarded to a local utility district in the county, and state grants and other restricted revenues held for the benefit of the Thirty-first Judicial District Drug Task Force. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an internal service fund used to account for the county's self-insurance program. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's internal service fund are self-insurance premiums/contributions. Operating expenses for the internal service fund include the purchase of commercial insurance and various claims.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash in bank and cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Warren County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Warren County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All investments are reported at fair value.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property tax receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for

uncollectible property taxes is equal to 1.52 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements. Claims and judgments payable totaling \$2,503,312 are discussed in Note V.A., Risk Management.

3. Inventories

Inventories of the discretely presented Warren County School Department are recorded on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. **Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the primary government as assets with an initial, individual cost of \$10,000 or more. Capital assets are defined by the Warren County School Department as assets with an initial, individual cost of \$25,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 25-40 |
| Other Capital Assets | 5-20 |
| Infrastructure: | |
| Roads | 25-50 |
| Bridges | 75 |

5. **Compensated Absences**

The county's vacation policy does not allow for the accumulation of unused vacation days beyond the employee's anniversary date. Sick leave policies vary from department to department. Employees of the general government may accumulate unlimited sick leave days based on earning one day per month. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. The general policy of the Highway Department does allow for the accumulation of unlimited sick leave days based on earning one day per month. Any unused accumulated sick leave would be paid to the employee when employment with the Highway Department ceases. The amount of unused sick leave for Highway

Department employees at June 30, 2010, is not considered material and is not presented in the county's financial statements. The general policy of the Ambulance Service allows full-time employees to earn and accumulate paid time off, which may be used as vacation and/or sick leave. Employees earn paid time off at rates based on length of employment. Employees are allowed to accumulate up to one year's worth of paid time off.

General policy of the discretely presented Warren County School Department does not allow for the accumulation of vacation days beyond the calendar year-end. All professional personnel (teachers) are allowed to accumulate unlimited sick leave days. Professional personnel enrolled in the Tennessee Consolidated Retirement System can be paid \$40 a day for up to 240 days if the Board of Education is notified by June 30 of their plans to retire. Any sick leave over 240 days is applied toward the employee's retirement service. All non-professional employees are paid for all sick leave upon termination of employment. A liability for sick leave pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirement.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are

recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Assets and Fund Equity

In the government-wide financial statements and the proprietary fund in the fund financial statements, 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 placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling \$720,094, with the primary restrictions being for: (1) alcohol and drug treatment (\$171,553); (2) litter enforcement awards (\$8,083); (3) drug court (\$53,910); (4) sexual offender registration (\$11,420); (5) victims assistance programs (\$30,595); (6) ARRA grant revenues for the Health Department (\$205,630); and ARRA grant revenues for the Sheriff's Department (\$238,903). The amounts in the discretely presented School Department's account Restricted for Other Purposes consist of various restrictions totaling \$126,401, with the primary restrictions being for: (1) driver education (\$60,852); (2) career ladder – extended contract (\$56,222); and (3) career ladder (\$9,327).

As of June 30, 2010, Warren County had \$12,741,666 in outstanding debt for capital purposes for the discretely presented Warren County School Department. This debt is a liability of Warren County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Warren County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for

appropriation or are legally restricted by outside parties for use for a specific purpose.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. **Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets**

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

Discretely Presented Warren County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

B. **Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Warren County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees Fund (special revenue fund), which are not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Warren County and the Warren County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency.

Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2010, Warren County had the following investments carried at fair value or cost. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Warren County and the discretely presented Warren County School Department since both pool their deposits and investments through the county trustee.

| <u>Investment</u> | <u>Maturities</u> | <u>Fair Value or Cost</u> |
|-----------------------------------|-------------------|-------------------------------|
| Federal Home Loan Bank | 7-9-10 | \$ 5,875,331 |
| State Treasurer's Investment Pool | Daily | <u>102,077</u> |
| Total | | <u><u>\$ 5,977,408</u></u> |

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Warren

County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Warren County has no investment policy that would further limit its investment choices. As of June 30, 2010, Warren County's investment in the State Treasurer's Investment Pool was unrated. Warren County's investments in the Federal Home Loan Bank were rated Aaa by Moody's Investor's Service and AAA by Standard & Poor's and Fitch Ratings.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Warren County places no limit on the amount the county may invest in one issuer. More than five percent of the county's investments are in the Federal Home Loan Bank. These investments are 98 percent of the county's total investments.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Warren County does not have a formal policy that limits custodial credit risk for investments.

B. Notes Receivable

An agreement between Warren County and the West Warren-Viola Utility District requires the utility district to repay the county for principal and interest paid by the county on bonded debt for improvements made to water and sewer lines in the industrial park. The utility is required to remit 70 percent of certain industrial park revenues until this debt is repaid. As of June 30, 2010, the outstanding balance was \$1,650,244. This amount has been reflected in the financial statements of this report as Notes Receivable – Current and Notes Receivable – Long-term and offset by a Reserve for Notes Receivable in the General Debt Service Fund.

C. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

Primary Government

Governmental Activities:

| | Balance 7-1-09 | Increases | Decreases | Balance 6-30-10 |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 1,587,288 | \$ 0 | \$ 0 | \$ 1,587,288 |
| Total Capital Assets Not Depreciated | <u>\$ 1,587,288</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 1,587,288</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 10,206,797 | \$ 0 | \$ (140,494) | \$ 10,066,303 |
| Roads and Bridges | 42,693,041 | 0 | 0 | 42,693,041 |
| Other Capital Assets | 6,337,853 | 422,448 | (99,028) | 6,661,273 |
| Total Capital Assets Depreciated | <u>\$ 59,237,691</u> | <u>\$ 422,448</u> | <u>\$ (239,522)</u> | <u>\$ 59,420,617</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 1,332,810 | \$ 190,435 | \$ (22,577) | \$ 1,500,668 |
| Roads and Bridges | 14,180,438 | 834,069 | 0 | 15,014,507 |
| Other Capital Assets | 3,046,314 | 396,703 | (93,527) | 3,349,490 |
| Total Accumulated Depreciation | <u>\$ 18,559,562</u> | <u>\$ 1,421,207</u> | <u>\$ (116,104)</u> | <u>\$ 19,864,665</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 40,678,129</u> | <u>\$ (998,759)</u> | <u>\$ (123,418)</u> | <u>\$ 39,555,952</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 42,265,417</u> | <u>\$ (998,759)</u> | <u>\$ (123,418)</u> | <u>\$ 41,143,240</u> |

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

Governmental Activities:

| | |
|---|-------------------------|
| General Government | \$ 38,418 |
| Finance | 3,154 |
| Administration of Justice | 11,677 |
| Public Safety | 226,882 |
| Public Health and Welfare | 155,011 |
| Other Operations | 48,238 |
| Highways/Public Works | <u>937,827</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,421,207</u> |

Discretely Presented Warren County School Department

Governmental Activities:

| | Balance 7-1-09 | Increases | Decreases | Balance 6-30-10 |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 1,503,320 | \$ 0 | \$ 0 | \$ 1,503,320 |
| Construction in Progress | 762,140 | 0 | (762,140) | 0 |
| Total Capital Assets Not Depreciated | <u>\$ 2,265,460</u> | <u>\$ 0</u> | <u>\$ (762,140)</u> | <u>\$ 1,503,320</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 58,679,543 | \$ 903,108 | \$ 0 | \$ 59,582,651 |
| Other Capital Assets | 3,681,583 | 428,114 | 0 | 4,109,697 |
| Total Capital Assets Depreciated | <u>\$ 62,361,126</u> | <u>\$ 1,331,222</u> | <u>\$ 0</u> | <u>\$ 63,692,348</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 26,287,082 | \$ 1,305,973 | \$ 0 | \$ 27,593,055 |
| Other Capital Assets | 1,981,878 | 366,605 | 0 | 2,348,483 |
| Total Accumulated Depreciation | <u>\$ 28,268,960</u> | <u>\$ 1,672,578</u> | <u>\$ 0</u> | <u>\$ 29,941,538</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 34,092,166</u> | <u>\$ (341,356)</u> | <u>\$ 0</u> | <u>\$ 33,750,810</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 36,357,626</u> | <u>\$ (341,356)</u> | <u>\$ (762,140)</u> | <u>\$ 35,254,130</u> |

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

Governmental Activities:

| | |
|---|----------------------------|
| Instruction | \$ 1,279,408 |
| Support Services | <u>393,170</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 1,672,578</u></u> |

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from Other Funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|---------------|
| Primary Government: | | |
| General | Nonmajor governmental | \$ 11,966 |

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

Due to/from Primary Government and Component Units:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|------------------------|---------------|
| Primary Government: | Component Unit: | |
| General | General Purpose School | \$ 60,736 |

Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following amount:

Discretely Presented Warren County School Department

| Transfer Out | Transfer In General Purpose School Fund |
|-------------------------|---|
| School Federal Projects | \$ 5,560 |

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

E. Long-term Debt

Primary Government

General Obligation Bonds and Notes

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds and other loans. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 20 years for bonds and up to two years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2010, for governmental activities are as follows:

| Type | Interest Rate | Original Amount of Issue | Balance 6-30-10 |
|---------------------------------------|------------------|--------------------------------|--------------------|
| General Obligation Bonds | 2.35 to 5.45 % | \$ 6,226,000 | \$ 6,215,124 |
| General Obligation Bonds Refunding | 2 to 5 | 27,100,000 | 13,645,000 |
| Capital Outlay Notes | 2.59 to 4.5 | 850,000 | 241,666 |

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2010, including interest payments, are presented in the following tables:

| Year Ending June 30 | Notes | | |
|------------------------|------------|-----------|------------|
| | Principal | Interest | Total |
| 2011 | \$ 200,000 | \$ 9,549 | \$ 209,549 |
| 2012 | 41,666 | 1,458 | 43,124 |
| Total | \$ 241,666 | \$ 11,007 | \$ 252,673 |

| Year Ending June 30 | Bonds | | |
|------------------------|---------------|--------------|---------------|
| | Principal | Interest | Total |
| 2011 | \$ 2,446,366 | \$ 851,288 | \$ 3,297,654 |
| 2012 | 2,556,877 | 704,797 | 3,261,674 |
| 2013 | 2,082,411 | 588,292 | 2,670,703 |
| 2014 | 1,202,970 | 520,984 | 1,723,954 |
| 2015 | 888,554 | 485,799 | 1,374,353 |
| 2016-2020 | 4,957,484 | 1,960,631 | 6,918,115 |
| 2021-2025 | 3,470,462 | 969,681 | 4,440,143 |
| 2026-2030 | 2,255,000 | 369,380 | 2,624,380 |
| Total | \$ 19,860,124 | \$ 6,450,852 | \$ 26,310,976 |

There is \$10,069,421 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$519, based on the 2000 federal census. Debt per capita, including bonds and notes totaled \$525, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

| | Bonds | Notes | Other Loans |
|-----------------------------|----------------------|-------------------|----------------|
| Balance, July 1, 2009 | \$ 9,801,000 | \$ 490,910 | \$ 6,500,000 |
| Additions | 12,475,000 | 125,000 | 0 |
| Deductions | (2,415,876) | (374,244) | (6,500,000) |
| Balance, June 30, 2010 | <u>\$ 19,860,124</u> | <u>\$ 241,666</u> | <u>\$ 0</u> |
| Balance Due Within One Year | <u>\$ 2,446,366</u> | <u>\$ 200,000</u> | <u>\$ 0</u> |

| | Compensated Absences | Other Postemployment Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2009 | \$ 244,320 | \$ 37,415 |
| Additions | 283,157 | 90,089 |
| Deductions | (322,617) | (6,715) |
| Balance, June 30, 2010 | <u>\$ 204,860</u> | <u>\$ 120,789</u> |
| Balance Due Within One Year | <u>\$ 133,159</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|-----------------|
| Total Noncurrent Liabilities, June 30, 2010 | \$ 20,427,439 |
| Less: Balance Due Within One Year | (2,779,525) |
| Add: Unamortized Premium on Debt | 257,150 |
| Less: Deferred Amount on Refunding | <u>(24,115)</u> |

| | |
|---|----------------------|
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 17,880,949</u> |
|---|----------------------|

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Advance Refunding

During the year, Warren County advance refunded another loan issue with a general obligation refunding bond. The county received bond proceeds of \$6,475,000 during the year. As a result, the refunded other loan is considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over

the next 12 years cannot be calculated due to the variable interest rates on the refunded other loan issue.

Defeasance of Prior-year Debt

In prior years, Warren County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2010, the following outstanding bonds are considered defeased:

| | <u>Amount</u> |
|--|---------------|
| 2005 Public Improvements - Centertown School | \$ 2,950,000 |

Discretely Presented Warren County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Warren County School Department for the year ended June 30, 2010, was as follows:

| | <u>Compensated Absences</u> | <u>Other Postemployment Benefits</u> |
|-----------------------------|---------------------------------|--|
| Balance, July 1, 2009 | \$ 2,489,293 | \$ 598,054 |
| Additions | 610,382 | 382,421 |
| Deductions | (636,282) | (143,118) |
| Balance, June 30, 2010 | <u>\$ 2,463,393</u> | <u>\$ 837,357</u> |
| Balance Due Within One Year | <u>\$ 492,679</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Noncurrent Liabilities, June 30, 2010 | \$ 3,300,750 |
| Less: Balance Due Within One Year | <u>(492,679)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 2,808,071</u> |

Compensated absences will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

F. On-Behalf Payments – Discretely Presented Warren County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Warren County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were \$230,828 and \$33,235, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Warren County's risk of loss relating to property, general liability, automobile liability, and workers' compensation are covered through a self-insurance program, and by the purchase of commercial insurance to cover losses exceeding certain limits. The county is self-insured for individual property losses up to \$250,000. The county carries excess commercial coverage on buildings and contents totaling \$179,969,214. The county is self-insured up to the liability limits of \$250,000 per person, \$600,000 per occurrence for bodily injury, and \$85,000 for property damage. Warren County self-insures workers' compensation losses of \$250,000 per accident or disease with an aggregate liability of \$1 million. The county carries commercial liability insurance coverage for losses up to \$10 million, with a \$250,000 deductible. Warren County maintains the Self-Insurance Fund, which is shown as an internal service fund, to account for transactions pertaining to the county's self-insured group liability and property plans. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The fund establishes the claims liabilities based on estimates of the ultimate cost of claims that have been incurred but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

| | Beginning of Fiscal Year Liability | Current- year Claims and Estimates | Payments | Balance at Fiscal Year-end |
|-----------|---|---|--------------|----------------------------------|
| 2008-2009 | \$ 711,287 | \$ 610,990 | \$ (401,407) | \$ 920,870 |
| 2009-2010 | 920,870 | 2,389,094 | (806,652) | 2,503,312 |

Warren County provides health insurance coverage to its employees through the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Warren County School Department

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, Tennessee Code Annotated (TCA), all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: Lack of physical substance; nonfinancial in nature; and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, ware rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Warren County and the Warren County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably

expected that Warren County and the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Warren County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statements of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e. effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Warren County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Warren County may enter into derivative transactions in subsequent years.

C. Subsequent Events

On July 19, 2010, the County Commission approved capital outlay notes of \$750,000 for Dibrell Elementary. These notes have not been issued as of the date of this report.

On July 23, 2010, Warren County issued capital outlay notes of \$175,000 for the discretely presented Warren County School Department for the purchase of school buses.

On July 23, 2010, Warren County issued capital outlay notes of \$159,500 for a jail sewer improvement project.

On August 16, 2010, the County Commission approved capital outlay notes of \$180,000 for two ambulance changeovers and \$150,000 for the purchase of a sanitation truck. These notes have not been issued as of the date of this report.

Superintendent of Roads, Harold Glenn, retired August 31, 2010, and was succeeded by Levie Glenn effective September 1, 2010.

On October 1, 2010, the County Commission entered into a loan agreement with the Tennessee State School Bond Authority for Qualified School Construction Bonds, Series 2010, totaling \$9,300,000 for the construction of a school in Morrison.

On October 11, 2010, the state Comptroller's Office approved tax and/or revenue anticipation notes of \$800,000 for the General Fund; \$100,000 for the Solid Waste/Sanitation Fund; and \$100,000 for the Ambulance Service Fund. These notes have not been issued as of the date of this report.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Joint Ventures

The Industrial Development Board of McMinnville-Warren County is a joint venture in which the county and the City of McMinnville participate for the purpose of industrial recruitment. The Industrial Development Board is governed by a nine-member board from the private sector appointed by the participating governments. During the year ended June 30, 2010, the county paid \$150,000 to the Industrial Development Board of McMinnville-Warren County.

The Warren County Joint Economic and Community Development Board is a joint venture created by an interlocal agreement between Warren County, and the cities of McMinnville, Morrison, Centertown, and Viola to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The board is governed by a 12-member board established by the interlocal agreement. During the year ended June 30, 2010, the county did not make a contribution to the Warren County Joint Economic and Community Development Board.

Warren County does not have an equity interest in the above-noted joint ventures. Complete financial statements for the Industrial Development Board of McMinnville-Warren County and the Warren County Joint Economic and Community Development Board can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Industrial Development Board of McMinnville-Warren County
110 South Court Square, Suite A200
McMinnville, TN 37110

Warren County Joint Economic and Community
Development Board
P.O. Box 639
201 Locust Street, Suite 1
McMinnville, TN 37110

F. Jointly Governed Organization

The Tri-County Railroad Authority is jointly operated by Warren County in conjunction with Coffee and White counties. The authority's board comprises the county mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

G. Retirement Commitments

Plan Description

Employees of Warren County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). 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 five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five 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 the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Warren County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Warren County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of their annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 12.57 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, Warren County's annual pension cost of \$1,716,723 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Warren County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was eight years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6-30-10 | \$1,716,723 | 100% | \$0 |
| 6-30-09 | 1,624,208 | 100 | 0 |
| 6-30-08 | 1,537,437 | 100 | 0 |

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 86.72 percent funded. The actuarial accrued liability for benefits was \$31.32 million, and the actuarial value of assets was \$27.16 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.16 million. The covered payroll (annual payroll of active employees covered by the plan) was

\$12.76 million, and the ratio of the UAAL to the covered payroll was 32.6 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

SCHOOL TEACHERS

Plan Description

The Warren County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. 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 five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five 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 the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew

Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, was 6.42 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2010, 2009, and 2008, were \$1,469,609, \$1,425,050, and \$1,332,774, respectively, equal to the required contributions for each year

H. Other Postemployment Benefits (OPEB)

Plan Description

Warren County and the Warren County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-207, Tennessee Code Annotated (TCA), for local governments and Section 8-27-302, TCA, for teachers. 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 Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

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 employer in the plan develops a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for retirees ranges from ten to 55 percent based on the years of service.

During the year ended June 30, 2010, the county and the discretely presented School Department contributed \$6,715 and \$143,118, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

| | Local Government Group Plan | Local Education Group Plan |
|------------------------------|--------------------------------------|-------------------------------------|
| ARC | \$ 90,000 | \$ 381,000 |
| Interest on the NPO | 1,684 | 26,912 |
| Adjustment to the ARC | (1,595) | (25,491) |
| Annual OPEB cost | <u>\$ 90,089</u> | <u>\$ 382,421</u> |
| Amount of contribution | <u>(6,715)</u> | <u>(143,118)</u> |
| Increase/decrease in NPO | \$ 83,374 | \$ 239,303 |
| Net OPEB obligation, 7-1-09 | <u>37,415</u> | <u>598,054</u> |
| Net OPEB obligation, 6-30-10 | <u><u>\$ 120,789</u></u> | <u><u>\$ 837,357</u></u> |

| Fiscal Year Ended | Plans | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|-------------------------|------------------------|------------------------|---|---------------------------------------|
| 6-30-08 | Local Government Group | \$ 26,703 | 35 % | \$ 17,465 |
| 6-30-09 | " | 28,244 | 29 | 37,415 |
| 6-30-10 | " | 90,089 | 7 | 120,789 |
| 6-30-08 | Local Education Group | 414,301 | 24 | 316,412 |
| 6-30-09 | " | 367,574 | 23 | 598,054 |
| 6-30-10 | " | 382,421 | 37 | 837,357 |

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009, was as follows:

| | Local Government Group Plan | Local Education Group Plan |
|---|--------------------------------------|-------------------------------------|
| Actuarial valuation date | 7-1-09 | 7-1-09 |
| Actuarial accrued liability (AAL) | \$ 575,000 | \$ 4,421,000 |
| Actuarial value of plan assets | \$ 0 | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 575,000 | \$ 4,421,000 |
| Actuarial value of assets as a % of the AAL | 0% | 0% |
| Covered payroll (active plan members) | \$ 3,555,973 | \$ 13,841,538 |
| UAAL as a % of covered payroll | 16% | 32% |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses). The annual healthcare cost trend rate for the Local Education Plan was four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was three percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rise of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability

is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

I. Purchasing Laws

Office of County Executive

Purchasing procedures for this office are governed by Chapter 16, Private Acts of 1951, as amended. This act provides for a Purchasing Commission comprised of two members elected by the County Commission: the director of accounts, who serves as chairperson, and the county executive, who serves as an ex-officio member. This act provides for the Purchasing Commission to purchase all supplies and materials and further requires the various departments to file a purchase requisition with the commission. Purchases of less than \$5,000 may be made or approved by the Purchasing Commission chairperson. Purchases exceeding \$5,000 are required to be approved by the Purchasing Commission based on publicly advertised competitive bids.

Office of Superintendent of Roads

Chapter 61, Private Acts of 1959, as amended, Chapter 16, Private Acts of 1951, as amended, and Section 54-7-113, Tennessee Code Annotated (TCA), (Uniform Road Law), govern purchasing procedures for the Highway Department. These statutes require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Warren County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. Competitive bids are solicited through newspaper advertisement on all purchases exceeding \$10,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2010

| | Actual (GAAP Basis) | Less: | | Add: Encumbrances 6/30/2010 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|--------------------------|---------------------------|-----------------------------------|---|------------------|----------------|--|
| | | Encumbrances 7/1/2009 | Encumbrances 6/30/2010 | | | Original | Final | |
| | | | | | | | | |
| <u>Revenues</u> | | | | | | | | |
| Local Taxes | \$ 6,373,323 | \$ 0 | \$ 0 | \$ 6,373,323 | \$ 6,127,400 | \$ 6,127,400 | \$ 245,923 | |
| Licenses and Permits | 159,647 | 0 | 0 | 159,647 | 124,000 | 124,000 | 35,647 | |
| Fines, Forfeitures, and Penalties | 238,232 | 0 | 0 | 238,232 | 224,295 | 224,295 | 13,937 | |
| Charges for Current Services | 48,366 | 0 | 0 | 48,366 | 46,400 | 46,400 | 1,966 | |
| Other Local Revenues | 427,017 | 0 | 0 | 427,017 | 449,600 | 449,600 | (22,583) | |
| Fees Received from County Officials | 783,140 | 0 | 0 | 783,140 | 800,000 | 800,000 | (16,860) | |
| State of Tennessee | 1,303,843 | 0 | 0 | 1,303,843 | 2,480,336 | 2,535,936 | (1,232,093) | |
| Federal Government | 780,170 | 0 | 0 | 780,170 | 109,500 | 920,155 | (139,985) | |
| Other Governments and Citizens Groups | 201,468 | 0 | 0 | 201,468 | 145,000 | 204,000 | (2,532) | |
| Total Revenues | \$ 10,315,206 | \$ 0 | \$ 0 | \$ 10,315,206 | \$ 10,506,531 | \$ 11,431,786 | \$ (1,116,580) | |
| <u>Expenditures</u> | | | | | | | | |
| <u>General Government</u> | | | | | | | | |
| County Commission | \$ 172,725 | \$ 0 | \$ 0 | \$ 172,725 | \$ 211,550 | \$ 211,550 | \$ 38,825 | |
| Board of Equalization | 8,826 | 0 | 0 | 8,826 | 11,400 | 11,400 | 2,574 | |
| County Mayor/Executive | 124,859 | 0 | 0 | 124,859 | 126,023 | 126,023 | 1,164 | |
| County Attorney | 149,537 | 0 | 0 | 149,537 | 87,000 | 172,000 | 22,463 | |
| Election Commission | 240,745 | 0 | 0 | 240,745 | 254,734 | 254,734 | 13,989 | |
| Register of Deeds | 10,997 | 0 | 0 | 10,997 | 12,000 | 12,000 | 1,003 | |
| Development | 353 | 0 | 0 | 353 | 500 | 500 | 147 | |
| Planning | 13,242 | 0 | 0 | 13,242 | 14,480 | 14,480 | 1,238 | |
| Codes Compliance | 45,182 | 0 | 0 | 45,182 | 45,788 | 45,788 | 606 | |
| County Buildings | 145,819 | 0 | 0 | 145,819 | 198,201 | 188,201 | 42,382 | |
| Other Facilities | 169,657 | 0 | 0 | 169,657 | 163,548 | 173,548 | 3,891 | |
| Other General Administration | 163,592 | 0 | 0 | 163,592 | 258,500 | 258,500 | 94,908 | |

(Continued)

Exhibit F-1

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2009 | Add: Encumbrances 6/30/2010 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|-----------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>General Government (Cont.)</u> | | | | | | | |
| <u>Preservation of Records</u> | \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 5,000 \$ | 5,000 |
| <u>Finance</u> | | | | | | | |
| Accounting and Budgeting | 158,164 | 0 | 0 | 158,164 | 159,162 | 159,162 | 998 |
| Purchasing | 2,601 | 0 | 0 | 2,601 | 4,000 | 4,000 | 1,399 |
| Property Assessor's Office | 273,783 | 0 | 0 | 273,783 | 312,032 | 312,032 | 38,249 |
| County Trustee's Office | 26,533 | 0 | 0 | 26,533 | 38,000 | 38,000 | 11,467 |
| <u>Administration of Justice</u> | | | | | | | |
| Circuit Court | 62,273 | 0 | 0 | 62,273 | 94,523 | 94,523 | 32,250 |
| General Sessions Court | 214,418 | 0 | 0 | 214,418 | 225,500 | 225,500 | 11,082 |
| Drug Court | 75,385 | 0 | 0 | 75,385 | 93,015 | 93,015 | 17,630 |
| Chancery Court | 167,494 | 0 | 0 | 167,494 | 183,311 | 183,311 | 15,817 |
| Juvenile Court | 121,413 | 0 | 0 | 121,413 | 134,610 | 134,610 | 13,197 |
| Judicial Commissioners | 81,755 | 0 | 0 | 81,755 | 90,989 | 90,989 | 9,234 |
| Other Administration of Justice | 0 | 0 | 0 | 0 | 50,000 | 0 | 0 |
| <u>Public Safety</u> | | | | | | | |
| Sheriff's Department | 2,309,043 | 0 | 0 | 2,309,043 | 2,281,635 | 2,348,235 | 39,192 |
| Administration of the Sexual Offender Registry | 1,250 | 0 | 0 | 1,250 | 2,000 | 2,000 | 750 |
| Jail | 2,137,060 | 0 | 0 | 2,137,060 | 2,182,106 | 2,175,106 | 38,046 |
| Juvenile Services | 22,713 | 0 | 0 | 22,713 | 50,000 | 50,000 | 27,287 |
| County Coroner/Medical Examiner | 1,450 | 0 | 0 | 1,450 | 6,000 | 6,000 | 4,550 |
| Other Public Safety | 151,081 | 0 | 0 | 151,081 | 153,000 | 153,000 | 1,919 |
| <u>Public Health and Welfare</u> | | | | | | | |
| Local Health Center | 54,632 | 0 | 0 | 54,632 | 66,220 | 66,220 | 11,588 |
| Rabies and Animal Control | 75,507 | 0 | 0 | 75,507 | 75,650 | 82,650 | 7,143 |

(Continued)

Exhibit F-1

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2009 | Add: Encumbrances 6/30/2010 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|-----------|--|
| | | | | | Original | Final | |
| | | | | | | | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Public Health and Welfare (Cont.)</u> | | | | | | | |
| Alcohol and Drug Programs | \$ 26,337 | \$ 0 | \$ 0 | \$ 26,337 | \$ 0 | \$ 50,000 | \$ 23,663 |
| Other Local Health Services | 451,637 | 0 | 0 | 451,637 | 664,536 | 777,036 | 325,399 |
| Regional Mental Health Center | 4,000 | 0 | 0 | 4,000 | 4,000 | 4,000 | 0 |
| Appropriation to State | 52,203 | 0 | 0 | 52,203 | 52,203 | 52,203 | 0 |
| General Welfare Assistance | 725 | 0 | 0 | 725 | 3,000 | 3,000 | 2,275 |
| Other Public Health and Welfare | 64,621 | 0 | 0 | 64,621 | 68,000 | 68,000 | 3,379 |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | | |
| Senior Citizens Assistance | 17,000 | 0 | 0 | 17,000 | 17,000 | 17,000 | 0 |
| Libraries | 116,000 | 0 | 0 | 116,000 | 116,000 | 116,000 | 0 |
| Parks and Fair Boards | 5,000 | 0 | 0 | 5,000 | 5,000 | 5,000 | 0 |
| <u>Agriculture and Natural Resources</u> | | | | | | | |
| Agriculture Extension Service | 120,739 | 0 | 0 | 120,739 | 124,483 | 124,483 | 3,744 |
| Forest Service | 2,000 | 0 | 0 | 2,000 | 2,000 | 2,000 | 0 |
| Soil Conservation | 77,917 | 0 | 0 | 77,917 | 78,384 | 78,384 | 467 |
| <u>Other Operations</u> | | | | | | | |
| Tourism | 10,000 | 0 | 0 | 10,000 | 10,000 | 10,000 | 0 |
| Industrial Development | 750,000 | 0 | 0 | 750,000 | 750,000 | 750,000 | 0 |
| Airport | 604,897 | (199,994) | 14,239 | 419,142 | 1,798,033 | 1,798,033 | 1,378,891 |
| Veterans' Services | 17,550 | 0 | 0 | 17,550 | 23,134 | 23,134 | 5,584 |
| Other Charges | 369,817 | 0 | 0 | 369,817 | 495,000 | 410,000 | 40,183 |
| Contributions to Other Agencies | 5,500 | 0 | 0 | 5,500 | 5,500 | 5,500 | 0 |
| Employee Benefits | 225,384 | 0 | 0 | 225,384 | 295,000 | 290,000 | 64,616 |
| ARRA Grant # 1 | 44,104 | 0 | 0 | 44,104 | 0 | 50,000 | 5,896 |
| ARRA Grant # 2 | 79,461 | 0 | 0 | 79,461 | 0 | 114,800 | 35,339 |

(Continued)

Exhibit F-1

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

| | Actual (GAAP Basis) | Less: | | Add: | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|--------------------------|---------------------------|---------------|---|------------------|--------------|--|
| | | Encumbrances 7/1/2009 | Encumbrances 6/30/2010 | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | | |
| <u>Other Operations (Cont.)</u> | | | | | | | | |
| ARRA Grant # 3 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 205,630 | \$ 205,630 |
| ARRA Grant # 4 | 128,873 | 0 | 0 | 128,873 | 0 | 0 | 150,000 | 21,127 |
| ARRA Grant # 6 | 127,147 | 0 | 0 | 127,147 | 0 | 0 | 227,725 | 100,578 |
| Miscellaneous | 2,476 | 0 | 0 | 2,476 | 18,000 | 16,000 | 16,000 | 13,524 |
| Total Expenditures | \$ 10,485,477 | \$ (199,994) | \$ 14,239 | \$ 10,299,722 | \$ 12,114,750 | \$ 13,040,005 | \$ 2,740,283 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (170,271) | \$ 199,994 | \$ (14,239) | \$ 15,484 | \$ (1,608,219) | \$ (1,608,219) | \$ 1,623,703 | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | | |
| Notes Issued | \$ 125,000 | \$ 0 | \$ 0 | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 0 | \$ 0 |
| Total Other Financing Sources (Uses) | \$ 125,000 | \$ 0 | \$ 0 | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 0 | \$ 0 |
| Net Change in Fund Balance Fund Balance, July 1, 2009 | \$ (45,271) | \$ 199,994 | \$ (14,239) | \$ 140,484 | \$ (1,483,219) | \$ (1,483,219) | \$ 1,623,703 | |
| Fund Balance, June 30, 2010 | 2,514,762 | (199,994) | 0 | 2,314,768 | 1,528,483 | 1,528,483 | 786,285 | |
| | \$ 2,469,491 | \$ 0 | \$ (14,239) | \$ 2,455,252 | \$ 45,264 | \$ 45,264 | \$ 2,409,988 | |

Exhibit F-2

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 706,382 | \$ 696,528 | \$ 696,528 | \$ 9,854 |
| Licenses and Permits | 5,000 | 5,000 | 5,000 | 0 |
| Charges for Current Services | 1,804,708 | 1,600,000 | 1,600,000 | 204,708 |
| Federal Government | 35,272 | 33,411 | 33,411 | 1,861 |
| Other Governments and Citizens Groups | 0 | 2,500 | 2,500 | (2,500) |
| Total Revenues | <u>\$ 2,551,362</u> | <u>\$ 2,337,439</u> | <u>\$ 2,337,439</u> | <u>\$ 213,923</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Civil Defense | \$ 64,306 | \$ 85,482 | \$ 85,482 | \$ 21,176 |
| Rescue Squad | 25,910 | 25,910 | 25,910 | 0 |
| <u>Public Health and Welfare</u> | | | | |
| Ambulance/Emergency Medical Services | 2,344,158 | 2,390,151 | 2,439,254 | 95,096 |
| <u>Other Operations</u> | | | | |
| Miscellaneous | 151,519 | 153,000 | 153,000 | 1,481 |
| Total Expenditures | <u>\$ 2,585,893</u> | <u>\$ 2,654,543</u> | <u>\$ 2,703,646</u> | <u>\$ 117,753</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (34,531)</u> | <u>\$ (317,104)</u> | <u>\$ (366,207)</u> | <u>\$ 331,676</u> |
| Net Change in Fund Balance | \$ (34,531) | \$ (317,104) | \$ (366,207) | \$ 331,676 |
| Fund Balance, July 1, 2009 | 976,855 | 534,149 | 534,149 | 442,706 |
| Fund Balance, June 30, 2010 | <u>\$ 942,324</u> | <u>\$ 217,045</u> | <u>\$ 167,942</u> | <u>\$ 774,382</u> |

Exhibit F-3

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2010

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2009 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 613,361 | \$ 0 | \$ 613,361 | \$ 605,643 | \$ 605,643 | \$ 7,718 |
| Other Local Revenues | 593 | 0 | 593 | 1,000 | 1,000 | (407) |
| State of Tennessee | 1,791,059 | 0 | 1,791,059 | 2,382,601 | 2,382,601 | (591,542) |
| Total Revenues | \$ 2,405,013 | \$ 0 | \$ 2,405,013 | \$ 2,989,244 | \$ 2,989,244 | \$ (584,231) |
| <u>Expenditures</u> | | | | | | |
| <u>Highways</u> | | | | | | |
| Administration | \$ 200,737 | \$ 0 | \$ 200,737 | \$ 209,166 | \$ 209,166 | \$ 8,429 |
| Highway and Bridge Maintenance | 1,588,421 | 0 | 1,588,421 | 1,680,500 | 1,680,500 | 92,079 |
| Operation and Maintenance of Equipment | 155,857 | 0 | 155,857 | 215,500 | 215,500 | 59,643 |
| Other Charges | 127,391 | 0 | 127,391 | 168,450 | 168,450 | 41,059 |
| Employee Benefits | 137,679 | 0 | 137,679 | 156,899 | 156,899 | 19,220 |
| Capital Outlay | 178,886 | (80,898) | 97,988 | 1,068,000 | 1,068,000 | 970,012 |
| Total Expenditures | \$ 2,388,971 | \$ (80,898) | \$ 2,308,073 | \$ 3,498,515 | \$ 3,498,515 | \$ 1,190,442 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 16,042 | \$ 80,898 | \$ 96,940 | \$ (509,271) | \$ (509,271) | \$ 606,211 |
| Net Change in Fund Balance Fund Balance, July 1, 2009 | \$ 16,042 | \$ 80,898 | \$ 96,940 | \$ (509,271) | \$ (509,271) | \$ 606,211 |
| Fund Balance, July 1, 2009 | 930,310 | (80,898) | 849,412 | 702,671 | 702,671 | 146,741 |
| Fund Balance, June 30, 2010 | \$ 946,352 | \$ 0 | \$ 946,352 | \$ 193,400 | \$ 193,400 | \$ 752,952 |

Exhibit F-4

Warren County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Warren County School Department
June 30, 2010

(Dollar amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|--------------------------------------|--------------------------|---------------------------|---|
| 7-1-09 | \$ 27,159 | \$ 31,318 | \$ 4,159 | 86.72% | \$ 12,757 | 32.60% |
| 7-1-07 | 25,119 | 27,601 | 2,482 | 91.01 | 11,342 | 21.88 |

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method went into effect during the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit F-5

Warren County, Tennessee
 Schedule of Funding Progress – Other Postemployment Benefit Plans
Primary Government and Discretely Presented Warren County School Department
June 30, 2010

(Dollar amounts in thousands)

| Plans | Actuarial Valuation Date* | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|------------------------|---------------------------|-------------------------------|---------------------------------------|-----------------------------|--------------------|---------------------|---|
| Local Government Group | 7-1-07 | \$ 0 | \$ 179 | \$ 179 | 0 % | \$ 3,618 | 5 % |
| " | 7-1-09 | 0 | 575 | 575 | 0 | 3,556 | 16 |
| Local Education Group | 7-1-07 | 0 | 4,884 | 4,884 | 0 | 13,308 | 37 |
| " | 7-1-09 | 0 | 4,421 | 4,421 | 0 | 13,842 | 32 |

*Data for three actuarial valuations will be presented when available.

WARREN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Warren County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Executive, County Attorney, etc.). Management may make revisions within major categories, but only the Warren County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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

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

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

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

General Capital Projects Fund – The General Capital Projects Fund is used to account for grant funds used for waterline construction in the Warren County Utility District.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for grant proceeds received for low-income home construction and renovation projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for transactions associated with airport projects.

Warren County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

| | Special Revenue Funds | | | | | Total |
|--|--------------------------|--------------|---------------------------|--------------------------------|----|--------------|
| | Solid Waste / Sanitation | Drug Control | District Attorney General | Constitutional Officers - Fees | | |
| \$ | 0 | 0 | 0 | 213,648 | | 213,648 |
| Equity in Pooled Cash and Investments | 589,812 | 77,915 | 26,048 | 0 | 0 | 693,775 |
| Accounts Receivable | 1,748 | 0 | 0 | 948 | 0 | 2,696 |
| Due from Other Governments | 13,226 | 0 | 0 | 0 | 0 | 13,226 |
| Property Taxes Receivable | 345,341 | 0 | 0 | 0 | 0 | 345,341 |
| Allowance for Uncollectible Property Taxes | (9,714) | 0 | 0 | 0 | 0 | (9,714) |
| Accrued Interest Receivable | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Assets | \$ 940,413 | \$ 77,915 | \$ 26,048 | \$ 214,596 | \$ | \$ 1,258,972 |

ASSETS

| | |
|--|--|
| Cash | |
| Equity in Pooled Cash and Investments | |
| Accounts Receivable | |
| Due from Other Governments | |
| Property Taxes Receivable | |
| Allowance for Uncollectible Property Taxes | |
| Accrued Interest Receivable | |

LIABILITIES AND FUND BALANCES

| | | | | | | |
|--|------------|-----------|-----------|------------|----|--------------|
| <u>Liabilities</u> | | | | | | |
| Accounts Payable | 23,625 | 2,181 | 0 | 0 | 0 | 25,806 |
| Accrued Payroll | 4,473 | 0 | 0 | 0 | 0 | 4,473 |
| Payroll Deductions Payable | 1,501 | 0 | 0 | 0 | 0 | 1,501 |
| Due to Other Funds | 0 | 0 | 0 | 11,966 | 0 | 11,966 |
| Deferred Revenue - Current Property Taxes | 321,643 | 0 | 0 | 0 | 0 | 321,643 |
| Deferred Revenue - Delinquent Property Taxes | 11,208 | 0 | 0 | 0 | 0 | 11,208 |
| Total Liabilities | \$ 362,450 | \$ 2,181 | \$ 0 | \$ 11,966 | \$ | \$ 376,597 |
| <u>Fund Balances</u> | | | | | | |
| Unreserved | 577,963 | 75,734 | 26,048 | 202,630 | 0 | 882,375 |
| Total Fund Balances | \$ 577,963 | \$ 75,734 | \$ 26,048 | \$ 202,630 | \$ | \$ 882,375 |
| Total Liabilities and Fund Balances | \$ 940,413 | \$ 77,915 | \$ 26,048 | \$ 214,596 | \$ | \$ 1,258,972 |

(Continued)

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

| | Capital Projects Funds | | | | Total Nonmajor Governmental Funds |
|--|--------------------------------|--------------------------|------------------------------|-------------------|--|
| | General Capital Projects | HUD Grant Projects | Other Capital Projects | Total | |
| \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 213,648 |
| Equity in Pooled Cash and Investments | 30,863 | 5,523 | 83,352 | 119,738 | 813,513 |
| Accounts Receivable | 0 | 0 | 0 | 0 | 2,696 |
| Due from Other Governments | 0 | 0 | 0 | 0 | 13,226 |
| Property Taxes Receivable | 0 | 0 | 0 | 0 | 345,341 |
| Allowance for Uncollectible Property Taxes | 0 | 0 | 0 | 0 | (9,714) |
| Accrued Interest Receivable | 0 | 0 | 14 | 14 | 14 |
| Total Assets | 30,863 \$ | 5,523 \$ | 83,366 \$ | 119,752 \$ | 1,378,724 |

ASSETS

| | | | | | |
|--|------------------|-----------------|------------------|-------------------|------------------|
| Cash | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 213,648 |
| Equity in Pooled Cash and Investments | 30,863 | 5,523 | 83,352 | 119,738 | 813,513 |
| Accounts Receivable | 0 | 0 | 0 | 0 | 2,696 |
| Due from Other Governments | 0 | 0 | 0 | 0 | 13,226 |
| Property Taxes Receivable | 0 | 0 | 0 | 0 | 345,341 |
| Allowance for Uncollectible Property Taxes | 0 | 0 | 0 | 0 | (9,714) |
| Accrued Interest Receivable | 0 | 0 | 14 | 14 | 14 |
| Total Assets | 30,863 \$ | 5,523 \$ | 83,366 \$ | 119,752 \$ | 1,378,724 |

LIABILITIES AND FUND BALANCES

| | | | | | |
|--|------------------|-----------------|------------------|-------------------|------------------|
| <u>Liabilities</u> | | | | | |
| Accounts Payable | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 25,806 |
| Accrued Payroll | 0 | 0 | 0 | 0 | 4,473 |
| Payroll Deductions Payable | 0 | 0 | 0 | 0 | 1,501 |
| Due to Other Funds | 0 | 0 | 0 | 0 | 11,966 |
| Deferred Revenue - Current Property Taxes | 0 | 0 | 0 | 0 | 321,643 |
| Deferred Revenue - Delinquent Property Taxes | 0 | 0 | 0 | 0 | 11,208 |
| Total Liabilities | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 376,597 |
| <u>Fund Balances</u> | | | | | |
| Unreserved | 30,863 \$ | 5,523 \$ | 83,366 \$ | 119,752 \$ | 1,002,127 |
| Total Fund Balances | 30,863 \$ | 5,523 \$ | 83,366 \$ | 119,752 \$ | 1,002,127 |
| Total Liabilities and Fund Balances | 30,863 \$ | 5,523 \$ | 83,366 \$ | 119,752 \$ | 1,378,724 |

Warren County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

| | Special Revenue Funds | | | | | Total |
|---|--------------------------|--------------|---------------------------|--------------------------------|------|--------------|
| | Solid Waste / Sanitation | Drug Control | District Attorney General | Constitutional Officers - Fees | | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 460,657 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 460,657 |
| Fines, Forfeitures, and Penalties | 0 | 31,582 | 14,015 | 0 | 0 | 45,597 |
| Charges for Current Services | 2,697 | 0 | 0 | 948,902 | 0 | 951,599 |
| Other Local Revenues | 59,141 | 0 | 0 | 0 | 0 | 59,141 |
| State of Tennessee | 449,813 | 0 | 0 | 0 | 0 | 449,813 |
| Federal Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Governments and Citizens Groups | 0 | 24,526 | 0 | 0 | 0 | 24,526 |
| Total Revenues | \$ 972,308 | \$ 56,108 | \$ 14,015 | \$ 948,902 | \$ 0 | \$ 1,991,333 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| General Government | \$ 0 | \$ 0 | \$ 0 | \$ 131,183 | \$ 0 | 131,183 |
| Finance | 0 | 0 | 0 | 458,825 | 0 | 458,825 |
| Administration of Justice | 0 | 0 | 8,442 | 385,702 | 0 | 394,144 |
| Public Safety | 0 | 126,159 | 0 | 0 | 0 | 126,159 |
| Public Health and Welfare | 886,791 | 13,117 | 0 | 0 | 0 | 899,908 |
| Capital Projects | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$ 886,791 | \$ 139,276 | \$ 8,442 | \$ 975,710 | \$ 0 | \$ 2,010,219 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 85,517 | \$ (83,168) | \$ 5,573 | \$ (26,808) | \$ 0 | \$ (18,886) |
| Net Change in Fund Balances | \$ 85,517 | \$ (83,168) | \$ 5,573 | \$ (26,808) | \$ 0 | \$ (18,886) |
| Fund Balance, July 1, 2009 | 492,446 | 158,902 | 20,475 | 229,438 | 0 | 901,261 |
| Fund Balance, June 30, 2010 | \$ 577,963 | \$ 75,734 | \$ 26,048 | \$ 202,630 | \$ 0 | \$ 882,375 |

(Continued)

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

| | Capital Projects Funds | | | | Total Nonmajor Governmental Funds |
|---|--------------------------------|--------------------------|------------------------------|------------|--|
| | General Capital Projects | HUD Grant Projects | Other Capital Projects | Total | |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 460,657 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 0 | 45,597 |
| Charges for Current Services | 0 | 0 | 0 | 0 | 951,599 |
| Other Local Revenues | 0 | 0 | 11,951 | 11,951 | 71,092 |
| State of Tennessee | 0 | 0 | 0 | 0 | 449,813 |
| Federal Government | 0 | 119,498 | 0 | 119,498 | 119,498 |
| Other Governments and Citizens Groups | 0 | 0 | 0 | 0 | 24,526 |
| Total Revenues | \$ 0 | \$ 119,498 | \$ 11,951 | \$ 131,449 | \$ 2,122,782 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 131,183 |
| Finance | 0 | 0 | 0 | 0 | 458,825 |
| Administration of Justice | 0 | 0 | 0 | 0 | 394,144 |
| Public Safety | 0 | 0 | 0 | 0 | 126,159 |
| Public Health and Welfare | 0 | 0 | 0 | 0 | 899,908 |
| Capital Projects | 0 | 113,975 | 855 | 114,830 | 114,830 |
| Total Expenditures | \$ 0 | \$ 113,975 | \$ 855 | \$ 114,830 | \$ 2,125,049 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 0 | \$ 5,523 | \$ 11,096 | \$ 16,619 | \$ (2,267) |
| Net Change in Fund Balances Fund Balance, July 1, 2009 | \$ 30,863 | 0 | 72,270 | 103,133 | 1,004,394 |
| Fund Balance, June 30, 2010 | \$ 30,863 | \$ 5,523 | \$ 83,366 | \$ 119,752 | \$ 1,002,127 |

Exhibit G-3

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|-------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 460,657 | \$ 451,314 | \$ 451,314 | \$ 9,343 |
| Charges for Current Services | 2,697 | 2,000 | 2,000 | 697 |
| Other Local Revenues | 59,141 | 41,000 | 41,000 | 18,141 |
| State of Tennessee | 449,813 | 365,000 | 365,000 | 84,813 |
| Total Revenues | <u>\$ 972,308</u> | <u>\$ 859,314</u> | <u>\$ 859,314</u> | <u>\$ 112,994</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Waste Pickup | \$ 257,483 | \$ 337,125 | \$ 337,125 | \$ 79,642 |
| Convenience Centers | 595,455 | 709,779 | 709,779 | 114,324 |
| Other Waste Disposal | 33,853 | 46,000 | 46,000 | 12,147 |
| Total Expenditures | <u>\$ 886,791</u> | <u>\$ 1,092,904</u> | <u>\$ 1,092,904</u> | <u>\$ 206,113</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 85,517</u> | <u>\$ (233,590)</u> | <u>\$ (233,590)</u> | <u>\$ 319,107</u> |
| Net Change in Fund Balance | \$ 85,517 | \$ (233,590) | \$ (233,590) | \$ 319,107 |
| Fund Balance, July 1, 2009 | 492,446 | 322,601 | 322,601 | 169,845 |
| Fund Balance, June 30, 2010 | <u>\$ 577,963</u> | <u>\$ 89,011</u> | <u>\$ 89,011</u> | <u>\$ 488,952</u> |

Exhibit G-4

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------------|-------------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Fines, Forfeitures, and Penalties | \$ 31,582 | \$ 98,870 | \$ 98,870 | \$ (67,288) |
| Other Governments and Citizens Groups | 24,526 | 15,000 | 36,621 | (12,095) |
| Total Revenues | <u>\$ 56,108</u> | <u>\$ 113,870</u> | <u>\$ 135,491</u> | <u>\$ (79,383)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Drug Enforcement | \$ 126,159 | \$ 91,000 | \$ 165,300 | \$ 39,141 |
| <u>Public Health and Welfare</u> | | | | |
| Alcohol and Drug Programs | 13,117 | 16,000 | 16,000 | 2,883 |
| Total Expenditures | <u>\$ 139,276</u> | <u>\$ 107,000</u> | <u>\$ 181,300</u> | <u>\$ 42,024</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (83,168)</u> | <u>\$ 6,870</u> | <u>\$ (45,809)</u> | <u>\$ (37,359)</u> |
| Net Change in Fund Balance | \$ (83,168) | \$ 6,870 | \$ (45,809) | \$ (37,359) |
| Fund Balance, July 1, 2009 | <u>158,902</u> | <u>90,856</u> | <u>90,856</u> | <u>68,046</u> |
| Fund Balance, June 30, 2010 | <u><u>\$ 75,734</u></u> | <u><u>\$ 97,726</u></u> | <u><u>\$ 45,047</u></u> | <u><u>\$ 30,687</u></u> |

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Exhibit H

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|-----------------------------|-----------------------------|-----------------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 3,495,533 | \$ 3,237,275 | \$ 3,237,275 | \$ 258,258 |
| Other Local Revenues | 432,024 | 300,000 | 300,000 | 132,024 |
| Other Governments and Citizens Groups | 0 | 250,000 | 0 | 0 |
| Total Revenues | <u>\$ 3,927,557</u> | <u>\$ 3,787,275</u> | <u>\$ 3,537,275</u> | <u>\$ 390,282</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 420,876 | \$ 432,100 | \$ 485,267 | \$ 64,391 |
| Highways and Streets | 12,577 | 13,000 | 13,000 | 423 |
| Education | 2,356,667 | 2,420,000 | 2,420,000 | 63,333 |
| <u>Interest on Debt</u> | | | | |
| General Government | 224,991 | 387,000 | 333,831 | 108,840 |
| Highways and Streets | 1,462 | 2,000 | 2,000 | 538 |
| Education | 372,528 | 395,000 | 395,000 | 22,472 |
| <u>Other Debt Service</u> | | | | |
| General Government | 226,311 | 150,000 | 299,663 | 73,352 |
| Total Expenditures | <u>\$ 3,615,412</u> | <u>\$ 3,799,100</u> | <u>\$ 3,948,761</u> | <u>\$ 333,349</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 312,145</u> | <u>\$ (11,825)</u> | <u>\$ (411,486)</u> | <u>\$ 723,631</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Refunding Debt Issued | \$ 6,475,000 | \$ 0 | \$ 6,475,000 | \$ 0 |
| Premiums on Debt Issued | 174,662 | 0 | 174,663 | (1) |
| Payments to Refunded Debt Escrow Agent | (6,500,000) | 0 | (6,500,000) | 0 |
| Total Other Financing Sources (Uses) | <u>\$ 149,662</u> | <u>\$ 0</u> | <u>\$ 149,663</u> | <u>\$ (1)</u> |
| Net Change in Fund Balance | \$ 461,807 | \$ (11,825) | \$ (261,823) | \$ 723,630 |
| Fund Balance, July 1, 2009 | <u>11,257,858</u> | <u>11,127,415</u> | <u>11,127,415</u> | <u>130,443</u> |
| Fund Balance, June 30, 2010 | <u><u>\$ 11,719,665</u></u> | <u><u>\$ 11,115,590</u></u> | <u><u>\$ 10,865,592</u></u> | <u><u>\$ 854,073</u></u> |

Fiduciary Funds

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

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

Community Development - Agency Fund – The Community Development - Agency Fund is used to account for pass-through grant funds on behalf of the West Warren Utility District for a waterline extension project in Warren County.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held in trust for the benefit of the Thirty-first Judicial District Drug Task Force. The Office of District Attorney General for the Thirty-first Judicial District is the only participating agency in the task force.

Warren County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

| | Agency Funds | | | | Total |
|---------------------------------------|--------------------------|---|---|------------------------------|-----------|
| | Cities - Sales Tax | Community Develop- ment - Agency | Constitu- tional Officers - Agency | Judicial District Drug | |
| \$ | 0 | 0 | 1,316,701 | 0 | 1,316,701 |
| | 0 | 522 | 0 | 9,264 | 9,786 |
| | 296,769 | 319,697 | 0 | 0 | 616,466 |
| \$ | 296,769 | 320,219 | 1,316,701 | 9,264 | 1,942,953 |
| <u>ASSETS</u> | | | | | |
| Cash | | | | | |
| Equity in Pooled Cash and Investments | | | | | |
| Due from Other Governments | | | | | |
| Total Assets | | | | | |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | | | | 8,028 | 8,028 |
| Contracts Payable | | 319,697 | 0 | 0 | 319,697 |
| Due to Other Taxing Units | 296,769 | 0 | 0 | 0 | 296,769 |
| Due to Litigants, Heirs, and Others | 0 | 0 | 1,316,701 | 0 | 1,316,701 |
| Due to State of Tennessee | 0 | 522 | 0 | 0 | 522 |
| Due to Joint Ventures | 0 | 0 | 0 | 1,236 | 1,236 |
| Total Liabilities | 296,769 | 320,219 | 1,316,701 | 9,264 | 1,942,953 |

Exhibit I-2

Warren County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2010

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|---------------------|---------------------|---------------------|
| <u>Cities - Sales Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 1,769,400 | \$ 1,769,400 | \$ 0 |
| Due from Other Governments | 302,696 | 296,769 | 302,696 | 296,769 |
| Total Assets | \$ 302,696 | \$ 2,066,169 | \$ 2,072,096 | \$ 296,769 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 302,696 | \$ 2,066,169 | \$ 2,072,096 | \$ 296,769 |
| Total Liabilities | \$ 302,696 | \$ 2,066,169 | \$ 2,072,096 | \$ 296,769 |
| <u>Community Development - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 522 | \$ 1,018,379 | \$ 1,018,379 | \$ 522 |
| Due from Other Governments | 0 | 319,697 | 0 | 319,697 |
| Total Assets | \$ 522 | \$ 1,338,076 | \$ 1,018,379 | \$ 320,219 |
| <u>Liabilities</u> | | | | |
| Contracts Payable | \$ 0 | \$ 1,338,076 | \$ 1,018,379 | \$ 319,697 |
| Due to State of Tennessee | 522 | 0 | 0 | 522 |
| Total Liabilities | \$ 522 | \$ 1,338,076 | \$ 1,018,379 | \$ 320,219 |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,153,663 | \$ 8,809,104 | \$ 8,646,066 | \$ 1,316,701 |
| Total Assets | \$ 1,153,663 | \$ 8,809,104 | \$ 8,646,066 | \$ 1,316,701 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 1,153,663 | \$ 8,809,104 | \$ 8,646,066 | \$ 1,316,701 |
| Total Liabilities | \$ 1,153,663 | \$ 8,809,104 | \$ 8,646,066 | \$ 1,316,701 |
| <u>Judicial District Drug Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 8,201 | \$ 7,473 | \$ 6,410 | \$ 9,264 |
| Total Assets | \$ 8,201 | \$ 7,473 | \$ 6,410 | \$ 9,264 |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 0 | \$ 8,028 | \$ 0 | \$ 8,028 |
| Due to Joint Ventures | 8,201 | 7,473 | 14,438 | 1,236 |
| Total Liabilities | \$ 8,201 | \$ 15,501 | \$ 14,438 | \$ 9,264 |

(Continued)

Exhibit I-2

Warren County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

| | Beginning Balance | Additions | Deductions | Ending Balance |
|---------------------------------------|----------------------|---------------|---------------|-------------------|
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 1,153,663 | \$ 8,809,104 | \$ 8,646,066 | \$ 1,316,701 |
| Equity in Pooled Cash and Investments | 8,723 | 2,795,252 | 2,794,189 | 9,786 |
| Due from Other Governments | 302,696 | 616,466 | 302,696 | 616,466 |
| Total Assets | \$ 1,465,082 | \$ 12,220,822 | \$ 11,742,951 | \$ 1,942,953 |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 0 | \$ 8,028 | \$ 0 | \$ 8,028 |
| Contracts Payable | 0 | 1,338,076 | 1,018,379 | 319,697 |
| Due to Other Taxing Units | 302,696 | 2,066,169 | 2,072,096 | 296,769 |
| Due to Litigants, Heirs, and Others | 1,153,663 | 8,809,104 | 8,646,066 | 1,316,701 |
| Due to State of Tennessee | 522 | 0 | 0 | 522 |
| Due to Joint Ventures | 8,201 | 7,473 | 14,438 | 1,236 |
| Total Liabilities | \$ 1,465,082 | \$ 12,228,850 | \$ 11,750,979 | \$ 1,942,953 |

Warren County School Department

This section presents combining and individual fund financial statements for the Warren County School Department, a discretely presented component unit. The School Department uses a General Fund and two Special Revenue Funds.

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

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

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

Exhibit J-1

Warren County, Tennessee
 Statement of Activities
Discretely Presented Warren County School Department
For the Year Ended June 30, 2010

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities |
|--|----------------------|----------------------------|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | |
| Governmental Activities: | | | | |
| Instruction | \$ 32,465,540 | \$ 175,988 | \$ 4,407,614 | \$ (27,881,938) |
| Support Services | 15,915,874 | 41,838 | 0 | (15,874,036) |
| Operation of Non-Instructional Services | 3,670,697 | 815,969 | 2,291,929 | (562,799) |
| Total Governmental Activities | \$ 52,052,111 | \$ 1,033,795 | \$ 6,699,543 | \$ (44,318,773) |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property Taxes Levied for General Purposes | | | | \$ 3,851,896 |
| Local Option Sales Taxes | | | | 7,080,743 |
| Grants and Contributions Not Restricted to Specific Programs | | | | 31,783,637 |
| Unrestricted Investment Earnings | | | | 14,907 |
| Miscellaneous | | | | 247,989 |
| Total General Revenues | | | | \$ 42,979,172 |
| Change in Net Assets | | | | \$ (1,339,601) |
| Net Assets, July 1, 2009 | | | | 42,706,347 |
| Net Assets, June 30, 2010 | | | | \$ 41,366,746 |

Exhibit J-2

Warren County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Warren County School Department
 June 30, 2010

| | Major Funds | | | Total Govern- mental Funds |
|---|------------------------------|-------------------------------|----------------------|-------------------------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 0 | \$ 0 | \$ 1,620 | \$ 1,620 |
| Equity in Pooled Cash and Investments | 6,165,695 | 97,009 | 1,783,635 | 8,046,339 |
| Inventories | 0 | 0 | 84,646 | 84,646 |
| Accounts Receivable | 0 | 0 | 678 | 678 |
| Due from Other Governments | 1,615,852 | 24,890 | 23,010 | 1,663,752 |
| Property Taxes Receivable | 3,875,595 | 0 | 0 | 3,875,595 |
| Allowance for Uncollectible Property Taxes | (108,026) | 0 | 0 | (108,026) |
| Total Assets | \$ 11,549,116 | \$ 121,899 | \$ 1,893,589 | \$ 13,564,604 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 1,284 | \$ 1,712 | \$ 13,109 | \$ 16,105 |
| Payroll Deductions Payable | 460,640 | 0 | 0 | 460,640 |
| Due to Primary Government | 60,736 | 0 | 0 | 60,736 |
| Deferred Revenue - Current Property Taxes | 3,613,757 | 0 | 0 | 3,613,757 |
| Deferred Revenue - Delinquent Property Taxes | 123,288 | 0 | 0 | 123,288 |
| Other Deferred Revenues | 592,000 | 0 | 0 | 592,000 |
| Total Liabilities | \$ 4,851,705 | \$ 1,712 | \$ 13,109 | \$ 4,866,526 |
| <u>Fund Balances</u> | | | | |
| Reserved for Encumbrances | \$ 1,758,343 | \$ 27,945 | \$ 0 | \$ 1,786,288 |
| Reserved for Inventory | 0 | 0 | 84,646 | 84,646 |
| Reserved for Driver Education | 60,852 | 0 | 0 | 60,852 |
| Reserved for Career Ladder - Extended Contract | 56,222 | 0 | 0 | 56,222 |
| Reserved for Career Ladder Program | 9,327 | 0 | 0 | 9,327 |
| Reserved for Basic Education Program | 4,771,006 | 0 | 0 | 4,771,006 |
| Reserved for Title I Grants to Local Education Agencies | 0 | 636 | 0 | 636 |
| Reserved for Innovative Education Program Strategies | 0 | 2,062 | 0 | 2,062 |
| Reserved for Special Education - Grants to States | 0 | 7,011 | 0 | 7,011 |
| Other Federal Reserves | 0 | 82,533 | 0 | 82,533 |
| Unreserved, Reported In: | | | | |
| General Fund | 41,661 | 0 | 0 | 41,661 |
| Special Revenue Funds | 0 | 0 | 1,795,834 | 1,795,834 |
| Total Fund Balances | \$ 6,697,411 | \$ 120,187 | \$ 1,880,480 | \$ 8,698,078 |
| Total Liabilities and Fund Balances | \$ 11,549,116 | \$ 121,899 | \$ 1,893,589 | \$ 13,564,604 |

Exhibit J-3

Warren County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Warren County School Department
June 30, 2010

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

| | | | |
|---|----|------------------|--------------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit J-2) | | \$ | 8,698,078 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 1,503,320 | |
| Add: buildings and improvements net of accumulated depreciation | | 31,989,596 | |
| Add: other capital assets net of accumulated depreciation | | <u>1,761,214</u> | 35,254,130 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Less: compensated absences payable | \$ | (2,463,393) | |
| Less: other postemployment benefits liability | | <u>(837,357)</u> | (3,300,750) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>715,288</u> |
| Net assets of governmental activities (Exhibit A) | | \$ | <u><u>41,366,746</u></u> |

Exhibit J-4

Warren County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Warren County School Department
For the Year Ended June 30, 2010

| | Major Funds | | | Total Governmental Funds |
|--|------------------------------|-------------------------------|----------------------|--------------------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 10,973,665 | \$ 0 | \$ 0 | \$ 10,973,665 |
| Charges for Current Services | 373,663 | 0 | 815,969 | 1,189,632 |
| Other Local Revenues | 105,005 | 0 | 19,264 | 124,269 |
| State of Tennessee | 30,581,228 | 0 | 31,622 | 30,612,850 |
| Federal Government | 267,397 | 5,292,111 | 2,046,600 | 7,606,108 |
| Total Revenues | \$ 42,300,958 | \$ 5,292,111 | \$ 2,913,455 | \$ 50,506,524 |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Instruction | \$ 25,244,531 | \$ 3,846,543 | \$ 0 | \$ 29,091,074 |
| Support Services | 14,493,368 | 1,409,517 | 0 | 15,902,885 |
| Operation of Non-Instructional Services | 731,350 | 0 | 2,800,783 | 3,532,133 |
| Capital Outlay | 1,995,413 | 0 | 0 | 1,995,413 |
| Total Expenditures | \$ 42,464,662 | \$ 5,256,060 | \$ 2,800,783 | \$ 50,521,505 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (163,704) | \$ 36,051 | \$ 112,672 | \$ (14,981) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 5,560 | \$ 0 | \$ 0 | \$ 5,560 |
| Transfers Out | 0 | (5,560) | 0 | (5,560) |
| Total Other Financing Sources (Uses) | \$ 5,560 | \$ (5,560) | \$ 0 | \$ 0 |
| Net Change in Fund Balances | \$ (158,144) | \$ 30,491 | \$ 112,672 | \$ (14,981) |
| Fund Balance, July 1, 2009 | 6,855,555 | 89,696 | 1,767,808 | 8,713,059 |
| Fund Balance, June 30, 2010 | \$ 6,697,411 | \$ 120,187 | \$ 1,880,480 | \$ 8,698,078 |

Exhibit J-5

Warren County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Warren County School Department
For the Year Ended June 30, 2010

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

| | | | |
|---|----|--------------------|------------------------------|
| Net change in fund balances - total governmental funds (Exhibit J-4) | | \$ | (14,981) |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | | |
| Add: capital assets purchased in the current period | \$ | 569,082 | |
| Less: current year depreciation expense | | <u>(1,672,578)</u> | (1,103,496) |
| (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2010 | \$ | 715,288 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2009 | | <u>(723,009)</u> | (7,721) |
| (3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | | |
| Change in compensated absences payable | \$ | 25,900 | |
| Change in other postemployment benefits liability | | <u>(239,303)</u> | <u>(213,403)</u> |
| Change in net assets of governmental activities (Exhibit B) | | | <u><u>\$ (1,339,601)</u></u> |

Exhibit J-6

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Warren County School Department
General Purpose School Fund
For the Year Ended June 30, 2010

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2009 | Add: Encumbrances 6/30/2010 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 10,973,665 | \$ 0 | \$ 0 | \$ 10,973,665 | \$ 11,571,878 | \$ 11,571,878 | \$ (598,213) |
| Charges for Current Services | 373,663 | 0 | 0 | 373,663 | 435,000 | 435,000 | (61,337) |
| Other Local Revenues | 105,005 | 0 | 0 | 105,005 | 152,000 | 152,000 | (46,995) |
| State of Tennessee | 30,581,228 | 0 | 0 | 30,581,228 | 29,388,701 | 30,028,391 | 552,837 |
| Federal Government | 267,397 | 0 | 0 | 267,397 | 860,700 | 657,873 | (390,476) |
| Total Revenues | \$ 42,300,958 | \$ 0 | \$ 0 | \$ 42,300,958 | \$ 42,408,279 | \$ 42,845,142 | \$ (544,184) |
| <u>Expenditures</u> | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 20,115,995 | (182,181) | 645,370 | \$ 20,579,184 | \$ 21,347,400 | \$ 21,160,300 | \$ 581,116 |
| Alternative Instruction Program | 268,193 | 0 | 0 | 268,193 | 266,700 | 269,900 | 1,707 |
| Special Education Program | 2,860,866 | (1,200) | 217 | 2,859,883 | 3,079,000 | 3,079,000 | 219,117 |
| Vocational Education Program | 1,834,755 | (5,246) | 700 | 1,830,209 | 1,748,800 | 1,843,000 | 12,791 |
| Adult Education Program | 164,722 | 0 | 0 | 164,722 | 194,100 | 194,100 | 29,378 |
| <u>Support Services</u> | | | | | | | |
| Attendance | 485,987 | (30,382) | 130 | 455,735 | 468,700 | 473,400 | 17,665 |
| Health Services | 769,326 | 0 | 50 | 769,376 | 941,500 | 941,500 | 172,124 |
| Other Student Support | 1,559,167 | (26,810) | 30,541 | 1,562,898 | 1,827,400 | 1,827,400 | 264,502 |
| Regular Instruction Program | 1,097,694 | (1,920) | 0 | 1,095,774 | 1,295,500 | 1,295,500 | 199,726 |
| Alternative Instruction Program | 83,441 | 0 | 0 | 83,441 | 88,100 | 88,100 | 4,659 |
| Special Education Program | 445,960 | 0 | 0 | 445,960 | 455,300 | 455,300 | 9,340 |
| Vocational Education Program | 91,958 | (9,630) | 0 | 82,328 | 115,300 | 115,300 | 32,972 |
| Other Programs | 264,063 | 0 | 0 | 264,063 | 0 | 264,063 | 0 |
| Board of Education | 710,885 | (5,997) | 6,500 | 711,388 | 843,200 | 843,200 | 131,812 |

(Continued)

Exhibit J-6

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Warren County School Department
General Purpose School Fund (Cont.)

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2009 | Add: Encumbrances 6/30/2010 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Support Services (Cont.)</u> | | | | | | | |
| Director of Schools | \$ 166,348 | \$ 0 | \$ 0 | \$ 166,348 | \$ 190,800 | \$ 190,800 | \$ 24,452 |
| Office of the Principal | 1,897,607 | (13,404) | 0 | 1,884,203 | 1,852,200 | 1,937,200 | 52,997 |
| Fiscal Services | 458,404 | (319) | 850 | 458,935 | 518,100 | 518,100 | 59,165 |
| Operation of Plant | 3,115,287 | (20,000) | 20,582 | 3,115,869 | 3,680,400 | 3,680,400 | 564,531 |
| Maintenance of Plant | 1,384,177 | (25,783) | 115,731 | 1,474,125 | 1,459,100 | 1,599,100 | 124,975 |
| Transportation | 1,963,064 | (601,995) | 488,237 | 1,849,306 | 1,852,200 | 2,112,200 | 262,894 |
| <u>Operation of Non-Instructional Services</u> | | | | | | | |
| Food Service | 1,144 | 0 | 0 | 1,144 | 1,400 | 1,400 | 256 |
| Community Services | 122,092 | 0 | 0 | 122,092 | 220,000 | 220,000 | 97,908 |
| Early Childhood Education | 608,114 | 0 | 2,516 | 610,630 | 614,400 | 647,200 | 36,570 |
| <u>Capital Outlay</u> | | | | | | | |
| Regular Capital Outlay | 1,995,413 | (1,096,553) | 446,919 | 1,345,779 | 900,000 | 1,440,000 | 94,221 |
| Total Expenditures | \$ 42,464,662 | \$ (2,021,420) | \$ 1,758,343 | \$ 42,201,585 | \$ 43,959,600 | \$ 45,196,463 | \$ 2,994,878 |
| <u>Excess (Deficiency) of Revenues</u> | | | | | | | |
| Over Expenditures | \$ (163,704) | \$ 2,021,420 | \$ (1,758,343) | \$ 99,373 | \$ (1,551,321) | \$ (2,351,321) | \$ 2,450,694 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Notes Issued | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 175,000 | \$ 0 | \$ 0 |
| Transfers In | 5,560 | 0 | 0 | 5,560 | 10,022 | 10,022 | (4,462) |
| Total Other Financing Sources (Uses) | \$ 5,560 | \$ 0 | \$ 0 | \$ 5,560 | \$ 185,022 | \$ 10,022 | \$ (4,462) |
| Net Change in Fund Balance | \$ (158,144) | \$ 2,021,420 | \$ (1,758,343) | \$ 104,933 | \$ (1,366,299) | \$ (2,341,299) | \$ 2,446,232 |
| Fund Balance, July 1, 2009 | 6,855,555 | (2,021,420) | 0 | 4,834,135 | 4,696,648 | 4,696,648 | 137,487 |
| Fund Balance, June 30, 2010 | \$ 6,697,411 | \$ 0 | \$ (1,758,343) | \$ 4,939,068 | \$ 3,330,349 | \$ 2,355,349 | \$ 2,583,719 |

Exhibit J-7

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Warren County School Department
School Federal Projects Fund
For the Year Ended June 30, 2010

| | Actual (GAAP Basis) | Add: Encumbrances 6/30/2010 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Federal Government | \$ 5,292,111 | 0 | \$ 5,292,111 | \$ 5,363,900 | \$ 7,649,475 | \$ (2,357,364) |
| Total Revenues | \$ 5,292,111 | 0 | \$ 5,292,111 | \$ 5,363,900 | \$ 7,649,475 | \$ (2,357,364) |
| <u>Expenditures</u> | | | | | | |
| <u>Instruction</u> | | | | | | |
| Regular Instruction Program | \$ 2,304,510 | 3,272 | \$ 2,307,782 | \$ 2,420,146 | \$ 2,599,526 | \$ 291,744 |
| Special Education Program | 1,357,133 | 9,874 | 1,367,007 | 1,300,900 | 2,590,288 | 1,223,281 |
| Vocational Education Program | 184,900 | 0 | 184,900 | 167,025 | 184,901 | 1 |
| <u>Support Services</u> | | | | | | |
| Other Student Support | 105,622 | 7,547 | 113,169 | 151,818 | 618,297 | 505,128 |
| Regular Instruction Program | 350,377 | 6,137 | 356,514 | 357,264 | 649,056 | 292,542 |
| Special Education Program | 934,819 | 1,115 | 935,934 | 941,891 | 1,065,681 | 129,747 |
| Vocational Education Program | 4,290 | 0 | 4,290 | 5,064 | 4,290 | 0 |
| Transportation | 14,409 | 0 | 14,409 | 12,475 | 22,074 | 7,665 |
| Total Expenditures | \$ 5,256,060 | \$ 27,945 | \$ 5,284,005 | \$ 5,356,583 | \$ 7,734,113 | \$ 2,450,108 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 36,051 | \$ (27,945) | \$ 8,106 | \$ 7,317 | \$ (84,638) | \$ 92,744 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers In | 0 | 0 | 0 | 134,181 | 0 | 0 |
| Transfers Out | (5,560) | 0 | (5,560) | (141,498) | (10,577) | 5,017 |
| Total Other Financing Sources (Uses) | \$ (5,560) | 0 | \$ (5,560) | \$ (7,317) | \$ (10,577) | \$ 5,017 |
| Net Change in Fund Balance Fund Balance, July 1, 2009 | \$ 30,491 | \$ (27,945) | \$ 2,546 | \$ 0 | \$ (95,215) | \$ 97,761 |
| Fund Balance, July 1, 2009 | 89,696 | 0 | 89,696 | 227,927 | 227,927 | (138,231) |
| Fund Balance, June 30, 2010 | \$ 120,187 | \$ (27,945) | \$ 92,242 | \$ 227,927 | \$ 132,712 | \$ (40,470) |

Exhibit J-8

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Warren County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2010

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Charges for Current Services | \$ 815,969 | \$ 995,000 | \$ 995,000 | \$ (179,031) |
| Other Local Revenues | 19,264 | 16,300 | 16,300 | 2,964 |
| State of Tennessee | 31,622 | 32,000 | 32,000 | (378) |
| Federal Government | 2,046,600 | 1,813,000 | 1,813,000 | 233,600 |
| Total Revenues | <u>\$ 2,913,455</u> | <u>\$ 2,856,300</u> | <u>\$ 2,856,300</u> | <u>\$ 57,155</u> |
| <u>Expenditures</u> | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | \$ 2,800,783 | \$ 3,340,000 | \$ 3,340,000 | \$ 539,217 |
| Total Expenditures | <u>\$ 2,800,783</u> | <u>\$ 3,340,000</u> | <u>\$ 3,340,000</u> | <u>\$ 539,217</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 112,672</u> | <u>\$ (483,700)</u> | <u>\$ (483,700)</u> | <u>\$ 596,372</u> |
| Net Change in Fund Balance | \$ 112,672 | \$ (483,700) | \$ (483,700) | \$ 596,372 |
| Fund Balance, July 1, 2009 | <u>1,767,808</u> | <u>1,733,610</u> | <u>1,733,610</u> | <u>34,198</u> |
| Fund Balance, June 30, 2010 | <u>\$ 1,880,480</u> | <u>\$ 1,249,910</u> | <u>\$ 1,249,910</u> | <u>\$ 630,570</u> |

MISCELLANEOUS SCHEDULES

Warren County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 For the Year Ended June 30, 2010

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-09 | Issued During Period | Paid and/or Matured During Period | Debt Refunded | Outstanding 6-30-10 |
|--|--------------------------|---------------|---------------|--------------------|--------------------|----------------------|-----------------------------------|---------------|---------------------|
| NOTES PAYABLE | | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | | |
| Highway Equipment | \$ 37,732 | 4.5 | 11-30-07 | 6-30-10 | \$ 12,578 | \$ 0 | \$ 12,578 | \$ 0 | \$ 0 |
| Sheriff Vehicles | 110,000 | 4.22 | 1-9-08 | 6-30-10 | 36,666 | 0 | 36,666 | 0 | 0 |
| Road Construction | 275,000 | 2.59 | 5-18-09 | 6-30-11 | 141,667 | 0 | 133,333 | 0 | 8,334 |
| Ambulance Service Building | 100,000 | 2.59 | 5-18-09 | 6-30-11 | 66,666 | 0 | 33,333 | 0 | 33,333 |
| School Buses | 350,000 | 2.59 | 5-18-09 | 6-30-11 | 233,333 | 0 | 116,667 | 0 | 116,666 |
| Sheriff Vehicles | 125,000 | 2.8 to 3.5 | 2-17-10 | 6-30-12 | 0 | 125,000 | 41,667 | 0 | 83,333 |
| Total Notes Payable | | | | | \$ 490,910 | \$ 125,000 | \$ 374,244 | \$ 0 | \$ 241,666 |
| OTHER LOANS PAYABLE | | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | | |
| Public Improvements - Jail Project | 6,500,000 | Variable | 12-1-02 | 2-10-10 | \$ 6,500,000 | \$ 0 | \$ 0 | \$ 6,500,000 | \$ 0 |
| Total Other Loans Payable | | | | | \$ 6,500,000 | \$ 0 | \$ 0 | \$ 6,500,000 | \$ 0 |
| BONDS PAYABLE | | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | | |
| School Refunding | 15,350,000 | 2.55 to 5 | 9-1-01 | 6-1-12 | \$ 5,550,000 | \$ 0 | \$ 1,765,000 | \$ 0 | \$ 3,785,000 |
| Public Works Refunding | 1,485,000 | 2 to 3.5 | 12-29-03 | 6-1-13 | 710,000 | 0 | 165,000 | 0 | 545,000 |
| School Refunding, Series 2008 | 3,790,000 | 3 to 3.5 | 4-24-08 | 6-1-14 | 3,315,000 | 0 | 475,000 | 0 | 2,840,000 |
| USDA Bonds - Ambulances | 226,000 | 4.5 | 6-5-09 | 6-30-24 | 226,000 | 0 | 10,876 | 0 | 215,124 |
| General Obligation Refunding, Series 2010 | 6,475,000 | 2 to 4 | 2-10-10 | 6-1-22 | 0 | 6,475,000 | 0 | 0 | 6,475,000 |
| Build America Bonds, Series 2010B | 6,000,000 | 2.35 to 5.45 | 4-15-10 | 6-1-30 | 0 | 6,000,000 | 0 | 0 | 6,000,000 |
| Total Bonds Payable | | | | | \$ 9,801,000 | \$ 12,475,000 | \$ 2,415,876 | \$ 0 | \$ 19,860,124 |

Exhibit K-2

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

| Year Ending June 30 | Notes | | Total |
|---------------------------|-------------------|------------------|-------------------|
| | Principal | Interest | |
| 2011 | \$ 200,000 | \$ 9,549 | \$ 209,549 |
| 2012 | 41,666 | 1,458 | 43,124 |
| Total | <u>\$ 241,666</u> | <u>\$ 11,007</u> | <u>\$ 252,673</u> |

| Year Ending June 30 | Bonds | | Total |
|---------------------------|----------------------|---------------------|----------------------|
| | Principal | Interest | |
| 2011 | \$ 2,446,366 | \$ 851,288 | \$ 3,297,654 |
| 2012 | 2,556,877 | 704,797 | 3,261,674 |
| 2013 | 2,082,411 | 588,292 | 2,670,703 |
| 2014 | 1,202,970 | 520,984 | 1,723,954 |
| 2015 | 888,554 | 485,799 | 1,374,353 |
| 2016 | 919,163 | 458,806 | 1,377,969 |
| 2017 | 954,801 | 430,177 | 1,384,978 |
| 2018 | 990,467 | 395,727 | 1,386,194 |
| 2019 | 1,026,163 | 359,075 | 1,385,238 |
| 2020 | 1,066,890 | 316,846 | 1,383,736 |
| 2021 | 1,112,650 | 272,271 | 1,384,921 |
| 2022 | 1,163,444 | 225,297 | 1,388,741 |
| 2023 | 389,274 | 176,004 | 565,278 |
| 2024 | 405,094 | 157,747 | 562,841 |
| 2025 | 400,000 | 138,362 | 538,362 |
| 2026 | 415,000 | 118,563 | 533,563 |
| 2027 | 435,000 | 97,605 | 532,605 |
| 2028 | 450,000 | 75,203 | 525,203 |
| 2029 | 470,000 | 51,577 | 521,577 |
| 2030 | 485,000 | 26,432 | 511,432 |
| Total | <u>\$ 19,860,124</u> | <u>\$ 6,450,852</u> | <u>\$ 26,310,976</u> |

Exhibit K-3

Warren County, Tennessee
Schedule of Transfers
Discretely Presented Warren County School Department
For the Year Ended June 30, 2010

| <u>From Fund</u> | <u>To Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|---|------------------------|----------------|-----------------|
| School Federal Projects | General Purpose School | Indirect costs | \$ 5,560 |
| Total Transfers Discretely Presented Warren County School Department | | | <u>\$ 5,560</u> |

Exhibit K-4

Warren County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Warren County School Department
For the Year Ended June 30, 2010

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|------------------------------------|---|---------------------------|-----------|--|
| County Executive | Section 8-24-102, <u>TCA</u> | \$ 73,866 | \$ 50,000 | Cincinnati Insurance Company |
| Superintendent of Roads | Section 8-24-102, <u>TCA</u> | 70,350 | 100,000 | " |
| Director of Accounts | County Commission | 53,778 | 10,000 | Western Surety Company |
| Director of Schools | State Board of Education and County Board of Education | 100,241 (1) | 100,000 | Cincinnati Insurance Company |
| Trustee | Section 8-24-102, <u>TCA</u> | 63,954 | 1,305,000 | " |
| Assessor of Property | Section 8-24-102, <u>TCA</u> | 63,954 | 10,000 | State Farm Fire and Casualty Company |
| County Clerk | Section 8-24-102, <u>TCA</u> | 63,954 | 50,000 | Cincinnati Insurance Company |
| Circuit Court Clerk | Section 8-24-102, <u>TCA</u> | 63,954 | 50,000 | " |
| Clerk and Master | Section 8-24-102, <u>TCA</u> , and Chancery Court Judge | 63,954 (2) | 50,000 | " |
| Register | Section 8-24-102, <u>TCA</u> | 63,954 | 25,000 | " |
| Sheriff | Section 8-24-102, <u>TCA</u> | 70,350 (3) | 50,000 | Western Surety Company |
| Employee Dishonesty Bond Coverage: | | | | |
| General County Employees | | | 20,000 | Western Surety Company |
| Ambulance Service Employees | | | 50,000 | American Alternative Insurance Corporation |

- (1) Includes chief executive officer training supplement of \$1,000.
- (2) Does not include special commissioner fees of \$17,540.
- (3) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

Warren County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2010

| | Special Revenue Funds | | | | | | | Highway / Public Works |
|--|-----------------------|--------------------------------|----------------------|-----------------|---------------------------------|---|-------------------|------------------------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | District Attorney General | Constitu- tional Officers - Fees | | |
| <u>Local Taxes</u> | | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | | |
| Current Property Tax | \$ 5,198,592 | \$ 311,911 | \$ 623,821 | \$ 0 | \$ 0 | \$ 0 | \$ 498,224 | |
| Discount on Property Taxes | 0 | 0 | 0 | 0 | 0 | 0 | (4,347) | |
| Trustee's Collections - Prior Year | 165,507 | 9,941 | 19,852 | 0 | 0 | 0 | 15,730 | |
| Trustee's Collections - Bankruptcy | 4,160 | 342 | 667 | 0 | 0 | 0 | 444 | |
| Circuit/Clerk & Master Collections - Prior Years | 84,042 | 7,622 | 12,681 | 0 | 0 | 0 | 8,113 | |
| Interest and Penalty | 34,847 | 2,106 | 4,190 | 0 | 0 | 0 | 3,318 | |
| Payments in-Lieu-of Taxes - T.V.A. | 16,022 | 961 | 1,923 | 0 | 0 | 0 | 1,522 | |
| Payments in-Lieu-of Taxes - Local Utilities | 44,171 | 2,650 | 5,301 | 0 | 0 | 0 | 4,196 | |
| Payments in-Lieu-of Taxes - Other | 281,783 | 16,907 | 33,814 | 0 | 0 | 0 | 26,770 | |
| <u>County Local Option Taxes</u> | | | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Hotel/Motel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Wheel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Litigation Tax - General | 130,533 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Litigation Tax - Special Purpose | 10,311 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 45,283 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Business Tax | 258,294 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Mineral Severance Tax | 0 | 0 | 0 | 0 | 0 | 0 | 56,119 | |
| <u>Statutory Local Taxes</u> | | | | | | | | |
| Bank Excise Tax | 34,441 | 2,066 | 4,133 | 0 | 0 | 0 | 3,272 | |
| Wholesale Beer Tax | 65,337 | 106,151 | 0 | 0 | 0 | 0 | 0 | |
| <u>Total Local Taxes</u> | <u>\$ 6,373,323</u> | <u>\$ 460,657</u> | <u>\$ 706,382</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 613,361</u> | |
| <u>Licenses and Permits</u> | | | | | | | | |
| <u>Licenses</u> | | | | | | | | |
| Marriage Licenses | \$ 3,278 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Cable TV Franchise | 154,184 | 0 | 0 | 0 | 0 | 0 | 0 | |
| <u>Permits</u> | | | | | | | | |
| Beer Permits | 2,185 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Other Permits | 0 | 0 | 5,000 | 0 | 0 | 0 | 0 | |
| <u>Total Licenses and Permits</u> | <u>\$ 159,647</u> | <u>\$ 0</u> | <u>\$ 5,000</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | | | Highway / Public Works |
|--|-----------------------|--------------------------------|----------------------|-----------------|---------------------------------|---|------|------------------------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | District Attorney General | Constitu- tional Officers - Fees | | |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | | |
| <u>Circuit Court</u> | | | | | | | | |
| Fines | \$ 16,956 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Officers Costs | 19,683 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 27,787 | 0 | 0 | 0 | 0 |
| Drug Court Fees | 4,358 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 10,969 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District Attorney General Fees | 0 | 0 | 0 | 0 | 8,270 | 0 | 0 | 0 |
| DUI Treatment Fines | 3,543 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 1,046 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 268 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Victims Assistance Assessments | 6,713 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | | | |
| Fines | 26,132 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fines for Littering | 93 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 54,867 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 320 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 3,419 | 0 | 0 | 0 | 0 |
| Drug Court Fees | 4,587 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 27,372 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District Attorney General Fees | 0 | 0 | 0 | 0 | 5,745 | 0 | 0 | 0 |
| DUI Treatment Fines | 8,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 6,892 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Victims Assistance Assessments | 10,961 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | | | |
| Fines | 6,557 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 8,950 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 12,228 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Juvenile Court | 715 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | | | |
| Officers Costs | 4,084 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 2,089 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | | |
|--|-----------------------|--------------------------|---------------------|------------------|---------------------------|--------------------------------|------------------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | District Attorney General | Constitutional Officers - Fees | Highway / Public Works |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | | |
| <u>Chancery Court (Cont.)</u> | | | | | | | |
| Courtroom Security Fee | \$ 6 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 376 | 0 | 0 | 0 |
| Other Fines, Forfeitures, and Penalties | 93 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 238,232 | \$ 0 | \$ 0 | \$ 31,582 | \$ 14,015 | \$ 0 | \$ 0 |
| <u>Charges for Current Services</u> | | | | | | | |
| <u>General Service Charges</u> | | | | | | | |
| Tipping Fees | \$ 1,224 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Solid Waste Disposal Fees | 0 | 2,697 | 0 | 0 | 0 | 0 | 0 |
| Patient Charges | 0 | 0 | 1,804,708 | 0 | 0 | 0 | 0 |
| Other General Service Charges | 16,849 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees</u> | | | | | | | |
| Engineer Review Fees | 700 | 0 | 0 | 0 | 0 | 0 | 0 |
| Copy Fees | 1,006 | 0 | 0 | 0 | 0 | 0 | 0 |
| Greenbelt Late Application Fee | 1,050 | 0 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 948,902 | 0 |
| Data Processing Fee - Register | 11,872 | 0 | 0 | 0 | 0 | 0 | 0 |
| Probation Fees | 5,724 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 6,341 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fees - Sheriff | 3,600 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 48,366 | \$ 2,697 | \$ 1,804,708 | \$ 0 | \$ 0 | \$ 948,902 | \$ 0 |
| <u>Other Local Revenues</u> | | | | | | | |
| <u>Recurring Items</u> | | | | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Lease/Rentals | 109,068 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Materials and Supplies | 2,507 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commissary Sales | 48,610 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Gasoline | 260,956 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | | | Highway / Public Works |
|--|-----------------------|--------------------------------|----------------------|-----------------|---------------------------------|---|-------------|------------------------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | District Attorney General | Constitu- tional Officers - Fees | | |
| <u>Other Local Revenues (Cont.)</u> | | | | | | | | |
| <u>Recurring Items (Cont.)</u> | | | | | | | | |
| Sale of Recycled Materials | \$ 0 | \$ 59,141 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Miscellaneous Refunds | 5,297 | 0 | 0 | 0 | 0 | 0 | 0 | 593 |
| <u>Nonrecurring Items</u> | | | | | | | | |
| Sale of Property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contributions and Gifts | 579 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Local Revenues | \$ 427,017 | \$ 59,141 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 593 |
| <u>Fees Received from County Officials</u> | | | | | | | | |
| <u>Excess Fees</u> | | | | | | | | |
| County Clerk | \$ 88,640 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Circuit Court Clerk | 97,650 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Register | 17,437 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trustee | 414,863 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees in-Lieu-of Salary</u> | | | | | | | | |
| Clerk and Master | 123,289 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 41,261 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received from County Officials | \$ 783,140 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | | | | |
| <u>General Government Grants</u> | | | | | | | | |
| Juvenile Services Program | \$ 9,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Airport Maintenance Program | 87,184 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| State Reappraisal Grant | 10,904 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Solid Waste Grants | 0 | 30,100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other General Government Grants | 5,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Safety Grants</u> | | | | | | | | |
| Other Public Safety Grants | 47,363 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Health and Welfare Grants</u> | | | | | | | | |
| Health Department Programs | 431,087 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | | | Highway / Public Works |
|-----------------------------------|-----------------------|--------------------------------|----------------------|-----------------|---------------------------------|---|------|------------------------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | District Attorney General | Constitu- tional Officers - Fees | | |
| <u>State of Tennessee (Cont.)</u> | | | | | | | | |
| <u>Public Works Grants</u> | | | | | | | | |
| Litter Program | \$ 24,971 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Other State Revenues</u> | | | | | | | | |
| Income Tax | 55,091 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Beer Tax | 17,778 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 58,206 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mixed Drink Tax | 21,824 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| State Revenue Sharing - T.V.A. | 0 | 419,713 | 0 | 0 | 0 | 0 | 0 | 25,702 |
| Contracted Prisoner Boarding | 471,535 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,734,617 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,740 |
| Registrar's Salary Supplement | 12,285 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other State Grants | 28,215 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other State Revenues | 23,400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | \$ 1,303,843 | \$ 449,813 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,791,059 |
| <u>Federal Government</u> | | | | | | | | |
| <u>Federal Through State</u> | | | | | | | | |
| Community Development | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Civil Defense Reimbursement | 0 | 0 | 20,211 | 0 | 0 | 0 | 0 | 0 |
| Homeland Security Grants | 0 | 0 | 15,061 | 0 | 0 | 0 | 0 | 0 |
| Law Enforcement Grants | 33,406 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ARRA Grant # 1 | 43,819 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ARRA Grant # 2 | 79,451 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ARRA Grant # 3 | 205,630 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ARRA Grant # 4 | 16,054 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Federal through State | 27,213 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Direct Federal Revenue</u> | | | | | | | | |
| Medicare | 8,547 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ARRA Grant # 6 | 366,050 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Federal Government | \$ 780,170 | \$ 0 | \$ 35,272 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | | |
|---|-----------------------|--------------------------|-------------------|--------------|---------------------------|--------------------------------|------------------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Drug Control | District Attorney General | Constitutional Officers - Fees | Highway / Public Works |
| Other Governments and Citizens Groups | | | | | | | |
| Other Governments | | | | | | | |
| Contributions | \$ 201,468 | \$ 0 | \$ 0 | \$ 24,526 | \$ 0 | \$ 0 | \$ 0 |
| Total Other Governments and Citizens Groups | \$ 201,468 | \$ 0 | \$ 0 | \$ 24,526 | \$ 0 | \$ 0 | \$ 0 |
| Total | \$ 10,315,206 | \$ 972,308 | \$ 2,551,362 | \$ 56,108 | \$ 14,015 | \$ 948,902 | \$ 2,405,013 |

(Continued)

Exhibit K-5

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

| | Debt Service | | Capital Projects Funds | | | | Total |
|--|--------------|--------------|------------------------|----------------------------|------------------------|---------------|-------|
| | General | Debt Service | HUD Grant Projects | Education Capital Projects | Other Capital Projects | | |
| <u>Local Taxes</u> | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | |
| Current Property Tax | \$ 1,833,573 | \$ 0 | 0 | 0 | 0 | \$ 8,466,121 | |
| Discount on Property Taxes | | | | | | (4,347) | |
| Trustee's Collections - Prior Year | 62,166 | | 0 | 0 | 0 | 273,196 | |
| Trustee's Collections - Bankruptcy | 2,121 | | 0 | 0 | 0 | 7,734 | |
| Circuit/Clerk & Master Collections - Prior Years | 47,209 | | 0 | 0 | 0 | 159,667 | |
| Interest and Penalty | 13,169 | | 0 | 0 | 0 | 57,630 | |
| Payments in-Lieu-of Taxes - T. V.A. | 6,008 | | 0 | 0 | 0 | 26,436 | |
| Payments in-Lieu-of Taxes - Local Utilities | 132,487 | | 0 | 0 | 0 | 188,805 | |
| Payments in-Lieu-of Taxes - Other | 105,668 | | 0 | 0 | 0 | 464,942 | |
| <u>County Local Option Taxes</u> | | | | | | | |
| Local Option Sales Tax | 217,242 | | 0 | 0 | 0 | 217,242 | |
| Hotel/Motel Tax | 31,611 | | 0 | 0 | 0 | 31,611 | |
| Wheel Tax | 1,031,364 | | 0 | 0 | 0 | 1,031,364 | |
| Litigation Tax - General | 0 | | 0 | 0 | 0 | 130,533 | |
| Litigation Tax - Special Purpose | 0 | | 0 | 0 | 0 | 10,311 | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | | 0 | 0 | 0 | 45,283 | |
| Business Tax | 0 | | 0 | 0 | 0 | 258,294 | |
| Mineral Severance Tax | 0 | | 0 | 0 | 0 | 56,119 | |
| <u>Statutory Local Taxes</u> | | | | | | | |
| Bank Excise Tax | 12,915 | | 0 | 0 | 0 | 56,827 | |
| Wholesale Beer Tax | 0 | | 0 | 0 | 0 | 171,488 | |
| Total Local Taxes | \$ 3,495,533 | \$ 0 | 0 | 0 | 0 | \$ 11,649,256 | |
| <u>Licenses and Permits</u> | | | | | | | |
| <u>Licenses</u> | | | | | | | |
| Marriage Licenses | 0 | \$ 0 | 0 | 0 | 0 | 3,278 | |
| Cable TV Franchise | 0 | | 0 | 0 | 0 | 154,184 | |
| <u>Permits</u> | | | | | | | |
| Beer Permits | 0 | | 0 | 0 | 0 | 2,185 | |
| Other Permits | 0 | | 0 | 0 | 0 | 5,000 | |
| Total Licenses and Permits | \$ 0 | \$ 0 | 0 | 0 | 0 | \$ 164,647 | |

(Continued)

Exhibit K-5

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

| | Debt Service Fund | | Capital Projects Funds | | | Total |
|--|-------------------|--------------|------------------------|----------------------------|------------------------|--------|
| | General | Debt Service | HUD Grant Projects | Education Capital Projects | Other Capital Projects | |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ | 0 | 0 | 0 | 0 | 16,956 |
| Officers Costs | | 0 | 0 | 0 | 0 | 19,683 |
| Drug Control Fines | | 0 | 0 | 0 | 0 | 27,787 |
| Drug Court Fees | | 0 | 0 | 0 | 0 | 4,358 |
| Jail Fees | | 0 | 0 | 0 | 0 | 10,969 |
| District Attorney General Fees | | 0 | 0 | 0 | 0 | 8,270 |
| DUI Treatment Fines | | 0 | 0 | 0 | 0 | 3,543 |
| Data Entry Fee - Circuit Court | | 0 | 0 | 0 | 0 | 1,046 |
| Courtroom Security Fee | | 0 | 0 | 0 | 0 | 268 |
| Victims Assistance Assessments | | 0 | 0 | 0 | 0 | 6,713 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | | 0 | 0 | 0 | 0 | 26,132 |
| Fines for Littering | | 0 | 0 | 0 | 0 | 93 |
| Officers Costs | | 0 | 0 | 0 | 0 | 54,867 |
| Game and Fish Fines | | 0 | 0 | 0 | 0 | 320 |
| Drug Control Fines | | 0 | 0 | 0 | 0 | 3,419 |
| Drug Court Fees | | 0 | 0 | 0 | 0 | 4,587 |
| Jail Fees | | 0 | 0 | 0 | 0 | 27,372 |
| District Attorney General Fees | | 0 | 0 | 0 | 0 | 5,745 |
| DUI Treatment Fines | | 0 | 0 | 0 | 0 | 8,750 |
| Data Entry Fee - General Sessions Court | | 0 | 0 | 0 | 0 | 6,892 |
| Victims Assistance Assessments | | 0 | 0 | 0 | 0 | 10,961 |
| <u>Juvenile Court</u> | | | | | | |
| Fines | | 0 | 0 | 0 | 0 | 6,557 |
| Officers Costs | | 0 | 0 | 0 | 0 | 8,950 |
| Jail Fees | | 0 | 0 | 0 | 0 | 12,228 |
| Data Entry Fee - Juvenile Court | | 0 | 0 | 0 | 0 | 715 |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | | 0 | 0 | 0 | 0 | 4,084 |
| Data Entry Fee - Chancery Court | | 0 | 0 | 0 | 0 | 2,089 |

(Continued)

Exhibit K-5

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

| | Debt Service Fund | | Capital Projects Funds | | | Total |
|--|----------------------|--------------------|----------------------------|------------------------|-------------|---------------------|
| | General Debt Service | HUD Grant Projects | Education Capital Projects | Other Capital Projects | | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | |
| <u>Chancery Court (Cont.)</u> | | | | | | |
| Courtroom Security Fee | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 6 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 0 | 376 |
| Other Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 0 | 0 | 93 |
| Total Fines, Forfeitures, and Penalties | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 283,829 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Tipping Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 1,224 |
| Solid Waste Disposal Fees | 0 | 0 | 0 | 0 | 0 | 2,697 |
| Patient Charges | 0 | 0 | 0 | 0 | 0 | 1,804,708 |
| Other General Service Charges | 0 | 0 | 0 | 0 | 0 | 16,849 |
| <u>Fees</u> | | | | | | |
| Engineer Review Fees | 0 | 0 | 0 | 0 | 0 | 700 |
| Copy Fees | 0 | 0 | 0 | 0 | 0 | 1,006 |
| Greenbelt Late Application Fee | 0 | 0 | 0 | 0 | 0 | 1,050 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 | 948,902 |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 0 | 11,872 |
| Probation Fees | 0 | 0 | 0 | 0 | 0 | 5,724 |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 6,341 |
| Sexual Offender Registration Fees - Sheriff | 0 | 0 | 0 | 0 | 0 | 3,600 |
| Total Charges for Current Services | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,804,673 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 432,024 | \$ 0 | \$ 1,039 | \$ 254 | \$ 0 | 433,317 |
| Lease/Rentals | 0 | 0 | 0 | 0 | 0 | 109,068 |
| Sale of Materials and Supplies | 0 | 0 | 0 | 0 | 0 | 2,507 |
| Commissary Sales | 0 | 0 | 0 | 0 | 0 | 48,610 |
| Sale of Gasoline | 0 | 0 | 0 | 0 | 0 | 260,956 |

(Continued)

Exhibit K-5

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

| | Debt Service Fund | | Capital Projects Funds | | | | Total |
|--|----------------------|--------------------|----------------------------|------------------------|-------------|------------------|-------------------|
| | General Debt Service | HUD Grant Projects | Education Capital Projects | Other Capital Projects | | | |
| <u>Other Local Revenues (Cont.)</u> | | | | | | | |
| <u>Recurring Items (Cont.)</u> | | | | | | | |
| Sale of Recycled Materials | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 59,141 |
| Miscellaneous Refunds | 0 | 0 | 0 | 0 | 0 | 0 | 5,890 |
| <u>Nonrecurring Items</u> | | | | | | | |
| Sale of Property | 0 | 0 | 0 | 0 | 11,697 | 0 | 11,697 |
| Contributions and Gifts | 0 | 0 | 0 | 0 | 0 | 0 | 579 |
| Total Other Local Revenues | \$ 432,024 | \$ 0 | \$ 1,039 | \$ 11,951 | \$ 0 | \$ 11,951 | \$ 931,765 |
| <u>Fees Received from County Officials</u> | | | | | | | |
| <u>Excess Fees</u> | | | | | | | |
| County Clerk | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 88,640 |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 97,650 |
| Register | 0 | 0 | 0 | 0 | 0 | 0 | 17,437 |
| Trustee | 0 | 0 | 0 | 0 | 0 | 0 | 414,863 |
| <u>Fees in-Lieu-of Salary</u> | | | | | | | |
| Clerk and Master | 0 | 0 | 0 | 0 | 0 | 0 | 123,289 |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 41,261 |
| Total Fees Received from County Officials | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 783,140 |
| <u>State of Tennessee</u> | | | | | | | |
| <u>General Government Grants</u> | | | | | | | |
| Juvenile Services Program | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 9,000 |
| Airport Maintenance Program | 0 | 0 | 0 | 0 | 0 | 0 | 87,184 |
| State Reappraisal Grant | 0 | 0 | 0 | 0 | 0 | 0 | 10,904 |
| Solid Waste Grants | 0 | 0 | 0 | 0 | 0 | 0 | 30,100 |
| Other General Government Grants | 0 | 0 | 0 | 0 | 0 | 0 | 5,000 |
| <u>Public Safety Grants</u> | | | | | | | |
| Other Public Safety Grants | 0 | 0 | 0 | 0 | 0 | 0 | 47,363 |
| <u>Health and Welfare Grants</u> | | | | | | | |
| Health Department Programs | 0 | 0 | 0 | 0 | 0 | 0 | 431,087 |

(Continued)

Exhibit K-5

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

| | Debt Service Fund | Capital Projects Funds | | | | Total |
|-----------------------------------|-------------------------|----------------------------|--------------------------|----------------------------------|------------------------------|-----------|
| | | General Debt Service | HUD Grant Projects | Education Capital Projects | Other Capital Projects | |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Public Works Grants</u> | | | | | | |
| Litter Program | \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 24,971 |
| <u>Other State Revenues</u> | | | | | | |
| Income Tax | | 0 | 0 | 0 | 0 | 55,091 |
| Beer Tax | | 0 | 0 | 0 | 0 | 17,778 |
| Alcoholic Beverage Tax | | 0 | 0 | 0 | 0 | 58,206 |
| Mixed Drink Tax | | 0 | 0 | 0 | 0 | 21,824 |
| State Revenue Sharing - T.V.A. | | 0 | 0 | 0 | 0 | 445,415 |
| Contracted Prisoner Boarding | | 0 | 0 | 0 | 0 | 471,535 |
| Gasoline and Motor Fuel Tax | | 0 | 0 | 0 | 0 | 1,734,617 |
| Petroleum Special Tax | | 0 | 0 | 0 | 0 | 30,740 |
| Registrar's Salary Supplement | | 0 | 0 | 0 | 0 | 12,285 |
| Other State Grants | | 0 | 0 | 0 | 0 | 28,215 |
| Other State Revenues | | 0 | 0 | 0 | 0 | 23,400 |
| Total State of Tennessee | \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 3,544,715 |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| Community Development | \$ | 0 \$ | 119,498 \$ | 0 \$ | 0 \$ | 119,498 |
| Civil Defense Reimbursement | | 0 | 0 | 0 | 0 | 20,211 |
| Homeland Security Grants | | 0 | 0 | 0 | 0 | 15,061 |
| Law Enforcement Grants | | 0 | 0 | 0 | 0 | 33,406 |
| ARRA Grant # 1 | | 0 | 0 | 0 | 0 | 43,819 |
| ARRA Grant # 2 | | 0 | 0 | 0 | 0 | 79,451 |
| ARRA Grant # 3 | | 0 | 0 | 0 | 0 | 205,630 |
| ARRA Grant # 4 | | 0 | 0 | 0 | 0 | 16,054 |
| Other Federal through State | | 0 | 0 | 0 | 0 | 27,213 |
| <u>Direct Federal Revenue</u> | | | | | | |
| Medicare | | 0 | 0 | 0 | 0 | 8,547 |
| ARRA Grant # 6 | | 0 | 0 | 0 | 0 | 366,050 |
| Total Federal Government | \$ | 0 \$ | 119,498 \$ | 0 \$ | 0 \$ | 934,940 |

(Continued)

Exhibit K-5

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

| | Debt Service Fund | | Capital Projects Funds | | | | Total |
|---|-------------------|--------------|------------------------|----------------------------|------------------------|------|------------|
| | General | Debt Service | HUD Grant Projects | Education Capital Projects | Other Capital Projects | | |
| Other Governments and Citizens Groups | | | | | | | |
| Other Governments | | | | | | | |
| Contributions | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 225,994 |
| Total Other Governments and Citizens Groups | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 225,994 |
| Total | \$ 3,927,557 | \$ 119,498 | \$ 1,039 | \$ 11,951 | \$ 21,322,959 | | |

Exhibit K-6

Warren County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Warren County School Department
 For the Year Ended June 30, 2010

| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
|--|------------------------------|-------------------------------|----------------------|----------------------|
| <u>Local Taxes</u> | | | | |
| <u>County Property Taxes</u> | | | | |
| Current Property Tax | \$ 3,453,954 | \$ 0 | \$ 0 | \$ 3,453,954 |
| Trustee's Collections - Prior Year | 91,200 | 0 | 0 | 91,200 |
| Trustee's Collections - Bankruptcy | 3,075 | 0 | 0 | 3,075 |
| Circuit/Clerk & Master Collections - Prior Years | 58,074 | 0 | 0 | 58,074 |
| Interest and Penalty | 23,068 | 0 | 0 | 23,068 |
| Payments in-Lieu-of Taxes - T.V.A. | 10,574 | 0 | 0 | 10,574 |
| Payments in-Lieu-of Taxes - Local Utilities | 24,369 | 0 | 0 | 24,369 |
| Payments in-Lieu-of Taxes - Other | 185,977 | 0 | 0 | 185,977 |
| <u>County Local Option Taxes</u> | | | | |
| Local Option Sales Tax | 7,100,643 | 0 | 0 | 7,100,643 |
| <u>Statutory Local Taxes</u> | | | | |
| Bank Excise Tax | 22,731 | 0 | 0 | 22,731 |
| Total Local Taxes | \$ 10,973,665 | \$ 0 | \$ 0 | \$ 10,973,665 |
| <u>Charges for Current Services</u> | | | | |
| <u>Fees</u> | | | | |
| Telephone Commissions | \$ 5,911 | \$ 0 | \$ 0 | \$ 5,911 |
| <u>Education Charges</u> | | | | |
| Tuition - Other | 130,290 | 0 | 0 | 130,290 |
| Lunch Payments - Children | 0 | 0 | 298,635 | 298,635 |
| Lunch Payments - Adults | 0 | 0 | 85,515 | 85,515 |
| Income from Breakfast | 0 | 0 | 43,907 | 43,907 |
| A la carte Sales | 0 | 0 | 387,912 | 387,912 |
| Receipts from Individual Schools | 195,624 | 0 | 0 | 195,624 |
| <u>Other Charges for Services</u> | | | | |
| Other Charges for Services | 41,838 | 0 | 0 | 41,838 |
| Total Charges for Current Services | \$ 373,663 | \$ 0 | \$ 815,969 | \$ 1,189,632 |
| <u>Other Local Revenues</u> | | | | |
| <u>Recurring Items</u> | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 14,907 | \$ 14,907 |
| Refund of Telecommunication & Internet Fees (E-Rate) | 45,698 | 0 | 0 | 45,698 |
| Miscellaneous Refunds | 34,775 | 0 | 4,357 | 39,132 |
| <u>Nonrecurring Items</u> | | | | |
| Sale of Equipment | 5,227 | 0 | 0 | 5,227 |
| Resale of Materials - T&I House | 2,000 | 0 | 0 | 2,000 |
| Damages Recovered from Individuals | 95 | 0 | 0 | 95 |
| Contributions and Gifts | 17,210 | 0 | 0 | 17,210 |
| Total Other Local Revenues | \$ 105,005 | \$ 0 | \$ 19,264 | \$ 124,269 |
| <u>State of Tennessee</u> | | | | |
| <u>General Government Grants</u> | | | | |
| On-Behalf Contributions for OPEB | \$ 264,063 | \$ 0 | \$ 0 | \$ 264,063 |
| <u>State Education Funds</u> | | | | |
| Basic Education Program | 27,587,999 | 0 | 0 | 27,587,999 |
| Basic Education Program - ARRA | 1,154,000 | 0 | 0 | 1,154,000 |
| School Food Service | 0 | 0 | 31,622 | 31,622 |
| Driver Education | 14,660 | 0 | 0 | 14,660 |

(Continued)

Exhibit K-6

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

| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
|--|------------------------------|-------------------------------|----------------------|----------------------|
| <u>State of Tennessee (Cont.)</u> | | | | |
| <u>State Education Funds (Cont.)</u> | | | | |
| Coordinated School Health - ARRA | \$ 170,000 | \$ 0 | \$ 0 | \$ 170,000 |
| Internet Connectivity - ARRA | 22,839 | 0 | 0 | 22,839 |
| Family Resource Centers - ARRA | 33,300 | 0 | 0 | 33,300 |
| Career Ladder Program | 311,541 | 0 | 0 | 311,541 |
| Career Ladder - Extended Contract - ARRA | 119,203 | 0 | 0 | 119,203 |
| <u>Other State Revenues</u> | | | | |
| State Revenue Sharing - T.V.A. | 260,696 | 0 | 0 | 260,696 |
| Other State Grants | 623,127 | 0 | 0 | 623,127 |
| Safe Schools - ARRA | 19,800 | 0 | 0 | 19,800 |
| Total State of Tennessee | <u>\$ 30,581,228</u> | <u>\$ 0</u> | <u>\$ 31,622</u> | <u>\$ 30,612,850</u> |
| <u>Federal Government</u> | | | | |
| <u>Federal Through State</u> | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 1,483,404 | \$ 1,483,404 |
| Breakfast | 0 | 0 | 511,336 | 511,336 |
| USDA - Other | 0 | 0 | 45,660 | 45,660 |
| USDA Food Service Equipment Grant - ARRA | 0 | 0 | 6,200 | 6,200 |
| Vocational Education - Basic Grants to States | 0 | 123,005 | 0 | 123,005 |
| Other Vocational | 0 | 91,712 | 0 | 91,712 |
| Title I Grants to Local Education Agencies | 0 | 2,087,500 | 0 | 2,087,500 |
| Special Education - Grants to States | 56,937 | 2,284,636 | 0 | 2,341,573 |
| Special Education Preschool Grants | 0 | 85,377 | 0 | 85,377 |
| English Language Acquisition Grants | 0 | 79,332 | 0 | 79,332 |
| Safe and Drug-free Schools - State Grants | 0 | 25,258 | 0 | 25,258 |
| Rural Education | 0 | 147,743 | 0 | 147,743 |
| Education for Homeless Children and Youth | 0 | 33,166 | 0 | 33,166 |
| Eisenhower Professional Development State Grants | 0 | 313,500 | 0 | 313,500 |
| Other Federal through State | 164,427 | 20,882 | 0 | 185,309 |
| <u>Direct Federal Revenue</u> | | | | |
| ROTC Reimbursement | 46,033 | 0 | 0 | 46,033 |
| Total Federal Government | <u>\$ 267,397</u> | <u>\$ 5,292,111</u> | <u>\$ 2,046,600</u> | <u>\$ 7,606,108</u> |
| Total | <u>\$ 42,300,958</u> | <u>\$ 5,292,111</u> | <u>\$ 2,913,455</u> | <u>\$ 50,506,524</u> |

Exhibit K-7

Warren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

| | | |
|----------------------------------|-----------|------------|
| Board and Committee Members Fees | \$ 88,630 | |
| Social Security | 6,427 | |
| State Retirement | 9,236 | |
| Life Insurance | 832 | |
| Medical Insurance | 11,066 | |
| Audit Services | 31,138 | |
| Dues and Memberships | 24,582 | |
| Other Charges | 814 | |
| Total County Commission | | \$ 172,725 |

Board of Equalization

| | | |
|----------------------------------|----------|-------|
| Board and Committee Members Fees | \$ 7,920 | |
| Social Security | 606 | |
| Travel | 300 | |
| Total Board of Equalization | | 8,826 |

County Mayor/Executive

| | | |
|--|-----------|---------|
| County Official/Administrative Officer | \$ 73,866 | |
| Secretary(ies) | 26,585 | |
| Social Security | 7,068 | |
| State Retirement | 12,620 | |
| Life Insurance | 79 | |
| Medical Insurance | 2,588 | |
| Unemployment Compensation | 54 | |
| Travel | 1,999 | |
| Total County Mayor/Executive | | 124,859 |

County Attorney

| | | |
|-----------------------|------------|---------|
| Legal Services | \$ 149,537 | |
| Total County Attorney | | 149,537 |

Election Commission

| | | |
|--|-----------|--|
| County Official/Administrative Officer | \$ 57,559 | |
| Secretary(ies) | 45,173 | |
| Other Salaries and Wages | 8,964 | |
| Election Commission | 6,875 | |
| Election Workers | 12,515 | |
| Social Security | 8,749 | |
| State Retirement | 13,017 | |
| Life Insurance | 119 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

| | | | |
|--|----|---------------|------------|
| Medical Insurance | \$ | 2,700 | |
| Unemployment Compensation | | 173 | |
| Communication | | 2,869 | |
| Data Processing Services | | 3,520 | |
| Dues and Memberships | | 250 | |
| Legal Notices, Recording, and Court Costs | | 4,140 | |
| Maintenance Agreements | | 10,850 | |
| Maintenance and Repair Services - Office Equipment | | 630 | |
| Postal Charges | | 2,639 | |
| Printing, Stationery, and Forms | | 11,478 | |
| Rentals | | 660 | |
| Travel | | 7,574 | |
| Office Supplies | | 1,917 | |
| Other Supplies and Materials | | 1,375 | |
| Data Processing Equipment | | 1,999 | |
| Voting Machines | | <u>35,000</u> | |
| Total Election Commission | | | \$ 240,745 |

Register of Deeds

| | | | |
|---------------------------|----|--------------|--------|
| Other Contracted Services | \$ | 4,500 | |
| Data Processing Supplies | | <u>6,497</u> | |
| Total Register of Deeds | | | 10,997 |

Development

| | | | |
|-------------------|----|------------|-----|
| Other Charges | \$ | <u>353</u> | |
| Total Development | | | 353 |

Planning

| | | | |
|------------------------------------|----|---------------|--------|
| Board and Committee Members Fees | \$ | 1,850 | |
| Social Security | | 142 | |
| Contracts with Government Agencies | | <u>11,250</u> | |
| Total Planning | | | 13,242 |

Codes Compliance

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 30,600 | |
| Social Security | | 2,201 | |
| State Retirement | | 3,841 | |
| Life Insurance | | 40 | |
| Medical Insurance | | 2,700 | |
| Unemployment Compensation | | 54 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

| | | | |
|--|----|-------|-----------|
| Communication | \$ | 922 | |
| Maintenance and Repair Services - Vehicles | | 908 | |
| Postal Charges | | 128 | |
| Gasoline | | 1,243 | |
| Office Supplies | | 2,545 | |
| Total Codes Compliance | | | \$ 45,182 |

County Buildings

| | | | |
|---|----|--------|---------|
| Custodial Personnel | \$ | 30,427 | |
| Social Security | | 2,213 | |
| State Retirement | | 2,120 | |
| Life Insurance | | 40 | |
| Medical Insurance | | 2,700 | |
| Unemployment Compensation | | 104 | |
| Maintenance and Repair Services - Buildings | | 15,712 | |
| Custodial Supplies | | 13,843 | |
| Utilities | | 78,183 | |
| Other Supplies and Materials | | 477 | |
| Total County Buildings | | | 145,819 |

Other Facilities

| | | | |
|---|----|---------|---------|
| Maintenance Personnel | \$ | 32,438 | |
| Social Security | | 2,367 | |
| State Retirement | | 4,080 | |
| Life Insurance | | 40 | |
| Medical Insurance | | 2,700 | |
| Unemployment Compensation | | 54 | |
| Maintenance and Repair Services - Buildings | | 127,978 | |
| Total Other Facilities | | | 169,657 |

Other General Administration

| | | | |
|--|----|--------|--|
| Communication | \$ | 25,118 | |
| Data Processing Services | | 66,430 | |
| Legal Notices, Recording, and Court Costs | | 826 | |
| Maintenance Agreements | | 2,424 | |
| Maintenance and Repair Services - Office Equipment | | 1,283 | |
| Postal Charges | | 18,378 | |
| Printing, Stationery, and Forms | | 22,485 | |
| Other Contracted Services | | 638 | |
| Office Supplies | | 18,474 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

| | | | |
|------------------------------------|----|-------|------------|
| Premiums on Corporate Surety Bonds | \$ | 167 | |
| Data Processing Equipment | | 1,725 | |
| Office Equipment | | 5,644 | |
| Total Other General Administration | | | \$ 163,592 |

Finance

Accounting and Budgeting

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 53,778 | |
| Assistant(s) | | 39,112 | |
| Accountants/Bookkeepers | | 32,595 | |
| In-Service Training | | 663 | |
| Social Security | | 9,525 | |
| State Retirement | | 15,574 | |
| Life Insurance | | 119 | |
| Medical Insurance | | 5,400 | |
| Unemployment Compensation | | 162 | |
| Travel | | 1,236 | |
| Total Accounting and Budgeting | | | 158,164 |

Purchasing

| | | | |
|---|----|-------|-------|
| Legal Notices, Recording, and Court Costs | \$ | 2,601 | |
| Total Purchasing | | | 2,601 |

Property Assessor's Office

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 63,954 | |
| Assistant(s) | | 128,805 | |
| Social Security | | 13,837 | |
| State Retirement | | 22,282 | |
| Life Insurance | | 238 | |
| Medical Insurance | | 12,712 | |
| Unemployment Compensation | | 322 | |
| Data Processing Services | | 15,500 | |
| Dues and Memberships | | 1,280 | |
| Legal Notices, Recording, and Court Costs | | 274 | |
| Maintenance and Repair Services - Vehicles | | 578 | |
| Postal Charges | | 8,919 | |
| Gasoline | | 1,687 | |
| Other Supplies and Materials | | 3,060 | |
| Other Charges | | 335 | |
| Total Property Assessor's Office | | | 273,783 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

| | | | |
|---|----|-------|-----------|
| Legal Notices, Recording, and Court Costs | \$ | 1,488 | |
| Postal Charges | | 8,555 | |
| Other Supplies and Materials | | 9,342 | |
| Data Processing Equipment | | 7,148 | |
| Total County Trustee's Office | | | \$ 26,533 |

Administration of Justice

Circuit Court

| | | | |
|---------------------------|----|--------|--------|
| Jury and Witness Expense | \$ | 26,252 | |
| Other Charges | | 31,305 | |
| Data Processing Equipment | | 3,015 | |
| Office Equipment | | 1,701 | |
| Total Circuit Court | | | 62,273 |

General Sessions Court

| | | | |
|------------------------------|----|---------|---------|
| Judge(s) | \$ | 134,377 | |
| Secretary(ies) | | 29,941 | |
| Other Salaries and Wages | | 8,704 | |
| Other Per Diem and Fees | | 1,750 | |
| Social Security | | 10,873 | |
| State Retirement | | 20,672 | |
| Life Insurance | | 79 | |
| Medical Insurance | | 2,700 | |
| Unemployment Compensation | | 95 | |
| Communication | | 1,428 | |
| Postal Charges | | 192 | |
| Travel | | 1,365 | |
| Other Contracted Services | | 660 | |
| Office Supplies | | 370 | |
| Other Charges | | 833 | |
| Data Processing Equipment | | 379 | |
| Total General Sessions Court | | | 214,418 |

Drug Court

| | | | |
|---------------------------|----|--------|--|
| Probation Officer(s) | \$ | 47,092 | |
| Social Security | | 3,008 | |
| State Retirement | | 5,924 | |
| Life Insurance | | 10 | |
| Medical Insurance | | 2,700 | |
| Unemployment Compensation | | 54 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

| | | | |
|---------------------------------|----|--------|-----------|
| Communication | \$ | 1,051 | |
| Contracts with Private Agencies | | 1,672 | |
| Evaluation and Testing | | 10,072 | |
| Postal Charges | | 44 | |
| Travel | | 2,325 | |
| Other Contracted Services | | 293 | |
| Other Supplies and Materials | | 1,140 | |
| Total Drug Court | | | \$ 75,385 |

Chancery Court

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 63,954 | |
| Clerical Personnel | | 62,514 | |
| In-Service Training | | 179 | |
| Social Security | | 9,637 | |
| State Retirement | | 11,671 | |
| Life Insurance | | 99 | |
| Medical Insurance | | 2,700 | |
| Unemployment Compensation | | 262 | |
| Advertising | | 1,700 | |
| Communication | | 2,456 | |
| Postal Charges | | 5,689 | |
| Printing, Stationery, and Forms | | 426 | |
| Travel | | 389 | |
| Office Supplies | | 3,371 | |
| Other Supplies and Materials | | 197 | |
| Other Charges | | 642 | |
| Data Processing Equipment | | 1,608 | |
| Total Chancery Court | | | 167,494 |

Juvenile Court

| | | | |
|---------------------------|----|--------|--|
| Youth Service Officer(s) | \$ | 68,985 | |
| Other Salaries and Wages | | 18,056 | |
| Other Per Diem and Fees | | 1,750 | |
| Social Security | | 6,401 | |
| State Retirement | | 8,683 | |
| Life Insurance | | 119 | |
| Medical Insurance | | 5,288 | |
| Unemployment Compensation | | 153 | |
| Communication | | 2,456 | |
| Postal Charges | | 387 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

| | | | |
|------------------------------|----|-------|------------|
| Travel | \$ | 2,329 | |
| Office Supplies | | 1,432 | |
| Other Supplies and Materials | | 4,950 | |
| Data Processing Equipment | | 424 | |
| Total Juvenile Court | | | \$ 121,413 |

Judicial Commissioners

| | | | |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 72,087 | |
| In-Service Training | | 1,688 | |
| Social Security | | 5,515 | |
| Unemployment Compensation | | 331 | |
| Communication | | 1,126 | |
| Office Supplies | | 1,008 | |
| Total Judicial Commissioners | | | 81,755 |

Public Safety

Sheriff's Department

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 70,350 | |
| Deputy(ies) | | 966,924 | |
| Investigator(s) | | 224,832 | |
| Lieutenant(s) | | 136,053 | |
| Salary Supplements | | 23,400 | |
| Clerical Personnel | | 88,157 | |
| Overtime Pay | | 27,851 | |
| Other Salaries and Wages | | 36,894 | |
| In-Service Training | | 6,365 | |
| Social Security | | 116,263 | |
| State Retirement | | 195,344 | |
| Life Insurance | | 3,133 | |
| Medical Insurance | | 58,725 | |
| Unemployment Compensation | | 1,832 | |
| Communication | | 10,300 | |
| Data Processing Services | | 675 | |
| Maintenance and Repair Services - Office Equipment | | 4,538 | |
| Maintenance and Repair Services - Vehicles | | 40,718 | |
| Medical and Dental Services | | 1,793 | |
| Postal Charges | | 1,124 | |
| Printing, Stationery, and Forms | | 1,736 | |
| Travel | | 2,015 | |
| Gasoline | | 114,868 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

| | | |
|----------------------------|----------------|--------------|
| Law Enforcement Supplies | \$ 4,286 | |
| Office Supplies | 3,258 | |
| Tires and Tubes | 7,543 | |
| Uniforms | 14,332 | |
| Communication Equipment | 8,835 | |
| Law Enforcement Equipment | 11,800 | |
| Motor Vehicles | <u>125,099</u> | |
| Total Sheriff's Department | | \$ 2,309,043 |

Administration of the Sexual Offender Registry

| | | |
|--|----------|-------|
| Other Contracted Services | \$ 1,250 | |
| Total Administration of the Sexual Offender Registry | | 1,250 |

Jail

| | | |
|---|--------------|-----------|
| Supervisor/Director | \$ 39,617 | |
| Medical Personnel | 109,475 | |
| Guards | 960,394 | |
| Clerical Personnel | 33,751 | |
| Overtime Pay | 5,275 | |
| Other Salaries and Wages | 26,455 | |
| Social Security | 84,343 | |
| State Retirement | 136,669 | |
| Medical Insurance | 65,925 | |
| Unemployment Compensation | 2,203 | |
| Contracts with Government Agencies | 200 | |
| Evaluation and Testing | 2,705 | |
| Maintenance and Repair Services - Equipment | 9,431 | |
| Medical and Dental Services | 179,676 | |
| Pest Control | 1,200 | |
| Printing, Stationery, and Forms | 863 | |
| Custodial Supplies | 46,530 | |
| Food Preparation Supplies | 12,293 | |
| Food Supplies | 272,205 | |
| Law Enforcement Supplies | 1,154 | |
| Prisoners Clothing | 5,797 | |
| Utilities | 128,631 | |
| Other Supplies and Materials | 10,510 | |
| Office Equipment | <u>1,758</u> | |
| Total Jail | | 2,137,060 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

| | | |
|-------------------------|-----------|-----------|
| Other Charges | \$ 22,713 | |
| Total Juvenile Services | | \$ 22,713 |

County Coroner/Medical Examiner

| | | |
|---------------------------------------|----------|-------|
| Other Per Diem and Fees | \$ 1,450 | |
| Total County Coroner/Medical Examiner | | 1,450 |

Other Public Safety

| | | |
|---------------------------|---------|---------|
| Communication | \$ 81 | |
| Contributions | 151,000 | |
| Total Other Public Safety | | 151,081 |

Public Health and Welfare

Local Health Center

| | | |
|---------------------------|--------|--------|
| Social Security | \$ 538 | |
| Unemployment Compensation | 41 | |
| Communication | 6,792 | |
| Janitorial Services | 11,634 | |
| Utilities | 23,314 | |
| Other Charges | 12,313 | |
| Total Local Health Center | | 54,632 |

Rabies and Animal Control

| | | |
|---|-----------|--|
| Supervisor/Director | \$ 19,380 | |
| Other Salaries and Wages | 19,661 | |
| Social Security | 2,856 | |
| State Retirement | 3,703 | |
| Life Insurance | 59 | |
| Medical Insurance | 2,700 | |
| Unemployment Compensation | 113 | |
| Communication | 1,421 | |
| Maintenance and Repair Services - Buildings | 5,627 | |
| Maintenance and Repair Services - Vehicles | 1,649 | |
| Veterinary Services | 60 | |
| Animal Food and Supplies | 536 | |
| Custodial Supplies | 743 | |
| Drugs and Medical Supplies | 1,627 | |
| Gasoline | 3,294 | |
| Office Supplies | 18 | |
| Tires and Tubes | 175 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

| | | | |
|---------------------------------|----|-------|-----------|
| Utilities | \$ | 2,554 | |
| Other Supplies and Materials | | 1,581 | |
| Other Equipment | | 7,750 | |
| Total Rabies and Animal Control | | | \$ 75,507 |

Alcohol and Drug Programs

| | | | |
|---------------------------------|----|--------|--------|
| Probation Officer(s) | \$ | 2,547 | |
| Social Security | | 195 | |
| Unemployment Compensation | | 15 | |
| Communication | | 758 | |
| Evaluation and Testing | | 10,631 | |
| Rentals | | 4,500 | |
| Travel | | 1,816 | |
| Other Contracted Services | | 261 | |
| Other Supplies and Materials | | 5,614 | |
| Total Alcohol and Drug Programs | | | 26,337 |

Other Local Health Services

| | | | |
|-----------------------------------|----|---------|---------|
| Other Salaries and Wages | \$ | 355,779 | |
| Social Security | | 26,519 | |
| State Retirement | | 33,631 | |
| Life Insurance | | 426 | |
| Medical Insurance | | 8,325 | |
| Unemployment Compensation | | 716 | |
| Travel | | 8,116 | |
| Other Contracted Services | | 9,100 | |
| Other Supplies and Materials | | 9,025 | |
| Total Other Local Health Services | | | 451,637 |

Regional Mental Health Center

| | | | |
|-------------------------------------|----|-------|-------|
| Contributions | \$ | 4,000 | |
| Total Regional Mental Health Center | | | 4,000 |

Appropriation to State

| | | | |
|------------------------------|----|--------|--------|
| Contributions | \$ | 52,203 | |
| Total Appropriation to State | | | 52,203 |

General Welfare Assistance

| | | | |
|----------------------------------|----|-----|-----|
| Other Charges | \$ | 725 | |
| Total General Welfare Assistance | | | 725 |

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare

| | | | |
|---------------------------------------|----|--------|-----------|
| Social Security | \$ | 1,222 | |
| State Retirement | | 2,010 | |
| Life Insurance | | 33 | |
| Unemployment Compensation | | 67 | |
| Contracts with Government Agencies | | 27,289 | |
| Contributions | | 34,000 | |
| Total Other Public Health and Welfare | | | \$ 64,621 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

| | | | |
|----------------------------------|----|--------|--------|
| Contributions | \$ | 17,000 | |
| Total Senior Citizens Assistance | | | 17,000 |

Libraries

| | | | |
|-----------------|----|---------|---------|
| Contributions | \$ | 116,000 | |
| Total Libraries | | | 116,000 |

Parks and Fair Boards

| | | | |
|-----------------------------|----|-------|-------|
| Contributions | \$ | 5,000 | |
| Total Parks and Fair Boards | | | 5,000 |

Agriculture and Natural Resources

Agriculture Extension Service

| | | | |
|-------------------------------------|----|--------|---------|
| Board and Committee Members Fees | \$ | 90 | |
| Communication | | 2,001 | |
| Contributions | | 98,810 | |
| Travel | | 12,000 | |
| Office Supplies | | 7,838 | |
| Total Agriculture Extension Service | | | 120,739 |

Forest Service

| | | | |
|---------------------------|----|-------|-------|
| Other Contracted Services | \$ | 2,000 | |
| Total Forest Service | | | 2,000 |

Soil Conservation

| | | | |
|--------------------------|----|--------|--|
| Clerical Personnel | \$ | 29,471 | |
| Other Salaries and Wages | | 26,718 | |
| Social Security | | 3,904 | |
| State Retirement | | 7,071 | |
| Life Insurance | | 79 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

| | | | |
|---------------------------|----|-------|-----------|
| Medical Insurance | \$ | 5,400 | |
| Unemployment Compensation | | 109 | |
| Contributions | | 4,000 | |
| Dues and Memberships | | 1,165 | |
| Total Soil Conservation | | | \$ 77,917 |

Other Operations

Tourism

| | | | |
|---------------|----|--------|--------|
| Other Charges | \$ | 10,000 | |
| Total Tourism | | | 10,000 |

Industrial Development

| | | | |
|------------------------------|----|---------|---------|
| Contributions | \$ | 150,000 | |
| Site Development | | 600,000 | |
| Total Industrial Development | | | 750,000 |

Airport

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 47,438 | |
| Other Salaries and Wages | | 61,905 | |
| Social Security | | 8,193 | |
| State Retirement | | 5,942 | |
| Life Insurance | | 46 | |
| Medical Insurance | | 2,700 | |
| Unemployment Compensation | | 340 | |
| Communication | | 6,582 | |
| Maintenance Agreements | | 5,466 | |
| Travel | | 1,903 | |
| Gasoline | | 233,577 | |
| Utilities | | 19,573 | |
| Liability Insurance | | 13,125 | |
| Airport Improvement | | 185,755 | |
| Maintenance Equipment | | 12,352 | |
| Total Airport | | | 604,897 |

Veterans' Services

| | | | |
|---------------------------|----|--------|--------|
| Supervisor/Director | \$ | 13,920 | |
| Social Security | | 1,065 | |
| Unemployment Compensation | | 49 | |
| Communication | | 779 | |
| Other Charges | | 1,737 | |
| Total Veterans' Services | | | 17,550 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

| | | |
|---------------------------------|-----------|------------|
| Building and Contents Insurance | \$ 15,228 | |
| Liability Insurance | 79,956 | |
| Trustee's Commission | 136,244 | |
| Workers' Compensation Insurance | 138,389 | |
| Total Other Charges | | \$ 369,817 |

Contributions to Other Agencies

| | | |
|---------------------------------------|----------|-------|
| Contributions | \$ 5,500 | |
| Total Contributions to Other Agencies | | 5,500 |

Employee Benefits

| | | |
|---------------------------|-----------|---------|
| Social Security | \$ 66,325 | |
| State Retirement | 112,687 | |
| Life Insurance | 1,026 | |
| Medical Insurance | 43,927 | |
| Unemployment Compensation | 1,419 | |
| Total Employee Benefits | | 225,384 |

ARRA Grant # 1

| | | |
|---------------------------------|-----------|--------|
| Probation Officer(s) | \$ 16,316 | |
| Social Security | 1,248 | |
| Unemployment Compensation | 102 | |
| Communication | 314 | |
| Contracts with Private Agencies | 22,341 | |
| Travel | 2,008 | |
| Other Supplies and Materials | 547 | |
| Other Charges | 1,228 | |
| Total ARRA Grant # 1 | | 44,104 |

ARRA Grant # 2

| | | |
|------------------------------|-----------|--------|
| Other Salaries and Wages | \$ 64,912 | |
| Social Security | 4,876 | |
| State Retirement | 42 | |
| Life Insurance | 30 | |
| Medical Insurance | 2,812 | |
| Unemployment Compensation | 201 | |
| Travel | 1,320 | |
| Other Supplies and Materials | 5,268 | |
| Total ARRA Grant # 2 | | 79,461 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

ARRA Grant # 4

| | | | |
|------------------------------|----|---------|------------|
| Communication | \$ | 2,569 | |
| Other Supplies and Materials | | 13,603 | |
| Law Enforcement Equipment | | 7,979 | |
| Motor Vehicles | | 104,722 | |
| Total ARRA Grant # 4 | | | \$ 128,873 |

ARRA Grant # 6

| | | | |
|---------------------------|----|--------|---------|
| Investigator(s) | \$ | 33,449 | |
| Social Security | | 2,857 | |
| State Retirement | | 4,827 | |
| Medical Insurance | | 1,688 | |
| Unemployment Compensation | | 27 | |
| Communication | | 570 | |
| Law Enforcement Equipment | | 2,421 | |
| Motor Vehicles | | 81,308 | |
| Total ARRA Grant # 6 | | | 127,147 |

Miscellaneous

| | | | |
|---------------------|----|-------|-------|
| Other Charges | \$ | 1,303 | |
| Right-of-Way | | 1,173 | |
| Total Miscellaneous | | | 2,476 |

Total General Fund \$ 10,485,477

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

| | | | |
|---|----|--------|--|
| Supervisor/Director | \$ | 45,941 | |
| Truck Drivers | | 69,595 | |
| Social Security | | 8,055 | |
| State Retirement | | 11,199 | |
| Life Insurance | | 155 | |
| Medical Insurance | | 7,425 | |
| Unemployment Compensation | | 148 | |
| Communication | | 908 | |
| Contracts with Government Agencies | | 40,702 | |
| Laundry Service | | 4,232 | |
| Maintenance and Repair Services - Equipment | | 199 | |
| Maintenance and Repair Services - Vehicles | | 18,626 | |
| Postal Charges | | 44 | |

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Diesel Fuel | \$ | 24,984 | |
| Gasoline | | 2,281 | |
| Lubricants | | 2,072 | |
| Tires and Tubes | | 7,575 | |
| Utilities | | 2,265 | |
| Other Supplies and Materials | | 2,253 | |
| Workers' Compensation Insurance | | 8,824 | |
| Total Waste Pickup | | | \$ 257,483 |

Convenience Centers

| | | | |
|---|----|---------|---------|
| Other Salaries and Wages | \$ | 214,863 | |
| Social Security | | 15,171 | |
| State Retirement | | 10,014 | |
| Life Insurance | | 135 | |
| Medical Insurance | | 8,100 | |
| Unemployment Compensation | | 1,065 | |
| Communication | | 6,351 | |
| Contracts with Private Agencies | | 294,453 | |
| Maintenance and Repair Services - Equipment | | 2,557 | |
| Rentals | | 6,790 | |
| Utilities | | 9,113 | |
| Workers' Compensation Insurance | | 15,025 | |
| Site Development | | 10,000 | |
| Other Equipment | | 1,818 | |
| Total Convenience Centers | | | 595,455 |

Other Waste Disposal

| | | | |
|----------------------------|----|--------|--------|
| Liability Insurance | \$ | 9,991 | |
| Trustee's Commission | | 13,429 | |
| Other Charges | | 10,433 | |
| Total Other Waste Disposal | | | 33,853 |

Total Solid Waste/Sanitation Fund \$ 886,791

Ambulance Service Fund

Public Safety

Civil Defense

| | | | |
|---------------------|----|--------|--|
| Assistant(s) | \$ | 7,929 | |
| Supervisor/Director | | 25,680 | |
| In-Service Training | | 686 | |

(Continued)

Exhibit K-7

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

Ambulance Service Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

| | | | |
|--|----|--------|-----------|
| Social Security | \$ | 2,571 | |
| State Retirement | | 3,231 | |
| Life Insurance | | 26 | |
| Unemployment Compensation | | 101 | |
| Communication | | 2,086 | |
| Maintenance and Repair Services - Vehicles | | 866 | |
| Gasoline | | 1,018 | |
| Office Supplies | | 630 | |
| Other Supplies and Materials | | 874 | |
| Other Equipment | | 18,608 | |
| Total Civil Defense | | | \$ 64,306 |

Rescue Squad

| | | | |
|--------------------|----|--------|--------|
| Contributions | \$ | 25,910 | |
| Total Rescue Squad | | | 25,910 |

Public Health and Welfare

Ambulance/Emergency Medical Services

| | | | |
|---|----|-----------|--|
| Supervisor/Director | \$ | 48,219 | |
| Accountants/Bookkeepers | | 53,790 | |
| Medical Personnel | | 1,370,188 | |
| In-Service Training | | 10,410 | |
| Social Security | | 109,233 | |
| State Retirement | | 140,338 | |
| Life Insurance | | 1,237 | |
| Medical Insurance | | 41,872 | |
| Unemployment Compensation | | 2,443 | |
| Communication | | 14,924 | |
| Data Processing Services | | 5,100 | |
| Laundry Service | | 15 | |
| Licenses | | 3,010 | |
| Maintenance and Repair Services - Buildings | | 26,231 | |
| Maintenance and Repair Services - Equipment | | 4,071 | |
| Maintenance and Repair Services - Vehicles | | 46,270 | |
| Postal Charges | | 3,910 | |
| Printing, Stationery, and Forms | | 3,824 | |
| Travel | | 780 | |
| Other Contracted Services | | 14,830 | |
| Custodial Supplies | | 6,078 | |
| Diesel Fuel | | 62,820 | |

(Continued)

Exhibit K-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

| | | | |
|--|----|--------|--------------|
| Drugs and Medical Supplies | \$ | 76,802 | |
| Gasoline | | 1,580 | |
| Lubricants | | 5,851 | |
| Office Supplies | | 3,309 | |
| Tires and Tubes | | 5,073 | |
| Uniforms | | 12,881 | |
| Utilities | | 16,807 | |
| Other Supplies and Materials | | 2,199 | |
| Building and Contents Insurance | | 347 | |
| Liability Insurance | | 58,922 | |
| Refunds | | 11,335 | |
| Trustee's Commission | | 32,768 | |
| Workers' Compensation Insurance | | 85,116 | |
| Other Charges | | 2,098 | |
| Data Processing Equipment | | 1,316 | |
| Furniture and Fixtures | | 4,573 | |
| Office Equipment | | 1,960 | |
| Health Equipment | | 51,628 | |
| Total Ambulance/Emergency Medical Services | | | \$ 2,344,158 |

Other Operations

Miscellaneous

| | | | |
|-----------------------|----|---------|----------------|
| Engineering Services | \$ | 18,720 | |
| Building Construction | | 132,799 | |
| Total Miscellaneous | | | <u>151,519</u> |

Total Ambulance Service Fund \$ 2,585,893

Drug Control Fund

Public Safety

Drug Enforcement

| | | | |
|--|----|--------|--|
| Investigator(s) | \$ | 7,100 | |
| Social Security | | 543 | |
| Confidential Drug Enforcement Payments | | 15,000 | |
| Dues and Memberships | | 600 | |
| Maintenance and Repair Services - Vehicles | | 2,040 | |
| Fuel Oil | | 6,110 | |
| Other Supplies and Materials | | 11,456 | |
| Liability Insurance | | 3,500 | |
| Trustee's Commission | | 305 | |

(Continued)

Exhibit K-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

| | | |
|---------------------------|-----------|------------|
| Other Charges | \$ 51,762 | |
| Law Enforcement Equipment | 1,144 | |
| Motor Vehicles | 26,599 | |
| Total Drug Enforcement | | \$ 126,159 |

Public Health and Welfare

Alcohol and Drug Programs

| | | |
|---------------------------------|--------|--------|
| Travel | \$ 234 | |
| Other Supplies and Materials | 12,883 | |
| Total Alcohol and Drug Programs | | 13,117 |

Total Drug Control Fund \$ 139,276

District Attorney General Fund

Administration of Justice

District Attorney General

| | | |
|---------------------------------|-------|----------|
| Postal Charges | \$ 31 | |
| Printing, Stationery, and Forms | 57 | |
| Rentals | 659 | |
| Travel | 293 | |
| Other Contracted Services | 597 | |
| Custodial Supplies | 188 | |
| Office Supplies | 2,875 | |
| Trustee's Commission | 151 | |
| In Service/Staff Development | 1,749 | |
| Other Charges | 87 | |
| Office Equipment | 1,755 | |
| Total District Attorney General | | \$ 8,442 |

Total District Attorney General Fund 8,442

Constitutional Officers - Fees Fund

General Government

Register of Deeds

| | | |
|---|------------|------------|
| Constitutional Officers' Operating Expenses | \$ 131,183 | |
| Total Register of Deeds | | \$ 131,183 |

Finance

County Trustee's Office

| | | |
|---|------------|---------|
| Constitutional Officers' Operating Expenses | \$ 200,167 | |
| Total County Trustee's Office | | 200,167 |

(Continued)

Exhibit K-7

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

Constitutional Officers - Fees Fund (Cont.)

Finance (Cont.)

County Clerk's Office

| | | |
|---|------------|------------|
| Constitutional Officers' Operating Expenses | \$ 258,658 | |
| Total County Clerk's Office | | \$ 258,658 |

Administration of Justice

Circuit Court

| | | |
|---|------------|---------|
| Constitutional Officers' Operating Expenses | \$ 133,894 | |
| Total Circuit Court | | 133,894 |

General Sessions Court

| | | |
|---|------------|---------|
| Constitutional Officers' Operating Expenses | \$ 217,808 | |
| Total General Sessions Court | | 217,808 |

Juvenile Court

| | | |
|---|-----------|---------------|
| Constitutional Officers' Operating Expenses | \$ 34,000 | |
| Total Juvenile Court | | <u>34,000</u> |

| | | |
|---|--|------------|
| Total Constitutional Officers - Fees Fund | | \$ 975,710 |
|---|--|------------|

Highway/Public Works Fund

Highways

Administration

| | | |
|--|-----------|------------|
| County Official/Administrative Officer | \$ 70,350 | |
| Assistant(s) | 45,810 | |
| Accountants/Bookkeepers | 66,857 | |
| Data Processing Services | 6,360 | |
| Dues and Memberships | 3,133 | |
| Postal Charges | 361 | |
| Travel | 1,556 | |
| Office Supplies | 891 | |
| Other Charges | 419 | |
| Office Equipment | 5,000 | |
| Total Administration | | \$ 200,737 |

Highway and Bridge Maintenance

| | | |
|---------------------------|------------|--|
| Equipment Operators | \$ 199,511 | |
| Truck Drivers | 79,777 | |
| Laborers | 99,757 | |
| Rentals | 1,070 | |
| Other Contracted Services | 1,019,036 | |
| Asphalt - Liquid | 45,489 | |

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

| | | | |
|--------------------------------------|----|---------|--------------|
| Concrete | \$ | 579 | |
| Crushed Stone | | 110,181 | |
| Other Road Supplies | | 2,977 | |
| Pipe | | 1,458 | |
| Pipe - Metal | | 7,353 | |
| Road Signs | | 12,281 | |
| Salt | | 8,952 | |
| Total Highway and Bridge Maintenance | | | \$ 1,588,421 |

Operation and Maintenance of Equipment

| | | | |
|--|----|--------|---------|
| Maintenance and Repair Services - Equipment | \$ | 19,490 | |
| Tow-in Services | | 1,400 | |
| Diesel Fuel | | 51,930 | |
| Equipment and Machinery Parts | | 43,410 | |
| Garage Supplies | | 4,762 | |
| Gasoline | | 19,671 | |
| Lubricants | | 4,831 | |
| Tires and Tubes | | 10,363 | |
| Total Operation and Maintenance of Equipment | | | 155,857 |

Other Charges

| | | | |
|---|----|--------|---------|
| Communication | \$ | 5,191 | |
| Contributions | | 4,000 | |
| Janitorial Services | | 2,500 | |
| Maintenance and Repair Services - Buildings | | 479 | |
| Custodial Supplies | | 155 | |
| Drugs and Medical Supplies | | 97 | |
| Electricity | | 4,399 | |
| Food Supplies | | 170 | |
| Natural Gas | | 1,462 | |
| Water and Sewer | | 1,145 | |
| Building and Contents Insurance | | 1,450 | |
| Liability Insurance | | 30,868 | |
| Trustee's Commission | | 30,044 | |
| Vehicle and Equipment Insurance | | 4,778 | |
| Workers' Compensation Insurance | | 37,365 | |
| Other Charges | | 3,288 | |
| Total Other Charges | | | 127,391 |

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

| | | |
|----------------------------------|-----------|------------|
| Social Security | \$ 40,970 | |
| State Retirement | 65,402 | |
| Employee and Dependent Insurance | 25,712 | |
| Life Insurance | 649 | |
| Unemployment Compensation | 4,946 | |
| Total Employee Benefits | | \$ 137,679 |

Capital Outlay

| | | |
|-------------------------|-----------|---------|
| Engineering Services | \$ 62,237 | |
| Communication Equipment | 449 | |
| Highway Equipment | 116,200 | |
| Total Capital Outlay | | 178,886 |

Total Highway/Public Works Fund \$ 2,388,971

General Debt Service Fund

Principal on Debt

General Government

| | | |
|--------------------------|------------|------------|
| Principal on Bonds | \$ 175,876 | |
| Principal on Notes | 244,999 | |
| Total General Government | | \$ 420,875 |

Highways and Streets

| | | |
|----------------------------|-----------|--------|
| Principal on Notes | \$ 12,578 | |
| Total Highways and Streets | | 12,578 |

Education

| | | |
|--------------------|--------------|-----------|
| Principal on Bonds | \$ 2,240,000 | |
| Principal on Notes | 116,667 | |
| Total Education | | 2,356,667 |

Interest on Debt

General Government

| | | |
|--------------------------|------------|---------|
| Interest on Bonds | \$ 102,956 | |
| Interest on Notes | 6,630 | |
| Interest on Other Loans | 115,405 | |
| Total General Government | | 224,991 |

Highways and Streets

| | | |
|----------------------------|----------|-------|
| Interest on Notes | \$ 1,462 | |
| Total Highways and Streets | | 1,462 |

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

| | | |
|-------------------|-----------------------------|------------|
| Interest on Bonds | \$ 369,300 | |
| Interest on Notes | 3,228 | |
| Total Education | <u> </u> | \$ 372,528 |

Other Debt Service

General Government

| | | |
|-----------------------------|-----------------------------|----------------|
| Bank Charges | \$ 1,762 | |
| Trustee's Commission | 74,887 | |
| Underwriter's Discount | 64,750 | |
| Other Debt Issuance Charges | 84,912 | |
| Total General Government | <u> </u> | <u>226,311</u> |

Total General Debt Service Fund \$ 3,615,412

HUD Grant Projects Fund

Capital Projects

Public Health and Welfare Projects

| | | |
|--|-----------------------------|-------------------|
| Other Contracted Services | \$ 113,975 | |
| Total Public Health and Welfare Projects | <u> </u> | <u>\$ 113,975</u> |

Total HUD Grant Projects Fund 113,975

Education Capital Projects Fund

Other Debt Service

Education

| | | |
|-----------------------------|-----------------------------|-------------------|
| Underwriter's Discount | \$ 56,078 | |
| Other Debt Issuance Charges | 113,708 | |
| Total Education | <u> </u> | <u>\$ 169,786</u> |

Total Education Capital Projects Fund 169,786

Other Capital Projects Fund

Capital Projects

Public Safety Projects

| | | |
|------------------------------|-----------------------------|---------------|
| Building Construction | \$ 855 | |
| Total Public Safety Projects | <u> </u> | <u>\$ 855</u> |

Total Other Capital Projects Fund 855

Total Governmental Funds - Primary Government \$ 21,370,588

Exhibit K-8

Warren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Warren County School Department
For the Year Ended June 30, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

| | | |
|---|---------------|---------------|
| Teachers | \$ 14,048,931 | |
| Career Ladder Program | 201,190 | |
| Career Ladder Extended Contracts | 164,100 | |
| Homebound Teachers | 22,574 | |
| Educational Assistants | 753,287 | |
| Other Salaries and Wages | 241,767 | |
| Social Security | 886,907 | |
| State Retirement | 1,022,280 | |
| Medical Insurance | 945,335 | |
| Unemployment Compensation | 12,543 | |
| Employer Medicare | 209,845 | |
| Contracts for Substitute Teachers - Certified | 367,305 | |
| Contracts for Substitute Teachers - Non-certified | 18,425 | |
| Other Contracted Services | 86,594 | |
| Instructional Supplies and Materials | 101,400 | |
| Textbooks | 384,829 | |
| Other Supplies and Materials | 22,618 | |
| Other Charges | 70,407 | |
| Regular Instruction Equipment | 555,658 | |
| Total Regular Instruction Program | | \$ 20,115,995 |

Alternative Instruction Program

| | | |
|---------------------------------------|------------|---------|
| Teachers | \$ 160,479 | |
| Educational Assistants | 59,838 | |
| Other Salaries and Wages | 1,050 | |
| Social Security | 13,011 | |
| State Retirement | 17,956 | |
| Medical Insurance | 12,577 | |
| Unemployment Compensation | 239 | |
| Employer Medicare | 3,043 | |
| Total Alternative Instruction Program | | 268,193 |

Special Education Program

| | |
|--------------------------|--------------|
| Teachers | \$ 1,682,975 |
| Career Ladder Program | 9,665 |
| Homebound Teachers | 20,155 |
| Educational Assistants | 386,461 |
| Speech Pathologist | 141,037 |
| Other Salaries and Wages | 13,006 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|---|----|---------|--------------|
| Social Security | \$ | 127,389 | |
| State Retirement | | 164,577 | |
| Medical Insurance | | 164,757 | |
| Unemployment Compensation | | 1,974 | |
| Employer Medicare | | 30,276 | |
| Contracts for Substitute Teachers - Certified | | 19,893 | |
| Contracts for Substitute Teachers - Non-certified | | 42,161 | |
| Instructional Supplies and Materials | | 38,427 | |
| Special Education Equipment | | 18,113 | |
| Total Special Education Program | | | \$ 2,860,866 |

Vocational Education Program

| | | | |
|---|----|-----------|-----------|
| Teachers | \$ | 1,445,315 | |
| Career Ladder Program | | 14,500 | |
| Career Ladder Extended Contracts | | 2,600 | |
| Other Salaries and Wages | | 3,557 | |
| Social Security | | 83,516 | |
| State Retirement | | 91,696 | |
| Medical Insurance | | 85,601 | |
| Unemployment Compensation | | 1,099 | |
| Employer Medicare | | 19,970 | |
| Contracts for Substitute Teachers - Certified | | 22,190 | |
| Instructional Supplies and Materials | | 32,482 | |
| T&I Construction Materials | | 18,108 | |
| Vocational Instruction Equipment | | 14,121 | |
| Total Vocational Education Program | | | 1,834,755 |

Adult Education Program

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 123,459 | |
| Social Security | | 6,365 | |
| State Retirement | | 8,386 | |
| Medical Insurance | | 9,270 | |
| Unemployment Compensation | | 100 | |
| Employer Medicare | | 1,639 | |
| Other Contracted Services | | 12,775 | |
| Instructional Supplies and Materials | | 834 | |
| Other Equipment | | 1,894 | |
| Total Adult Education Program | | | 164,722 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services

Attendance

| | | | |
|------------------------------|----|---------|------------|
| Supervisor/Director | \$ | 74,096 | |
| Career Ladder Program | | 1,000 | |
| Clerical Personnel | | 29,078 | |
| Other Salaries and Wages | | 227,047 | |
| Social Security | | 20,053 | |
| State Retirement | | 36,426 | |
| Medical Insurance | | 3,855 | |
| Unemployment Compensation | | 474 | |
| Employer Medicare | | 4,690 | |
| Travel | | 2,394 | |
| Other Contracted Services | | 69,190 | |
| Other Supplies and Materials | | 9,952 | |
| Attendance Equipment | | 7,732 | |
| Total Attendance | | | \$ 485,987 |

Health Services

| | | | |
|---------------------------------|----|---------|---------|
| Medical Personnel | \$ | 359,602 | |
| Other Salaries and Wages | | 245,411 | |
| Social Security | | 37,511 | |
| State Retirement | | 58,298 | |
| Unemployment Compensation | | 641 | |
| Employer Medicare | | 8,773 | |
| Travel | | 6,104 | |
| Other Contracted Services | | 13,543 | |
| Drugs and Medical Supplies | | 10,054 | |
| Other Supplies and Materials | | 11,134 | |
| Workers' Compensation Insurance | | 554 | |
| Other Charges | | 11,211 | |
| Health Equipment | | 6,490 | |
| Total Health Services | | | 769,326 |

Other Student Support

| | | | |
|----------------------------------|----|---------|--|
| Career Ladder Program | \$ | 7,955 | |
| Guidance Personnel | | 662,933 | |
| Career Ladder Extended Contracts | | 400 | |
| Attendants | | 108,486 | |
| Other Salaries and Wages | | 260,027 | |
| Social Security | | 56,705 | |
| State Retirement | | 64,944 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

| | | |
|------------------------------------|--------------|--|
| Medical Insurance | \$ 37,787 | |
| Unemployment Compensation | 1,291 | |
| Employer Medicare | 14,328 | |
| Contracts with Government Agencies | 201,468 | |
| Evaluation and Testing | 44,216 | |
| Other Contracted Services | 95,998 | |
| Other Charges | 1,062 | |
| Other Equipment | 1,567 | |
| Total Other Student Support | \$ 1,559,167 | |

Regular Instruction Program

| | | |
|-----------------------------------|------------|--|
| Supervisor/Director | \$ 299,793 | |
| Career Ladder Program | 17,000 | |
| Career Ladder Extended Contracts | 20,300 | |
| Librarians | 428,363 | |
| Instructional Computer Personnel | 69,730 | |
| Other Salaries and Wages | 600 | |
| Social Security | 49,445 | |
| State Retirement | 55,668 | |
| Medical Insurance | 32,397 | |
| Unemployment Compensation | 483 | |
| Employer Medicare | 11,564 | |
| Travel | 19,818 | |
| Library Books/Media | 67,253 | |
| In Service/Staff Development | 9,398 | |
| Other Charges | 15,882 | |
| Total Regular Instruction Program | 1,097,694 | |

Alternative Instruction Program

| | | |
|---------------------------------------|-----------|--|
| Supervisor/Director | \$ 52,130 | |
| Secretary(ies) | 17,246 | |
| Other Salaries and Wages | 250 | |
| Social Security | 4,161 | |
| State Retirement | 5,546 | |
| Medical Insurance | 3,073 | |
| Unemployment Compensation | 62 | |
| Employer Medicare | 973 | |
| Total Alternative Instruction Program | 83,441 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

| | | | |
|----------------------------------|----|---------|------------|
| Supervisor/Director | \$ | 71,684 | |
| Career Ladder Program | | 4,000 | |
| Psychological Personnel | | 190,164 | |
| Career Ladder Extended Contracts | | 7,700 | |
| Clerical Personnel | | 30,968 | |
| Other Salaries and Wages | | 29,339 | |
| Social Security | | 19,118 | |
| State Retirement | | 25,142 | |
| Medical Insurance | | 25,532 | |
| Unemployment Compensation | | 188 | |
| Employer Medicare | | 4,471 | |
| Travel | | 13,141 | |
| Other Contracted Services | | 18,131 | |
| In Service/Staff Development | | 3,400 | |
| Other Equipment | | 2,982 | |
| Total Special Education Program | | | \$ 445,960 |

Vocational Education Program

| | | | |
|------------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 67,518 | |
| Career Ladder Program | | 1,000 | |
| Social Security | | 4,059 | |
| State Retirement | | 4,399 | |
| Medical Insurance | | 3,103 | |
| Unemployment Compensation | | 31 | |
| Employer Medicare | | 949 | |
| Travel | | 1,269 | |
| Other Equipment | | 9,630 | |
| Total Vocational Education Program | | | 91,958 |

Other Programs

| | | | |
|----------------------------|----|---------|---------|
| On-Behalf Payments to OPEB | \$ | 264,063 | |
| Total Other Programs | | | 264,063 |

Board of Education

| | | | |
|----------------------------------|----|--------|--|
| Board and Committee Members Fees | \$ | 22,800 | |
| Social Security | | 1,414 | |
| State Retirement | | 1,918 | |
| Employer Medicare | | 331 | |
| Audit Services | | 5,797 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

| | | | |
|------------------------------------|----|---------|------------|
| Dues and Memberships | \$ | 6,725 | |
| Legal Services | | 11,588 | |
| Travel | | 14,491 | |
| Liability Insurance | | 90,843 | |
| Premiums on Corporate Surety Bonds | | 1,357 | |
| Trustee's Commission | | 290,282 | |
| Workers' Compensation Insurance | | 252,255 | |
| Other Charges | | 11,084 | |
| Total Board of Education | | | \$ 710,885 |

Director of Schools

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 99,241 | |
| Career Ladder Program | | 1,000 | |
| Social Security | | 6,057 | |
| State Retirement | | 6,435 | |
| Medical Insurance | | 3,103 | |
| Unemployment Compensation | | 31 | |
| Employer Medicare | | 1,416 | |
| Communication | | 36,576 | |
| Postal Charges | | 7,818 | |
| Travel | | 4,611 | |
| Other Charges | | 60 | |
| Total Director of Schools | | | 166,348 |

Office of the Principal

| | | | |
|----------------------------------|----|---------|-----------|
| Principals | \$ | 669,544 | |
| Career Ladder Program | | 19,740 | |
| Career Ladder Extended Contracts | | 11,200 | |
| Assistant Principals | | 364,974 | |
| Secretary(ies) | | 313,864 | |
| Other Salaries and Wages | | 13,888 | |
| Social Security | | 82,282 | |
| State Retirement | | 108,175 | |
| Medical Insurance | | 57,583 | |
| Unemployment Compensation | | 965 | |
| Employer Medicare | | 19,243 | |
| Communication | | 213,466 | |
| Dues and Memberships | | 5,500 | |
| Administration Equipment | | 17,183 | |
| Total Office of the Principal | | | 1,897,607 |

(Continued)

Exhibit K-8

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

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

Fiscal Services

| | | | |
|---------------------------|----|---------|------------|
| Accountants/Bookkeepers | \$ | 291,453 | |
| Secretary(ies) | | 49,641 | |
| Other Salaries and Wages | | 4,577 | |
| Social Security | | 20,964 | |
| State Retirement | | 42,471 | |
| Medical Insurance | | 1,187 | |
| Unemployment Compensation | | 277 | |
| Employer Medicare | | 4,903 | |
| Travel | | 731 | |
| Other Contracted Services | | 14,499 | |
| Office Supplies | | 20,252 | |
| Other Charges | | 200 | |
| Administration Equipment | | 7,249 | |
| Total Fiscal Services | | | \$ 458,404 |

Operation of Plant

| | | | |
|---------------------------------|----|-----------|-----------|
| Supervisor/Director | \$ | 34,766 | |
| Secretary(ies) | | 28,698 | |
| Custodial Personnel | | 814,980 | |
| Other Salaries and Wages | | 21,721 | |
| Social Security | | 55,457 | |
| State Retirement | | 101,685 | |
| Medical Insurance | | 2,670 | |
| Unemployment Compensation | | 1,659 | |
| Employer Medicare | | 12,991 | |
| Janitorial Services | | 8,835 | |
| Rentals | | 1,290 | |
| Other Contracted Services | | 39,712 | |
| Custodial Supplies | | 193,448 | |
| Electricity | | 1,234,865 | |
| Natural Gas | | 256,726 | |
| Water and Sewer | | 139,704 | |
| Other Supplies and Materials | | 23,252 | |
| Building and Contents Insurance | | 131,874 | |
| Other Charges | | 740 | |
| Plant Operation Equipment | | 10,214 | |
| Total Operation of Plant | | | 3,115,287 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

| | | | |
|------------------------------|----|---------|--------------|
| Supervisor/Director | \$ | 116,798 | |
| Secretary(ies) | | 28,980 | |
| Other Salaries and Wages | | 576,950 | |
| Social Security | | 44,330 | |
| State Retirement | | 89,550 | |
| Medical Insurance | | 1,780 | |
| Unemployment Compensation | | 793 | |
| Employer Medicare | | 10,367 | |
| Other Contracted Services | | 129,202 | |
| Gasoline | | 21,812 | |
| Other Supplies and Materials | | 326,556 | |
| Other Charges | | 2,180 | |
| Maintenance Equipment | | 34,879 | |
| Total Maintenance of Plant | | | \$ 1,384,177 |

Transportation

| | | | |
|------------------------------|----|---------|-----------|
| Supervisor/Director | \$ | 36,856 | |
| Mechanic(s) | | 133,199 | |
| Bus Drivers | | 624,010 | |
| Clerical Personnel | | 47,993 | |
| Other Salaries and Wages | | 80,846 | |
| Social Security | | 56,170 | |
| State Retirement | | 108,362 | |
| Medical Insurance | | 2,670 | |
| Unemployment Compensation | | 2,157 | |
| Employer Medicare | | 13,158 | |
| Laundry Service | | 4,557 | |
| Medical and Dental Services | | 12,755 | |
| Travel | | 2,152 | |
| Diesel Fuel | | 215,308 | |
| Gasoline | | 12,597 | |
| Lubricants | | 5,695 | |
| Tires and Tubes | | 27,888 | |
| Vehicle Parts | | 132,501 | |
| Other Supplies and Materials | | 937 | |
| Other Charges | | 13,407 | |
| Transportation Equipment | | 429,846 | |
| Total Transportation | | | 1,963,064 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

| | | | |
|---------------------------|----|-------|----------|
| Career Ladder Program | \$ | 1,000 | |
| Social Security | | 62 | |
| State Retirement | | 64 | |
| Unemployment Compensation | | 4 | |
| Employer Medicare | | 14 | |
| Total Food Service | | | \$ 1,144 |

Community Services

| | | | |
|------------------------------|----|---------|---------|
| Other Salaries and Wages | \$ | 103,665 | |
| Social Security | | 6,415 | |
| Unemployment Compensation | | 426 | |
| Employer Medicare | | 1,500 | |
| Travel | | 937 | |
| Other Supplies and Materials | | 9,149 | |
| Total Community Services | | | 122,092 |

Early Childhood Education

| | | | |
|---------------------------------|----|---------|---------|
| Teachers | \$ | 301,390 | |
| Educational Assistants | | 111,568 | |
| Other Salaries and Wages | | 1,910 | |
| Social Security | | 23,402 | |
| State Retirement | | 33,023 | |
| Medical Insurance | | 30,653 | |
| Unemployment Compensation | | 470 | |
| Employer Medicare | | 5,473 | |
| Travel | | 8,537 | |
| Other Supplies and Materials | | 59,943 | |
| Other Charges | | 7,878 | |
| Other Equipment | | 23,867 | |
| Total Early Childhood Education | | | 608,114 |

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|-----------|-----------|
| Building Improvements | \$ | 1,995,413 | |
| Total Regular Capital Outlay | | | 1,995,413 |

Total General Purpose School Fund \$ 42,464,662

(Continued)

Exhibit K-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | |
|---|--------------|--------------|
| Teachers | \$ 1,274,495 | |
| Educational Assistants | 86,089 | |
| Other Salaries and Wages | 62,734 | |
| Social Security | 72,217 | |
| State Retirement | 84,290 | |
| Medical Insurance | 69,829 | |
| Unemployment Compensation | 1,368 | |
| Employer Medicare | 19,609 | |
| Contracts for Substitute Teachers - Certified | 46,093 | |
| Contracts for Substitute Teachers - Non-certified | 1,090 | |
| Instructional Supplies and Materials | 125,546 | |
| Other Charges | 644 | |
| Regular Instruction Equipment | 460,506 | |
| Total Regular Instruction Program | | \$ 2,304,510 |

Special Education Program

| | | |
|---|------------|-----------|
| Teachers | \$ 315,324 | |
| Clerical Personnel | 24,346 | |
| Educational Assistants | 386,218 | |
| Speech Pathologist | 20,556 | |
| Social Security | 43,077 | |
| State Retirement | 65,645 | |
| Medical Insurance | 15,616 | |
| Unemployment Compensation | 1,305 | |
| Employer Medicare | 10,695 | |
| Contracts for Substitute Teachers - Certified | 33,370 | |
| Contracts for Substitute Teachers - Non-certified | 34,881 | |
| Instructional Supplies and Materials | 256,882 | |
| Other Charges | 314 | |
| Special Education Equipment | 148,904 | |
| Total Special Education Program | | 1,357,133 |

Vocational Education Program

| | | |
|--------------------------------------|-----------|--|
| Educational Assistants | \$ 17,050 | |
| Social Security | 1,057 | |
| State Retirement | 2,143 | |
| Unemployment Compensation | 31 | |
| Employer Medicare | 247 | |
| Instructional Supplies and Materials | 12,835 | |

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

| | | | |
|------------------------------------|----|---------|------------|
| Other Supplies and Materials | \$ | 1,974 | |
| Other Charges | | 6,712 | |
| Vocational Instruction Equipment | | 142,851 | |
| Total Vocational Education Program | | | \$ 184,900 |

Support Services

Other Student Support

| | | | |
|------------------------------|----|--------|---------|
| Psychological Personnel | \$ | 39,878 | |
| Bus Drivers | | 454 | |
| Social Security | | 2,484 | |
| State Retirement | | 2,583 | |
| Medical Insurance | | 2,659 | |
| Unemployment Compensation | | 24 | |
| Employer Medicare | | 581 | |
| Other Fringe Benefits | | 1 | |
| Travel | | 5,000 | |
| Other Contracted Services | | 2,764 | |
| In Service/Staff Development | | 17,003 | |
| Other Charges | | 32,191 | |
| Total Other Student Support | | | 105,622 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 72,245 | |
| Other Salaries and Wages | | 53,420 | |
| Social Security | | 7,011 | |
| State Retirement | | 10,719 | |
| Medical Insurance | | 7,483 | |
| Unemployment Compensation | | 103 | |
| Employer Medicare | | 1,640 | |
| Communication | | 853 | |
| Travel | | 45,744 | |
| Other Supplies and Materials | | 3,046 | |
| In Service/Staff Development | | 125,682 | |
| Other Charges | | 20,024 | |
| Other Equipment | | 2,407 | |
| Total Regular Instruction Program | | | 350,377 |

Special Education Program

| | | | |
|---------------------|----|-------|--|
| Supervisor/Director | \$ | 2,660 | |
|---------------------|----|-------|--|

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

| | | | |
|---------------------------------|----|---------|------------|
| Psychological Personnel | \$ | 49,088 | |
| Other Salaries and Wages | | 78,538 | |
| Social Security | | 7,892 | |
| State Retirement | | 13,003 | |
| Medical Insurance | | 3,138 | |
| Unemployment Compensation | | 177 | |
| Employer Medicare | | 1,846 | |
| Communication | | 165 | |
| Travel | | 10,505 | |
| Other Contracted Services | | 700,687 | |
| Other Supplies and Materials | | 20,195 | |
| In Service/Staff Development | | 46,925 | |
| Total Special Education Program | | | \$ 934,819 |

Vocational Education Program

| | | | |
|------------------------------------|----|-------|-------|
| Travel | \$ | 610 | |
| In Service/Staff Development | | 3,680 | |
| Total Vocational Education Program | | | 4,290 |

Transportation

| | | | |
|---------------------------|----|-------|--------|
| Bus Drivers | \$ | 7,998 | |
| Social Security | | 496 | |
| State Retirement | | 727 | |
| Unemployment Compensation | | 35 | |
| Employer Medicare | | 116 | |
| Other Fringe Benefits | | 27 | |
| Gasoline | | 5,010 | |
| Total Transportation | | | 14,409 |

Total School Federal Projects Fund \$ 5,256,060

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | | | |
|--------------------------|----|---------|--|
| Supervisor/Director | \$ | 61,237 | |
| Accountants/Bookkeepers | | 89,837 | |
| Cafeteria Personnel | | 933,487 | |
| Other Salaries and Wages | | 31,784 | |
| In-Service Training | | 2,909 | |

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

| | | | |
|---|----|-----------|---------------------|
| Social Security | \$ | 67,587 | |
| State Retirement | | 102,257 | |
| Medical Insurance | | 4,122 | |
| Unemployment Compensation | | 2,236 | |
| Employer Medicare | | 15,875 | |
| Communication | | 6,716 | |
| Maintenance and Repair Services - Equipment | | 33,635 | |
| Travel | | 8,840 | |
| Other Contracted Services | | 29,459 | |
| Food Preparation Supplies | | 122,239 | |
| Food Supplies | | 1,177,511 | |
| Office Supplies | | 4,638 | |
| Other Supplies and Materials | | 1,192 | |
| In Service/Staff Development | | 3,943 | |
| Other Charges | | 4,505 | |
| Food Service Equipment | | 96,774 | |
| Total Food Service | | | <u>\$ 2,800,783</u> |

Total Central Cafeteria Fund \$ 2,800,783

Total Governmental Funds - Warren County School Department \$ 50,521,505

Exhibit K-9

Warren County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2010

| | Cities - Sales Tax Fund |
|--|-------------------------------|
| <hr/> | |
| <u>Cash Receipts</u> | |
| Local Option Sales Tax | \$ 1,769,400 |
| Total Cash Receipts | <u>\$ 1,769,400</u> |
| <u>Cash Disbursements</u> | |
| Remittance of Revenues Collected | \$ 1,734,012 |
| Trustee's Commission | 35,388 |
| Total Cash Disbursements | <u>\$ 1,769,400</u> |
| Excess of Cash Receipts Over (Under) Cash Disbursements | \$ 0 |
| Cash Balance, July 1, 2009 | <u>0</u> |
| Cash Balance, June 30, 2010 | <u><u>\$ 0</u></u> |

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

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

October 20, 2010

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

To the County Executive and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Warren County's basic financial statements and have issued our report thereon dated October 20, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Warren County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Warren County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Warren County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Warren County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 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. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 10.01.

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. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency: 10.06.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Warren County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.02, 10.03, 10.04, and 10.05.

We also noted certain matters that we reported to management of Warren County in separate communications.

Warren County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Warren County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the county executive, superintendent of roads, director of schools, director of accounts, Board of County Commissioners, Board of Education, others within Warren County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

October 20, 2010

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

To the County Executive and Board of County Commissioners:

Compliance

We have audited the compliance of Warren County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Warren County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Warren County's management. Our responsibility is to express an opinion on Warren County's compliance based on our audit.

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, Local Governments, 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 Warren County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our

audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Warren County's compliance with those requirements.

In our opinion, Warren County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with the Recovery Act - Edward Byrne Memorial Justice Assistance Grants Program/Grants to States and Territories (CFDA No. 16.803), a nonmajor federal program, and is described in the accompanying Schedule of Findings and Questioned Costs as items 10.03 and 10.07.

Internal Control Over Compliance

The management of Warren County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Warren County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Warren County's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

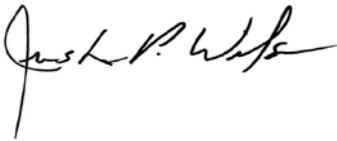
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County as of and for the year ended June 30, 2010, and have issued our report thereon dated October 20, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Warren County Emergency Communications District, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Warren

County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Warren County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Warren County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the county executive, superintendent of roads, director of schools, director of accounts, Board of County Commissioners, Board of Education, others within the entity, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Warren County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2010

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|---|---------------------------|--|---------------------|
| U.S. Department of Agriculture: | | | |
| Passed-through State Department of Agriculture: | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A | \$ 213,707 (3) |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | \$ 511,336 |
| National School Lunch Program | 10.555 | N/A | 1,500,809 (3) |
| Child Nutrition Discretionary Grants Limited Availability (ARRA) | 10.579 | N/A | 6,200 |
| Fresh Fruits and Vegetables Program | 10.582 | N/A | 28,255 |
| Total Passed-through State Department of Education | | | <u>\$ 2,046,600</u> |
| Total U.S. Department of Agriculture | | | <u>\$ 2,260,307</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Passed-through State Department of Economic and Community Development: | | | |
| Community Development Block Grant/State's Program | 14.228 | GG-08-24590-00 | \$ 316,912 |
| Passed-through State Housing Development Agency: | | | |
| Home Investment Partnership Programs | 14.239 | DG-09-24198-00 | 119,498 |
| Total U.S. Department of Housing and Urban Development | | | <u>\$ 436,410</u> |
| U.S. Department of Justice: | | | |
| Direct Program: | | | |
| Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program | | | |
| | 16.810 | N/A | \$ 127,147 |
| Passed-through State Commission on Children and Youth: | | | |
| Juvenile Justice and Delinquency Prevention - Allocation to States | 16.540 | (2) | 2,970 |
| Passed-through State Office of Criminal Justice Programs: | | | |
| Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories | | | |
| | 16.803 | (2) | 59,873 |
| Total U.S. Department of Justice | | | <u>\$ 189,990</u> |
| U.S. Department of Labor: | | | |
| Passed-through Workforce Solutions: | | | |
| WIA Youth Activities | 17.259 | (2) | \$ 164,427 |
| U.S. Department of Transportation: | | | |
| Passed-through State Department of Transportation: | | | |
| Airport Improvement Program | 20.106 | Z-07-037683-00 | \$ 3,206 |
| Alcohol Impaired Driving Countermeasures Incentive Grants | 20.601 | (4) | 33,406 |
| Total U.S. Department of Transportation | | | <u>\$ 36,612</u> |
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Title I Cluster: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | \$ 1,629,770 |
| Title I Grants to Local Educational Agencies, Recovery Act | 84.389 | N/A | 443,452 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 1,823,320 |
| Special Education - Preschool Grants | 84.173 | N/A | 60,830 |
| Special Education - Grants to States, Recovery Act | 84.391 | N/A | 500,954 |
| Special Education - Preschool Grants, Recovery Act | 84.392 | N/A | 26,365 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 214,717 |
| Safe and Drug-free Schools and Communities - State Grants | 84.186 | (2) | 26,709 |
| Education for Homeless Children and Youth | 84.196 | (2) | 29,620 |

(Continued)

Warren County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|--|---------------------------|--|----------------------|
| U.S. Department of Education (Cont.): | | | |
| Passed-through State Department of Education (Cont.): | | | |
| Education Technology State Grants | 84.318 | (2) | \$ 8,930 |
| Rural Education | 84.358 | (2) | 149,397 |
| English Language Acquisition Grants | 84.365 | N/A | 78,777 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 311,905 |
| Education Technology State Grants, Recovery Act | 84.386 | N/A | 10,268 |
| Education for Homeless Children and Youth, Recovery Act | 84.387 | N/A | 3,543 |
| State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act | 84.394 | N/A | 1,154,000 |
| State Fiscal Stabilization Fund (SFSF) - Governmental Services, Recovery Act | 84.397 | N/A | 365,142 |
| Total U.S. Department of Education | | | <u>\$ 6,837,699</u> |
| U.S. Department of Health and Human Services: | | | |
| Passed-through State Department of Health: | | | |
| Public Health Emergency Preparedness | 93.069 | Z-10-219832-00 | \$ 21,037 |
| ARRA - Grants to Health Center Programs | 93.703 | Z-10-219832-00 | 79,451 |
| Total U.S. Department of Health and Human Services | | | <u>\$ 100,488</u> |
| U.S. Department of Homeland Security: | | | |
| Passed-through State Department of Military: | | | |
| Emergency Management Performance Grants | 97.042 | (2) | \$ 20,211 |
| Homeland Security Grant Program | 97.067 | GG-08-25752-00 | 15,061 |
| Total U.S. Department of Homeland Security | | | <u>\$ 35,272</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 10,061,205</u> |
| <u>State Grants</u> | | | |
| Drug Court - State Department of Justice | N/A | <u>(2)</u> | \$ 47,363 |
| Juvenile Services Program - State Department of Children's Services | N/A | (2) | 9,000 |
| State Reappraisal Program - Comptroller of the Treasury | N/A | (2) | 10,904 |
| Litter Program - State Department of Transportation | N/A | (2) | 24,971 |
| Waste Tire Grant - State Department of Environment and Conservation | N/A | (2) | 30,100 |
| Rural Local Health Services - State Department of Health | N/A | Z-10-219832-00 | 431,087 |
| Airport Maintenance Program - State Department of Transportation | N/A | (2) | 4,794 |
| Airport Maintenance Program - State Department of Transportation | N/A | Z-07-037664-00 | 26,650 |
| Airport RSA Improvements - State Department of Transportation | N/A | AERO-10-106-00 | 35,850 |
| Airport Layout Plan - State Department of Transportation | N/A | AERO-10-174-00 | 19,890 |
| Voluntary Pre-K for Tennessee - State Department of Education | N/A | (2) | 623,127 |
| Total State Grants | | | <u>\$ 1,263,736</u> |

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$1,714,516.

(4) Z-10-220116-00: \$4,380; DG-10-2873-00: \$29,026.

Warren County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2010

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Warren County, Tennessee, for the year ended June 30, 2009, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|--|
| 09.01 | 188 | Airport collections were not deposited within three days |

OTHER FINDING

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|-----------------------|--------------------|--|
| 09.05 | 190 | Duties were not segregated adequately in the Offices of Superintendent of Roads; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff |

WARREN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Warren County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Warren County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); Community Development Block Grant (CFDA No. 14.228); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Education Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education - Grants to States, Special Education – Preschool Grants, Special Education - Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act, (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); Improving Teacher Quality State Grants (CFDA No. 84.367); State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act (CFDA No. 84.394); and State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act (CFDA No. 84.397) were determined to be major programs.
8. A \$301,836 threshold was used to distinguish between Type A and Type B federal programs.
9. Warren County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the county executive and trustee are paraphrased in this report.

OFFICES OF COUNTY EXECUTIVE AND TRUSTEE

FINDING 10.01 **THE EDUCATION CAPITAL PROJECTS FUND AND THE TRUSTEE'S CASH JOURNAL REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2010, various general ledger account balances of the Education Capital Projects Fund and the trustee's cash journal were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. During the year, Warren County received \$5,875,331 in Build America Bonds that the finance director and county mayor invested directly with Morgan Keegan Company without the knowledge of the trustee; therefore, neither the county trustee nor the county's Education Capital Projects Fund reflected the receipt and investment of these bonds. Generally accepted accounting principles require Warren County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Warren County should have appropriate processes in place to ensure that its general ledgers are materially correct. The investment of idle county funds should be channeled through the county trustee.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

We have corrected the account balances of the Education Capital Projects Fund to reflect the receipt and investment of Build America Bond proceeds by posting the appropriate adjustments to the general ledger for the Dibrell Elementary School project. These proceeds are held in a segregated account and are invested in compliance with Tennessee code. The funds can only be requested for school construction/renovation costs at Dibrell Elementary School as authorized by the Warren County Commission. All interest earnings are to remain in the account and be used for capital projects according to Internal Revenue Service codes and regulations. Warren County has been receiving monthly statements on the account showing the value of the funds left to spend on the authorized construction

projects, and the statements are reviewed and will be retained until at least 2023 as required by Internal Revenue Service code.

MANAGEMENT’S RESPONSE – TRUSTEE

It is my understanding that the director of accounts and the county executive received \$5,875,331 on behalf of the county, and they made the decision to invest said funds directly with Morgan Keegan. These funds should have been placed in the county’s bank account with the Trustee’s Office so that the trustee could invest said funds. Now that my office has been made aware of the existence of these funds, I will account for them, as well as any loss or gains these funds may yield, in the same manner as all other county investments, which have been placed with my office.

OFFICE OF COUNTY EXECUTIVE

FINDING 10.02 **SOME AIRPORT FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION
(Noncompliance Under Government Auditing Standards)**

In some instances, airport funds were not deposited with the county trustee within three days of collection. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit public funds within three days of receiving the funds. This deficiency is the result of a lack of management oversight and management’s failure to correct the deficiency noted in the prior-year audit report. This deficiency in internal controls increases the risk of fraud and abuse.

RECOMMENDATION

Airport funds should be deposited with the county trustee within three days of collection as required by state statute.

MANAGEMENT’S RESPONSE – COUNTY EXECUTIVE

To comply with Section 5-8-207, Tennessee Code Annotated, the director of the Warren County Memorial Airport has been instructed to deposit funds collected at the airport with the Warren County Trustee’s Office within three days of receiving the funds as required.

FINDING 10.03

**A STATE MONITORING REPORT NOTED DEFICIENCIES
IN THE ADMINISTRATION OF THE EDWARD BYRNE
MEMORIAL JUSTICE ASSISTANCE GRANT**

(Noncompliance Under Office of Management and Budget (OMB)
Circular A-133)

A monitoring report prepared by the state Office of Criminal Justice Programs disclosed the following deficiencies in the administration of the Edward Byrne Memorial Justice Assistance Grant funded by the American Recovery and Reinvestment Act:

- A. The county requested reimbursement for personnel expenditures of \$1,025 in excess of actual expenditures. In December 2009, the county reported grant expenditures of \$2,753 for personnel costs; however, the actual personnel costs were \$1,728.
- B. Reimbursements for telephone expenditures of \$40 for March 2010, and \$38 for May 2010, were invoiced to the grant under both communications and personnel costs resulting in reimbursements of \$78 in excess of actual expenditures.
- C. The county requested grant reimbursements of \$880 for employee benefits and taxes; however, benefits were not approved in the grant budget.

According to Section C.3. of the grant contract, the county can only receive compensation for actual, reasonable, and necessary costs based upon the grant budget. These deficiencies resulted in questioned costs of \$1,983 and resulted from a lack of management oversight.

RECOMMENDATION

Invoices for grant reimbursements should be for actual, reasonable, and necessary costs of the grant programs as approved by the grant budget.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

We have implemented a corrective action plan in reference to deficiencies disclosed in the monitoring report prepared by the state Office of Criminal Justice Programs for the Edward Byrne Memorial Justice Assistance Grant administered by the Warren County Drug Court. The corrective action plan included reimbursements by Warren County to the State of Tennessee for the above-noted questioned costs. We received correspondence dated September 7, 2010, from the State of Tennessee, Department of Finance and Administration that they reviewed the corrective action plan and determined that the plan adequately addresses the monitoring findings.

OFFICE OF SHERIFF

FINDING 10.04 THE SHERIFF ENTERED INTO CONTRACTS WITHOUT THE COUNTY COMMISSION'S APPROVAL (Noncompliance Under Government Auditing Standards)

The sheriff entered into two contracts during the year without County Commission approval. On February 22, 2010, the sheriff entered into a 12-month contract with CTC Company, Inc., to provide inmate telephone services to the jail including telephone equipment. CTC Company agreed to remit 54 percent of the revenues to the county monthly. This contract renews automatically for up to three terms unless terminated. On April 8, 2010, the sheriff contracted with Swanson Services Corporation to provide inmate commissary services to the jail for three years including software and hardware to account for the commissary operations. Swanson Services Corporation agreed to remit 36 percent of the net sales to the Sheriff's Department monthly. This contract is automatically renewed until written termination. Section 7-51-904, Tennessee Code Annotated, requires County Commission approval for any contracts of this nature.

RECOMMENDATION

All contracts should be entered into in accordance with state statutes.

FINDING 10.05 THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES (Noncompliance Under Government Auditing Standards)

System backups were not regularly stored off-site. Section 10-7-121, Tennessee Code Annotated, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system should be copied to storage media daily, and media more than one week old should be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. Proper system backup procedures were implemented in June 2010, when the office changed to another software vendor.

RECOMMENDATION

Management should ensure backups are rotated off-site on a routine basis.

OTHER FINDING AND RECOMMENDATION

FINDING 10.06 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF SUPERINTENDENT OF ROADS; COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among officials and employees in the Offices of Superintendent of Roads; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Warren County.

ITEM 1. **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAS NOT BEEN ADOPTED**

Warren County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

ITEM 2.

WARREN COUNTY HAS NOT ESTABLISHED AN AUDIT COMMITTEE

Warren County does not have an Audit Committee. Audit committees can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and would be responsible for monitoring management's plans to address various risks. County officials should establish an Audit Committee as a best practice.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

| Federal Agency | Finding Number | Federal CFDA Number | Criteria | Explanation | Amount Questioned |
|--|----------------|---------------------|---|---|-------------------|
| U.S. Department of Justice: Passed-through State Office of Criminal Justice Program: Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories | 10.07 | 16.803 | <u>Circular A-133, Compliance Supplement Part 500 (d) (3)</u> | Noncompliance - See Finding 10.03 - The review of program expenditures by the State Office of Criminal Justice Programs revealed unallowable items. | \$ 1,983 |

WARREN COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2010

There were no audit findings relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs. There was an audit finding relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs.

County Executive – Corrective Action Plan for Current-Year's Findings

FINDINGS 10.03 and 10.07

Contact person: John Pelham, County Executive

Corrective action taken: Warren County, Tennessee, has implemented a corrective action plan in reference to deficiencies disclosed in the monitoring report prepared by the state Office of Criminal Justice Programs for the Edward Byrne Memorial Justice Assistance Grant administered by the Warren County Drug Court. The corrective action plan included reimbursement by Warren County to the State of Tennessee for the following amounts:

- A. Warren County reimbursed the State of Tennessee \$1,025.46 to correct the overpayment of grant funds for salary expenditures.
- B. Warren County reimbursed the State of Tennessee \$78.34 to correct the overpayment of grant funds for telephone expenditures.
- C. Warren County reimbursed the State of Tennessee \$879.76 to correct the overpayment of grant funds for employee benefits and taxes.

Per correspondence dated September 7, 2010, the State of Tennessee, Department of Finance and Administration has reviewed the corrective action plan and determined that the plan adequately addresses the OJCP Monitoring Unit's findings and is in compliance with OCJP grant requirements.

Anticipated completion date: June 30, 2011